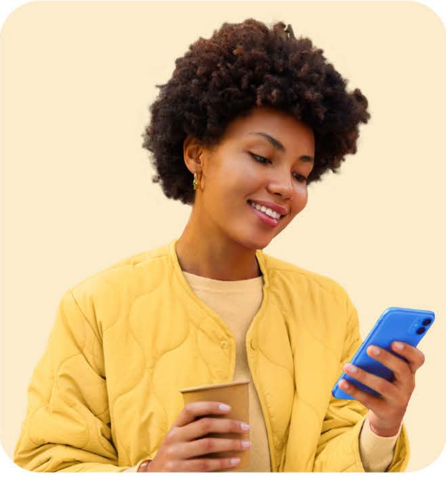
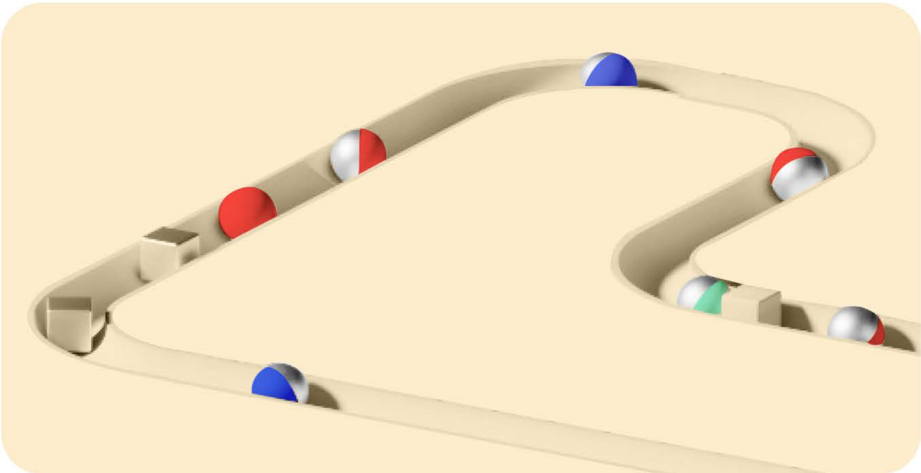
Annual report

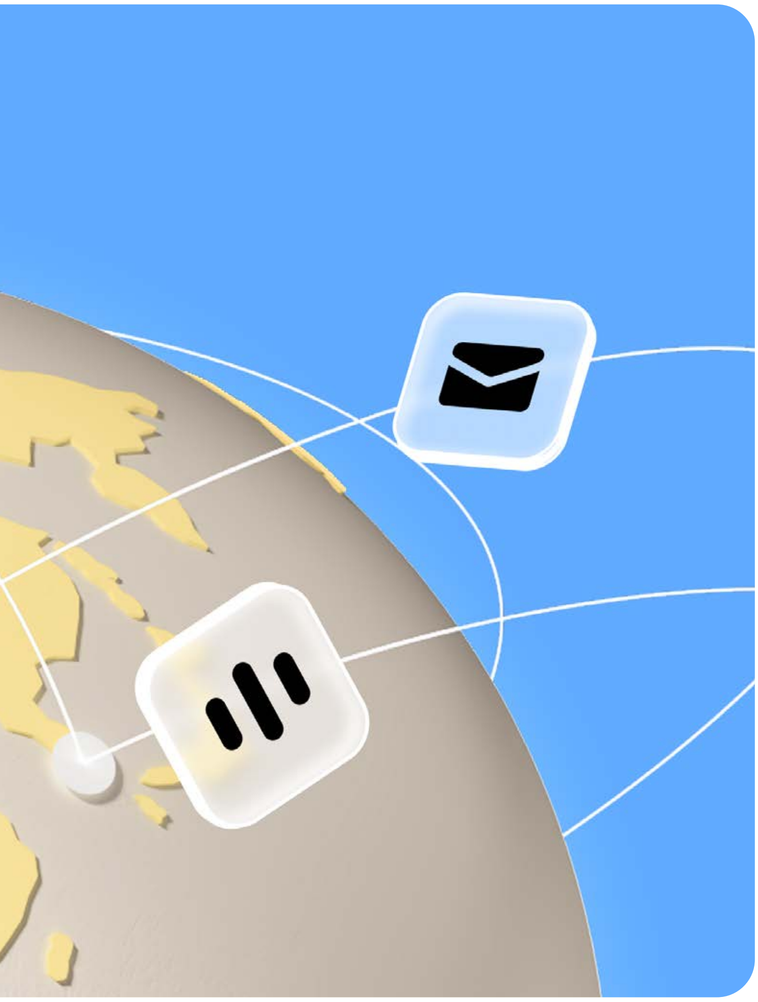




2024

Pioneering the way the world communicates

Sinch develops cloud-based digital tools that enable businesses to connect with their customers through personalized, relevant, and timely communications.

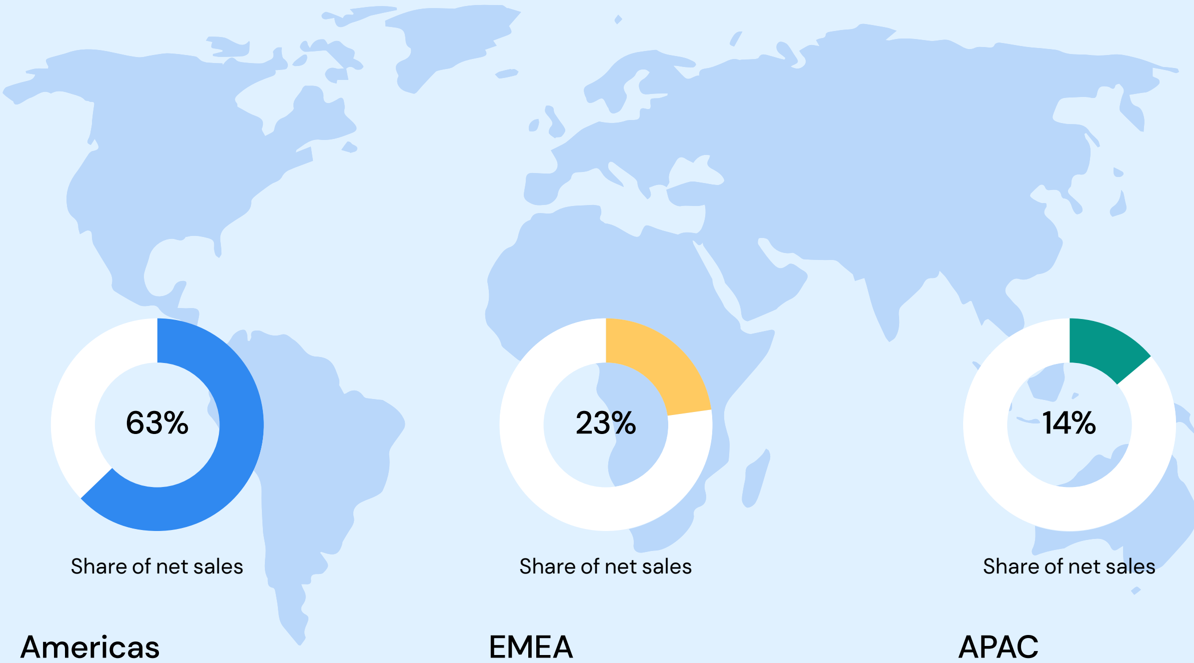


Contents

The audited annual report of Sinch AB (publ) 556747-5495 consists of the management report and the accompanying financial statements on pages 88–122. The statutory sustainability report can be found on pages 56–78 and Deloitte AB have submitted a statement on the fact that a statutory sustainability report in accordance with the requirements of the Annual Accounts Act has been prepared. The annual report and the sustainability report are published in Swedish and English. The official version of the annual report is the Swedish version signed by the board of directors or through the common european electronic format (ESEF). The Annual Report and the ESEF sustainability report are published on www.sinch.com

About Sinch

Sinch is pioneering the way the world communicates. More than 175,000 businesses – including many of the world's largest tech companies – rely on Sinch's Customer Communications Cloud to improve the 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. Learn more at sinch.com.



Americas

Share of total net sales 63%
Share of total gross profit 62%
Share of employees[1] 40%

EMEA

Share of total net sales 23%
Share of total gross profit 22%
Share of employees[1] 31%

APAC

Share of total net sales 14%
Share of total gross profit 16%
Share of employees[1] 29%

SEK 28,712m
net sales

175,000+
customers

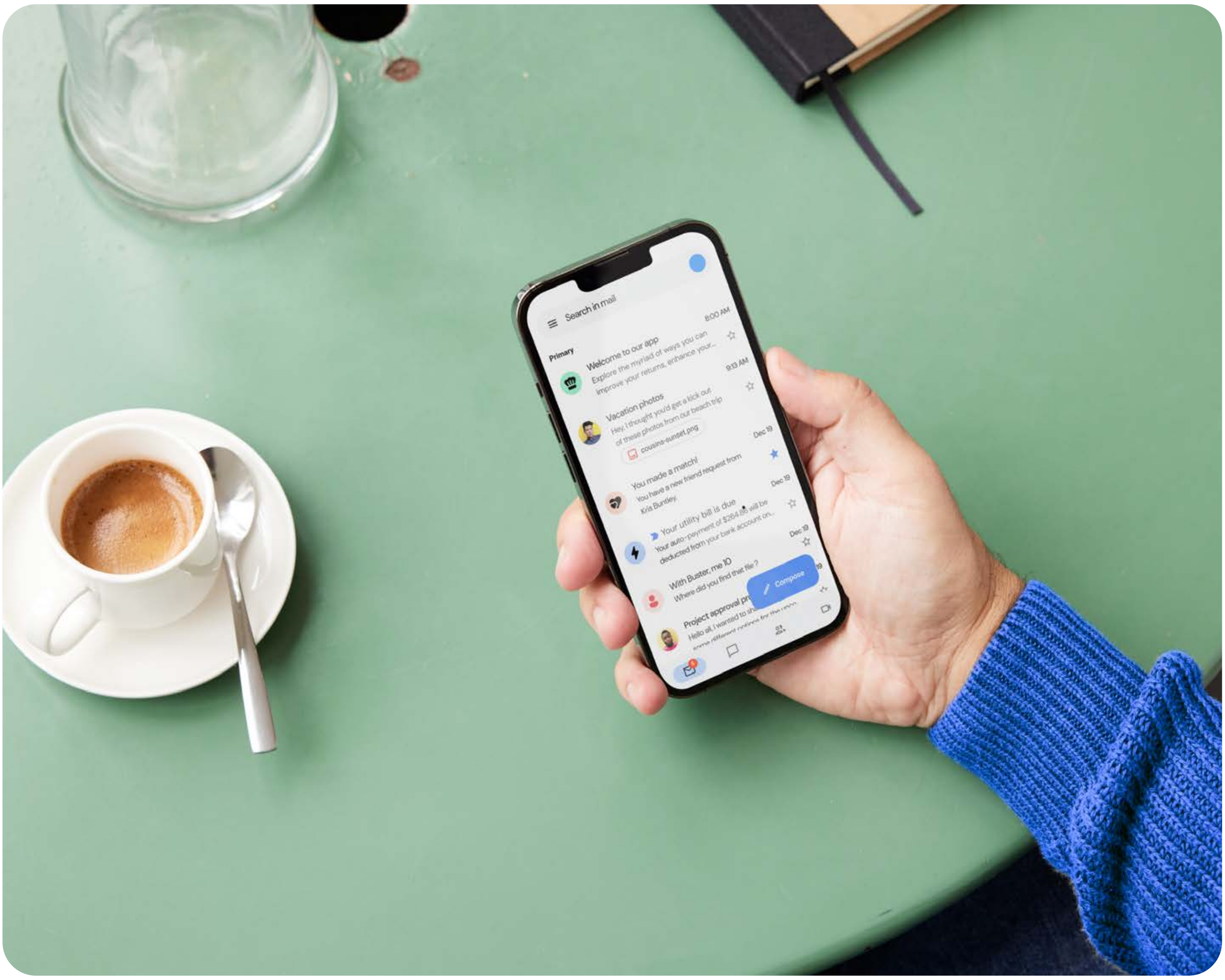
4,077
employees at year-end 2024[1]

SEK 9,685m
gross profit

65
countries with local presence

900+
billion customer interactions per year – messages, voice calls and emails

1) Employees including consultants (FTE) as of December 31, 2024.



Why invest?

Global leader

Sinch is a global leading provider in the vast and expansive market for digital customer communications. This dynamic market is fueled by digital transformation, the development of new advanced messaging services, and the adoption of artficial intelligence (AI). Our Customer Communications Cloud enables businesses to connect with their customers through personalized, relevant, and timely communications.

A differentiated value proposition

Our product portfolio offers unparalleled breadth and depth, simplifying digital customer communications while empowering our customers to adapt seamlessly to evolving demands and technological advancements. Our cloud-based services are delivered using our enterprise-grade infrastructure and direct connections to hundreds of operators globally, ensuring compliance, scale, and flexibility. With a global reach and local presence, we enable our customers to connect with anyone, anywhere, instantly.

Creating long-term value

Since our founding in 2008, Sinch has maintained profitability. We are actively driving industry consolidation and remain committed to achieving profitable, sustainable growth through both organic initiatives and acquisitions. With engaged shareholders and an inclusive company culture, we share a common goal: to lead the market and create long-term value.

Continued focus on growth acceleration

Solid financial performance

In 2024, our revenues in local currencies remained steady compared to the previous year. Our organic gross profit growth was 2 percent, and we reached an adjusted EBITDA margin of 12 percent. Profitability was bolstered by efficiency measures that delivered annual run-rate savings of SEK 352 million—exceeding our initial target of SEK 300 million.

Cash flow from operating activities for the full year totaled SEK 2.9 billion, or SEK 2.4 billion after investments. Our strong cash generation enabled us to reduce net debt by nearly SEK 2 billion, lowering our Net Debt/Adjusted EBITDA ratio from 2.0x in 2023 to 1.5x by year-end 2024.

Overall, it was a solid financial result, and I am particularly pleased with our strong cash generation.

A year of change

While we still have progress to make before reaching our growth ambitions, I remain confident that we are on the right path. Our transformation began with the growth acceleration program and the new operating model introduced on January 1, 2024. This transition moved us from product-focused business units to a regional go-to-market approach, where customers benefit from our full suite of capabilities, supported by a global product and technology organization.

Over the past year, we focused on three key workstreams: go-to-market transformation, product integration, and operational excellence. We also identified and addressed efficiency opportunities, reducing unnecessary overlaps.

This restructuring brought significant changes to responsibilities, teams, and internal structures. It also led to some employees leaving the company. While this transition may have temporarily impacted our sales efficiency, we are now seeing clear improvements as teams settle into their new roles. Positive trends are emerging in customer relationships, sales pipelines, deal closures, product development, and data quality. However, given the scale of our business and the lead times required for deal closures and volume ramp-ups, these improvements have not yet had a substantial impact on growth—but they will.

We also saw a good end of the year when we reached the upper end of our growth guidance range in the fourth quarter, with organic year-on-year revenue growth of 3 percent and organic gross profit growth of 1 percent. The adjusted EBITDA margin was 13 percent, performance in EMEA improved, and we stabilized the Network Connectivity business in North America, where gross profit growth had been negative earlier in the year. Successful supplier negotiations and the ability to pass on remaining price increases played a crucial role in this achievement.

New targets lead the way forward

At our inaugural Capital Markets Day in November, we outlined our strategy to reaccelerate growth, addressing the $85 billion global market for Digital Customer Communications. We identified four key growth levers:

- **Enterprise Expansion**
- **Increase Self-serve**
- **RCS for Business and Email**
- **Partners and Ecosystems**

I am pleased to note that we have already made progress across these areas. RCS for Business is gaining momentum, with multiple agreements signed with mobile operators in Europe and North America, enhancing our reach and enabling businesses to leverage this technology. We continued unifying our product offerings with expanded self-service capabilities, experienced healthy growth in our Email products, and increased our focus on strategic partnerships and third-party ecosystems.

Additionally, we introduced new financial targets: By the end of 2027, we aim for year-on-year organic growth in net sales and gross profit of 7–9 percent, alongside an Adjusted EBITDA margin of 12–14 percent. We also set our first long-and short term sustainability targets, including targets to reach net zero emissions by 2050 in alignment with the Science Based Targets initiative (SBTi).

Looking ahead to 2025, our focus is on accelerating growth and delivering towards our new targets. While much work remains, I am encouraged by the momentum across the company. As always, execution will drive results.

Finally, I would like to take this opportunity to thank all Sinchers around the world who have delivered solid results during times of change and supported each other and our customers every day. I would also like to extend my thanks to our customers for their trust and to our shareholders for their support and engagement in Sinch.

Stockholm, April 2025

Laurinda Pang
CEO

Our focus is on accelarating growth and delivering towards our new targets. By embracing our core values, Sinchers turn ambition into action. *Dream big, Win Together, Keep it Simple, Make it Happen!*

Laurinda Pang
CEO

The year in brief

SEK 28,712m
Net sales

0%
Compared to 2023

SEK 9,685m
Gross profit

+2%
Compared to 2023

SEK 3,586m
Adjusted EBITDA[1]

–1%
Compared to 2023

SEK 2,665m
EBITDA

–13%
Compared to 2023

SEK 2,355m
Cash flow from operating activities after investments

+103%
Compared to 2023

SEK 2.79
Cash flow from operating activities after investments per share

+13%
Compared to 2023

7,475 tCO_2e
Scope 1 and 2 emissions

–6%
Compared to 2023

1) Adjusted EBITDA is an Alternative Performance Measure (APM) that is reported to clarify performance in underlying operations. See Definitions on pages 128–130 and Note 4 for more information.

First quarter

- The new operating model, organization, and global leadership team became operational on January 1, 2024.
- Juniper Research named Sinch as a CPaaS market leader in Competitor Leaderboard 2024.
- Sinch was recognized as the 2024 Adobe Digital Experience ISV Resell Partner of the Year.
- Julia Fraser, Executive Vice President Americas, Wendy Johnstone, Executive Vice President APAC, and Ilse van der Haar, Chief Legal Officer, were appointed as new members of Sinch's global leadership team.

Second 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.
- Johan Stuart stepped down from the board of directors for personal reasons. Lena Almefelt and Mattias Stenberg were appointed as new board directors.
- Sinch was recognized as a 2024 Gartner Magic Quadrant Leader for CPaaS.

Third 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.

Fourth quarter

- Sinch informed the market about new financial targets.
- Sinch set its first long-term sustainability target by committing to achieving net zero emissions by 2050, in alignment with the Science Based Targets initiative (SBTi).
- Sinch arranged its first Capital Markets Day. About 60 participants attended the event on site in Stockholm and hundreds joined the live webcast.
- Juniper Research named Sinch an RCS Business Messaging Leader and Sinch announced it had sent more than 1 billion such messages in 2024.

- After the end of the year, Sinch announced that Jonas Dahlberg will succeed Roshan Saldanha as Sinch CFO, that Robert Gerstmann will be acting CPO after Sean O'Neal, and that Thomas Heath will leave Sinch.

Financial and sustainability targets

Long-term value creation

The Sinch board of directors measures long-term value creation through assessment of free cash flow per share. Sinch's long-term sustainability target is to reach net-zero emissions by 2050, in line with the Science Based Targets initiative (SBTi) and the goal of limiting global temperature rise to a maximum of 1.5°C, in accordance with the Paris Agreement.

Mid-term financial targets

By the end of 2027, and with 2026 as base, Sinch targets to reach:		Result 2024
Organic growth in net sales and gross profit of 7–9 percent year-on-year.	Growth in organic net sales compared to 2023	+1%
	Growth in organic gross profit compared to 2023	+2%
Adjusted EBITDA margin of 12–14 percent.	Adjusted EBITDA margin	12%

The organic growth rate targets reflect an ambition to grow faster than the market in each product category.

Sustainability targets

		Result 2024
Net zero emissions (Scope 1, 2 and 3) by 2050.	Total tCO_2 emissions	197,026
	Total reduction tCO_2 emissions compared to 2023	-6.7%

Capital allocation

Sinch is a profitable and cash flow-generating business. Surplus cash generated from the business will be used to reduce debt, finance future acquisitions, and return cash to shareholders in Sinch.

Financial leverage policy

		Result 2024
Net debt over time shall be below 2.5 times Adjusted EBITDA (measured on a rolling twelve-month basis).	Net debt/adjusted EBITDA	1.5x

"Over time" means that the company's debt is permitted to temporarily exceed 2.5 times Adjusted EBITDA during a period immediately after a business combination.

The financial leverage policy underscores Sinch's commitment to maintaining a strong financial position and supports the company's long-term financing strategy.

Strategy for value creation

Sinch develops cloud-based digital tools that enable businesses to connect with their customers through personalized, relevant, and timely communications. Our ambition is to pioneer the way the world communicates and to be a consolidating force in our industry.

Our levers for value creation

1. Organic growth

Organic growth is a cornerstone of our value creation and a key objective both for our three regions and the product organization. Our intention is to outpace the market growth by focusing on four specific areas:

- **Enterprise expansion**

This initiative focuses on growing our revenue from large customers that have a significant demand for digital customer communications. The goals are to win new customers that benefit from our scale and global presence and grow the share of spend from existing customers. This is achieved through a deeper customer understanding and by combining several products from our portfolio.

- **Increase self-serve**

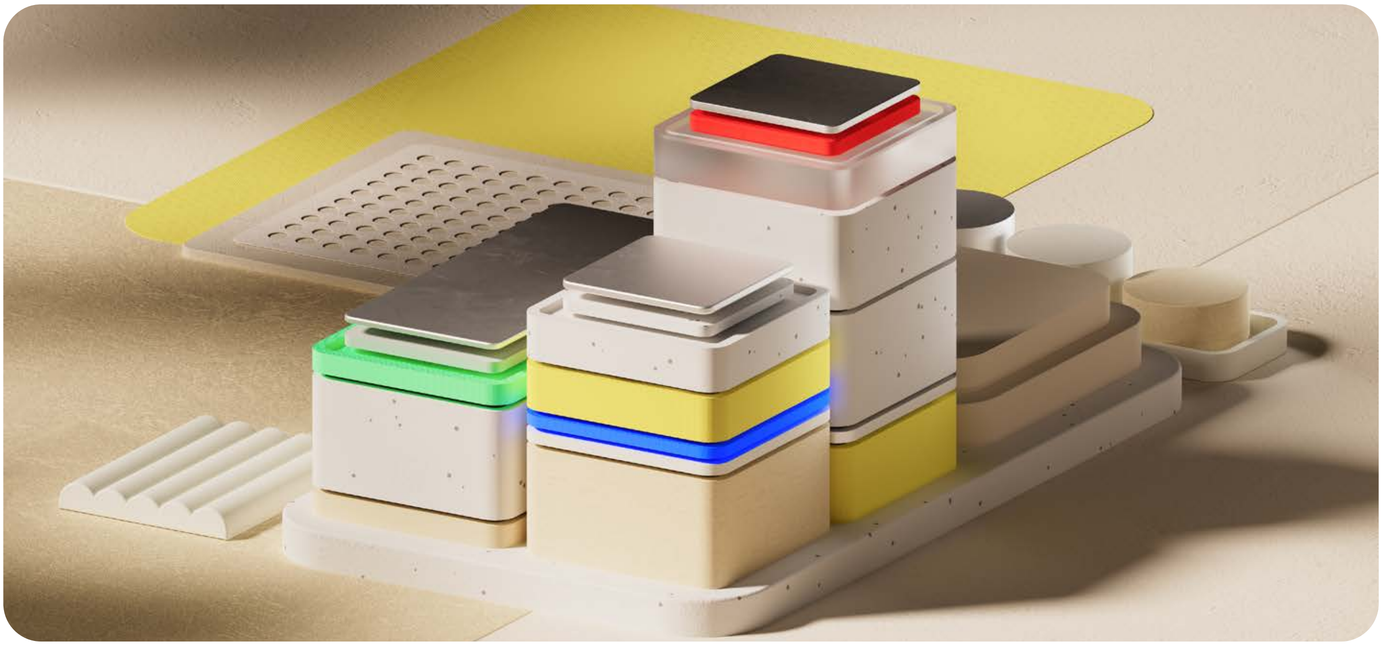
The self-serve segment of our business is typically smaller companies that use our applications to communicate with their customers. This is a segment that shows high overall growth rates thanks to increased digitalization and new content features. From Sinch's point of view, the segment also offers high potential for automation and economies of scale in service delivery.

- **RCS for Business and email**

The commercial messaging industry is currently undergoing significant development with the wider expansion of Rich Communication Services (RCS) messages for Business. Compared to standard SMS, RCS messages enable business to deliver a branded and significantly enhanced experience including two-way communication. Sinch is uniquely well positioned to benefit from the RCS transformation, having all the infrastructure and relationships required for transmitting RCS messages. We also see increased potential for growth in email as a complement to messaging. Our email products offer best-in-class deliverability and will be introduced in all our larger markets.

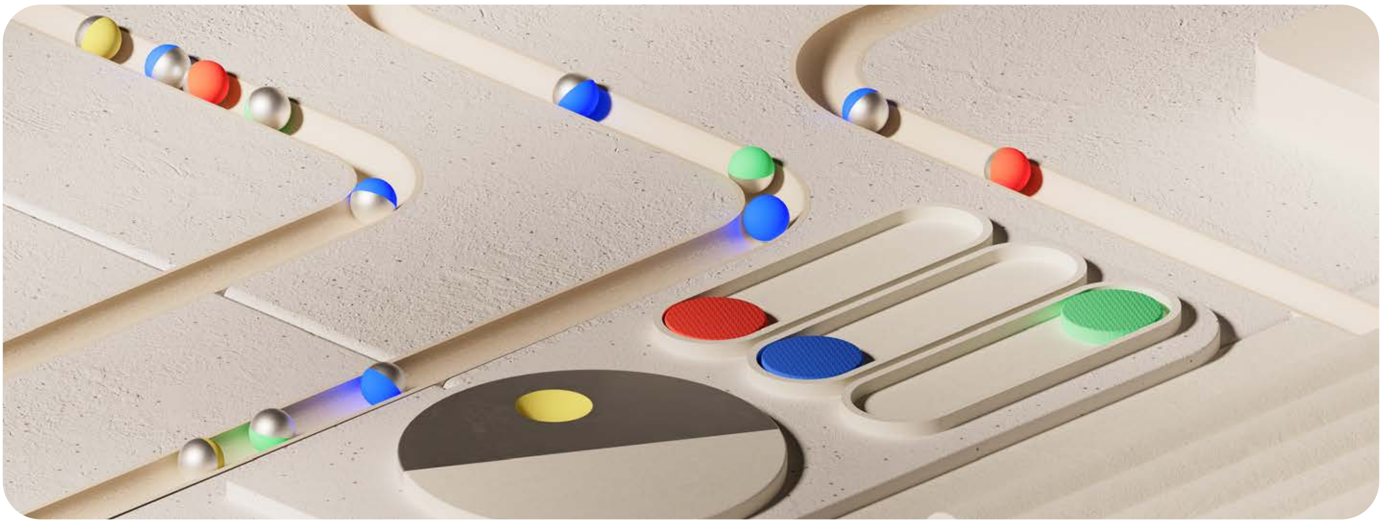
- **Partners and ecosystems**

About 20 percent of our solutions are sold through resellers, partners, or as part of an ecosystem, such as a CRM software provider or an e-commerce platform. An estimated 45 percent of the global market for Sinch's products goes through these indirect channels. By increasing our exposure and services to relevant providers we see significant potential in increasing our share of sales to these customers.



2. EBITDA margin expansion

We expect our margin expansion to come from three key sources. First, there is a contribution from incremental growth at high margins, commercial discipline, and product mix, as well as increased operational efficiency. The operational efficiency impact originates from all key items on the income statement. This includes the cost of services sold, which is mainly costs paid to operators and for hosting. Here we see an opportunity to improve efficiency through automation, AI, and improved support systems. Research and development show potential for increased efficiency thanks to the new go-to-market model that increasingly promotes synergies across the company. On the general and administrative costs side, we are continuously reviewing the office footprint and evaluating using lower-cost locations for administrative and repetitive tasks.



3. Active capital allocation

Our capital allocation policy sets our priorities for using cash generated by the business. Our first priority is to have a strong balance sheet that acts as a solid base for the business and enables us to develop and seize opportunities in the market. During the last three years, Sinch has reduced the net debt to Adjusted EBITDA ratio from a peak of 3.4 to 1.5 at the end of 2024 by paying back more than SEK 4bn. This is below the target for net debt to Adjusted EBITDA ratio of 2.5 which puts us in the favorable position to once again be able to consider accretive acquisitions, which is our second priority for use of cash.

Sinch operates in a fragmented landscape within the cloud communications space, and we see several opportunities for non-organic growth. Acquisitions are aimed both at consolidating our position as well as expanding our product portfolio. This may involve both minor complementary product acquisitions and larger established businesses. Our key investment criteria are: strong market position, proven product, sticky customer relationships, financially accretive acquisition, and strong cultural fit to the rest of Sinch. These all add to our key KPIs of profitability, growth, and cash flow.

For acquisitions where we consolidate our position, we achieve significant synergies by migrating existing customers and suppliers to our common, global technology platform for messaging and voice calls. The same applies to our web-based software which is typically used by small and medium-sized businesses (SMB). For this business, we can distribute fixed costs across higher transaction volumes and achieve higher levels of service with competitive pricing and improved profitability. For the customers, this brings higher quality in deliverables and the opportunity to access Sinch's wider product portfolio and global network.

Completing an acquisition is a team effort and we have a dedicated team that reviews opportunities and completes transactions. We involve stakeholders from different parts of Sinch, including some of our founders and the board of directors, who all play an active role in the process.

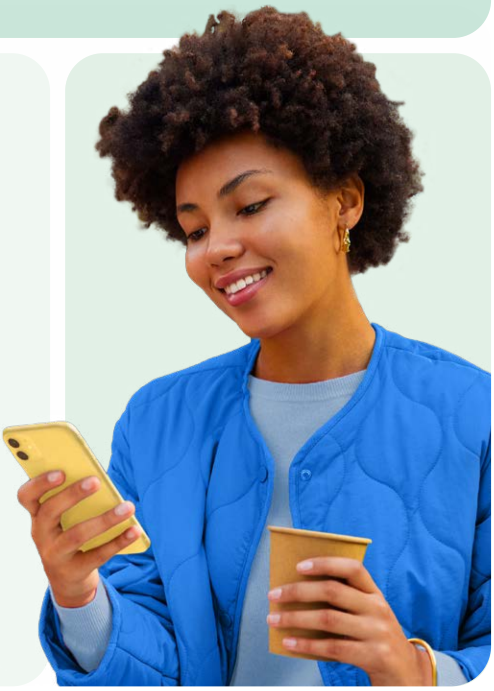
Our third priority for use of cash is to return cash to shareholders provided the balance sheet is in good order and there are no imminent acquisition opportunities that meet our investment criteria.

Solving real-world communication challenges

At Sinch, we are redefining digital customer communications by transforming the way businesses connect with their customers. We believe a great customer experience is built on countless small yet purposeful interactions between businesses and their audiences – ensuring every touchpoint is personalized, timely, and relevant. In today's landscape, where privacy, security, and scalability demands continue to rise, Sinch's cloud services empower businesses to turn interactions into real connections, keeping their customers engaged, informed, safe, and happy. Our platform not only strengthens customer relationships but also delivers a measurable impact on key performance outcomes across messaging, email, and voice.

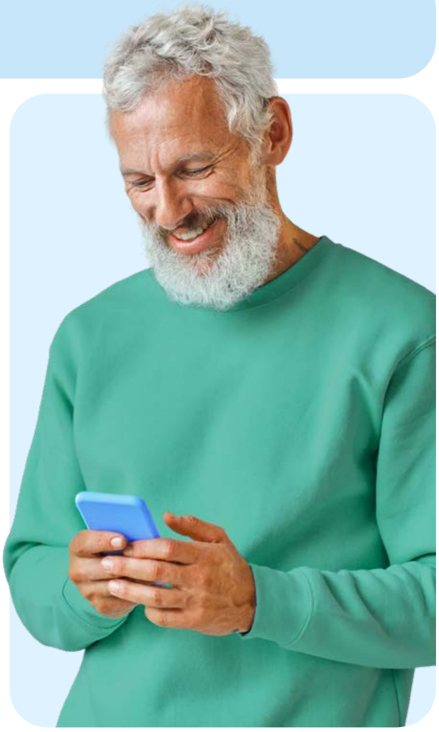
Engaged

Marketing campaigns



Informed

Customer updates



Keeping customers engaged

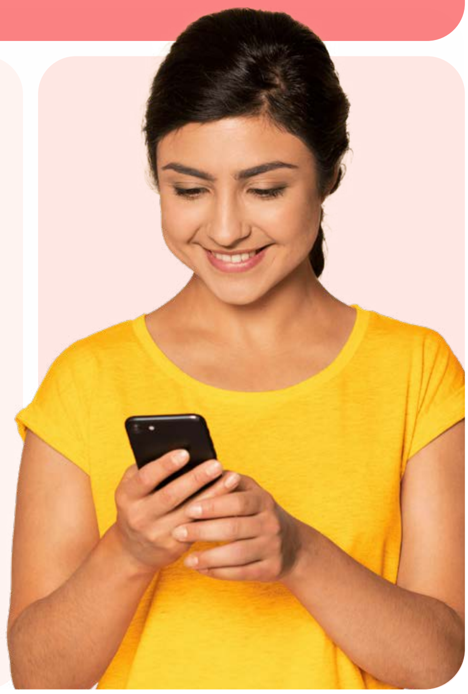
Effective customer engagement starts with creating compelling marketing campaigns that capture attention and inspire action. Businesses rely on Sinch's advanced digital communications technology and services to build personalized, targeted communications that foster deeper connections with their audience. By integrating messaging channels such as SMS, RCS, and email into outbound marketing strategies, businesses can deliver messages that drive conversions and ultimately lead to increased sales. SMS and RCS offer unparalleled reach and instant attention, while email remains a high-ROI channel for cost-effective customer engagement at scale. Sinch's platform integrates seamlessly with leading marketing platforms like Salesforce, Adobe, and HubSpot, giving businesses the flexibility to enhance their efforts and engage customers on their preferred channels, at the right point in time.

Keeping customers informed

In today's fast-paced world, timely and relevant customer updates are essential to operational efficiency and a world-class customer experience. Whether it's a delivery update, an appointment reminder, or an account alert, businesses must ensure customers receive critical information at precisely the right moment. Sinch helps businesses streamline this process, ensuring every customer receives the right information at the right time. From simple SMS alerts to more sophisticated multi-channel outreach, we provide businesses with the ability to reach customers in the most effective way possible. Moreover, we are seeing consumer expectations shift with the rise of advanced messaging technologies such as RCS, where simple notifications turn into interactive conversations. These communications reduce friction and enhance overall customer satisfaction.

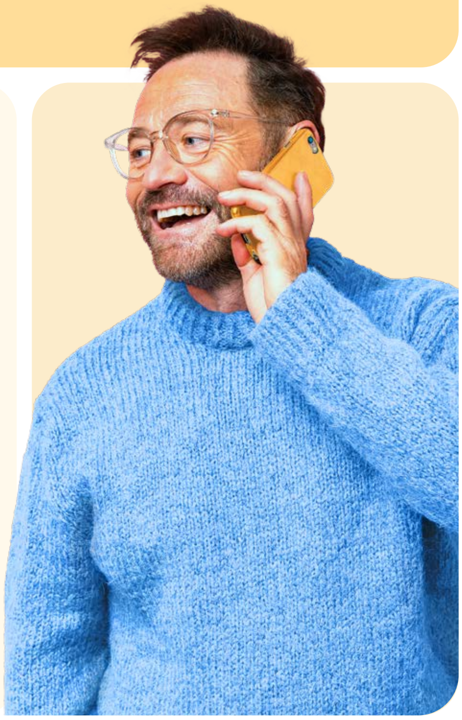
Safe

Identity and verification



Happy

Customer service



Keeping customers safe

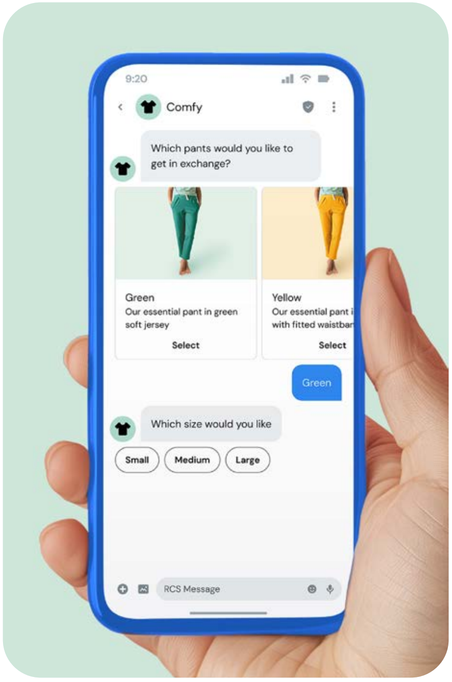
Security and trust are foundational to customer relationships. As digital fraud and data breaches become more prevalent, businesses must adopt proactive and seamless approaches to safeguard customers. Sinch's identity and verification solutions – such as one-time passwords (OTPs), multi-factor authentication (MFA), and advanced data verification APIs – help businesses protect sensitive data and secure customer transactions without adding friction to the user experience. Our AI-powered fraud detection capabilities provide an additional layer of defense by identifying threats before they impact customers. Read more on page 28. By integrating these security measures into their workflows, businesses reduce risk, enhance trust, and ensure secure, reliable customer experiences at scale.

Keeping customers happy

Providing personalized presales and postsales service is crucial for fostering loyalty, especially when things don't go as planned. Whether it's rebooking a flight, providing updates on a delayed package, or resolving a product issue, Sinch's voice, messaging, and email solutions ensure businesses deliver efficient and effective support. RCS, in particular, is emerging as a powerful channel for customer service, enabling interactive, rich media conversations that streamline problem resolution and boost satisfaction – one of the reasons we anticipate continued growth in this category. Our solutions integrate seamlessly with third-party cloud-based contact centers and AI-powered chatbots handle routine inquiries, saving time and reducing costs. By streamlining customer service efforts, Sinch empowers businesses to deliver exceptional experiences and build long-term, loyal customer relationships.

Serving a diverse customer base across the globe

Sinch's Customer Communications Cloud supports over 175,000 customers across the globe ranging from the world's largest and most demanding enterprises to small businesses and individual developers.



Sinch addresses a diverse customer base with varying customer needs, use cases, and levels of technical maturity. But all customers share a common goal: placing customer experience at the heart of their strategy. To help businesses of all sizes achieve this, Sinch provides best-in-class network connectivity, robust API, and turnkey applications across every communication channel including messaging, email, voice, and emerging communication channels. Today's reality is that consumers expect to be able to communicate through their preferred channels, and businesses must provide multiple options to deliver a positive customer experience. Sinch plays a central role in the digital customer communications value chain, enabling operators, partners, and businesses to meet consumer expectations through scalable and secure multi-channel experiences.

Operators

Sinch has cultivated deep relationships with telecom operators worldwide, as well as emerging communication providers such as Meta (WhatsApp, Facebook Messenger, Instagram), Google (RCS), and Apple (Apple Messages for Business), who serve both as suppliers and customers for Sinch. Our mutually beneficial partnerships with operators focus on delivering services such as A2P (Application-to-Person) messaging, voice services, rich communication services (RCS), fraud prevention, IoT connectivity, and white-labeled CPaaS solutions. We help operators monetize underused assets like SMS and voice networks for A2P communication. Our voice network is the largest directly connected IP network in North America, serving major providers like Verizon, T-Mobile, and AT&T. We also offer fraud detection tools to safeguard networks against spam and unauthorized traffic, ensuring revenue protection and building customer trust. These solutions create new revenue opportunities, expand global reach, improve network utilization, and support operators in adapting to policy changes, pricing updates, and enhanced security requirements. By partnering with Sinch, operators can focus on their core operations while leveraging our expertise to optimize their business and meet evolving regulatory and technological demands. This collaboration drives efficiency, fosters innovation, and delivers profitability for both Sinch and operators in today's dynamic digital communication landscape.

Businesses

Sinch's direct sales motion consists of selling to businesses that serve both consumers and other businesses across industries like finance, retail, healthcare, and technology – ranging from large enterprises to small businesses. These businesses use Sinch's cloud communications platform to streamline their customer engagement strategies and access our products via our API platform, our turnkey applications, and our suite of integrations where Sinch products are natively integrated into a platform or accessible via app marketplaces.

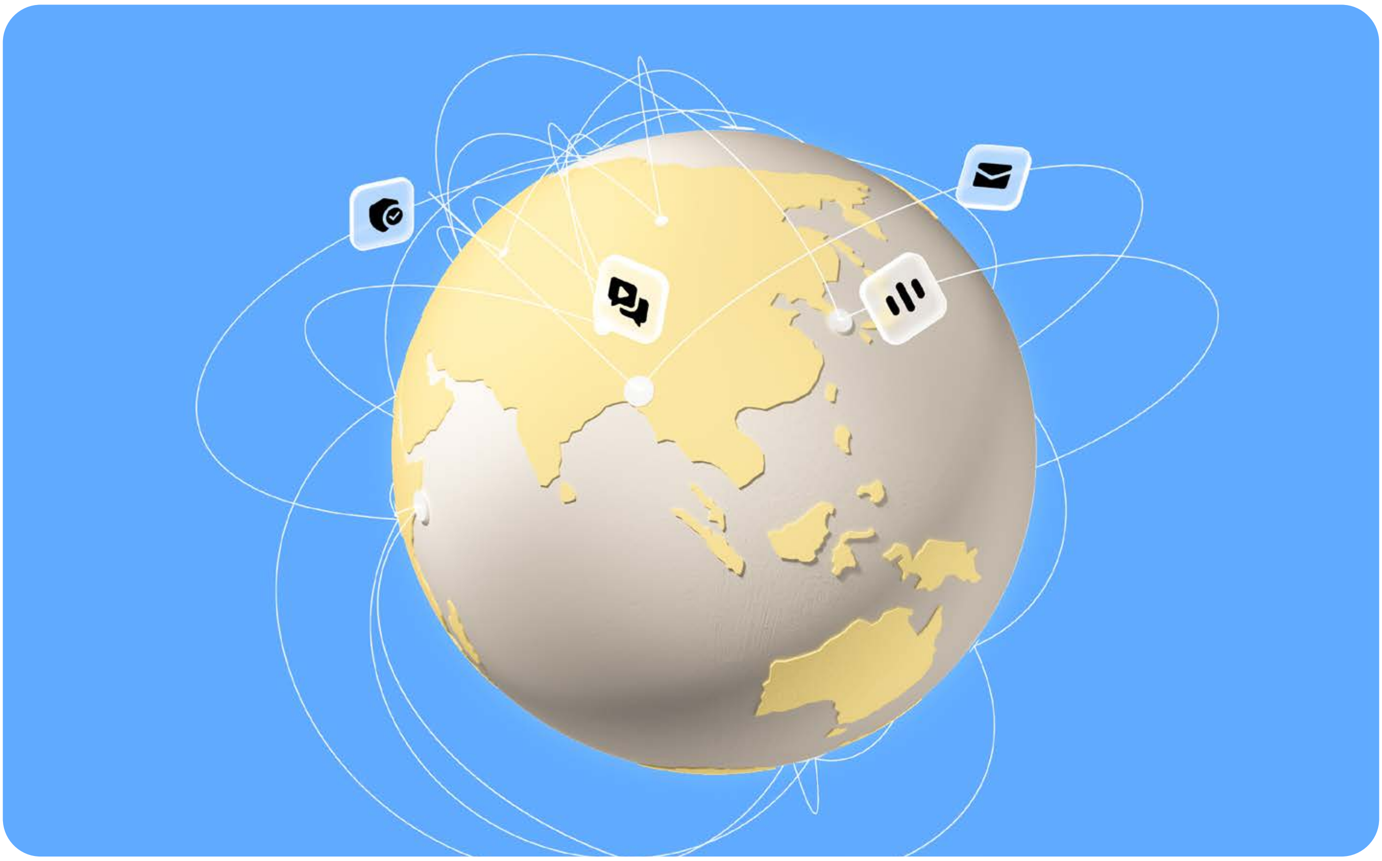
Depending on the size, maturity, and use case, businesses take advantage of our self-serve motion or partner with our global sales team for expert guidance. Our solutions power key use cases such as marketing campaigns, customer updates, identity and verification management, and customer service, helping businesses deliver personalized, timely, and relevant experiences that drive growth. By supporting multi-channel communication – including SMS, email, voice, and emerging platforms like WhatsApp and RCS – Sinch ensures businesses can meet customers wherever they are and elevate the customer experience.

Partners

In addition to serving businesses directly, Sinch has built a robust indirect go-to-market strategy via technology partners, resellers, and system integrators. Large technology platforms like Salesforce, Adobe, and SAP rely on Sinch's digital customer communications solutions to power their own applications, enabling their R&D teams to concentrate on core technology development while embedding best-in-class and consistent global communications in their offering. These partnerships offer businesses easy access to Sinch's solutions, allowing them to integrate communications seamlessly into their existing workflows.

Sinch also works with specialized resellers who cater to specific industries or geographies, delivering tailored solutions that meet unique market needs. For example, restaurant reservation platforms leverage Sinch to send reservation confirmations and reminders via SMS or email which eliminates the need for restaurants to integrate to our platform themselves. By partnering with resellers, we extend our reach to businesses that prefer a turnkey solution.

For large enterprises, system integrators provide hands-on support to implement Sinch's solutions into complex, multi-channel ecosystems. This approach enables organizations to embed seamless communication solutions into their broader business operations, ensuring scalability and consistent customer experiences at every touchpoint.



Product offering

We make it easy to manage the complexities of digital customer communications, enabling businesses to reach and engage customers on their own terms. Our robust and scalable Customer Communications Cloud offers a broad range of messaging, email, and voice solutions, powering more than 900 billion interactions each year.

Built upon our enterprise-grade infrastructure and enhanced by AI-driven capabilities, the Customer Communications Cloud comprises three core components: API Platform, Applications, and Network Connectivity. API platform and Applications – designed for businesses and technical teams – contribute 79 percent of our gross profit, benefiting from digital transformation, advanced messaging adoption, and AI innovations. Meanwhile, Network Connectivity, primarily serving telecom operators, represents 21 percent of our gross profit and is managed with focus on profitability and cash generation with flat or slightly negative revenue growth.

Sinch's enterprise-grade infrastructure powers more than 900 billion interactions yearly. By maintaining direct control of the entire value chain across voice, messaging, and email, we eliminate unnecessary middlemen and ensure superior quality, while meeting stringent security and compliance requirements.

Sinch operates its own voice network delivering 95 percent on-net coverage in the U.S. and 37 percent greater number coverage than any other provider. Our messaging Super Network directly connects to more than 600 telecom operators worldwide, eliminating costly middlemen and ensuring the highest quality. In email, direct relationships with major providers yield an industry-leading 98 percent deliverability rate, which should be compared to the industry average of 83 percent, and offers peace of mind as regulations around privacy and data sovereignty continue to evolve.

Applications

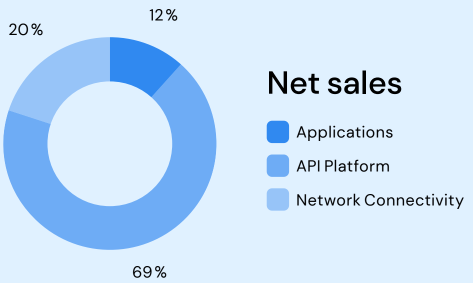
While API platform targets technical buyers, our Applications suite is built for business users such as marketing and customer success teams. This broadens Sinch's addressable market and eliminates the customers' need for in-house or third-party developers. We offer four core applications: Mailjet for email marketing; Engage, SimpleTexting, and ClickSend for messaging solutions; Contact Pro for cloud-based, omnichannel contact centers; and Chatlayer for chatbot conversational AI. These tools serve businesses of all sizes. Small to mid-sized businesses and departmental enterprise use cases rely on Mailjet and Engage to create engaging, professional campaigns via email. Mid-sized and larger enterprises can deploy Contact Pro for comprehensive customer support, including preconfigured integrations to SAP products. Chatlayer, Sinch's multi lingual conversational AI platform, automates inbound inquiries, cutting response times and costs while enabling two-way, conversational marketing.

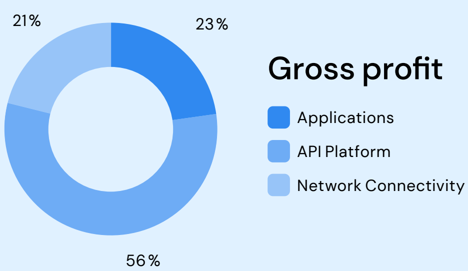
API Platform

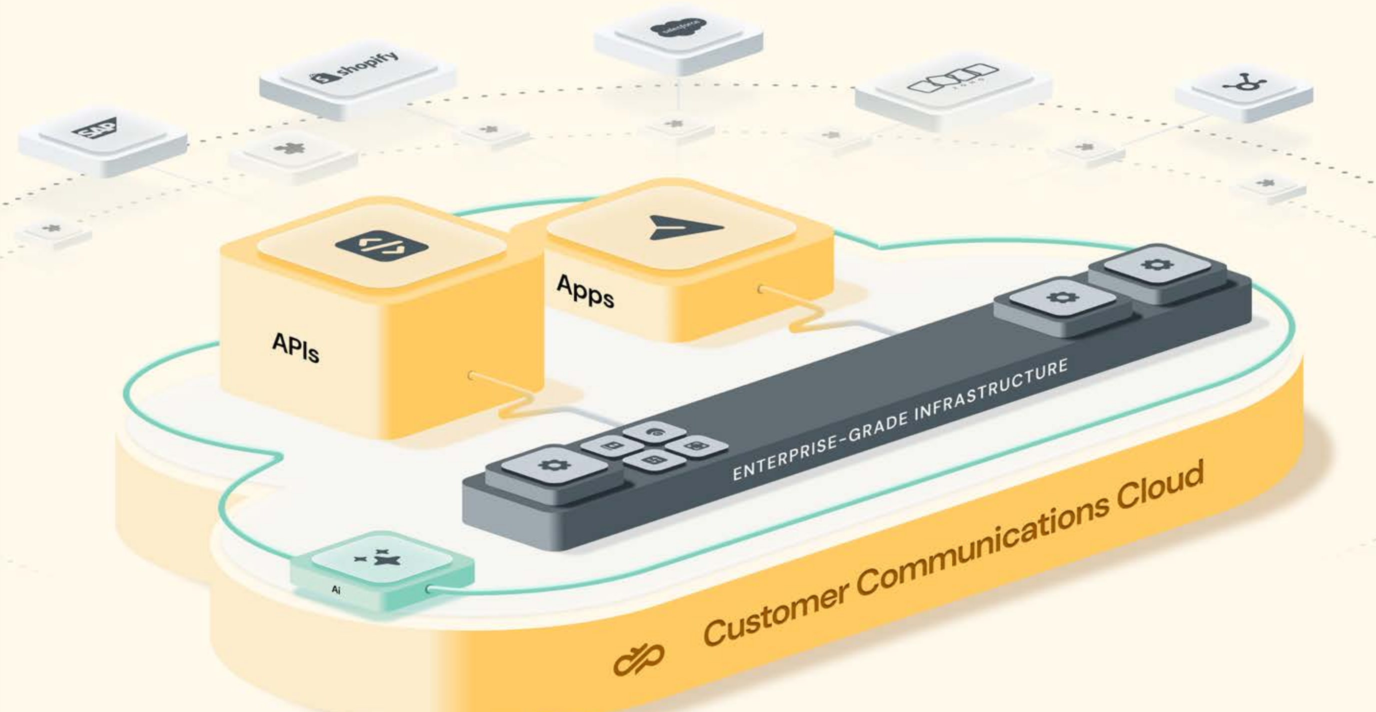
Sinch's API Platform provides technical teams on-demand access to messaging, email, voice, and verification APIs - without costly infrastructure investments. An API (Application Programming Interface) makes these capabilities easily accessible via code, allowing seamless integration into existing workflows.

Beyond the aforementioned core APIs, Sinch offers complementary management APIs for phone number provisioning, product analytics, and programmatic pricing, along with built-in connectors to major cloud solutions like Salesforce, Oracle, Adobe, Zoom, and Microsoft Teams.

Many of the world's largest companies choose Sinch for our commitment to quality, reliability, and compliance. To further enhance the developer experience, we've expanded self-service capabilities so developers can sign up online and start using our APIs in minutes. Single sign-on (SSO) allows seamless transitions between Sinch's messaging and email services, while prebuilt integrations offer additional flexibility. Ongoing investments in integrations and self-service will deepen our position as a trusted partner for scalable, multi-channel communications.







Robust APIs

- Messaging
- Email
- Voice
- Verification

Turnkey applications

- Messaging platform
- Email platform
- Chatbot builder
- Contact center

Enterprise-grade infrastructure

- Direct control of value chain
- Scale and flexibility
- Security and compliance

Network Connectivity

In addition to business-facing products, Sinch offers a complete range of services and software for telecom operators and communication service providers (CSPs) to connect directly to our global network. Operators can manage off-network voice and messaging traffic through either direct peering agreements or third-party hubs, reducing network complexity.

In North America, Sinch operates the largest independent voice network, carrying around 250 billion voice minutes annually and powering U.S. 911 emergency calling. These are key differentiators in mission-critical communications.

Sinch also provides fraud prevention tools, A2P monetization, 5G readiness, and policy and analytics solutions that help operators build trust, grow revenue, and address evolving compliance demands.

AI investments

Sinch invests heavily, and responsibly, in AI across our product portfolio. AI dramatically improves productivity by increasing speed, enhancing quality, and boosting scalability. Our solutions already leverage AI in every product category - Network Connectivity, API Platform, and Applications.

For marketing campaigns, AI-based copy generators produce more accurate, consistent email content and encourage ongoing optimization. In customer service, Smart Conversations AI filters offensive remarks, performs real-time sentiment analysis, and helps financial institutions support agents. We also use machine learning to combat artificially inflated traffic (AIT), preventing fraud in verification services. Sinch's centralized GenAI team and AI Center of Excellence ensure safe, effective AI adoption, with continued investments planned to meet evolving global needs.

Market leadership

Sinch operates in the global market for digital customer communication that connects businesses with their customers in a relevant, efficient, and timely manner. The global addressable market for Sinch is estimated at $85bn and is expected to grow by 8–9 percent annually over the next five years. The services include marketing campaigns, customer updates, identity and verification management, and customer service.

The market for digital customer communications

Sinch offers businesses a way to communicate with their customers, on a one-to-one basis, through communication channels like mobile messaging, voice calling, or email. The products are cloud-based and offered as a service, which means that businesses can pay for actual communication consumed without high upfront investments in software or infrastructure.

Developers can use the communication API to integrate SMS, MMS, RCS for Business, WhatsApp, video conferencing, email, interactive voice response (IVR), and other real-time messaging solutions into their software without building or managing any complex backend infrastructure or hardware. Most market participants also provide various applications for customers to communicate with their customers through software. These customers have very low start-up time and can set up an account and start communicating virtually instantaneously.

The business model is primarily transactional in the sense that revenue is a function of volume of communication consumed by a business. However, there is also an increasing share of subscription-based invoicing as the scope of digital customer communications becomes relevant in adjacent software domains such as marketing automation (CRM), contact centers, and digital security.

The largest constituents of the market are SMS messaging, voice calling, and email, simply because these are the most used forms of digital communications by businesses. Sinch also provides interconnect services for voice calling within the Network Connectivity business and operates the largest independent voice network in North America.

Our market overlaps with the market for CPaaS (Communications-Platform-as-a-Service), which Gartner describe as a "a cloud-based platform used by developers, IT teams, and other non-technical business roles to build an array of communication-related capabilities." Since Sinch's offering also includes certain non as-a-service components such as network connectivity we refer to our addressable market as the market for digital customer communication.

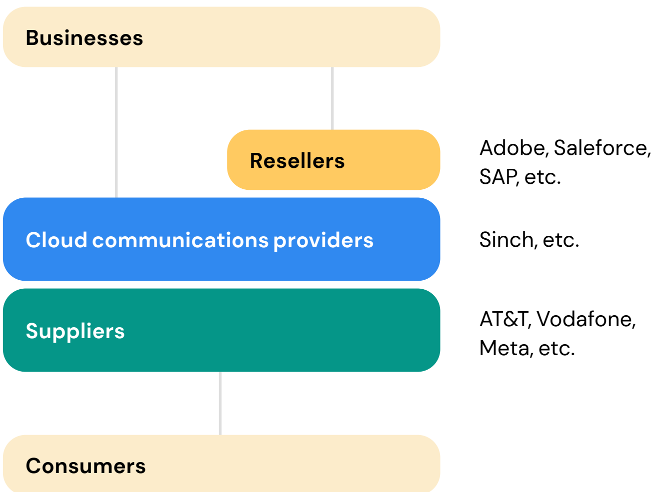
The impact of AI

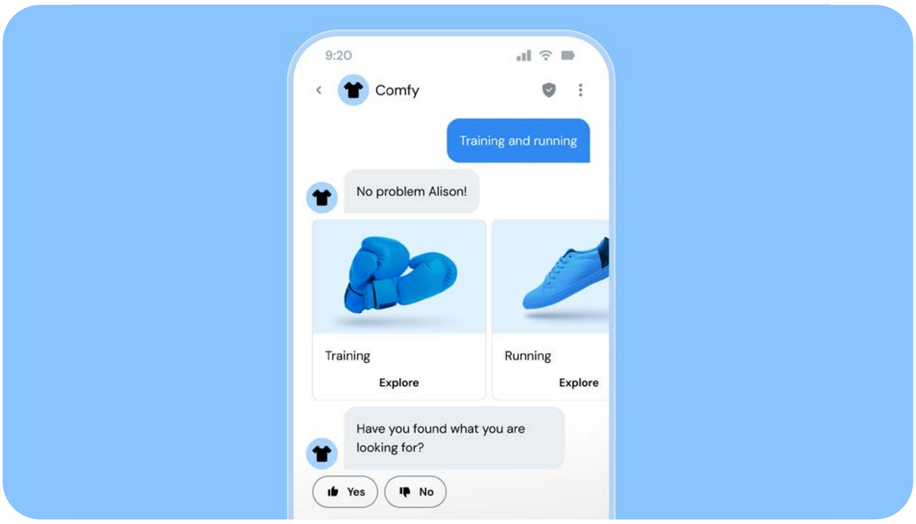
Facilitating hundreds of billions of customer interactions globally is complex. Predictive AI models analyze communication patterns over time, protect against spam and fraud, and help comply with local regulations. With the advancements in generative AI, customers expect smart interactions, such as crafting email deliverability rules with a personal assistant or translating their legacy IVR workflows into omnichannel bots with a few prompts. Agentic AI may be even more transformational with products increasingly being discovered and consumed by agents rather than people. User Experience is evolving to provide a compelling experience for agents. Also, rapid adoption of AI exponentially increases the volume of conversations across channels which naturally grows the need for global, reliable digital communication providers like Sinch.

The value chain

Players like Sinch that operate within the global market for digital customer communications assist businesses to communicate with their customers. In order to reach the end customer, we rely on suppliers to transmit the communication content. The largest category of suppliers are the telecom operators. The supplier category also includes alternative ecosystems, such as messaging apps like WhatsApp operated by Meta. The suppliers charge a fee to terminate the traffic, and these fees are essentially the cost of services sold for Sinch and our peers.

In addition to servicing businesses directly, we also have a significant indirect go-to-market channel where we help and serve businesses through resellers and intermediaries. We estimate that about 45 percent of the total market for digital consumer communications goes through this indirect channel. These can be large tech platforms like the world's leading CRM companies or marketing software developers as well as more niched service providers catering for a specific need. These resellers provide digital customer communication to business as part of a wider set of services, and Sinch powers these software vendors who serve businesses.





Cloud communications providers like Sinch, in aggregate capture around $16bn of the total $85bn market spend on digital customer communications. Our resellers capture an additional $12bn and our suppliers a full $57bn. The large market share captured by the suppliers explains the significance of the cost of services sold on the income statement.

Growth drivers

Growth of the digital customer communications market is ultimately driven by business to consumer activity. The overall market is expected to grow by 8-9 percent over the next five years to reach a total value of about $130bn by 2029. The key growth segment is outbound marketing campaigns and customer service with growth above the overall market. Growth is also expected in utility messaging and verification, but at a lower rate. Specific growth drivers in the coming five-year period include:

- Spend by large enterprises due to increased demand for omni-channel and conversational interaction
- Demand for consumer communication for mid-market and small enterprises
- Enhanced messaging quality through Rich Communication Service (RCS) for Business standard

Consumers are increasingly expecting businesses to have timely, relevant, and responsive communication. The development of Rich Communication Service (RSC) for Business standards provides significant additional features in terms of message quality as well as real-time communication, which is expected to drive increased demand.

The market in 2024

Following a halt in volumes for digital communication in late 2022 and 2023, volumes have recovered but growth rates remain considerably below the levels seen during the pandemic. The return to growth ultimately demonstrates the underlying strength of the market and the growing need for businesses to communicate with their customers.

The growth has primarily been driven by small and mid-size businesses that continue to experience the benefits of digital customer communications. Large international enterprise customers continue to make up a significant portion of revenue but as the market has matured and stabilized, these companies are also increasingly reviewing their digital communications spend, which impacts market growth.

Regional competition

Sinch's product offering enables businesses to communicate with customers throughout the world. Many customers have global operations and Sinch is present in more than 60 countries. Helping businesses adapt to regulatory, technical, and commercial differences is a key part of the offering. Whereas Sinch encounters many local and regional competitors whose products compete with parts of Sinch's offering, very few have the global reach or broad product capabilities needed to service complex and global needs.

Recognized leadership

In 2024, Sinch was once again recognized as a leader in the CPaaS market by several independent research firms. Gartner once again placed Sinch as a leader in its Magic Quadrant framework and stated: "The breadth of Sinch's CPaaS channel coverage, including emerging channels like RCS for Business, highly regional channels like WeChat and Kakao, and more advanced channels such as video, is rivaled by few other vendors."

In November 2024, Sinch achieved a Tier One ranking from Roaming Consulting Company (ROCCO) global Mobile Network Operators & Enterprise A2P SMS. Mobile Network Operators "praise Sinch for its technical expertise, reputation and direct connections. In addition, enterprises highlight Sinch's capabilities in terms of delivery rates, trustworthiness, and excellent self-service capabilities."

The Omdia Universe: CPaaS Platform Providers 2023/24 also positioned Sinch as a Leader and noted "Sinch is classified as a leader in the CPaaS Omdia Universe, with well above average category scores for APIs, value-added services and packaged solutions, innovation, go-to-market strategy, number of customers, non-functional requirements, and implementation services."

Excerpts are available at sinch.com/resources

Operating segments

From January 1, 2024, Sinch's business has been structured in three operating segments; Americas, EMEA, and APAC.

Americas

The Americas is Sinch's largest operating segment, accounting for over 60 percent of consolidated net sales and gross profit. This region encompasses both North and Latin America, with North America contributing approximately 95 percent of the segment's gross profit. The United States and Brazil are the largest markets within this segment.

Sinch serves approximately 75,000 customers in the Americas, ranging from small businesses utilizing Sinch Applications to large enterprises in the technology sector that rely on Sinch API products, as well as major mobile operators benefiting from our voice interconnect services. Other significant verticals include finance, professional services, and retail. Notably, Sinch counts 31 of the Fortune 50 companies among its customers. While most customers are served directly, indirect sales through partners and ecosystems also play a critical role, representing about 25 percent of the region's gross profit.

By product category, API Platform is the largest contributor, generating approximately 60 percent of gross profit. Additionally, Sinch's position as the operator of the largest independent voice network in the U.S. makes its Network Connectivity segment a significant contributor, accounting for nearly 30 percent of gross profit.

The region employs approximately 1,600[1] people in total, most of whom are part of Sinch's global organization. Around 450 emploees are directly involved in roles focused on serving local and regional customers.

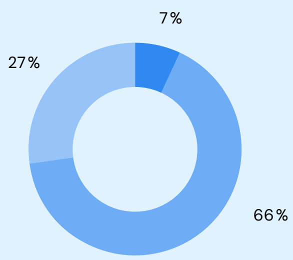
Sinch Americas overview

75,000
Customers

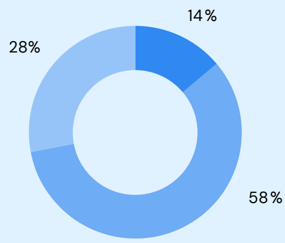
SEK 18,109m
Net sales

~1,600[1]
Employees

SEK 5,998m
Gross profit



Net sales
- Applications
- API Platform
- Network Connectivity



Gross profit
- Applications
- API Platform
- Network Connectivity

Powering communications for the world's biggest brands

Tech: Google, Meta, Microsoft, salesforce, Adobe, SparkToro

Telco: AT&T, T-Mobile, Claro, verizon, uscellular, altice, WINDSTREAM

Financial services: PayPal, citi, TD Bank, VISA, 1stBANK, OneMain Financial

Retail: Rite Aid, reckitt, Enfamil, macy's, Etsy, Albertsons

Travel and transport: Uber, GoShare, AAA, gm, Air Canada, lyft

Sinch counts 31 of the Fortune 50 companies among its customers

1) Employees including consultants (FTE) as of December 31, 2024.

CUSTOMER CASE

How SparkToro built its affordable, scalable email ecosystem

Small and medium-sized businesses often lack the time and budget for extensive audience research. That's why Casey Henry and Rand Fishkin co-founded SparkToro in 2018—to provide an affordable way for businesses to get to know their target audiences.

Building an email system for long-term growth:
SparkToro's Chief Technology Officer, Casey needed a scalable, developer-friendly email solution that could integrate seamlessly with the company's growing tech stack. Having used Sinch's transactional email services before, Casey knew it was reliable, customizable, and cost-effective.

Since Sinch's email platform is made for developers by developers, it had everything Casey needed to code a sophisticated system for all transactional and onboarding emails. Once the system was up and running, Casey could focus on other parts of the business

"I wrote the code five years ago," Casey said, "and I don't think I've touched it since."

Optimizing email deliverability with webhooks and APIs:
Using webhooks and the Send API, SparkToro built an internal preference system that allows customers to control the types of emails they receive while providing real-time insights into email performance.

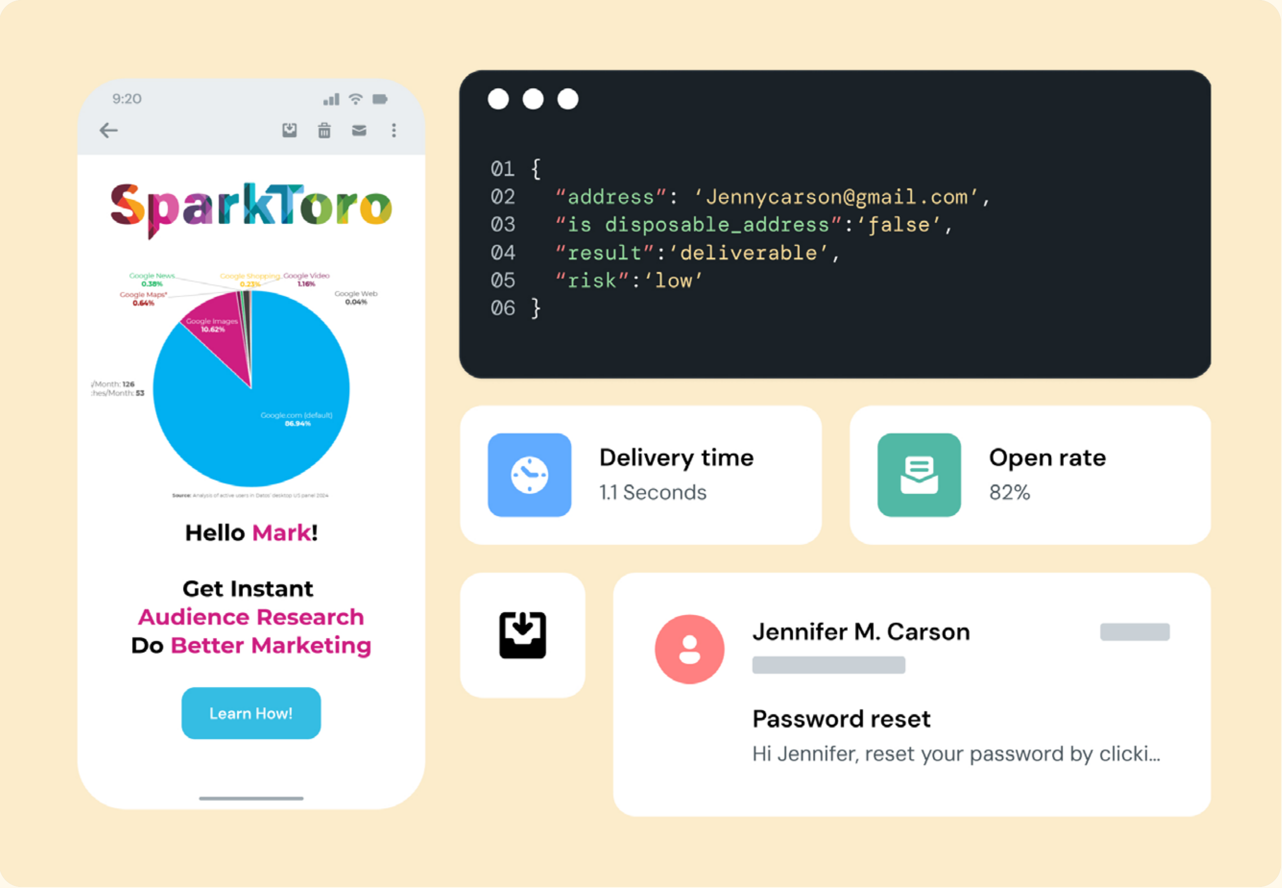
"When we look at deliverability on our end, Sinch is the first line of defense if anything goes wrong," Casey noted.

This setup not only improves email performance but also saves costs and protects SparkToro's sender reputation.

A one-and-done email system that delivers
With a 99 percent server uptime, email deliverability is one less thing Casey has to worry about. And the best part? It's the only solution Casey will ever need for transactional and onboarding emails.

"When you're starting at a startup," he said, "you don't want to have to redo your billing or mailing system as you get traction."

As SparkToro grows its customer base, so will their email volume. Thankfully, Casey knows that the system he built with Sinch can handle anything he throws at it.



EMEA

The EMEA operating segment serves Sinch customers across Europe, the Middle East, and Africa, contributing approximately 22 percent of Sinch's gross profit. Most of the business comes from customers in Europe, with the UK and France being the largest contributors.

Sinch serves roughly 72,000 customers in the EMEA region. Around 50 percent of the gross profit is generated by 1,200 large enterprise customers, while 4,100 medium-sized enterprises contribute approximately 32 percent. The remaining 17 percent comes from around 67,000 small businesses. The technology sector is the largest industry vertical in terms of gross profit, followed by telecoms, finance, professional services, and retail. Similar to the Americas, indirect sales through partners and ecosystems account for around 25 percent of the region's gross profit.

By product category, API Platform is the largest contributor, accounting for roughly 57 percent of gross profit. Applications represents the second-largest category, contributing around 30 percent. Customers of Applications and API Platform span all sectors and business sizes. Network Connectivity is also a significant business in EMEA, accounting for approximately 13 percent of the region's gross profit. Within this category, SMS software sold to telecommunication operators forms the bulk of the business.

Sinch has about 1,300[1)] employees in the EMEA region, most of whom are part of the company's global organization. Around 130 employees are directly involved in roles focused on serving local and regional customers.

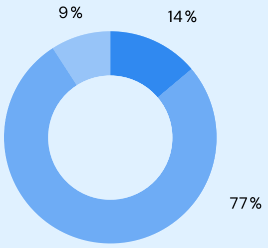
Sinch EMEA overview

72,000
Customers

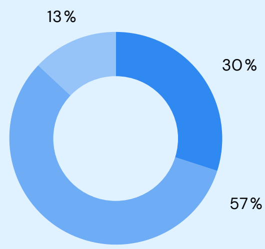
SEK 6,640m
Net sales

~1,300[1)]
Employees

SEK 2,119m
Gross profit



Net sales
- Applications
- API Platform
- Network Connectivity



Gross profit
- Applications
- API Platform
- Network Connectivity

Powering communications for the world's biggest brands

Tech

Telco

Financial services

Retail

And more

1) Employees including consultants (FTE) as of December 31, 2024.

CUSTOMER CASE

How Courir steps up sales with innovative mobile messaging

With over 350 stores, Courir has been the go-to destination for sneaker enthusiasts across Europe, redefining sneakers as fashion icons over its 40-year journey. Yet, standing out in the competitive retail industry presents ongoing challenges, even for a leader like Courir.

Teaming up with Sinch for mobile messaging expertise

To connect more effectively with their customers, Courir partnered with Sinch to tap into the power of mobile messaging. This collaboration, which began in 2017 with SMS campaigns, has grown to include Rich SMS, Facebook Messenger, WhatsApp, and, most recently, RCS campaigns.

“Sinch brings us creative and innovative activation ideas that engage our customers,” said Chloé Herbaut, Customer Loyalty Manager at Courir. “Their expertise helps us continually optimize our campaigns for better engagement and conversions.”

Creating festive connections with WhatsApp

In 2022, Courir leveraged WhatsApp for a holiday campaign that invited customers to join their community for exclusive deals, personalized gift recommendations, and engaging chatbot interactions. The campaign saw outstanding results, achieving a 66 percent opt-in rate and a 91 percent participation rate.

“We wanted to offer a unique experience on this channel,” Chloé said. “It’s about building intimate relationships by giving customers early access to news and promotions.”

Building on this success, Courir expanded their WhatsApp initiatives in 2023, growing their subscriber list fivefold by year-end.

Innovating with Rich Communication Services (RCS)

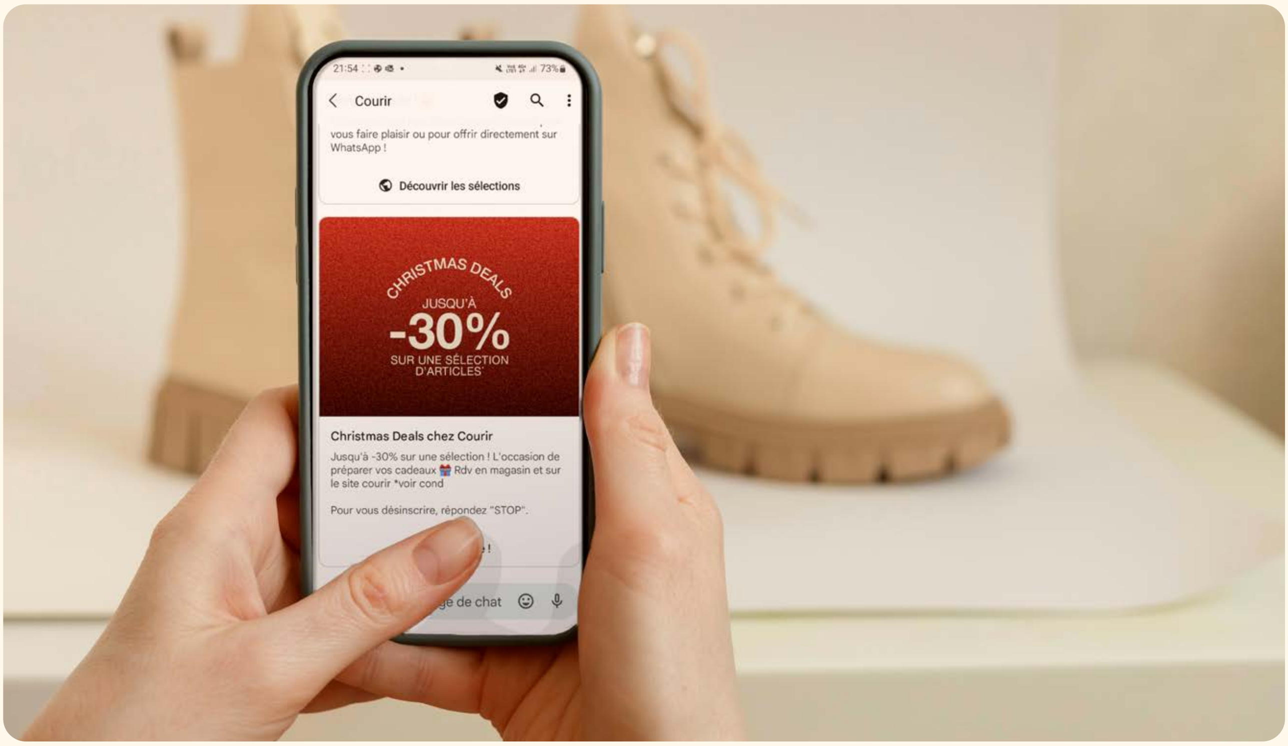
To further elevate customer engagement, Courir and Sinch tested RCS messaging during the competitive 2023 holiday season. The campaign showcased a GIF and interactive buttons, outperforming Rich SMS in both ROI (137 percent versus 94 percent) and read rates (70 percent).

“With RCS, we have access to more metrics and opportunities to optimize,” Chloé noted. “The results are promising and spark ideas for future campaigns.”

Looking ahead with innovation and collaboration

As Courir prepares for the release of iOS 18, which will bring RCS to iPhones, they’re eager to test this channel with a broader audience and integrate loyalty features through Google Wallet.

“The beauty of working with Sinch is the continuous innovation,” Chloé said. “It’s a partnership where we share insights and push boundaries together.”



APAC

The APAC operating segment serves Sinch customers throughout the Asia-Pacific region, with India and Australia as the largest contributing countries. APAC accounts for 16 percent of Sinch's gross profit and is divided into three subregions: Australia and New Zealand, India, and the rest of Asia.

Sinch serves approximately 35,000 customers in the region, with the majority being Applications customers across various sectors in Australia and New Zealand. In India, Sinch has a strong base of enterprise customers, particularly in the financial sector, primarily utilizing its cloud-based API services. The financial sector is the largest industry vertical in the region, followed by technology, telecom, healthcare, and retail.

In APAC, gross profit is almost evenly split between the Applications and API Platform product categories, with nearly 90 percent of the gross profit being direct and generated by Sinch's sales teams. Most of the indirect sales come from partnerships and the broader ecosystem in Australia and New Zealand.

The region employs approximately 1,200[1)] people.

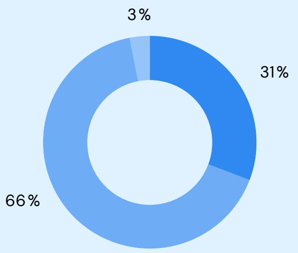
Sinch APAC overview

35,000
Customers

SEK 3,963m
Net sales

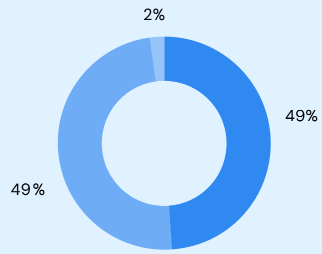
~1,200[1)]
Employees

SEK 1,568m
Gross profit



Net sales

- Applications
- API Platform
- Network Connectivity



Gross profit

- Applications
- API Platform
- Network Connectivity

Powering communications for the world's biggest brands

Tech

Telco

Financial services

Retail

And more

1) Employees including consultants (FTE) as of December 31, 2024.

CUSTOMER CASE

How Open Government Products builds trust through secure messaging at scale

Building trusted government communications
Open Government Products (OGP) builds technology solutions to improve public services and address national challenges in Singapore. Through their Postman platform, they enable government agencies to send official communications to citizens via SMS and email.

"Postman's vision is to build trusted communication channels exclusively for government use, giving Singaporeans confidence that all messages are authentic and official," explains Tay Paul Hong, Product Manager at OGP.

The need for secure, direct connections to carriers
The Postman platform has over 40,200 government agency users that send millions of messages. Previously, OGP used a messaging provider that didn't have direct connections to mobile networks, instead routing messages through intermediaries.

This additional layer created security vulnerabilities and reliability issues that weren't acceptable for critical government communications.

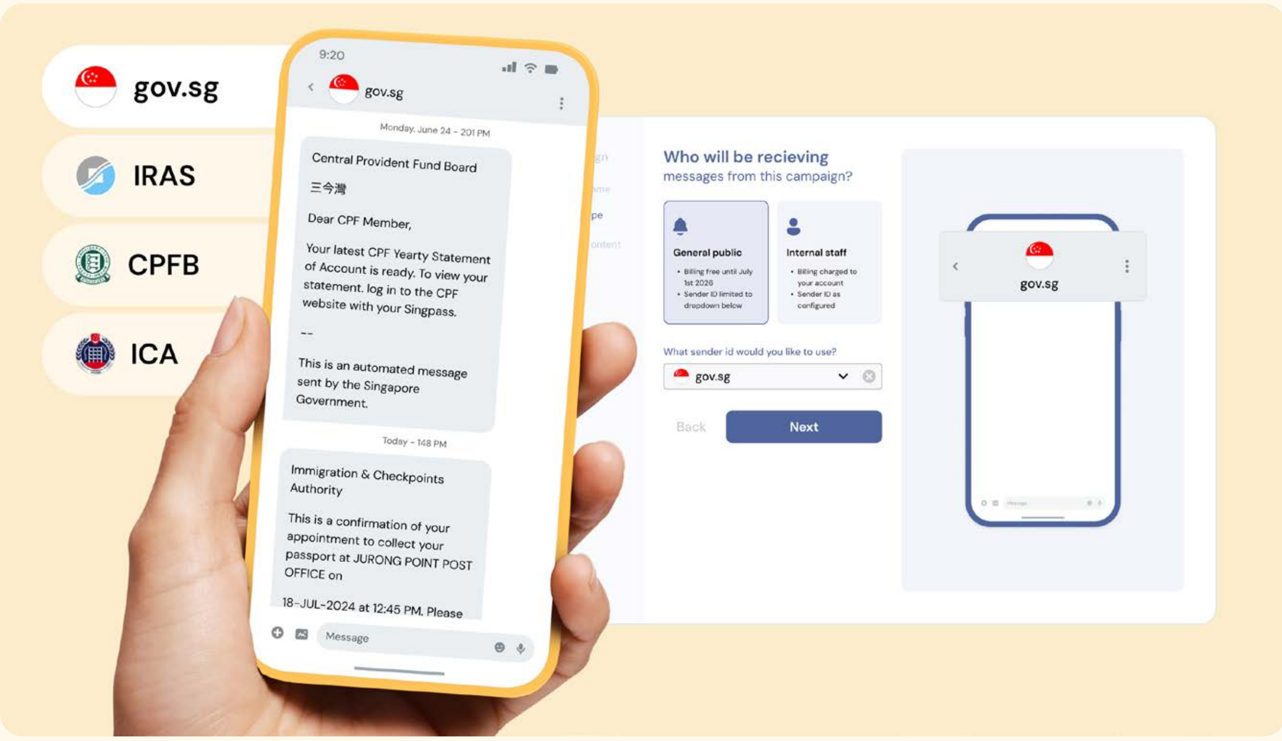
With millions of citizens receiving critical updates through SMS, they needed a more robust solution — one that could connect directly to all four mobile network operators in Singapore while maintaining servers locally for enhanced security.

That's what led them to Sinch. The solution provided key features such as direct carrier connections, local infrastructure, comprehensive analytics, and real-time message tracking that ensures critical communications reach citizens when they matter most.

"During incidents, the analytics dashboard enables us to trace message delivery and quantify impact with ease," says Tay.

A foundation for citizen trust
Through their partnership with Sinch, OGP has made government messaging even more robust. The platform not only guarantees secure delivery – 90 percent of all urgent messages are sent within a minute – but also gives government agencies powerful tools for managing their communications. Real-time delivery tracking, message tagging, and detailed analytics help agencies work more efficiently at scale.

For Tay and his team at OGP, this enhanced messaging infrastructure means they can continue focusing on what matters most: building innovative digital services that make life better for Singaporeans.



Sinch's sustainability framework

Sinch's ambition is to pioneer the way the world communicates – for a better connected and more sustainable world. Together with its customers, Sinch is on a sustainability journey to enable and empower meaningful interactions between people, businesses, and society.

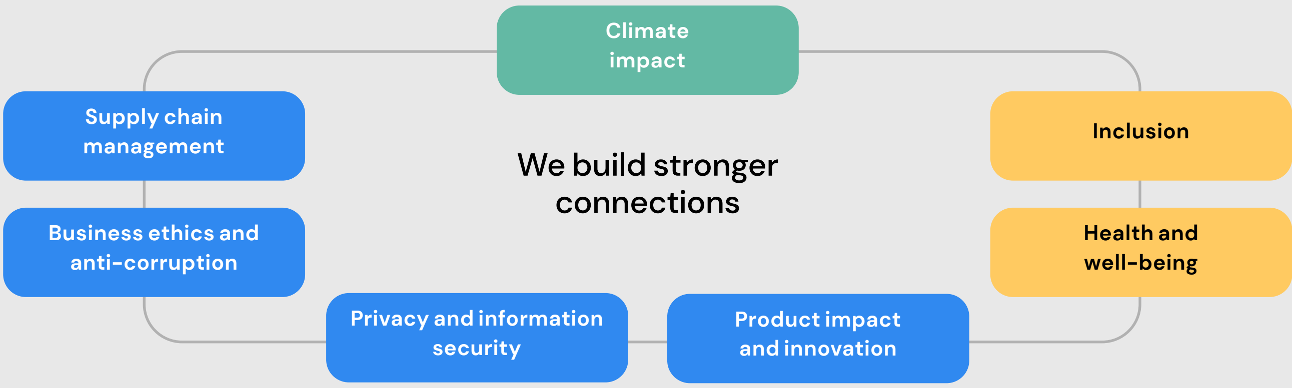
Sustainability is a cornerstone of Sinch's efforts to enhance its business offerings in key markets. The company's rapid growth and expansion in a global, fast-evolving tech market make sustainability management essential in order to build trust and drive success – both in fostering strong business relationships and in supporting the well-being of its people and culture.

Sinch's focus so far has been on establishing a strong foundation for the company's sustainability management and processes, ensuring transparency, and creating a solid base for future sustainability efforts.

Sinch has identified seven key focus areas in establishing its sustainability framework, which are aligned with three overarching pillars: Our planet, Our people and Our business. The framework is integrated into the company operations and aligns sustainability with the overall business goals – creating both immediate and long-term value for the company's key stakeholders. These focus areas support six of the UN Sustainable Development Goals (SDGs) - 3, 5, 8, 9, 13, and 16.

This year marks a significant milestone as Sinch established new targets across all three pillars. Sinch's climate target have been integrated into our long-term incentive (LTI) programs, reinforcing the company's commitment to achieving its goals. Sinch remains dedicated to building a strong foundation that will support the company as it advances into the future.

Sinch's seven focus areas



Brett Scorza
Chief Technology Officer

Karin Arrenfeldt
Head of Sustainability

Christina Raaschou
Chief Human Resources Officer

Our planet (E)

Sinch recognizes the critical importance of addressing climate impact, particularly in relation to energy consumption. As a key player in the rapidly evolving tech industry, the company acknowledges its responsibility to minimize both direct greenhouse gas emissions and indirect emissions across its value chain. Sinch is committed to taking decisive action to reduce its carbon footprint and promote sustainable practices throughout its operations.

Key achievements in 2024: Sinch has set a target to achieve net zero emissions by 2050 in alignment with the Science Based Targets initiative (SBTi). The company aims to drive both short- and long-term emission reductions in line with the Paris Agreement's goal of limiting global temperature rise to 1.5°C. This year, Sinch successfully reduced Scope 1 and 2 emissions by 6 percent and its total emissions by 6.7 percent. Additionally, an emissions reduction target has been integrated into the LTI program.

Focus ahead: Sinch will continue to focus on reducing emissions by implementing a climate action plan to meet the company's emissions reduction targets for 2030, integrating environmental considerations in governance policies and procedures, as well as updating life cycle analysis (LCA) of significant products.

Our people (S)

At the core of Sinch's business is a commitment to fostering a strong, inclusive global culture. Employee well-being is a central focus and Sinch recognizes that employees are the company's most valuable asset. Sinch strives to create an environment that supports employees' personal and professional growth, ensuring that they thrive within the company.

Key achievements in 2024: Sinch increased the percentage of women on the board of directors and Global Leadership Team to 40 (33) percent and 42 (25) percent, respectively, and was recognized as an industry leader by the Swedish foundation, Allbright. To ensure the development and individual performance of all employees, Sinch introduced a Global Performance Model.

Focus ahead: Using Sinch's global Employee Engagement Index to strengthen the company's systematic, data-driven approach and enhance results in areas such as inclusion, training and skills development, and health and well-being. During 2025, Sinch will launch and implement its new Code of Business Ethics and Conduct, addressing social material impacts, risks, and opportunities.

Our business (G)

As a responsible partner, Sinch understands that earning trust from the market and the company's customers is critical to its continued success. Sinch is dedicated to upholding the highest standards of integrity and responsibility in all its business relationships. The company takes pride in its efforts to ensure that products and services are protected from misuse, such as fraud. By deploying innovative and responsible technological solutions, Sinch aims to benefit society while supporting its customers in their own sustainability efforts.

Key achievements in 2024: Sinch updated its procurement policy to include criteria for Environmental, Social, and Governance (ESG) screening, assessment, and monitoring of new and existing suppliers.

Focus ahead: Sinch will launch its revised Code of Business Ethics and Conduct, clarifying ethical expectations across the Sinch Group, and implement the newly revised procurement policy and Business Partner Code of Conduct. Additionally, Sinch will focus on the refinement of its global process for onboarding and monitoring of customers, as well as continuing to evaluate the processes required to ensure that Sinch's AI work meets the company's sustainability goals and compliance with regulations.

SUSTAINABILITY CASE

Guardians of Communication: Our Anti-Fraud System

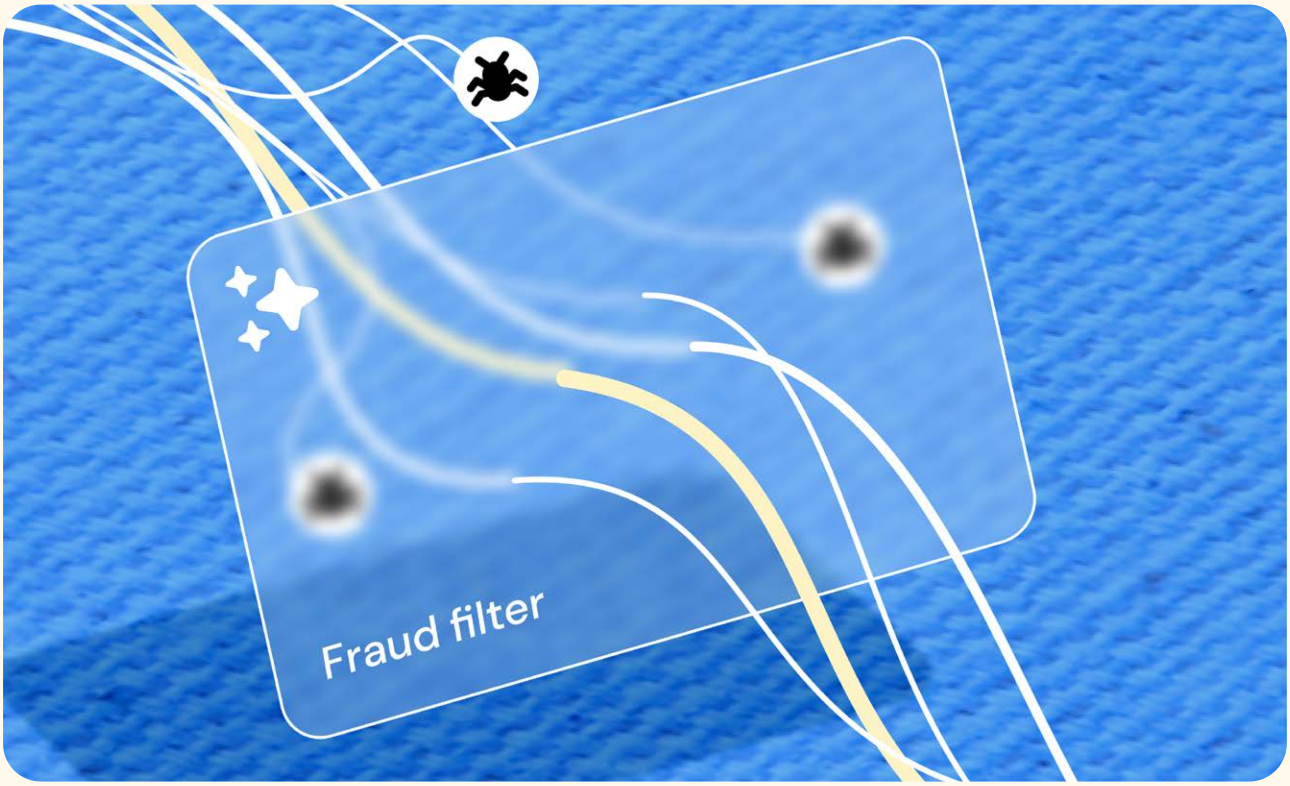
At Sinch, billions of messages flow through our systems every day, connecting people and businesses globally. Ensuring that these communications remain safe, compliant, and appropriate is critical. That's where our Anti-Fraud Team steps in, operating and developing sophisticated systems designed to prevent fraud and protect our customers and end users.

Unlike traditional fraud detection systems, which primarily target financial or payment fraud, our solution adds an essential layer of protection by including content as well. This system is key to keeping communications safe and reliable across our messaging products.

What sets this system apart is its use of advanced machine learning and AI systems. Rather than relying on static word filters, the platform analyzes message context, clustering similar messages and rapidly classifying them for compliance. This allows us to block harmful content in real-time while minimizing false positives.

The result? We protect end users from fraud and scams, safeguard our customers' reputations, and ensure regulatory compliance worldwide. Built entirely in-house, this AI system is not just a technical marvel but a reflection of our team's commitment to ethical innovation. By ensuring safe communication, we're not just preventing fraud – we're building trust, one message at a time.

"Anti-fraud is never easy," says Liz Zorzo, Head of Global Anti-Fraud at Sinch, who has been involved in developing the solution. "But I believe what has made us successful so far is that we always strive to keep the process collaborative, effective, and even fun. Our work gives us a global view of how content evolves, and how we can adapt it to protect users."



Living our values

At Sinch, we are guided by our core values to dream big, win together, keep it simple, and make it happen.

Our values are at the heart of everything we do. They represent the principles we embrace and uphold, reflecting the ethics of our people and encouraging individuals and teams to embody the Sinch values in their daily work. Living these values means embedding them into every part of our business, including embracing the Sinch way in how we work, collaborate, and grow together.

These values not only guide us but also drive success and empower us to make great things happen for our teams, our customers, and their customers.

Dream Big

Win Together

Keep it Simple

Make it Happen

Share performance and ownership structure

The information provided by Sinch to shareholders and the rest of the capital market is aimed at providing a clear and fair picture of the company and it's operational and financial progress.

The share

Sinch stock was listed on Nasdaq Stockholm on October 8, 2015, at an opening price of SEK 5.90 (adjusted for the stock split in the summer of 2021). The share is traded under the stock symbol SINCH. Sinch has been traded on Nasdaq Stockholm Large Cap since January 2021.

Share capital

Share capital in Sinch amounts to SEK 8,445,060 (8,430,698), divided among 844,506,034 outstanding shares (843,069,811). All shareholders have equal rights to a share in the company's assets and profit. The quotient value of the shares is 0.01 (0.01). Please refer to Note 22 for further information about the development of share capital.

Dividend

The board of directors decided to propose to the annual general meeting that no dividend should be paid for the 2024 financial year (–).

Shareholders

At year-end, Sinch had about 73,888 shareholders (91,173). The ten largest shareholders combined owned 57 percent of equity in Sinch (56.72). The company is not aware of any agreement between shareholders that limits their rights to transfer their shares.

The share, 2024

Source: Modular Finance

Ten largest shareholders as of December 31, 2024

#	Shareholder	Number of shares	% of equity
1	Neqst D2 AB	155,676,507	18.43
2	Fourth National Swedish Pension Fund	75,371,141	8.92
3	Swedbank Robur Fonder	49,599,511	5.87
4	AMF Pension & Fonder	43,236,818	5.12
5	Alecta Tjänstepension	37,000,000	4.38
6	Handelsbanken Fonder	33,259,359	3.94
7	First National Swedish Pension Fund	31,850,000	3.77
8	Vanguard	23,699,198	2.81
9	Kjell Arvidsson (P&CS Invest AB)	18,630,000	2.21
10	Lannebo Kapitalförvaltning	16,206,967	1.92
	Total, 10 largest shareholders	**484,529,501**	**57**
	Other	359,976,533	43
	Total	**844,506,034**	**100.00%**

Prices in 2024 (adjusted), Nasdaq Stockholm, SEK

Volume-weighted average price	Highest paid	Highest paid date	Lowest paid	Lowest paid date
25.83	37.36	Jan 2, 2024	18.96	Nov 20, 2024

Market cap last trading day in 2024, SEKm

Number of shares	Price, SEK	Market cap
844,506,034	20.73	17,507

Turnover of instruments in 2024, Nasdaq Stockholm

Turnover, SEKm	Number of shares traded, Nasdaq	Number of transactions	Average daily turnover, SEKm	Average daily volume	Average daily transactions	Trading days
40,722	1,576,830,768	1,238,973	162	6,282,194	4,936	251

Shareholder distribution by category

Shareholder category	Number of shares	Equity	Voting rights	Number of known shareholders	Share of known shareholders
Swedish institutional	365,377,659	43.27%	43.27%	142	0.19%
Other	233,283,949	27.63%	27.63%	2919	3.95%
Swedish retail	122,638,718	14.52%	14.52%	70712	95.70%
Foreign institutional	113,208,369	13.42%	13.42%	113	0.15%
Unknown	9,997,339	1.16%	1.16%	2	0.00%
Total	**844,506,034**	**100%**	**100%**	**73,888**	**100%**

Source: Modular Finance

Analysts

Analysts that cover Sinch:

Company	Analysts	Contact
ABG	Daniel Thorsson	daniel.thorsson@abgsc.se
Bank of America	Frederic Boulan	frederic.boulan@bofa.com
Cantor	Vinay Bhardwaj	vinay.bhardwaj@cantor.com
Carnegie	Predrag Savinovic	predrag.savinovic@carnegie.se
Danske Bank	Viktor Högberg	viktor.hogberg@danskebank.se
	Ramil Koria	ramil.koria@danskebank.se
DNB	Stefan Gauffin	stefan.gauffin@dnb.se

Company	Analysts	Contact
Goldman Sachs	Mohammed Moawalla	mohammed.moawalla@gs.com
Handelsbanken	Daniel Djurberg	dadj03@handelsbanken.se
J.P. Morgan	Akhil Dattani	akhil.dattani@jpmorgan.com
Kepler Cheuvreux	Erik Sandstedt	esandstedt@keplercheuvreux.com
Morgan Stanley	Laura Metayer	laura.metayer@morganstanley.com
Nordea	Thomas Nilsson	thomas.nilsson@nordea.com
SEB	Erik Lindholm-Röjestål	erik.lindholm-rojestal@seb.se

See investors.sinch.com for the most recent shareholder and analyst lists.

Financial information

Management report

Sinch was founded with a cost-conscious ethos and scalability as a fundamental principle and with the goal of making it easy for businesses to communicate with their customers. Sinch has always had sharp focus on growing the organic business while delivering good profitability. In parallel, the company has successfully executed several strategic acquisitions to widen our offering, add new sales channels, and generate economies of scale.

Business and organization

Sinch is a leading vendor of digital customer engagement services. Powered by the Sinch cloud communications platform, enterprises can reach every person on the planet – within a second or two – via messaging, voice calls, and email.

The new Sinch operating model to accelerate growth was implemented January 1, 2024. The new model increases customer focus, unlocks cross- and upselling, and leverages the company's global scale in products and R&D, creating efficiency gains and cost synergies that can be reinvested in growth initiatives. The operating model is made up of three geographical regions that constitute Sinch's new operating segments and represent the domiciles of our customers. The geographical regions replace the previous segments, Messaging, Voice, Email, and SMB. The new operating segments are: Americas, EMEA, and APAC.

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.

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

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

As a complement to the operating segments, Sinch's products are divided into three product categories assessed as being related in terms of sales channels and platforms, similar technology, and a common organizational structure: Applications, API Platform, and Network Connectivity.

Applications is a category of products that target business users and consists of software applications for customer engagement that support use cases across marketing, operations, and customer care.

Products in the **API Platform** category target developers and product managers. APIs allow businesses to generate mobile messaging, voice calling, and emails, from their own internal or third-party IT systems.

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

Significant events during the financial year

Net sales decreased slightly during the year to SEK 28,712m (28,745) and gross profit increased by 2 percent to SEK 9,685m (9,542) including organic growth of 2 percent, and EBITDA decreased by 13 percent to SEK 2,665m (3,074). Adjusted EBITDA decreased by 1 percent to SEK 3,586m (3,637).

Sinch is reporting a loss of SEK -6,413m (42) including an impairment loss of SEK 6,000m and a one-time charge for historical tax exposure of SEK 700m. Cash flow from operating activities was SEK 2,944m, as compared to SEK 1,788m in 2023. Net debt amounted to SEK 6,012m (7,987) and the debt/equity ratio, measured as net debt in relation to Adjusted EBITDA R12M, was 1.5x (2.0).

In addition, Sinch has communicated corporate events during the year including the following:

In June, Sinch was once again recognized as a Gartner Magic Quandrant Leader for CPaaS.

Sinch presented in June, a MTN program for borrowing on the capital market with a framework amount of SEK 6,000m. According to this a bond of SEK 500m was issued in September and Sinch called the 2019/2024 bond early on October 9.

Sinch informed the market in September that it had updated the financial leverage policy. The previous policy required net debt over time to be below 3.5 times Adjusted EBITDA (measured R12M) while the new policy requires below 2.5 times Adjusted EBITDA over time (measured R12M).

An impairment test of consolidated goodwill was performed in conjunction with the Q3 reporting date, which resulted in an impairment of SEK 6,000m. The impairment was attributable to the Applications product category and mainly to MessageMedia, which was acquired in 2021. Among the Sinch operating segments, a majority of the impairment loss has been allocated to APAC and a minor share to Americas.

In November, Juniper Research named Sinch an RCS Business Messaging Leader and Sinch was awarded a Tier One ranking by the Roaming Consulting Company (ROCCO).

In connection with Sinch's first Capital Markets Day in November, the Sinch board of directors announced new financial and sustainability targets. The financial target is to achieve 7-9 percent year-over-year growth by the end of 2027 for net sales and gross profit and to have an Adjusted EBITDA margin of 12-14 percent by the end of 2027. These targets replace the previous financial target of "20 percent annual growth in Adjusted EBITDA per share." Sinch has set sustainability targets to reach net zero emissions by 2050 in line with the Science Based Targets initiative (SBTi) and to achieve short-term and long-term emissions reductions aligned with the Paris Agreement goal of limiting the global temperature rise to a maximum of 1.5° C.

Important events after the end of the financial year

Sinch announced a partnership with Aduna regarding Network APIs in January.

Early in the year, Sinch entered into a two-year credit agreement of $100m with Danske Bank for the purpose of refinancing existing loans.

Sinch has appointed Jonas Dahlberg as new Chief Financial Officer. Jonas Dahlberg has a background from Transcom, Sweco, and McKinsey and will start no later than April 1, 2025.

Additionally, Thomas Heath, Sinch's Chief Strategy Officer, has decided to step down from his position from April 1, 2025.

In March, Sinch announced changes to the Global Leadership Team as Sean O'Neal will leave Sinch. During the recruitment of a successor, Robert Gerstmann, Sinch co-founder and Chief Evangelist, will lead the product organization.

Sinch Group overview

SEKm	2024	2023	Δ%
Net sales	28,712	28,745	0%
Gross profit	9,685	9,542	2%
Gross margin	34%	33%	-
EBITDA	2,665	3,074	-13%
EBITDA margin	9%	11%	-
Adjusted EBITDA	3,586	3,637	-1%
Adjusted EBITDA margin	12%	13%	-
Adjusted EBITDA/gross profit	37%	38%	-
EBIT	-5,807	494	-
EBIT margin	-20%	2%	-
Adjusted EBIT	3,066	3,122	-2%
Adjusted EBIT margin	11%	11%	-
Profit or loss for the year	-6,413	42	-
Cash flow from operating activities	2,944	1,788	65%
Cash and cash equivalents	1,083	1,012	7%

For a list and definitions of financial measurements defined or not defined under IFRS and for operational measurements, please refer to pages 128–130.

Net sales

Consolidated net sales decreased slightly in the 2024 financial year to SEK 28,712m (28,745). The effect of currency movements on consolidated net sales was negative at 1 percent. Organic growth, in local currency and excluding acquisitions, increased by 1 percent.

Gross profit

Gross profit increased by 2 percent and amounted to SEK 9,685m (9,542). Organic growth was 2 percent. The currency effect was 0 percent, corresponding to SEK -17m.

The gross margin was 34 percent (33).

Operating profit

Consolidated EBITDA decreased by 13 percent to SEK 2,665m (3,074). Adjusted EBITDA amounted to SEK 3,586m (3,637).

EBIT decreased to SEK -5,807m (494). EBIT was affected by a non-cash impairment of goodwill of SEK 6,000m and a non-recurring cost for historical tax exposure of SEK 700m (0). Adjusted EBIT was SEK 3,066m (3,122). Adjusted EBITDA and Adjusted EBIT are reported to clarify performance in underlying operations. See also Note 4.

Growth acceleration plan

In conjunction with the new operating model introduced by Sinch in late 2023, the company launched a three-part growth acceleration plan. Initiatives in the areas of go-to-market transformation, product integration, and operational excellence extend over multiple years and are aimed at achieving persistent growth in sales and gross profit.

Cost-saving measures were implemented at the same time, for which the target was to achieve gross savings of about SEK 300m on a run-rate basis by year-end 2024. The measures were aimed at counteracting cost increases due to inflation and salary revisions and to maintain stable margin performance while allocating more resources to growth initiatives.

The cost-saving measures have been implemented ahead of plan and have delivered greater savings than planned. The plan, which was concluded in December, has delivered gross savings equal to SEK 352m on a run-rate basis.

Sinch incurred combined integration and restructuring costs in 2024 of SEK 301m.

SEKm	2024	2023
Acquisition costs	-7	-8
Restructuring costs	-93	-47
Adjusted earnout	-	-18
Integration costs	-209	-148
Costs of share-based incentive programs	-37	-136
Operational foreign exchange gains/losses	137	-161
Other adjustments	-713	-45
Total EBITDA adjustments	**-921**	**-563**
Amortization/depreciation of acquisition-related assets	-1,952	-2,063
Impairment of goodwill	-6,000	-
Total EBIT adjustment	**-8,873**	**-2,627**

Net finance income or expenses

Net financial expenses were SEK -428m (-646) including interest expenses of SEK -464m (-592) and foreign exchange differences of SEK 57m (-37).

Tax

Tax on profit for the year amounted to SEK -178m (194) resulting in an effective tax rate of -3 percent (128). Excluding acquisition-related amortization and impairments and associated deferred tax assets, the Group's effective tax rate for the period was 35 percent (25). The higher tax rate is driven by current and deferred tax in previous years and non-capitalized loss carryforwards. See Note 12 for further information about items that affected tax on profit for the year.

Profit or loss for the year

Profit decreased to SEK -6,413m (42) compared with the preceding financial year.

Cash flow

Cash flow from operating activities amounted to SEK 2,944m (1,788) and was increased by the total change in working capital of SEK 614m (-319). Sinch's previously announced the decision to terminate certain fixed-price contracts with telecom operators during the year has had positive effect on working capital.

Cash used in investing activities was SEK -604m (-649) and was affected by net investments of SEK -589m (-629), consisting primarily of capitalized development expenditure of SEK -381m (-383).

Cash used in financing activities was SEK -2,234m (-2,342) for the period, where the change in borrowings reduced net cash by SEK -2,133m (-2,254) and issued shares and warrants increased net cash by SEK 25m (48).

Net cash flow for the period was SEK 105m (-1,203).

Liquidity and financial position

At the end of the year, the Group had cash and cash equivalents of SEK 1,083m (1,012).

Net debt amounted to SEK 6,012m (7,987) and the debt/equity ratio, measured as net debt in relation to Adjusted EBITDA R12M excluding IFRS 16-related lease liabilities, was 1.5x (2.0).

As of December 31, Sinch had total available credit facilities of SEK 11,357m (12,610) and the company had used loans and credit facilities totaling SEK 4,971m (7,363).

Breakdown of used loans and facilities:

- 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 7,713m that mature in February, 2027, of which SEK 2,213m had been used as of December 31, 2024.
- Bank overdraft facilities of SEK 931m (901), of which SEK 45m (0) had been used as of December 31, 2024.

In addition, senior unsecured bonds have been issued in the amount of SEK 500m (750) that will mature in September, 2027, as well as issued commercial paper of SEK 775m (0) that will mature in less than 12 months.

Financial liabilities decreased by SEK -2 133m (-2 254) in 2024. During the same period, the company's net debt decreased by SEK -1,975m (-1,175).

Equity as of December 31, 2024 amounted to SEK 29,025m (33,663), corresponding to an equity ratio of 60 percent (63).

Share capital amounted to SEK 8m (8) as of December 31, 2024, at a quotient value of SEK 0.01 (0.01) per share. There were 844,506,034 total shares outstanding at year-end. 1,193,374 shares were issued in 2024 through the exercise of 649,984 employee stock options and 54,339 warrants under the Group's incentive programs. Exercise of the warrants raised SEK 23m (46) in equity as of December 31, 2024. An additional SEK 1m was raised in January, 2025. See Note 9 and Note 22 and Share performance and ownership structure on pages 30-31 for more information.

Americas

SEKm	2024	2023
Net sales	18,109	17,900
Gross profit	5,998	6,008
Gross margin	33%	34%

Net sales by product category, SEKm	2024	2023
Applications	1,201	1,078
API Platform	12,038	12,067
Network Connectivity	4,870	4,755
Total	**18,109**	**17,900**

Gross profit by product category, SEKm	2024	2023
Applications	840	796
API Platform	3,459	3,337
Network Connectivity	1,699	1,875
Total	**5,998**	**6,008**

Net sales

Net sales for the Americas segment amounted to SEK 18,109m (17,900), an increase by 1 percent compared with the preceding year. Organic net sales for FY 2024 increased in the Americas segment.

Net sales rose in the Applications and Network Connectivity product categories and fell in API Platform.

Profit

The gross profit percentage was unchanged compared to 2023 but declined slightly to SEK 5,998m (6,008). Organic gross profit was unchanged in Americas.

The gross margin was 33 percent (34).

Gross profit increased in Applications and API Platform compared to 2023 and decreased in Network Connectivity.

EMEA

SEKm	2024	2023
Net sales	6,640	6,953
Gross profit	2,119	2,116
Gross margin	32%	30%

Net sales by product category, SEKm	2024	2023
Applications	930	884
API Platform	5,086	5,435
Network Connectivity	624	635
Total	**6,640**	**6,953**

Gross profit by product category, SEKm	2024	2023
Applications	638	605
API Platform	1,210	1,267
Network Connectivity	271	244
Total	**2,119**	**2,116**

Net sales

Net sales for the EMEA segment amounted to SEK 6,640m (6,953), a decrease by 5 percent compared with the preceding year. Organic net sales decreased in EMEA.

Net sales rose in the Applications product category and fell in the Network Connectivity and API Platform categories.

Gross profit

Gross profit amounted to SEK 2,119 million (2,116) and the gross margin was 32 percent (30). Organic gross profit was unchanged in EMEA.

Gross profit in Applications and Network Connectivity improved compared with the preceding year, but decreased in API Platform.

APAC

SEKm	2024	2023
Net sales	3,963	3,892
Gross profit	1,568	1,418
Gross margin	40%	36%

Net sales by product category, SEKm	2024	2023
Applications	1,223	1,188
API Platform	2,633	2,589
Network Connectivity	106	114
Total	**3,963**	**3,892**

Gross profit by product category, SEKm	2024	2023
Applications	762	723
API Platform	775	650
Network Connectivity	30	44
Total	**1,568**	**1,418**

Net sales

Net sales for the APAC segment amounted to SEK 3,963m (3,892), an increase by 2 percent compared with the preceding year. Organic net sales increased in APAC.

Net sales rose in the Applications and API Platform product categories and fell in Network Connectivity.

Gross profit

Gross profit was SEK 1,568m (1,418) The gross margin was 40 percent (36). Organic gross profit increased in APAC.

Gross profit in Applications and API Platform improved compared with the preceding year, but decreased in Network Connectivity.

Multi-year review Consolidated

Income statement data

SEKm	2024	2023	2022	2021	2020	2019
Net sales	28,712	28,745	27,722	16,177	8,023	5,036
Gross profit	9,685	9,542	8,810	3,933	2,183	1,394
EBITDA	2,665	3,074	2,774	831	715	556
Adjusted EBITDA	3,586	3,637	3,124	1,322	989	582
Profit or loss for the year	**-6,413**	**42**	**-4,943**	**908**	**446**	**275**

Balance sheet data

SEKm	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Non-current assets	41,311	46,269	49,375	49,912	5,827	3,147
Current assets	6,692	6,866	7,909	7,169	5,807	1,844
Total assets	**48,004**	**53,134**	**57,284**	**57,081**	**11,634**	**4,991**
Equity	29,025	33,663	34,432	34,053	7,513	1,999
Non-current liabilities	8,904	11,467	16,722	7,318	1,587	1,777
Current liabilities	10,075	8,004	6,130	15,709	2,535	1,215
Total equity and liabilities	**48,004**	**53,134**	**57,284**	**57,081**	**11,634**	**4,991**

Cash flow statement

SEKm	2024	2023	2022	2021	2020	2019
Cash flow from operating activities	2,944	1,788	2,508	329	454	327
Cash flow from (-used in) investing activities	-604	-649	-691	-29,059	-2,973	-712
Cash flow from (-used in) financing activities	-2,234	-2,342	-1,508	26,454	5,231	673
Cash flow for the year	**105**	**-1,203**	**309**	**-2,276**	**2,713**	**288**
Cash and cash equivalents at the beginning of the financial year	1,012	2,173	1,871	3,123	466	181
Exchange rate differences in cash and cash equivalents	-34	42	-7	1,024	-56	-2
Cash and cash equivalents at the end of the financial year	**1,083**	**1,012**	**2,173**	**1,871**	**3,123**	**466**

Key data

	2024	2023	2022	2021	2020	2019
Return on equity, %	-20.5	0.1	-14.4	4.4	9.4	15.0
Gross margin, %	33.7	33.2	31.8	24.3	27.2	27.7
EBITDA margin, %	9.3	10.7	10.0	5.1	8.9	11.0
EBIT margin, %	-20.2	1.7	-17.0	1.0	5.6	7.4
Net margin, %	-22.3	0.1	-17.8	5.6	5.6	5.4
Equity/assets ratio, %	60.5	63.4	60.1	59.7	64.6	40.0
EBITDA, SEKm	2,665	3,074	2,774	831	715	556
EBITDA adjustments, SEKm	-921	-563	-350	-491	-274	-27
Adjusted EBITDA, SEKm	3,586	3,637	3,124	1,322	989	582
Adjusted EBITDA/gross profit, %	37.0	38.1	35.5	33.6	45.3	41.8
Net debt, SEKm	6,012	7,987	9,162	10,640	-1,989	959
Net debt/Pro forma Adjusted EBITDA, multiple[1]	1.5	2.0	2.7	2.9	-2.2	1.7
Interest coverage ratio, multiple	-11.7	0.9	-13.2	3.2	12.9	14.0

Share data

	2024	2023	2022	2021	2020	2019
Total shares outstanding at the end of the year	844,506,034	843,069,811	838,602,248	768,568,748	631,736,700	536,020,890
Basic weighted average number of shares[2]	843,897,644	841,130,408	819,116,557	700,923,800	584,945,860	536,020,890
Diluted weighted average number of shares[3]	843,897,644	845,416,837	819,116,557	716,527,452	604,135,000	542,342,750
Basic earnings per share, SEK	-7.60	0.05	-6.03	1.29	0.76	0.51
Diluted earnings per share, SEK[3]	-7.60	0.05	-6.03	1.26	0.74	0.51
Dividend per share, SEK	-	-	-	-	-	-

1) In the calculation of this APM, Net debt and Adjusted EBITDA are both measured excluding IFRS 16-related lease liabilities. For further information, see the reconciliation of alternative performance measures on investors.sinch.com

2) Historical average number of shares restated after split and new issues for comparison.

3) The negative results in 2024 or 2022 do not give rise to any dilutive effect. If results had been positive, the weighted number of dilutive warrants would have been 5 384 961 for 2024 and 11,773,922 for 2022.

Research and development

Sinch has a large number of software developers and related technical staff with product development activities conducted across multiple product lines within the company. In 2024, the cloud-based platform was further developed to expand customer access to multiple product lines, provide more seamless customer access to e-mail, messaging, and conversational channels, allow the platform to scale more efficiently and handle increased volumes of traffic, and to expand product line capabilities into new geographies. Further development of next-generation conversational capabilities has resulted in expanded multichannel solutions within the Applications product category and new capabilities in the RCS for Business messaging channel. Development within cloud-based voice services resulted in new product offerings and support for the voice channel within applications solutions. Investments have also been made in regulatory compliance and security systems across multiple product categories, including expanded capabilities in proactive monitoring, SPAM detection, and related filtering systems.

Technology projects are in progress to migrate customers from acquired company platforms to global common platforms, with migration work from the acquired TWW business completed during the year, and additional migrations from the acquired Wavy and SDI businesses expected to be completed in 2025. In the Applications product category, development of the global platform is continuing to integrate various products related to previous acquisitions.

Development work is capitalized as specified in Note 2. Total costs for research and development amount to SEK 1,709m (1,289) before capitalization of own time spent, which amounts to SEK 381m (383).

Employees

At the end of the year, the Group employed 4,077 (4,231) people, including consultants. The average number of employees[1] during the year was 3,491 (3,643), of whom 33 percent (31) women. The average age of the workforce was 39 (39). Employee turnover in 2024 was 15 percent (14).

We are continually refining and improving our recruitment process to ensure that we take a structured, data-driven approach and apply unbiased evaluation of candidates. We are proud that some of the most experienced and skilled people in the business have chosen to work with us. Aimed at attracting and retaining talent, we provide internal career development opportunities that give our people the chance to grow and succeed together.

For Sinch to remain an industry leader, a culture of inclusion is a critical success factor. Sinch has employees of various backgrounds in more than 60 countries. A diversified organization with a wide array of skills, experience, talents, qualifications, and personalities makes us better equipped to understand the needs of the market.

Resolution on guidelines for compensation to senior executives

The board of directors of Sinch AB (publ) proposes the following guidelines for compensation to senior executives. These guidelines do not apply to any remuneration resolved on or approved by a general meeting and constitute a framework under which remuneration to senior executives may be decided by the board of directors. The previous guidelines were approved by the annual general meeting in 2024.

There are no material changes to the guidelines compared to the guidelines approved in 2024. The company has not received any comments on the guidelines from any shareholders.

For the purposes of these guidelines, the senior executive team consists of the CEO and those who report to the CEO. As of April 1, 2025, the company had eleven executives, including the CEO.

To successfully implement the company's business strategy and safeguard its long-term interests and sustainability, the company must recruit and retain qualified personnel. Compensation to the CEO and other senior executives must therefore be perceived as fair, competitive, and motivational. The board of directors is empowered to depart from the below guidelines if in a specific case there is a special cause for the deviation and a deviation is necessary to serve the company's long-term interests, sustainability, or to ensure the company's financial viability.

In the preparation of the board of directors' proposal for these compensation guidelines, the board has considered information on the employees' total remuneration, the components of the remuneration and growth rates over time.

Compensation consists of the following components:

- Fixed base pay
- Short- and long-term variable pay
- Special compensation
- Pension benefits
- Other benefits
- Pay during period of notice of termination or resignation

Market-based compensation

The company has acquired high quality benchmark data from third-party sources to secure that compensation to the CEO and other senior executives reflects what is offered to executives in comparable positions in other companies. Market rate is also informed through external recruitment processes.

Fixed base pay

The fixed base pay must be market-based and reflect the employee's position, qualifications, experience, and individual performance.

Short-term variable pay

Short-term variable pay shall be measured against predefined financial performance targets. Non-financial objectives may also be used to sharpen focus on achieving the company's strategic plans. Objectives shall be specific, measurable, subject to deadlines, and adopted by the board of directors. They shall further be designed to contribute to the company's business strategy, long-term interests and sustainability. To which extent the criteria for awarding variable remuneration has been satisfied shall be evaluated/determined when the relevant measurement period has ended.

1) Long-term consultants previously included in the calculation of FTEs and included in the average number of employees were reclassified as of 2024. If the same classification had been applied in Q4 2023, the average number of employees would have been 3,498.

The board of directors has delegated the responsibility for the evaluation so far as it concerns variable remuneration to the CEO and other senior executives to the Remuneration Committee.

Levels and targets for variable pay are suggested annually by the CEO for other senior executives and approved by the board of directors. Levels and targets for the CEO are defined by the board of directors. Short-term variable pay may not exceed 50 percent of the fixed base pay, as management compensation should be focused on long-term incentives.

Long-term variable pay

Long-term variable pay may encompass share-related incentive programs. These guidelines do not apply to remuneration resolved on or approved by a general meeting. Accordingly, these guidelines do not apply to the company's share-related incentive programs LTI 2020, LTI II 2020, LTI 2021, LTI II 2021, LTI 2022, LTI 2023, LTI 2024 and the proposed LTI 2025. Each year, the board of directors evaluates whether a long-term share-related incentive program should be proposed to the annual general meeting. The purpose of offering a share-related incentive program is to ensure that the interests of senior executives align with those of the company's shareholders. Individual, long-term ownership among key individuals can be expected to stimulate keener interest in the business and its profitability, increase motivation, and enhance the sense of belonging with the company and thereby contribute to the company's business strategy, long-term interests, and sustainability. Long-term share-related incentives also helps to retain current executives and attract new executives when recruiting.

Special compensation

Additional variable cash compensation may be offered to key employees who remain employed in connection with acquisitions of new companies, divestments of businesses, other transitional activity or who perform other extraordinary work endeavors. Such special compensation may not exceed 50 percent of the contracted annual fixed base salary. Special compensation may only be awarded in special cases and shall not be included in any ordinary compensation system. Decisions regarding special compensation shall always be made by the board of directors.

Pensions

Pension benefits for the CEO and other senior executives must reflect customary market terms, compared with what generally applies to executives in comparable positions in other companies, and should normally be based upon defined contribution pension plans. Retirement occurs at the relevant/applicable retirement age. Pension benefits may not exceed 35 percent of the fixed base pay unless higher contributions follow from a pension plan pursuant to an applicable collective bargaining agreement.

Other benefits

Other continuous employee benefits may, among other things, consist of health insurance and fitness/wellness programs. The costs for such benefits may not exceed 10 percent of the fixed base pay.

Notice periods and severance pay

As a general rule, employment agreements entered between the company and senior executives shall be on an indefinite basis. If the company terminates the CEO's employment, the period of notice shall be a maximum of six months. If the CEO resigns, the period of notice shall be six months. A period of notice applies between the company and other senior executives of up to six months, whether the employee resigns or is terminated. In addition to compensation paid during the applicable period of notice, any severance pay after the applicable notice period shall not exceed an amount equivalent to the fixed base pay for twelve months for the CEO and six months for other senior executives. What is stated above constitutes a framework under which individual terms are to be resolved on by the board of directors.

Compensation to founders of the company

Compensation to founders of the company is subject to approval by the board of directors. Founders are excluded from the requirement of market-based pay, i.e., their compensation and benefits may be below market, as they are compensated through their ownership in the company.

Compensation to founders of the company consists of the following components:

- Fixed base pay
- Pension benefits
- Additional vacation entitlement
- Pay during period of notice of termination or resignation

If a founder is temporarily covering another management position, the founder will be compensated during this period with a base pay equal to the person in the management team with the lowest salary at the time, excluding other founders.

Approval

Changes in terms, conditions and compensation to the CEO is subject to approval from the Chairman of the Board of directors. Day to day costs such as travel expenses for the CEO are approved by the CFO, and quarterly summaries are sent to the Chairman of the Board of directors. New recruitments, salary changes and other significant changes for senior executives other than the CEO are subject to approval from the Chairman of the Board of directors, whereas minor adjustments, and day to day costs are approved by the CEO. Payout of fixed base pay is prepared by local payroll departments and are approved before payout by the local HR representative. Payout of short-term variable pay is subject to approval from the CEO as regards to other senior executives and from the Chairman of the Board of directors as regards to the CEO. Eligibility for share-related incentive programs must be approved by the board of directors based on the proposal approved at a general meeting.

Controls and decision-making process

The company has a Remuneration Committee which consists of two members of the board of directors. The Chairman of the Board of directors is also chairman of the Remuneration Committee.

The Remuneration Committee shall, in relation to the board of directors, have a preparatory function in respect to principles for remuneration, remuneration and other terms of employment regarding the senior executives.

Consequently, the Remuneration Committee shall prepare a proposal in respect to guidelines for compensation to senior executives, which it shall present to the board of directors. The proposal shall then be presented to and resolved upon by the annual general meeting. The Remuneration Committee shall also evaluate the application of the guidelines resolved upon by the annual general meeting.

The board of directors shall at least every fourth year or upon material changes to the guidelines make a proposal on guidelines to be resolved by the annual general meeting.

The guidelines shall be applied in relation to every commitment on compensation to senior executives and every change in such commitment, which is resolved after the annual general meeting at which the guidelines were adopted. Thus, the guidelines have no impact on preexisting contractually binding commitments. Guidelines resolved upon may also be amended by way of a resolution by any other general meeting.

Further, the Remuneration Committee shall, within the scope of the guidelines resolved upon by the annual general meeting, prepare proposals regarding remuneration to the CEO and other senior executives. The board of directors shall annually evaluate the CEO's performance.

Further, the Remuneration Committee shall observe and evaluate programs for variable compensation to the senior executives which are ongoing or finished during the year as well as the company's current remuneration structure and remuneration levels.

Furthermore, the remuneration committee shall annually prepare a remuneration report regarding the compensation to the senior executives. The remuneration report shall be made available to the shareholders on the company's website by the Remuneration Committee not later than three weeks prior to the annual general meeting. Within the scope and on the basis of the guidelines, the board of directors shall annually decide on the specific revised remuneration terms for each senior executive and make such other decisions on compensation to senior executives that may be required. The CEO or other senior executives shall not participate in the Remuneration Committee's and the board of directors processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Compliance with guidelines is controlled annually through the following activities:

- Collection of documented annual targets for short-term variable pay
- Random samples of salary payout approvals
- Sample reports from payroll systems to identify any out of the ordinary payouts

The results of the controls are summarized and reported to the Remuneration Committee.

Outlook

Sinch does not usually provide forecasts, but macroeconomic developments have resulted in high inflation and interest rates in recent years. In 2024, many advanced economies have recovered with declining inflation and lower interest rates, although the macroeconomic environment remains characterised by uncertainty. The Group's exposure to Ukraine and Russia is limited to less than 1 percent of annualized gross profit or loss. 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. Aimed at reigniting growth, Sinch presented a growth acceleration plan and a new operating model that were implemented as of January 1, 2024.

Parent company

The parent company's operations consist only of certain Group management functions. At the end of the period, the parent company had 4 (5) employees. The average number of employees during the period was 5 (5).

- Net sales amounted to SEK 595m (588).
- The operating loss was SEK -186m (221)
- Net profit for the year amounted to SEK 30m (54).
- Equity amounted to SEK 30,283m (30,221)

Please refer to the Group Management Report for further information concerning the parent company's operations, financial position, and performance.

Proposed allocation of profit or loss

The board of directors will propose to the annual general meeting that no dividend be distributed for the 2024 financial year.

SEK	
Share premium reserve	34,209,508,841
Retained earnings	-3,964,564,450
Profit or loss for the year	29,763,966
Total	**30,274,708,358**

SEK	
Carried forward to retained earnings	30,274,708,358
Total	**30,274,708,358**

A market leader in prime position, focused on the future

Sinch is advancing its positions, one step at a time, every year

Corporate development takes time.

Sinch started out as a fast-growing northern European niche company in SMS. In the next phase, we bolstered our international market position through a series of targeted acquisitions and powerful growth. That made it possible for us to execute three major transformative acquisitions in late 2021 that fundamentally changed our market position.

Today's Sinch has the products, the sales channels, and the expertise it takes to meet businesses' needs for digital customer communications from A to Z. The digital communications market is vast, global, and growing. We have established a solid position in this dynamic market as a global, profitable market leader – one with simply outstanding customers, products, and employees.

If we look at Sinch's financial development since our IPO in 2015, our profit, which we measure through Adjusted EBITDA, has grown 40 times over while the number of shares outstanding has increased only by a modest two and a half times.

I am proud of our progress thus far. We have come a fair way on our journey, but we are far from the finish line.

Focus on execution

The last three acquisitions were transformational, and we doubled the size of the company in terms of gross profit as well as workforce. The market also underwent radical change in 2022, which led to lower growth and increased cost pressure brought by rising inflation and interest rates.

In this challenging environment we chose to focus on stabilizing the business and prioritize profitability and cash flow ahead of growth. Our determined efforts have produced results. In the last three years, we have generated more than SEK 5.3 billion in free cash flow after investments and reduced our debt ratio, which we define as net debt in relation to Adjusted EBITDA, from 3.4x to 1.5x.

To accelerate growth and further improve efficiency, Sinch launched a growth acceleration plan in late 2023 under the leadership of our CEO, Laurinda Pang. The starting point for the plan was the new operating model, which was subsequently implemented on January 1, 2024. The new model was aimed at increasing the focus on customers, unlocking cross- and upselling, and leveraging the company's global scale in operations and product development.

This was a major structural change that meant many employees took on new roles and began working with new colleagues, while others have left the company. For that reason, maintaining and improving efficiency during the transition, especially in sales, has been a high-priority task. Consequently, monitoring and supporting management's execution of the plan was a key task for the board of directors in 2024.

Other significant areas of endeavor included this year's incentive program and the analysis and planning that resulted in new financial and sustainability targets, as well as Sinch's inaugural Capital Markets Day, held in Stockholm last November. Our new financial targets are to achieve a year-on-year organic growth rate in net sales and gross profit of 7–9 percent, and an Adjusted EBITDA margin of 12–14 percent by the end of 2027. We also set our first long-term sustainability target and have committed to reaching net zero emissions by 2050 in line with the Science Based Targets initiative (SBTi).

I would also like to highlight the admirable progress on the financing side, where we have advanced our positions in the bond market. In so doing, we have increased our financial stability and reduced costs over the long term. The board of directors has also changed during the year. We have had the great pleasure of welcoming two new and eminently qualified directors, Lena Almefelt and Mattias Stenberg, who have brought important perspectives to our work.

Towards new goals

Sinch is strong and Sinch is resolute. After having generated nearly SEK 3 billion in operating cash flow in 2024, we have lowered our debt ratio to 1.5x with ample space to our ceiling of 2.5x. We have also come a long way in our change journey and are now considerably better coordinated and more agile than we were only a year ago. The market climate has also improved, which has resulted in higher market growth in several segments. Our growth at the end of the year was also a little better than expected.

We are now in a position in which we see new strategic opportunities and there is every reason to be optimistic about the future. Sinch has an unmistakable ambition to continue strengthening its market position and the board of directors is eager to continue supporting the work of the company and management to achieve the new targets, with particular focus on accelerating growth and further improving efficiency in 2025.

Stockholm, April 2025

Erik Fröberg
Chairman of the Board

Corporate governance statement

Introduction

Sinch AB (publ) ("Sinch") is the parent company of the Sinch Group ("the Group") and has been listed on Nasdaq Stockholm since October 8, 2015. The board of directors of Sinch presents herewith the corporate governance statement for the 2024 financial year. This corporate governance statement was adopted by the board of directors on April 22, 2025 and is a report of how corporate governance was pursued at Sinch during the 2024 financial year.

Principles of corporate governance

In addition to the corporate governance principles set out in law or other statute, Sinch complies with the Swedish Corporate Governance Code ("the Code"). Please refer to the Swedish Corporate Governance Board's website, bolagsstyrning.se. The internal regulations for governance of the company consist of the Articles of Association, the rules of procedure for the board of directors (including instructions for board committees), the instruction to the CEO, instructions for financial reporting, and other policies and guidelines.

Shareholders

The company had approximately 74,000 shareholders as of December 31, 2024. As of December 31, 2024, the following direct or indirect shareholdings represented at least one tenth of voting rights for all shares in the company: Neqst D2 AB, 18.43 percent.

Articles of association

The current Articles of Association (see the company's website, investors.sinch.com) were adopted by the general meeting held June 9, 2022. The Articles of Association contain no specific provisions concerning the appointment and dismissal of directors or concerning amendments to the Articles of Association.

Voting rights

The Articles of Association impose no limits in the matter of how many votes each shareholder may cast at a general meeting.

General meetings

The general meeting is the company's supreme governing body. General meetings afford shareholders the opportunity to exert their influence. Under the Swedish Companies Act, several matters of business are under the purview of the annual general meeting, such as adoption of the income statement and balance sheet, allocations of profit or treatment of loss, discharge of liability, election of directors, and election of auditors. At its discretion, the board may also convene an extraordinary general meeting during the year. This occurs, for example, if decisions must be made concerning matters under the sole purview of the general meeting and it would not be appropriate to delay the decisions until the next annual general meeting. Shareholders who wish to participate in a general meeting must be recorded as shareholders in a printout or other presentation of the entire share register representing the state of affairs six banking days prior to the meeting. Nominee-registered shares must have been re-registered for voting at least four days before the meeting. Shareholders must also notify the company that they will be attending by the date specified in the notice to attend. This date may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve, or New Year's Eve, and may not fall any earlier than the fifth business day prior to the meeting.

Annual general meeting 2024

The 2024 annual general meeting of shareholders in Sinch was held May 16, 2024, which shareholders could attend in person or by postal vote. Two hundred and eighty six shareholders representing 66.5 percent of votes and share capital attended the meeting. The annual general meeting resolved to adopt the financial statements for 2023, endorse the proposed allocation of profit, and discharge the CEO and board of directors from liability for the past financial year. The annual general meeting elected directors and the auditor, decided directors' fees and fees to the auditor, resolved on remuneration guidelines for compensation to senior executives, and approved the remuneration report. The annual general meeting also resolved to authorize the board of directors to resolve on issues of shares (see further below) and to introduce an incentive program.

Annual general meeting 2025

The 2025 Annual General Meeting will be held on May 22, 2025, at 10:00 CEST in Stockholm.

Authorization for issue of shares

The annual general meeting held May 16, 2024, resolved to authorize the board of directors to decide on one or more occasions prior to the next annual general meeting , on new issues of shares to be paid in cash, in kind or by way of set-off or otherwise on terms and conditions and that such new issue can be performed with deviation from the shareholders' preferential rights. The issues are to be performed on market terms, taking into account any discount on market terms. The reason for the authorization and the reason for the possible deviation from the shareholders' preferential rights is to enable capital raisings for the acquisition of companies, or parts of companies, and for the operations of Sinch. The board of directors is entitled to resolve on share issues causing an increase of the company's share capital of at most 10 percent of the company's registered share capital at the time the board of directors first utilizes the authorization.

Nomination Committee

The general meeting determines the principles for appointment of the Nomination Committee and the instructions to the Nomination Committee. The current principles and instructions were adopted by the annual general meeting held on May 17, 2023 and remain in force until further notice. As set out in the principles for appointment of the Nomination Committee, the four largest shareholders or shareholder groups in terms of voting rights (thus referring to directly registered shareholders and nominee-registered shareholders) per the share register printed by Euroclear Sweden AB ("Euroclear") as of September 30 each year shall each appoint one representative to constitute the Nomination Committee, in addition to the Chairman of the Board, for a term of office ending upon the appointment of a new Nomination Committee the following year.

If any of the four largest shareholders or owner groups decline to exercise the right to appoint a representative, the fifth largest shareholder or owner group shall be given the opportunity to exercise such right, and so on until the Nomination Committee consists of five members in total. The majority of the members of the Nomination Committee shall be independent in relation to Sinch and the executive management. At least one member of the Nomination Committee shall be independent in relation to the largest, in terms of votes, shareholder or group of shareholders in Sinch who act in concert in relation to the management of Sinch. The CEO or any other member of executive management shall not be a member of the Nomination Committee. Directors may be members of the Nomination Committee, but shall not constitute a majority of its members. If more than one director is included in the Nomination Committee, no more than one of those directors may be dependent in relation to major shareholders in Sinch.

The Nomination Committee shall appoint the committee chair. The Chairman of the Board or any other director shall not serve as chair of the Nomination Committee. The composition of the Nomination Committee shall be announced not later than six months before the annual general meeting. If one or more shareholders who appointed representatives to the Nomination Committee is/are no longer among the four largest shareholders in Sinch at a point in time more than two months prior to the annual general meeting, the shareholder representative/s shall step down and a new member or members shall be appointed to represent the new shareholders that are then among the four largest shareholders. If a member of the Nomination Committee resigns before the work of the Nomination Committee is completed, the same shareholder who appointed the resigning member shall, if it is considered necessary, have the right to appoint a new member, or, if that shareholder is no longer among the four largest shareholders, the next largest shareholder in line, as per the principles set out above, but based upon Euroclear's printout of the share register, as soon as possible after the member has stepped down. Changes in the composition of the Nomination Committee shall be immediately publicized.

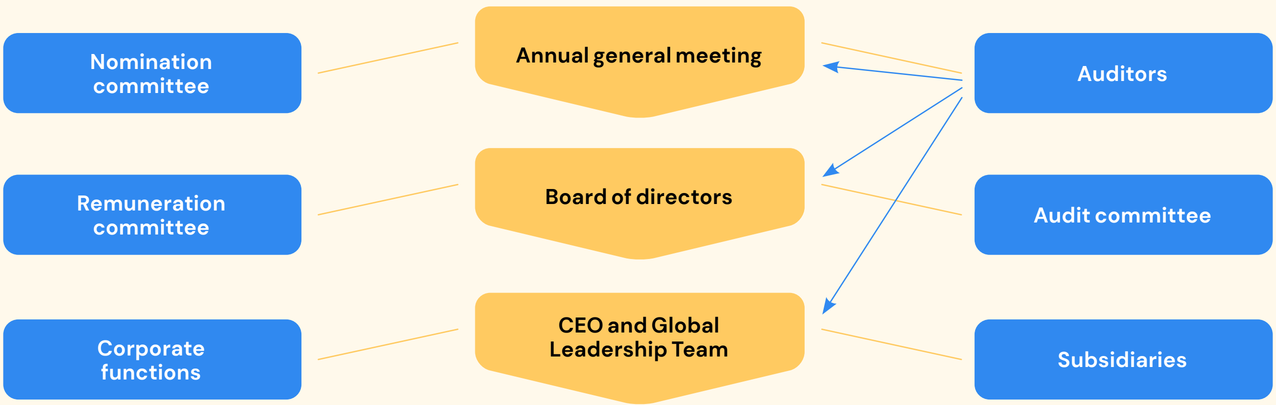
Leading up to the 2025 annual general meeting, the composition of the Sinch Nomination Committee was as follows:

- Jonas Fredriksson, representing Neqst D2 AB
- Thomas Wuolikainen, representing Fjärde AP-fonden
- Patricia Hedelius, representing AMF Pension & Fonder
- Monica Åsmyr, representing Swedbank Robur Fonder
- Erik Fröberg, Chairman of the Board, Sinch AB (publ)

Composition of the board

The Nomination Committee applies rule 4.1 of the Code. The rule sets out that the board shall have a composition appropriate to the company's operations, phase of development, and other relevant circumstances, that the board should exhibit diversity and breadth of qualifications, experience, and background, and that the company should strive for gender balance on the board. These principles are considered an aspect of the Nomination Committee's work to draft its proposals on election of board members. In the opinion of the 2024 Nomination Committee, the board of directors has an acceptable level of diversity with regard to age, experience, and gender. Of the directors elected in 2024, two are women and currently make up 40 percent of the board of directors.

Corporate governance model



The chart illustrates Sinch's corporate governance model and how central corporate functions are appointed and cooperate.

Directors' remuneration

The Nomination Committee presents a proposal concerning directors' fees to the annual general meeting. The 2024 annual general meeting resolved in favor of the Nomination Committee's proposal. The Nomination Committee's proposal to the annual general meeting concerning directors' remuneration is set out in the Nomination Committee's proposal and in the notice to attend the meeting.

Board of directors

Board composition

The 2024 annual general meeting elected Erik Fröberg, Lena Almefelt, Renée Robinson Strömberg, Johan Stuart, Björn Zethraeus, and Mattias Stenberg as members of the board of directors. Erik Fröberg was elected Chairman of the Board. Bridget Cosgrave and Hudson Smith had notified the Nomination Committee that they were not available for re-election ahead of the 2024 annual general meeting. On June 19, 2024, Johan Stuart left the board of directors for personal reasons.

The chair presides over and allocates board duties, maintains continuous contact with the CEO and CFO, ensures that directors are thoroughly prepared and represents Sinch in acquisition discussions and the like.

Board independence

The positions of dependency of directors in relation to the company and management, as well as major shareholders is shown in the table below. As shown in the table, Sinch complies with applicable rules set out in the Code concerning the independence of directors in relation to the company and management, as well as the company's major shareholders.

Board duties

The duties of the board of directors are carried out in the manner required by the Swedish Companies Act, the Code, and other rules and regulations applicable to the company. The board works according to its rules of procedure and yearly plan, which are adopted annually. The company's CEO and CFO attend board meetings. The company's Chief Legal Officer normally acts as the recording secretary. Other Global Leadership Team personnel and Group officers participate at board meetings to present reports as required.

In addition to the constituent meeting held after election by the annual general meeting, the board of directors met eleven times in 2024. The primary focus of the board during the year was on strategy, the business plan and budget, reorganizations, and integration of acquired entities. The board of directors met with the auditor on one occasion during the year without the presence of the CEO or any other management representative. The work of the CEO and the board of directors is externally evaluated annually. The evaluation was performed in 2024 through a self-assessment of the work of the board by giving directors the opportunity to express their views on working methods, board materials, their own work and that of other directors, and the scope of the board assignment. The board of directors also receives reports from the Audit Committee and the Remuneration Committee and evaluates their work. The evaluation has been presented to the Nomination Committee. The board of directors monitors the work of management by means of monthly reports covering financial performance, key figures, progress in prioritized activities, etc.

Name	Year elected	Independent of the company	Independent of the owners	Position	Committee	Attendance board meetings	Attendance Audit Committee	Attendance Remuneration Committee	Fee SEK 000s[1]	Number of shares/warrants in Sinch, direct and indirect holdings[2]
Erik Fröberg	2012	Yes	No	Chairman of the Board, Remuneration Committee Chair, Audit Committee Member	Remuneration, Audit	11/11	7/7	10/10	1,700	1,773,970 direct holding – indirect holding through Neqst D2 AB
Bridget Cosgrave	2018[4]	Yes	Yes	Director, declined reelection of AGM 2024	-	4/11	-	-	-	-
Renée Robinson Strömberg	2017	Yes	Yes	Director, Remuneration Committee member	Remuneration	11/11	-	10/10	750	340
Johan Stuart	2015[4]	Yes	Yes	Director, chairman of the Audit Committee, resigned from both positions on June 19, 2024	Audit	4/11	4/7	-	-	-
Björn Zethraeus	2017	No	No	Director	-	10/11	-	-	0[3]	0 direct holding – indirect holding through Neqst D2 AB
Hudson Smith	2022[4]	Yes	Yes	Director, declined reelection of AGM 2024	-	2/11	-	-	-	-
Lena Almefelt	2024	Yes	Yes	Director	-	6/11	-	-	700	0
Mattias Stenberg	2024	Yes	Yes	Director	-	7/11	-	-	700	50,000

1) Disclosures concerning directors' fees refer to the board year beginning at the end of the 2024 AGM and ending at the close of the 2025 AGM.

2) Holdings as of 31 December 2024.

3) Fees are not paid to personnel employed by the company.

4) Bridget Cosgrave, Johan Stuart, and Hudson Smith left the Sinch board of directors during 2024 as further detailed in this statement and are no longer active directors in Sinch.

Board meetings

The board holds ordinary meetings according to the plan below:

- *January/February* – Year-end report.
- *March/April* – Corporate governance meeting: agenda and notice to attend the annual general meeting, corporate governance statement, annual report, sustainability report, review of insurance policies and pensions, interim report for the first quarter.
- *May/June* – Constituent meeting after election, decisions on the board rules of procedure, CEO instruction, and instructions for financial reporting, the board's yearly plan, authorized signatories, strategy meeting.
- *July/August* – Interim report for the second quarter.
- *September* – Budget, financial forecasts.
- *October/November* - Interim report for the third quarter, strategy meeting, risk report, long range plan.
- *November/December* – Budget decision, senior management compensation, pay review, assessment of board of directors and CEO.

The CEO presents an operations report at the ordinary meetings. The board of directors engages in discussions in connection with review of auditor's reports.

Board committee duties

The board of directors has two committees: the Audit Committee and the Remuneration Committee. The work of the committees is governed by the board rules of procedure and the board's instructions to the committees. Board committees deal with the matters within their respective purview and issue reports and recommendations upon which board decisions are based. The committees have defined decision authority within the frameworks of board directives. The minutes of committee meetings are made available to the board of directors.

Audit Committee

Following Johan Stuart's resignation from the board of directors in June 2024, the Audit Committee has had a vacancy and currently consists of Erik Fröberg as the sole member. As Erik Fröberg is not independent in relation to the company's major shareholders, this constitutes a deviation from section 7.2 of the Code. The board of directors intends to, following the 2025 annual general meeting, constitute an audit committee that does not deviate from the Code (or have the board of directors in its entirety carry out the functions of the audit committee). While the vacancy has existed, the Audit Committee has continued working and the CEO, CFO, Chief Legal Officer and Head of Group Accounting have attended meetings of the Audit Committee as needed. The Head of Internal Audit also attends at regular intervals. The company's auditor attended six out of seven meetings of the Audit Committee during the year.

Internal Audit

At Sinch, it is the employees' responsibility to ensure sound governance and internal control in the operations or processes for which they are responsible. Internal Audit is a separate function with the task of evaluating and improving the efficiency of internal control, governance, and risk management. The function reports to the Audit Committee and the board in relation to internal audit matters. The function was established in 2020 and consisted of six auditors until August 2024 and thereafter seven for the remainder of the year. The function examines internal processes, information security, and IT systems, as well as compliance with policies and other governing documents.

Remuneration Committee

The members of the Remuneration Committee are Erik Fröberg (chair) and Renée Robinson Strömberg. Directors' and committee members' attendance at board meetings during the year is shown on the table below.

Auditors

The audit firm elected for a term of one year by the annual general meeting held May 16, 2024, is Deloitte AB. Johan Telander, authorized public accountant, is the auditor in charge. The auditors' remit is to examine the company's annual report and accounting records and management of the company by the board of directors and the CEO, on behalf of the shareholders. The auditors report regularly to the Audit Committee and the board of directors. Auditor's fees are specified in Note 7 to the annual report.

Global Leadership Team

The board of directors appoints the CEO. The CEO oversees the Global Leadership Team and makes decisions in consultation with other members of the Global Leadership Team. As of December 31, 2024, the Global Leadership Team was comprised of CEO Laurinda Pang, Chief Technology Officer Brett Scorza, Chief Human Resources Officer Christina Raaschou, Chief Legal Officer Ilse van der Haar, Chief Marketing Officer Jonathan Bean, Executive Vice President Americas Julia Fraser, Executive Vice President APAC Wendy Johnstone, Executive Vice President EMEA Nicklas Molin, Chief Financial Officer Roshan Saldanha, Chief Product Officer Sean O'Neal, Chief Data and Transformation Officer Sibito Morley, and Chief Strategy Officer Thomas Heath. On April 1, 2025, Thomas Heath left the team and Jonas Dahlberg replaced Roshan Saldanha as Chief Financial Officer. In addition, Robert Gerstmann was appointed acting Chief Product Officer following Sean O'Neal's announced departure.

Work of Global Leadership Team

The CEO meets regularly with all members of the Global Leadership Team for business updates, to receive reports, set objectives, and for general business discussions. In addition, the CEO holds quarterly in-person meetings with the leadership team for more in-depth strategy discussions and planning. Governance and monitoring of the leadership team is based on the rules of procedure adopted by the board, the instruction for the CEO, and reporting instructions. The Global Leadership Team and other managerial personnel manage daily operations primarily through instruments such as budgets, performance management and reward systems, regular reporting and monitoring, and employee meetings, and via a delegated decision structure with functional hierarchies (development, marketing, support, finance, etc.) from the parent company to subsidiary leadership teams. The main focus areas during the year were implementation of the new operating model, growth acceleration, and business planning.

Internal control over financial reporting

The board of directors' responsibility for internal control is governed by the Swedish Companies Act and the Code. In accordance with the Swedish Annual Accounts Act, the corporate governance statement includes a description of the key elements of the company's internal control and risk management system. Internal control of financial reporting has two primary aims: to provide reasonable assurance of the reliability of external financial reporting and to ensure that external financial reports have been prepared in compliance with law, applicable accounting standards, and other requirements imposed upon listed companies.

Control environment

The board has overall responsibility for internal control related to financial reporting. The control environment for financial reporting is based on an allocation of roles and responsibilities in the organization, adopted and communicated decision paths, instructions regarding authority and responsibility, and accounting and reporting instructions. Internal Audit reports directly to the Audit Committee. The board has adopted rules of procedure, a CEO instruction, instructions for financial reporting, and instructions for the work of the Audit and Remuneration Committees.

Risk assessment

As an integrated component of the management process, the board and Global Leadership Team work with risk assessment from a broad perspective, including but not limited to financial risks and important business risks. Regular risk reports are presented to the board of directors. During the year, the board regularly discussed various types of risks and the company's risk management process. The company has a risk map that is reviewed by the Audit Committee and is the basis for internal audit and continuous improvement of internal processes and controls.

The Group's Enterprise Risk Management process and the company's operational risks are described on pages 50-55 and financial risks on pages 118-120.

Control activities

The Group's control activities relating to financial core processes are described in the risk map approved by the board as a basis for ongoing efforts to continuously improve internal processes and controls. Controls are performed at both the subsidiary level and the Group level. The three regions have appointed chief financial officers who are responsible for ensuring that financial figures are verified and reported on a monthly basis. This includes reconciliation of financial figures against sales and cost data from the Group's transaction system, reconciliation of intragroup transactions, and reconciliation of bank accounts. These figures are then checked at the Group level in conjunction with the monthly consolidation of Group figures. Efforts are ongoing to continuously improve these processes through, for example, advanced training of relevant employees, greater automation of reconciliations, and through the checking of important figures by several individuals in parallel.

Information and communication

Information about internal financial reporting control documents is available to relevant employees on the Sinch intranet. Information and training related to the internal control documents is also provided through activities aimed directly at finance managers and controllers within the Group.

Monitoring

The effectiveness of internal control of financial reporting is monitored by the board, the Audit Committee, the CEO, the Global Leadership Team, and Group companies. Follow-up includes continuous quality control by the board of directors of the company's monthly financial reports, ongoing monitoring of central financial processes, such as management of potential customer losses and review of internal and external audit reports. Members of the staff of Sinch's corporate functions, for instance Internal Audit, also regularly visit the operating regions to verify that Sinch's financial processes are being correctly implemented and continuously developed to ensure accurate financial reporting.

Stockholm, April 22, 2025

The board of directors of Sinch AB (publ)

Board of directors

1. Erik Fröberg

Born: 1957

Director of Sinch since: 2012, Chairman of the Board since 2015

Shareholding in Sinch (total, private and via companies): 1,773,970 privately held and an indirect holding through Neqst D2 AB

Warrants in Sinch: 0

Education: MSc in Engineering Physics, KTH Stockholm

Principal occupation: Partner and founder of Neqst

Experience: Executive Vice President Cap Gemini Sweden, Executive Vice President LHS Group Inc, CEO Digiquant Inc, Special Advisor General Atlantic LP

Other significant directorships (company and position): Director of Varnish AB and Chairman of the board of directors of Xlent AB and Netlight AB

Dependency on the company and its major shareholders: No/Yes

2. Björn Zethraeus

Born: 1963

Director of Sinch since: 2017

Shareholding in Sinch (total, private and via companies): indirect holding through Neqst D2 AB

Warrants in Sinch: 0

Education: MSc Engineering, Institute of Technology at Linköping University

Principal occupation: Corporate Development and co-founder of Sinch

Experience: Executive positions with Ericsson, co-founder of Ericsson IPX AB, Co-founder of Sinch, management consultant, and acting head of various network operators and mobile marketing companies

Other significant directorships (company and position): None

Dependency on the company and its major shareholders: Yes/Yes

3. Lena Almefelt

Born: 1964

Director of Sinch since: 2024

Shareholding in Sinch (total, private and via companies): 0

Warrants in Sinch: 0

Education: LL.M.., Lund University

Principal occupation: Directorships

Experience: General Counsel at EQT and partner at Advokatfirman Vinge

Other significant directorships (company and position): Chairman of the board of directors of Teqnion AB and AB för Varubelåning, member of the board of directors of J.A. Janssons Stiftelse

Dependency on the company and its major shareholders: No/No

4. Mattias Stenberg

Born: 1977

Director of Sinch since: 2024

Shareholding in Sinch (total, private and via companies): 50,000

Warrants in Sinch: 0

Education: BSc, Business Administration and Economics, Linköping University, degree in computer sciences, Stockholm University

Principal occupation: President of Hexagon's Asset Lifecycle Intelligence division

Experience: Multiple roles at Hexagon, Teleca, and Autoliv

Other significant directorships (company and position): None

Dependency on the company and its major shareholders: No/No

5. Renée Robinson Strömberg

Born: 1970

Director of Sinch since: 2017

Shareholding in Sinch (total, private and via companies): 340

Warrants in Sinch: 0

Education: Degree in Chinese Studies and Economics, Kalamazoo College, MBA Stephen M. Ross School of Business, University of Michigan

Principal occupation: Founder and CEO of Shiny Thing AB

Experience: More than 25 years of experience in the international high-tech industry at companies including Drutt (acquired by Ericsson) and Tail-f Systems (acquired by Cisco)

Other significant directorships (company and position): None

Dependency on the company and its major shareholders: No/No

Global Leadership Team

1. Laurinda Pang

Chief Executive Officer

Born: 1970

Employee since: April 2023

Shareholding in Sinch (total, private and via companies): 0

Warrants in Sinch: 2,300,000 employee stock options corresponding to 2,300,000 shares

Education: BA, Political Science, Pennsylvania State University

Experience: President, Global Customer Success, International and Wholesale Markets, Lumen Technologies 2020-2022. President, International and Global Accounts Management, Centurylink, 2017-2020. Numerous executive roles within Sales, Human Resources, Investor Relations, and Product Management with Level 3 Communications and Global Crossing, 1997–2017

2. Brett Scorza

Chief Technology Officer

Born: 1968

Employee since: 2021

Shareholding in Sinch (total, private and via companies): 0

Warrants in Sinch: 933,888 employee stock options corresponding to 975,000 shares

Education: BSc, Electrical Engineering, University of Illinois

Experience: Over 30 years of executive experience in software, technology, and telecommunications; President Sinch Voice (formerly Inteliquent) since 2004, where he has held several additional roles with responsibility for sales, product and development. Prior to Sinch Voice, he held positions at Focal Communications Inc., MFS Communications, and Andersen Consulting

3. Christina Raaschou

Chief Human Resources Officer

Born: 1977

Employee since: January 2022

Shareholding in Sinch (total, private and via companies): 337

Warrants in Sinch: 145,000 employee stock options and 34,566 warrants corresponding to 193,660 shares

Education: MSc, Business Administration, Karlstad University

Experience: Head of HR H&M Group Business Tech, senior human resources roles at Ericsson and Unilever

4. Ilse van der Haar

Chief Legal Officer

Born: 1978

Employee since: September 2022

Shareholding in Sinch (total, private and via companies): 0

Warrants in Sinch: 50,000 employee stock options and 35,000 warrants corresponding to 85,000 shares

Education: LLM, Maastricht University. PhD, Law, Tilburg Institute of Law and Economics, Tilburg University

Experience: VP Privacy and Regulatory at Sinch since 2022, Head of Compliance and Privacy at PostNord Group 2019-2022, Director of Regulatory Affairs and Corporate Responsibility at Tele2 Group 2015-2019. Prior to that, several enforcement official positions at the Netherlands Authority for Consumer and Markets

5. Jonas Dahlberg[1)]

Chief Financial Officer

Born: 1973

Employee since: 2025

Shareholding in Sinch (total, private and via companies): 0

Warrants in Sinch: 0 warrants corresponding to 0 shares

Education: MSc, Engineering Physics and BSc, Business Administration, Umeå University

Experience: 2024- Member of Shareholder committee at VTU Engineering, 2019-2024 CEO and CFO at Transcom Worldwide, 2012-2019 CFO Sweco, 2008-2012 Director of corporate business development and Head of Russia at Sweco, 1998-2008 consultant at McKinsey & Company.

6. Jonathan Bean

Chief Marketing Officer

Born: 1976

Employee since: April 2019

Shareholding in Sinch (total, private and via companies): 61,654

Warrants in Sinch: 45,000 employee stock options corresponding to 45,000 shares

Education: MBA Henley Business School; Degree in Communications, University of Leeds

Experience: Mynewsdesk since 2009. Sinch Chief Marketing Officer since 2015. Prior to Mynewsdesk, SaaS solutions sales at Cision

1) CFO at Sinch from April 1, 2025. Roshan Saldanha was Sinch CFO during 2024.

7. Julia Fraser

Executive Vice President Americas

Born: 1975

Employee since: 2023

Shareholding in Sinch (total, private and via companies): 0

Warrants in Sinch: 925,000 employee stock options corresponding to 925,000 shares

Education: LLB, Staffordshire University, United Kingdom

Experience: SVP Customer Success & Specialist Sales Lumen Technologies, VP Sales UK&I CenturyLink, VP Carrier Management Level 3. Various commercial and product roles at Aircom, Nokia, and Symbian

8. Nicklas Molin

Executive Vice President EMEA

Born: 1978

Employee since: 2016

Shareholding in Sinch (total, private and via companies): 210,050

Warrants in Sinch: 216,060 warrants corresponding to 225,660 shares

Education: MSc, Computer Science, BSc Business Administration, Stockholm University

Experience: Executive Vice President International Sinch, Regional Vice President EMEA Sinch, VP Sales & Marketing (original Sinch), VP Sales & Marketing PayEx, Sales Director, Wallit

9. Robert Gerstmann[1)]

Chief Product Officer (acting)

Born:1975

Employee since: 2008

Shareholding in Sinch (total, private and via companies): Indirect holding through Neqst D2 AB

Warrants in Sinch: 0

Education: MSc, Industrial Engineering, The Institute of Technology at Linköping University

Experience: Co-founder of Sinch, Director Messaging Mblox, Product Manager Netgiro/Digital River

10. Sibito Morley

Chief Data and Transformation Officer

Born: 1972

Employee since: 2023

Shareholding in Sinch (total, private and via companies): 0

Warrants in Sinch: 756,250 employee stock options corresponding to 756,250 shares

Education: BA, Politics, Princeton University. JD, Brigham Young University. Inactive member of the Utah State Bar

Experience: Chief Data Officer at Lumen Technologies, Chief Information Officer MEMC Electronics, IT strategy and operations executive at DaVita Healthcare, IBM, Cummins, and NetJets

12. Wendy Johnstone

Executive Vice President APAC

Born: 1970

Employee since: 2024

Shareholding in Sinch (total, private and via companies): 0

Warrants in Sinch: 950,000 employee stock options corresponding to 950,000 shares

Education: BA (Hons), Business, Glasgow Caledonian University, Postgraduate Degree, Marketing, Chartered Institute of Marketing UK

Experience: 25 years of experience from technology and SaaS including SVP APAC and Japan at Zendesk, General Manager APAC at Microsoft, VP Marketing APAC at Salesforce

Note that holdings of shares and warrants by directors and executive management are reported as of 1 Januari 2025. The number of warrants/stock options and shares may differ since a warrant/stock option relating to LTI programs that were issued before the 1:10 share split in June 2021 carries the right to 10 shares. In later programs, one warrant/stock option carries the right to one share. Also see investors.sinch.com.

1) Acting CPO at Sinch from April, 2025 . Sean O'Neal was Sinch CPO during 2024.

Thomas Heath was Chief Strategy Officer at Sinch during 2024 and left Sinch in April 2025.

Risks and risk management

Introduction

Risk management is a fundamental component of effective management practice. By identifying and assessing risks and opportunities proactively, companies safeguard and create value for stakeholders, including owners, employees, customers, and society.

At Sinch, the Enterprise Risk Management (ERM) process has been established to identify significant risks that could impact the company and to mitigate and monitor these risks. This process provides reasonable assurance regarding the achievement of Sinch's objectives.

To support its strategic goals, Sinch's Global Leadership Team monitors significant risks and provides ongoing guidance on the type and level of risks the company can take. Updates on these risk categories, along with any other upcoming risks, are an integral part of the ERM process and are managed by the Global Leadership Team on an ongoing basis. Regular updates are provided to the board of directors and Audit Committee related to the Company's top risks, ensuring a continuous alignment of risk oversight with Sinch's objectives.

This section highlights the significant risks identified. In addition to these significant risks, you will find information on the risk assessment framework in the Corporate Governance Statement on page 46, a more detailed description of Sinch's financial risks in Note 32, and Sinch's sustainability risks in the sustainability report on page 56–78.

The Enterprise Risk Management framework

Sinch has defined five types of risks

Strategic

Risks related to the organization's mission, strategic direction, fulfilment of our strategic goals, and impact of technological development.

Operational

Risks related to effectiveness and efficiency of the organization's operations, including performance and profitability risks that are likely to arise from lack of or inadequate internal business processes and procedures, products, people, and systems, or from external events.

Legal & compliance

Risks related to non-compliance with applicable laws and regulations, stakeholder requirements, internal policies and procedures, and internal control practices to which we have committed.

Financial

Risks related to the organization's ability to generate adequate cash flows to meet financial obligations and support business objectives.

External

Risks related to the organization's ability to mitigate external risks that could impact Sinch negatively, such as macroeconomic, geopolitical, and environmental risks.

Risk identification – prioritized risks

Strategic

Risk	Risk mitigation
Integration • The risk of not realizing the full value of acquired companies through, for example, insufficient integration of systems, personnel, business culture and ethics, and data transfer.	Sinch addresses these risks by applying a systematic approach to the entire acquisition and integration process.
Product strategy • The risk of failing to meet customer needs and respond to changes that could affect the organization's product value and relevance, and the ability to maintain competitive edge in the market. • The risk of not having a clear decision on what products to build/retain and for whom and why. • The risk of not securing products individually or at the platform level to avoid service disruptions and data breaches.	Sinch is using a product feedback process to understand how we can better meet the needs of our customers. We analyze the financial performance of our products, and we monitor the regulatory and competitive landscapes, as well as market trends.
Technology • The risk of technological development that makes the current offering, infrastructure, and knowledge of Sinch obsolete. The new technology would enable new ways of enabling digital communication or solving the need addressed by Sinch. The risk includes both the risk of lost opportunities due to lack of relevant technological solutions, as well as technology-driven market disruption of digital customer communications.	To mitigate technology risks, Sinch is investing in technology that will optimize communication capabilities as well as enhance ease of use. We analyze market and technology trends and collaborate closely with industry-leading software developers.
Changing competitive landscape • Risk from change of strategy of key stakeholders in the market, e.g. Google or Apple, that would aim to bypass Sinch infrastructure and promote a competing solution for digital customer communications.	Risk is mitigated by leveraging the scale and quality in operations and customer understanding to enable an efficient, timely, and cost-efficient offering that deters competitors from entering the market.

Operational

Risk	Risk mitigation
Enterprise security and resilience • The risk that services and the infrastructure are exposed to cyberattacks such as malware, DDoS events, phishing, compromised identities, compromised credentials, and supply chain attacks. All of these can affect the performance of our systems, which could lead to downtime and increase the organization's exposure to reputational, litigation, and regulatory risks. • The risk of service disruption to customers and data breaches leading to customer data loss and compromised privacy resulting from attacks on product platforms due to inadequate product security. • The risk of not being sufficiently resilient and/or agile to manage an unexpected crisis significantly impacting one or more of the physical structures, facilities, networks, systems, and other assets which are essential to the organization's operations and reputation.	To mitigate the risk of impact, information and IT security is a prioritized area of investment in Sinch. This involves, among other things, certifying the business in accordance with ISO27001, investments in equipment, further development of security processes and tools, as well as our Security Operations Center (SOC). We have also updated our security training for employees and allocated additional resources to manage the security of our physical assets.
Data governance and management • The risk of not having access to consistent, accurate data and inability to utilize data analytics and "big data" that enable informed decisions and drive the organization's growth and success. • The risk of not protecting the privacy of employees, customers, and end-users, as well as proper access and use of data that is critical for security and regulatory compliance.	Sinch prioritizes enhancing data management systems to ensure consistency, reliability, and compliance. Sinch is actively working on implementing robust data governance practices to protect data privacy and ensure secure, authorized access, supporting informed decision making and regulatory compliance.
Fraud/scams • The risk of "gray market" and "black market" traffic, which causes revenue leaks for the operators and other varieties of scams, such as artificially inflated traffic or communications aimed at cheating individuals of their money.	Sinch offers services in which operator networks are ringfenced, and gray- and black-market traffic is blocked using solutions including firewalls and spam filters. Sinch also sells these solutions to operators, tracks network traffic flows, and is working closely with industry organizations and regulators to reduce scams.
Contractual commitments in A2P SMS • The risk of failure to meet volume commitments towards mobile network operators (MNOs) and aggregator partners leading to financial loss, penalty fees, and potentially legal disputes.	Sinch is actively working on closely monitoring key metrics, optimizing traffic routing, and minimizing financial exposure. Ongoing improvements to internal reporting and data systems help prevent potential issues and ensure better alignment with commitments.
Supplier price increases • The risk that mobile operators will increase their charges resulting in lower volumes and/or lower margins if we are unable to pass along price increases to our customers.	To reduce the risk of being impacted by price increases on the supply side, Sinch ensures its capacity to offer communication across alternative channels, such as SMS and conversational messaging. As Sinch has widened and differentiated its offering through new acquisitions, it is less affected by price changes within individual channels.

Risk	Risk mitigation
Human capital and talent retention • The risk of losing talent due to organizational changes or lack of opportunities for professional growth and development within the organization. • The risk of disruption and adverse effects on the organization's operations due to absence of or sudden departure of key leaders and talent without a well-established plan or strategy in place to ensure the seamless transition of responsibilities and the preservation of critical knowledge, skills, and institutional expertise. • The risk of employees lacking the necessary skills and knowledge to meet evolving demands due to insufficient skills enhancement. • The risk of not finding qualified candidates for specific roles due to a lack of talent in the market or rapidly changing skills requirements.	Sinch is working actively with the order of succession and skills development, and offers flexible workplaces to attract and retain key skills. As the company grows, the business will also become less dependent on the skills and contributions of specific individuals.

Legal and compliance

Risk	Risk mitigation
Legal compliance • The risk of non-compliance with applicable laws, regulations, and contractual commitments could lead to customer losses, litigation, regulatory inquiry, and financial and reputational consequences.	Sinch's internal experts work with outside counsel to regularly review the regulatory landscape and ensure it is appropriately codified in existing policies and procedures. Additionally, Sinch utilizes standard contractual models for entering into agreements with third parties.
Disputes • The risk of litigation, legal proceedings, and regulatory investigations, which, if determined unfavorably, could require the company to pay substantial damages, fines, and/or penalties.	Sinch is occasionally involved in litigation and other legal proceedings, both as a plaintiff and as a defendant. Such legal disputes may relate to labor disputes, commercial disputes, tax disputes or regulatory inquiries or investigations. Sinch's Legal and Compliance function, together with outside legal counsel where appropriate, determines the most appropriate legal strategy in each instance and works proactively to limit the associated costs and impact to the business where at all possible.

Risk	Risk mitigation
Unethical business practices	
• The risk of ethics and compliance violations, including, for example, bribery, corruption, fraud, discrimination, and human rights violations.	Sinch's Code of Conduct sets out the principles of its Ethics & Compliance Program, which works proactively to prevent instances of bribery, corruption, fraud, or other unethical business practices in the value chain. Employees and individuals working with, for, or on behalf of Sinch must acknowledge and sign the Code of Conduct and complete required trainings related to its contents. For suppliers providing products or services above a certain value, they are required to either accept the Supplier Code of Conduct or demonstrate adherence to an equivalent code meeting the same standards. Sinch maintains an independent compliance reporting line supported by a robust allegation management process which conducts thorough, fair, and fact-based internal investigations.
Evolving regulatory landscape	
• The risk of Sinch being found to be non-compliant with new or changing legislation and regulatory requirements which could lead to administrative penalties and/or civil liability.	Sinch closely monitors the development of new laws and regulations in the markets where it operates and works proactively to ensure compliance. Sinch also contributes actively to the regulatory and industry dialogue within its areas of expertise.
Protection of personal data	
• The risk that Sinch processes personal data in breach of national legislation resulting in harm to an individual and/or financial and reputational consequences.	Sinch's Privacy Compliance Program is designed to ensure all personal data is processed in accordance with relevant national laws and regulations.
Tax compliance	
• The risk of non-compliance with tax regulations, resulting in possible fines, interest, and penalties, with adverse effects on financial condition, operating results, and cash flows. Sinch operates globally and is subject to many different types of taxes. Each jurisdiction has its own tax laws, rules, and regulations, which are subject to interpretation. Local tax authorities may interpret tax laws differently than Sinch in certain instances.	Sinch closely monitors the legal, regulatory, and tax landscape together with external advisors in the applicable jurisdictions to enhance tax processes that comply with all tax obligations.

Financial

Risk	Risk mitigation
Liquidity and financing • The risk that refinancing of maturing loans becomes expensive, difficult, or even impossible due to worsening financial markets or investors perception of Sinch as a credit risk. • The risk of not having liquidity to comply with payment obligations as they fall due.	The Sinch board of directors has established a Financial Policy providing guidelines for the management of financial risks. Sinch Group Treasury manages financial risks in accordance with the Financial Policy. The financial risks are managed centrally whereby reduced refinancing, liquidity, and currency risk is achieved. Strong cash flow and deleveraging capacity further reduce financing risk. See Note 32 for additional information.

External

Risk	Risk mitigation
Environmental impact • Rising market expectations regarding climate action pose a risk to Sinch, as customers and investors may view the company's efforts to address climate change as insufficient. • Rising temperatures are expected to drive higher energy demand, leading to increased energy costs and potential impact on financial performance.	Sinch has set a Science Based Target (SBT) Net-Zero target for 2050 and is working actively to achieve short- and long-term emission cuts in line with SBTi and the 1.5°C goal of the Paris agreement, across the entire value chain. Sinch's climate risk mitigation activities are explained more in detail on page 61-67.
Geopolitical risk • Risk of geopolitical conflicts between states that could impact safe working conditions for Sinch employees, the physical infrastructure Sinch requires to deliver its services, the availability of suppliers, and consumer demand. • Global geopolitical tension also risks impacting the free flow of information in the telecommunications networks.	Sinch always strives to maintain a certain degree of redundancy in core infrastructure to enable alternative routing of traffic for commercial reasons. This also mitigates the impact on infrastructure of a local geopolitical conflict. The cloud-based infrastructure also enables mobile workstations. The board and management of Sinch closely monitor global geopolitical developments to be able to appropriately position the company. That said, exposure to countries where geopolitical risk is high, such as China, Russia, and parts of Africa, is very limited.

Sustainability report

General information

Basis of preparation

The consolidated sustainability report covers Sinch AB (publ), defined as the parent company and its subsidiaries (the Group). The sustainability report covers the period from January 1, 2024, to December 31, 2024, and the information is consolidated according to the same principles as the financial statements. The sustainability report has been prepared in accordance with the Swedish Annual Accounts Act regarding the statutory sustainability report, according to the older version before July 1, 2024, and the EU Taxonomy Regulation. In preparation for upcoming sustainability reporting requirements, the 2024 sustainability report has been developed with reference to the European Sustainability Reporting Standards (ESRS), but does not fully adhere to these standards. Changes to prior reporting periods include the adoption of a double materiality assessment as the foundation for sustainability reporting. This assessment encompasses the full scope of Sinch AB's operations, including upstream, downstream, and its own activities.

Sustainability governance

Board of directors' responsibilities

The board of directors is responsible for overseeing the management of the company, corporate governance, including sustainability matters and sustainability reporting. The board oversees sustainability targets based on the company's key impacts, risks, and opportunities. While some targets have been established, additional impacts, risks, and opportunities will be incorporated into sustainability management during the upcoming year. Based on its market expertise and operational experience, it has been determined that the board of directors is well-suited to leading the company's strategic development, of which sustainability is an integral aspect.

For more information about the board's composition and diversity of the members of management please refer to pages 47-49.

CEO and Global Leadership Team

The CEO, supported by the Global Leadership Team, is responsible for executing the board's decisions and strategies. The leadership team ensures that relevant individuals within the organization contribute to decision making, provide analysis, and monitor business performance.

The company's Chief Financial Officer (CFO) holds overall operational responsibility for sustainability efforts. The CFO regularly updates the CEO and executive management on ongoing activities, initiatives, tracking, and progress through the Head of Sustainability. Several members of the GLT have been appointed as sustainability focus area owners and are responsible for managing the impacts, risks, and opportunities within their respective focus areas. This includes overseeing related processes, actions, and policies, as well as establishing, owning, and achieving strategic targets.

Sustainability leadership

In 2024, Sinch appointed a new Head of Sustainability, who plays a key role in driving the sustainability agenda forward. The Head of Sustainability reports directly to the Chief Financial Officer (CFO).

To keep the board well-informed, the Head of Sustainability, along with the owners of the sustainability focus areas, provides updates on sustainability progress and risks on a regular basis. This procedure will continue during 2025 and will be further formalized.

In 2024, targets were defined for all Sinch sustainability focus areas. The coming period will focus on enhancing the sustainability framework and targets aligned with the company's overall strategy. This iterative approach ensures that sustainability remains central to the company's operations.

Governing documents

All governing documents, including Code of Business Ethics and Conduct, are applicable to the entire Group and are available to all employees via Sinch's intranet. The Code of Business Ethics and Conduct applies to all employees, consultants and the board of directors. The Code of Business Ethics and Conduct is attached to all new employment contracts and all employees are required to sign it when joining Sinch. Code of Business Ethics and Conduct is based on the ten principles of the United Nation's Global Compact (UNGC) and clarifies Sinch's position on the importance of sound business practices. Sinch's corresponding Business Partner Code of Conduct is appended to the contracts above certain thresholds. All governing documents are available on Sinch's website.

As a member of the UN Global Compact, Sinch supports the Ten Principles for responsible business with regards to human rights, labor, environment, and anti-corruption. An annual Communication on Progress (CoP) is published, which describes the implementation of the Ten Principles and how Sinch is working to contribute to the UN Sustainable Development Goals (SDGs). Sinch's sustainability work is annually evaluated via EcoVadis, which assesses the quality of corporate policies, actions, and outcomes in the areas of the environment, labor and human rights, ethics, and sustainable procurement. In 2024, Sinch participated in Sustainalytics, MSCI ESG and ISS ESG ratings.

List of sustainability related Policies

- Code of Business Ethics and Conduct
- Business Partner Code of Conduct
- Anti-corruption Policy
- Privacy Policy
- Information Security Policy
- Procurement Policy
- Travel & Expense Policy
- Insider Policy
- Financial Policy

Business and strategy

Sinch business operations and value chain

Sinch develops cloud-based digital tools that enable businesses to connect with customers through personalized and timely communications. Sinch's Customer Communications Cloud offers a broad range of messaging, email, and voice solutions and comprises three core components: the API Platform, Applications, and Network Connectivity services. Supporting over 175,000 customers across the globe, the business is structured into three operating segments: Americas, EMEA, and APAC. Read more about the business model and strategy on pages 10–25.

Responsible business

Sustainability forms part of Sinch's efforts to enhance offerings in key markets. The approach begins with a comprehensive assessment of sustainability impacts, risks, and opportunities across the value chain, key markets, and product portfolio. By engaging stakeholders and addressing material topics, Sinch aims to develop a strategy that mitigates negative impacts, mitigate risks, and maximizes positive outcomes.

Sinch's sustainability efforts are structured around seven key focus areas: Privacy and Information Security, Business Ethics and Anti-Corruption, Product Impact and Innovation, Supply Chain Management, Inclusion, Health and well-being, and Climate Impact.

These focus areas, initially identified in a 2022 materiality assessment, support Sinch's business strategy. In 2024, Sinch conducted a double materiality assessment to reassess the company's impacts, risks, and opportunities across various sustainability topics. The results of this assessment will be integrated into Sinch's strategic sustainability framework throughout 2025. The company remains committed to aligning sustainability priorities with broader business goals, generating both short-term and long-term value for stakeholders. With a strong foundation in place, Sinch continues to enhance governing documents and ways of working to drive progress in the seven focus areas.

Stakeholder engagement

Engaging with stakeholders is a top priority, as it reflects transparency and accountability, builds trust, and strengthens relationships with society. At Sinch, stakeholder engagement is an ongoing process, occurring at both strategic and operational levels.

During the year, stakeholder dialogues were influenced by the upcoming requirements for sustainability reporting. Key stakeholder insights, gathered through meetings, workshops, and existing materials, were incorporated into the double materiality assessment.

Key stakeholder groups	Why it matters
Customers and partners	Market representatives regularly engage with customers to communicate Sinch's sustainability efforts, ensuring alignment with their needs and expectations.
Employees	Regular engagement surveys and roundtable discussions are conducted to maintain an ongoing dialogue, fostering a culture of collaboration and feedback.
End-users	The perspectives and needs of end-users are highly valued, ensuring that sustainability initiatives align with their priorities and expectations. These insights are gathered through customer interactions and engagement.
Suppliers	Close collaboration with suppliers ensures that sustainability is embedded throughout the supply chain, reinforcing shared values and responsibilities.
Investors	Through maintaining continuous engagement with investors, their interests are considered when shaping corporate sustainability strategies and initiatives.
Environment	Sinch actively monitors and incorporates insights from various environmental reports to guide decisions, including the findings that informed Sinch's materiality assessments.
Society	Sinch is committed to making a positive societal impact by considering the broader social implications of its actions and actively engaging with communities to promote sustainable development and shared prosperity.
Leadership team and the board	Communication with the leadership team and the board is ongoing through regular updates on sustainability progress.

Double materiality assessment

In 2024, Sinch conducted a double materiality assessment, building on the previous materiality assessment conducted in 2022. The assessment evaluated Sinch's impact on environmental, social, and governance topics (impact materiality) and analyzed sustainability-related risks and opportunities in relation to the company's financial performance and value creation (financial materiality). The assessment was conducted in collaboration with relevant stakeholders and subject-matter experts to ensure a comprehensive evaluation and consisted of four consecutive steps.

Method for double materiality assessment

(I) Understanding
The first step involved defining the scope of the company's value chain, focusing on upstream, own operations, and downstream activities. This scope was established in alignment with Sinch's operational model, considering its impact on both people and the environment. Through collaboration with internal stakeholders, subject-matter experts, and market research, Sinch identified the key activities within this scope, as well as the relevant business partners, customers, geographic locations, industries, and affected stakeholders.

(II) Identification
In the second phase, Sinch assessed impacts, risks, and opportunities across the European Sustainability Reporting Standards (ESRS)-defined and entity-specific topics, subtopics, and sub-subtopics. Impacts were categorized as actual or potential.

Time horizons were categorized as follows: short-term referring to the reporting period, medium-term covers a period up to five years, and long-term applied to periods extending beyond five years. Impacts were further classified as positive or negative. Risks and opportunities were identified from a financial perspective, with the rationale for each also provided, explaining the underlying reasons for the risk or opportunity. Additionally, entity-specific topics with significant impacts for Sinch were identified.

(III) Assessment
During the third phase, a scoring methodology was developed that incorporated entity-specific and industry-specific information. The impacts were assessed based on their scale, scope, irremediability, and likelihood, while risks and opportunities were evaluated based on the size of financial effects and the likelihood of occurrence. The scoring methodology used a 5-point scale, similar to the company's risk assessment methodology.

Scoring of impacts: Actual negative impacts were scored based on scale, scope, and irremediability, while potential negative impacts were scored according to scale, scope, irremediability, and likelihood. Positive impacts were scored based on scale and scope.

- Scale refers to the extent of the impact. Negative impacts reflect how grave the consequences are, while positive impacts reflect the extent of benefits.
- Scope refers to the extent of the impact, assessed by the spread of environmental damage and, in social contexts, by the number of people affected.
- Irremediability assesses how difficult it is to remedy the impact, considering whether it can be addressed in the short, medium, or long term if the impact is negative.
- Likelihood focuses on the probability of the impact occurring.

Scoring of risks and opportunities: Risks and opportunities were scored according to the size of the financial effect and the likelihood of the risk/opportunity happening in the short, medium, and long term.

(IV) Determination
In the final phase of the assessment, both external and internal stakeholders were consulted to establish a materiality threshold based on the assessment results. As a result, 27 impacts, risks, and opportunities were identified as material and approved by the Sinch Global Leadership Team.

The results of the double materiality assessment serve as the foundation for the company's future sustainability efforts, building on its previous sustainability initiatives. Material topics across environmental, social, and governance areas have been identified, ensuring a comprehensive approach to sustainability.

Outcome of double materiality assessment

	Material topic	Subtopic	Impact, risk or opportunity
E	Climate change	Climate change mitigation	Impact Risk
		Energy	Impact Risk
S	Own workforce	Working conditions	Impact
		Equal treatment and opportunity for all	Impact Risk Opportunity
		Other work-related rights	Impact Risk
	Consumers and end-users	Information-related impacts for consumers	Risk
G	Business conduct	Corporate culture	Impact
		Management of relationships with suppliers	Impact Risk
		Anti-corruption and bribary	Impact Risk
	Information security	Security-related impacts on employees, customers and end-users	Impact Risk

Environmental responsibility

Sinch is dedicated to measuring and reducing greenhouse gas emissions in alignment with the 1.5°C target outlined in the Paris Agreement. In 2024, Sinch established climate targets to reach net zero in 2050, in line with the Science Based Targets initiative (SBTi) to ensure scientific credibility. The climate targets are in the process of being formally validated by the SBTi.

Furthermore, to underscore Sinch's commitment to the environmental agenda, climate-related metrics have been integrated into the Long-Term Incentive (LTI) targets. This demonstrates an ambition to embed sustainability in the corporate strategy and drive engagement and accountability across all levels of the organization.

Climate change

Material topic	Sub-topic	Impact, risk or opportunity	Description
Climate change	**Climate change mitigation**	• Impact	Impact is caused due to generation of greenhouse gas (GHG) emissions in the value chain.
		• Risk	Increasing market expectations around climate action present a risk of not meeting customer requirements if Sinch fails to keep up with these demands.
	Energy	• Impact	Impact arises from energy dependencies across the value chain to deliver services and products.
		• Risk	Rising temperatures are expected to drive higher energy demand, which could lead to increased energy costs with a negative effect on financial performance.

Climate impact

This section provides an overview of Sinch's emissions across Scope 1, Scope 2, and Scope 3.

Scope 1: Direct emissions

Direct emissions amounted to 0.3 (0.4) percent of the company's total emissions. Direct emissions have decreased compared to 2023, partly due to reduced refrigerant refilling in data centers, driven by lower maintenance needs during the year.

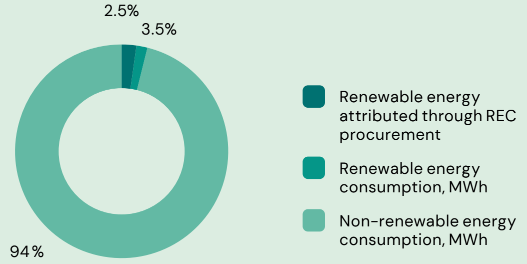
Scope 2: Indirect emissions from energy consumption

At year-end, emissions from energy consumed in owned and leased premises accounted for 3.5 (3.3) percent of total emissions, with data centers representing nearly 85 (85) percent of Scope 2 emissions. Currently, 6 (4.4) percent of the energy used in operations derives from renewable sources, with 3.5 percent sourced directly and 2.5 percent through Renewable Energy Certificates (RECs).

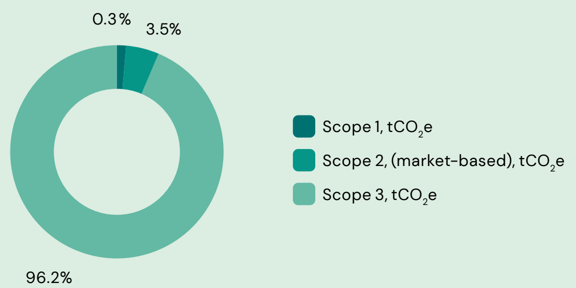
Scope 3: Indirect value chain emissions

Indirect emissions in Scope 3 account for the largest share of Sinch's total emissions, representing 96.2 (96.2) percent. Indirect emissions declined by 6.7 percent this year.

Share of renewable energy



GHG emissions distributed by scope



Climate-related risks

As a result of Sinch's double materiality analysis, climate-related risks have been assessed as significant due to their potential negative financial effect on the company, affecting both operational costs and long-term business sustainability.

Actions

Climate program

In response to the evolving regulatory landscape and increasing stakeholder expectations, Sinch has strengthened its climate program in recent years. The company remains committed to reducing greenhouse gas emissions across Scope 1, Scope 2, and Scope 3. Moving forward, Sinch will prioritize reducing emissions from its own operations by investing in fossil-free energy and energy-efficient equipment. Given that Scope 3 represents a significant share of the company's total emissions, collaboration across the value chain will play an important role in its climate program.

Annually, Sinch's climate program is externally assessed by CDP, which facilitates disclosures of climate-related information to stakeholders.

Life Cycle Assessment

The Life Cycle Assessment (LCA) supports a better understanding of product-related emissions and enables informed decision making to reduce the carbon footprint from products and services, as well as to support Sinch's customers in reaching their climate ambitions. Sinch has conducted an LCA that calculates the carbon footprint of a message (SMS/MMS) sent through Sinch's cloud communications platform. In the coming years, Sinch aims to take a broader approach and calculate the carbon footprint of additional products and services.

Actions 2024

To reduce the company's Scope 1 and Scope 2 emissions, Sinch has procured RECs, driving 2.3 percent of the emissions reduction efforts. In total, Sinch has achieved a 6 percent reduction in Scope 1 and Scope 2 emissions compared to the baseline year of 2023.

Following its commitment to the SBTi in 2023, Sinch has submitted its climate targets for validation. As part of this process, Sinch revised its 2023 baseline emissions to align with SBTi requirements. These updated values are now reflected in the company's measurements, replacing the figures reported in the prior reporting period. The revised baseline incorporates improved calculations that address gaps identified in the previous assessment, providing a more comprehensive representation of Sinch's full value chain emissions.

To achieve its science-based targets, Sinch established an internal task force for the Science Based Targets initiative, bringing together key roles from various departments across the organization.

Next step

To enhance climate risk management, Sinch will conduct a climate scenario analysis to evaluate a range of potential climate-related risks and opportunities, including regulatory changes, market shifts, and physical climate risks. The insights gained from this analysis will support data-driven decision making, helping Sinch to proactively adapt its strategy, mitigate risks, and strengthen long-term resiliency planning.

Furthermore, Sinch will focus on enhancing the quality of GHG data and will work closely with relevant internal functions to improve the efficiency and accuracy of processes for collecting, analyzing, controlling, and managing sustainability data.

In 2025, Sinch will develop a Sustainability Policy that includes environmental criteria, focusing on climate change mitigation, energy efficiency, and minimizing its environmental footprint. These criteria will also be incorporated into the updated version of Sinch's Code of Business Ethics and Conduct, set to be launched in 2025.

Governance

The Code of Business Ethics and Conduct includes principles related to environmental responsibility. In line with this, the Travel and Expense Policy promotes the use of lower-impact transport options for business travel when feasible. Sinch's new Business Partner Code of Conduct is essential for ensuring compliance, promoting sustainability, and strengthening supply chain resilience to support Sinch's climate mitigation efforts.

Targets

Sinch is targeting net zero emissions by 2050, in line with the SBTi. Sinch further targets to achieve short-term emissions reductions in line with the goal of a maximum temperature increase of 1.5°C in accordance with the Paris Agreement. These targets have been submitted to the SBTi for validation.

Energy consumption	Metric	2024	2023	% 2023-2024
Total energy consumption	**MWh**	**21,143**	**21,389**	**-1.2**
Non-renewable energy consumption	MWh	19,866	20,450	-2.9
Renewable energy consumption	MWh	1,276	939	35.9
Electricity consumption	MWh	20,537	20,811	-1.3
Heating consumption	MWh	575	534	7.7
Cooling consumption	MWh	32	44	-28.1
Grid electricity	%	≈ 100	≈ 100	0
Energy intensity	MWh/SEKm net sales	0.7	0.7	0

GHG emissions	Metric	2024	2023[2)]	% 2023-2024
Total Scope 1 and 2 GHG emissions[1)]	**tCO_2e**	**7,475**	**7,953**	**-6**
Scope 1 emissions	tCO_2e	598	905	-33.9
Scope 2 emissions (location-based)	tCO_2e	7,087	7,126	-0.5
Scope 2 emissions (market-based)	tCO_2e	6,877	7,048	-2.4
Scope 3 emissions	**tCO_2e**	**189,551**	**203,196**	**-6.7**
Category 1: Purchased goods and services	tCO_2e	155,226	167,881	-7.5
Category 2: Capital goods	tCO_2e	28,842	29,574	-2.5
Category 3: Fuel- and energy-related activities,outside of Scope 1 and 2	tCO_2e	1,766	1,774	-0.5
Category 6: Business travel	tCO_2e	2,663	2,815	-5.4
Category 7: Employee commuting	tCO_2e	1,054	1,153	-8.5
Emissions intensity Scope 1	tCO_2e/SEKm net sales	0.02	0.03	-33
Emissions intensity Scope 2 (market-based)	tCO_2e/SEKm net sales	0.24	0.25	-4

1) Total Scope 1 and 2 GHG emissions are based on (market-based) scope 2 emissions and include emission reduction from RECs.

2) Baseline values for 2023 have been updated to align with SBTi guidelines.

Accounting policies

Reporting standard: GHG Protocol Corporate Standard and Corporate Value Chain (Scope 3) Standard.

Organizational boundaries: Sinch and its subsidiaries ("the Group").

Consolidation approach: Operational control.

Operational boundaries:

Scope 1: Emissions from owned or leased vehicles, refrigerants, and stationary combustion. Refrigerant use is primarily based on primary data; where unavailable, estimates are derived from leakage rates or kWh per m² for owned, leased premises, and data centers.

Scope 2: Emissions from energy consumption, which includes heating, cooling, and electricity for owned and leased premises and data centers. Energy consumption in owned premises is based on primary data where available; otherwise, it is estimated using default values for kWh per m².

Scope 3: Emissions from purchased goods and services, capital goods, fuel- and energy-related activities (outside of Scope 1 and 2), business travel, and employee commuting.

Category 1: Purchased goods and services: Emissions from cloud-related services which are based on data centers, cloud, and messaging services, calculated using a spend-based approach and supplemented with supplier-specific data where available.

Category 2: Capital goods: Emissions from purchased goods during the reporting year calculated using the spend-based method.

Category 3: Fuel- and energy-related activities: Indirect emissions from the production, transmission, and delivery of purchased fuels and energy, including those outside Scope 1 and 2, reported under fuel activities and energy consumption.

Category 6: Business travel: Emissions are based on data from travel agencies and costs for air, train, ground transport, and hotel accommodation.

Category 7: Employee commuting and teleworking: Commuting emissions are based on 2023 data, adjusted for the 2024 employee count. Teleworking emissions are estimated using 2023 energy consumption and refrigerant leakage data, upscaled to 2024 employee numbers.

Emission factor sources: Scope 1: Supplier- specific data, DEFRA, IEA, AIB. Scope 2: Supplier-specific data, IEA, AIB, CTR, HOFOR and VEKS, Finnish Energy, Energiföretagen, DEFRA. Scope 3: Supplier-specific data, Exiobase 3.9, the National Agency for Public Procurement, NTM. Emissions factors include the greenhouse gases CO_2, CH_4 and N_2O.

Reporting period: Jan 1, 2024 – Dec 31, 2024.

Changes since preceding period: The updated 2023 values, which serve as the baseline for the SBTi commitments, reflect enhanced data accuracy and methodological improvements. Gaps in Scope 1, 2, and 3 have been addressed, with revised estimates applied where primary data was unavailable. Adjustments were also made for capital goods data and fuel- and energy-related activities outside Scope 1 and 2, in accordance with updated accounting practices. Renewable energy consumption has been updated due to strengthened internal controls in verification of energy sources.

Reporting according to the Taxonomy

Sinch reports the Group's eligibility and alignment with the EU Taxonomy Regulation's ("Taxonomy") economic activities that are described in the delegated act on the six environmental objectives: Climate change mitigation, Climate change adaptation, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, and Protection and restoration of biodiversity and ecosystems.

Assessment of Taxonomy alignment

Sinch has assessed the eligibility and alignment of each economic activity in the Taxonomy Delegated Act. The assessment was based on the applicability of the economic activity and its technical screening criteria for Sinch's business that generates external turnover. The following economic activities relating to climate change mitigation have been identified and assessed for eligibility and alignment with the Taxonomy.

Climate change mitigation:

- Acquisition and ownership of buildings
- Data processing, hosting, and related activities

Currently, the economic activities and their technical screening criteria have been assessed as not applicable as externally generating turnover in the company's business. Zero percent of the Group's turnover, operational expenditures, and capital expenditures linked to the business that generate external turnover is thus assessed as eligible and aligned with the Taxonomy delegated Act related to the six environmental objectives. Sinch has identified operational and capital expenditures related to purchases of Taxonomy-eligible products and services. These refer to renegotiated agreements of own premises and colocation agreements of own IT equipment. No assessment has been made regarding the Taxonomy-alignment of the economic activities.

Sinch recognizes the opportunities in contributing to sustainable development by promoting the transition of other sectors through innovative and energy-efficient solutions. Sinch monitors regulatory developments and will reassess the company's alignment with the Taxonomy when new interpretations of the regulation emerge.

Accounting policies

For the purposes of disclosures in compliance with Article 8 of the Taxonomy, turnover, capital expenditures (Capex), and operational expenditures (Opex) are defined as below. Note that the definitions differ from how Capex and Opex are defined in Sinch's financial reports.

Turnover: Total turnover corresponds to net turnover ("net sales") in the consolidated income statement provided in the annual report. See Note 5.

Capex: Capex refers to costs recognized as intangible assets and property, plant, and equipment during the year, including assets arising from business combinations but excluding goodwill. See Notes 15, 16 and 17.

Opex: Opex refers to direct costs arising from expenditures associated with maintenance of assets for their ongoing function related to costs for research and development, short-term leases, maintenance and repair, and other costs related to the day-to-day servicing of property, plant, and equipment.

Nuclear and fossil gas related activities

Nuclear energy related activities		
1	The undertaking carries out, funds, or has exposures to research, development, demonstration, and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds, or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds, or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4	The undertaking carries out, funds, or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds, or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds, or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Key performance indicators

Turnover

Economic activities	Code	Turnover (2024)	Proportion of turnover, 2024 (2024)	Climate change mitigation (Substantial contribution criteria)	Climate change adaptation (Substantial contribution criteria)	Water (Substantial contribution criteria)	Pollution (Substantial contribution criteria)	Circular economy (Substantial contribution criteria)	Biodiversity (Substantial contribution criteria)	Climate change mitigation (DNSH criteria ("Do No Significant Harm"))	Climate change adaptation (DNSH criteria)	Water (DNSH criteria)	Pollution (DNSH criteria)	Circular economy (DNSH criteria)	Biodiversity (DNSH criteria)	Minimum safeguards (DNSH criteria)	Share of Taxonomy aligned (A.1.) or eligible (A.2.) turnover 2023	Category enabling activity	Category transitional activity
Text		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (Taxonomy-aligned)																			
–		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	
Of which transitional		-	-							-	-	-	-	-	-	-	-		T
A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
–																	-		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		-	-	-	-	-	-	-	-								-		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		-	-	-	-	-	-	-	-								-		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES (B)																			
Turnover of Taxonomy-non-eligible activities (B)		28,712	100																
Total (A+B)		**28,712**	**100**																

Share of turnover/Total turnover

	Taxonomy-aligned per objective, %	Taxonomy-eligible per objective, %
CCM	0	0
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

CCM: Climate Change Mitigation – CCA: Climate Change Adaptation – WTR: Water and Marine Resources – CE: Circular Economy – PPC: Pollution Prevention and Control – BIO: Biodiversity and Ecosystems

Capex		**2024**		**Substantial contribution criteria**						**DNSH criteria ("Do No Significant Harm")**									
Economic activities	**Code**	**Capex**	**Proportion of Capex, 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Share of Taxonomy aligned (A.1.) or eligible (A.2.) Capex 2023**	**Category enabling activity**	**Category transitional activity**
Text		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (Taxonomy-aligned)																			
–		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	
Of wich transitional		-	-							-	-	-	-	-	-	-	-		T
A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM7.7	77	11	EL	N/EL	N/EL	N/EL	N/EL	N/EL								23		
Data processing, hosting and related activities	CCM 8.1	0	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		77	11	11	-	-	-	-	-								23		
A. Capex of Taxonomy-eligible activities (A.1+A.2)		77	11	11	-	-	-	-	-								23		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES (B)																			
Capex of Taxonomy-non-eligible activities (B)		613	89																
Total (A+B)		**690**	**100**																

Share of Capex/Total Capex

	Taxonomy-aligned per objective, %	Taxonomy-eligible per objective, %
CCM	0	11
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

CCM: Climate Change Mitigation - CCA: Climate Change Adaptation - WTR: Water and Marine Resource - CE: Circular Economy - PPC: Pollution Prevention and Control - BIO: Biodiversity and Ecosystems

Opex

Economic activities	Code	Opex	Proportion of Opex, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Share of Taxonomy aligned (A.1.) or eligible (A.2.) Opex 2023	Category enabling activity	Category transitional activity
		2024		**Substantial contribution criteria**						**DNSH criteria ("Do No Significant Harm")**									
Text		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (Taxonomy-aligned)																			
–		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	
Of wich transitional		-	-							-	-	-	-	-	-	-	-		T
A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data processing, hosting and related activities	CCM 8.1	0	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1		
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		0	0	0													1		
A. Opex of Taxonomy-eligible activities (A.1+A.2)		0	0	0													1		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES (B)																			
Opex of Taxonomy-non-eligible activities (B)		1,735	100																
Total (A+B)		**1,735**	**100**																

Share of Opex/Total Opex

	Taxonomy-aligned per objective, %	Taxonomy-eligible per objective, %
CCM	0	0
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

CCM: Climate Change Mitigation - CCA: Climate Change Adaptation - WTR: Water and Marine Resource - CE: Circular Economy - PPC: Pollution Prevention and Control - BIO: Biodiversity and Ecosystems

Social responsibility

Sinch is committed to providing an inclusive working environment and in accordance with internationally recognized standards. Investing in improved working conditions enhances Sinch's ability to attract and retain top talent, strengthens the company's employer brand, and contributes to higher levels of productivity and engagement. These factors, in turn, drive operational excellence, improve customer satisfaction, and position Sinch as a responsible and competitive market leader.

Own Employees

Material topic	Sub-topic	Impact, risk or opportunity	Description
Own workforce	**Working conditions**	• Impact	Negative impact may arise from operating in a rapidly changing and dynamic global industry, which could lead to inconsistent employment and challenges in maintaining a good work-life balance.
	Equal treatment and opportunities for all	• Impact	Positive impact through balanced representation within the company's Global Leadership Team. Negative impact on employees may arise if there is a lack of robust skills development practices, or if internal career paths are unclear.
		• Opportunity	Opportunity to attract and retain key competence by fostering inclusion and belonging.
		• Risk	Risk of lacking skills and competencies if employees do not receive necessary training and skills development.
	Other work-related rights	• Impact	Negative impact on employee privacy can occur if the company does not comply with regulations and standards regarding data protection privacy.
		• Risk	Risk of fines if the company fails to safeguard employee privacy.

Working conditions

Sinch is committed to maintaining a safe, respectful, and inclusive workplace where everyone can thrive by being their authentic selves. Sinch's ways of working are flexible—guided by what's best for the company's customers, teams, and individuals. Sinch is committed to building strong communities where employees can gather, collaborate, and perform their best.

Health and Safety

Supporting a healthy work-life balance is crucial, as employee well-being drives both employee engagement and organizational performance. To support employees in a global work environment, Sinch facilitates flexible work arrangements. The ability to work remotely, hybrid, or in-office is determined by what's best for the customer, team and individual needs. Additionally, Sinch offers a variety of benefits to support employee health and well-being, such as fitness and wellness programs, medical insurance, and other activities promoting health.

Equal treatment and opportunities for all

At Sinch, inclusion is key to Winning Together. The company has employees in more than 60 countries and teams with different nationalities across Asia, Europe, North America, and South America. Sinch believes that differences across the globe within the company drive innovation and provide a competitive advantage in understanding the local market needs of the customers.

Inclusion

Sinch fosters a performance-based and inclusive culture, where the focus is on hiring based on merit and evaluating a diverse range of talent and potential throughout the process. Sinch cultivates an environment for inclusion through internal programs, events, and awareness campaigns on key topics aligned with Sinch's values, such as LGBTQ+ rights, gender balance, and cultural diversity. These are arranged on both local and global levels. Sinch conducts a global "Ask us anything" session where any questions or concerns can be raised to the CEO and the Global Leadership Team.

Additionally, Sinch has a Women's Empowered Employee Resource Group (ERG), open to all, and whose mission is to create an environment to empower, develop, and create community. Through the ERG, regional Women's Groups come together to strengthen bonds and celebrate shared experiences. From wellness walks in APAC to a breast cancer awareness event in Sweden, these gatherings offer spaces for connection, support, and inspiration for both men and women.

Sinch conducts an annual engagement survey. The data collected from these surveys is analyzed to identify strengths and areas for improvement at multiple levels – company-wide, regional, and team-specific. By addressing identified gaps and focusing on areas of opportunity, the company ensures that Sinch's efforts respond to the unique needs of the company workforce.

Training and skills development

Sinch offers a customer-focused and agile work environment where change is constant, which requires employees to have an open mind towards learning new things and to be both results-oriented and self-motivated. Development is encouraged across the organization to foster strong leadership and a high-performance culture through structured initiatives and processes. This is enabled through the global performance process where employees have individual objectives and development plans that they pursue with support from their managers.

Actions

In 2024, Sinch moved to a global performance process to strengthen teams, foster continuous improvement, and keep everyone motivated and engaged by ensuring alignment with common goals and enabling frequent conversations and a healthy work environment.

Employee engagement

Sinch's global employee engagement survey is conducted at least once per year. The survey assesses ten key factors including, but not limited to, engagement, company confidence, leadership, learning and development, and inclusion. This year's global engagement survey resulted in an employee engagement score of 66 (72) percent, with 66 percent of employees participating. Significant results where Sinch scored above industry benchmarks include the indicators "I can be my authentic self at work" (87 percent) and "I am satisfied with Sinch's effort to support inclusion" (76 percent). To address the feedback and drive meaningful change, action plans were established at all levels across the company. Sinch's target is to consistently increase the engagement score each year.

Employee development

The implementation of the Global Performance model ensures that all employees have personalized objectives and development plans, supported by their managers. Employees and managers will annually evaluate the outcome of objectives and behaviors in accordance with the company's values, which also serves as input to the global merit process. The performance process includes regular meetings between managers and employees to ensure alignment and progress towards goal achievement.

During the year, Sinch additionally launched its first global manager development initiative, the Manager Accelerator Program (MAP) targeting all people managers. The MAP forum is a combination of two-way information sharing, discussion, and feedback, which offers the Global Leadership Team direct input and diversity of thought and perspective. The program is designed to provide deep learning experiences for all people managers, equipping them with the skills and insights needed to lead effectively in Sinch's agile environment.

During the year, the proportion of women increased in both the board and the Global Leaderhip Team. On the board it rose to 40 (33) percent, while in the Global Leadership Team it grew to 42 (25) percent.

Next step

In 2025, Sinch will prioritize integrating the material topics identified in the double materiality assessment into relevant policies to align with the strategic focus on sustainability and accountability.

Efforts will be made to enhance the sense of belonging and well-being by addressing improvement areas identified in engagement surveys. With the launch of the new Code of Business Ethics and Conduct, a global internal campaign will be implemented to support the rollout and reinforce company and corporate values.

Governance

Sinch is committed to a safe and inclusive workplace as established in the company's Code of Business Ethics and Conduct. To this end, employees are required to follow Sinch's safety guidelines and uphold the principles of respect and inclusion, embedded within the company's policies and procedures. The Code of Business Ethics and Conduct prohibits any form of discrimination, harassment or abuse.

Sinch ensures fair compensation through guidelines, emphasizing equal pay for equal work. Employees are encouraged to report any actual or perceived misconduct through Sinch's independent compliance reporting tool, SpeakUp. Sinch has a strict non-retaliation policy for employees who report compliance concerns in good faith as established in the Code of Business Ethics and Conduct and related policies.

To better reflect Sinch's operational activities, the company has adopted a target to increase its global employee engagement index. This development aligns with the company's overall strategy, where the employee engagement surveys serves as a key tool for systematically analyzing results, identifying areas for improvement, and continuously enhancing the employee experience.

Policy:

- Code of Business Ethics and Conduct

Target

Definition of target	Target Year	Status 2024
Increase Sinch Employee Engagement index	Annual	66%

Employee privacy

Sinch recognizes that employees are its most valuable asset, and protecting their privacy is a top priority. The Sinch Employee Privacy Notice ensures transparency for employees on the processing of their personal data. The internal Data Privacy Knowledge Center provides regular training to ensure that every team member fully understands their responsibilities regarding privacy.

Actions

Employees continued to receive regular, up-to-date training, both through the internal Data Privacy Knowledge Center and in tailored training sessions led by the Group Data Protection Officer. This training is designed to ensure that employees are aware of the latest data privacy regulations and best practices. It reinforces the critical role that each team member plays in safeguarding personal data.

Next step

Read more about actions on privacy on page 72.

Governance

Read more about governance of privacy on page 72.

Metrics

Employee representation (headcount)	Metric	Female	Male	Not specified	Total
Number of employees	#	1,214	2,364	57	3,635
Number of permanent employees	#	1,208	2,353	56	3,617
Number of temporary employees	#	6	11	1	18
Number of full-time employees	#	1,176	2,337	54	3,567[1)]
Number of part-time employees	#	29	20	3	52[1)]

1) Excluding full-time leaves.

Employee representation by country (headcount)[2)]	Metric	2024
USA	#	1,196
INDIA	#	591
SWEDEN	#	529

2) Average employee head count in countries where the company has at least 50 employees, representing at least 10% of its total number of employees.

Employees by gender (headcount)	Metric	2024
Male	#	2,364
Female	#	1,214
Not specified	#	57
Male	%	65
Female	%	33
Not specified	%	2
Total employees		**3,635**

Distribution of employees by age (headcount)	Metric	2024
Under 30 years old	#	525
30-50 years old	#	2,316
Over 50 years old	#	582
Not specified	#	705
Under 30 years old	%	13
30-50 years old	%	56
Over 50 years old	%	14
Not specified	%	17

Employee hires and employee turnover	Metric	2024	2023
Total number of new employee hires	#	347	620
Employee turnover rate	%	15	14

Management by gender [3)]	Metric	2024	2023
Female	%	34	32
Male	%	65	66
Not specified	%	1	1

3) In this table, management refers to the two highest tiers of the organization, comprising the Global Leadership Team and their direct reports.

Board by gender	Metric	2024	2023
Female	%	40	33
Male	%	60	67

Employees (headcount)	Metric	2024	2023
Total number of employees, including consultants	#	4,128	4,231
Total number of employees, excluding consultants	#	3,635	3,703
Average number of employees, excluding consultants	#	3,593	3,643

Consumers and end-users

Material topic	Sub-topic	Impact, risk or opportunity	Description
Consumers and end-users	**Information -related impacts on consumers and end-users**	• Risk	Risk of reduced trust from customers and legal penalties if organizational measures to safeguard data fail, leading to non-compliance with applicable regulations and breaches of contractual obligations.
		• Risk	Risk of Sinch's products being linked to services that are used for harmful purposes, such as fraud.

Privacy

As Sinch connects businesses with their end-customers globally, data privacy is central to the company's operations. Safeguarding the privacy of both employees and customers is not only a legal requirement but also a strategic priority that strengthens trust and supports long-term success. By prioritizing data privacy, Sinch builds stronger relationships and ensures the integrity of its services worldwide.

Customers and end-users are provided with information about the processing of their personal data through Sinch's global and local Privacy Notices. Sinch's global Data Protection team is available to support data subjects in exercising their rights.

Actions

During 2024, Sinch has continued to build on the foundations set by the Privacy Compliance Program in 2023 to ensure that privacy governance is scalable and adapted to Sinch's new global operating model, with a clear direction, actions, and tracking going forward. As part of this work, Sinch has strengthened its global privacy organization with functional and product data privacy coordinators, and outlined a clear roadmap and actions for 2025, focusing on transparency and accountability.

Next step

Data privacy is of continued high importance for Sinch. The focus in 2025 is to further strengthen the foundations set in the previous years through enhanced transparency and awareness, cross-functional collaboration, and streamlining and simplification of global processes. A regular cadence of recurring annual reviews and target actions will set the foundation for continuous improvements. Key actions for the upcoming year include targeting training and awareness sessions for key stakeholders across geographies and business functions, as well as further improving transparency and codification of global practices in close collaboration with business functions. Another focus will be to enhance the alignment of privacy and AI governance in global processes.

Governance

Sinch's Privacy Policy addresses the governance of data privacy compliance across the company, allocating accountability and responsibility for the appropriate protection of privacy, as well as mitigation of data privacy risks relating to Sinch and data subjects. This policy is aligned with the General Data Protection Regulation (GDPR) and other relevant national requirements to ensure compliance with global privacy standards.

Sinch has processes and internal instructions to ensure that privacy principles are respected in all parts of its operations. Suppliers and partners are screened to verify compliance with applicable laws and Sinch policies and are contractually required to maintain the same level of data protection as Sinch. Instructions based on the principles of privacy by design and default guide product development and improvement efforts, ensuring adherence to privacy principles throughout the process. To ensure employees are familiar with their responsibilities regarding privacy matters, they undergo annual training on data privacy. This approach ensures that Sinch's solutions deliver reliable, ethical, and positive outcomes for stakeholders worldwide.

Policies:

- Privacy Policy

Targets

Definition of target	Target year	Result 2024
100% employees have been trained on privacy	Annual	94%

Access to quality information

Fraud prevention is critical in the communication industry to ensure business continuity and build trust with customers, consumers and end-users. Effective anti-fraud strategies protect users from malicious activities such as phishing and spoofing, safeguarding their data, ensuring seamless communication experiences, and upholding basic rights of freedom of expression. This issue is increasingly important as the regulatory landscape grows more complex, with carriers facing mounting pressure to prevent fraud to avoid significant fines, ensure compliance with government mandates, and protect consumers and end-users. By mitigating fraud risks, Sinch not only enhances customer satisfaction and loyalty but also upholds its commitment to responsible and sustainable business practices. A robust, product-centric, and operationalized fraud prevention framework minimizes financial and reputational risks for both Sinch and its customers, while fostering a secure ecosystem that aligns with the sustainability targets. This approach ensures that Sinch's solutions deliver reliable, ethical, and positive outcomes for stakeholders worldwide.

Read more on Sinch's work to prevent fraud in the case on page 28.

Next step

Fraud prevention is set to gain increasing importance in the coming years as regulatory pressures intensify and customer expectations for secure communication solutions continue to rise. By proactively addressing fraud prevention as a sustainability focus area, Sinch will not only support its broader sustainability ambitions but also reinforce its business strategy and deliver greater value to customers and partners. In 2025, Sinch will prioritize scoping and defining this area, setting actionable targets, and establishing clear ways of working to ensure fraud prevention becomes a cornerstone of its sustainability efforts and governance procedures.

Governance

Methods to prevent fraud are embedded within the Product Development Life Cycle (PDLC) during design and build phases, ensuring new features and products are designed with secure architecture and preventative measures. This involves regular security audits, stakeholder reviews, and testing for vulnerabilities.

Before onboarding a customer, the Know Your Customer (KYC) and vetting processes ensure that all prospective customers meet basic regulatory and ethical standards. This involves verifying customer identity, validating business authenticity, and assessing risk factors. For existing customers, Sinch has a process for real-time monitoring and fraud detection. Active monitoring of messaging traffic and customer activities is performed through automated tools and manual reviews to help detect and mitigate fraudulent behaviour. AI-based anomaly detection and rule-based triggers (e.g., keyword stop lists) play key roles in identifying risks like phishing or spamming.

As captured within Sinch's various governance and process documentation, Sinch's strict control processes for managing the vetting of different number types (10DLC, Toll-Free Numbers, Short Codes) serve as a cornerstone for preventing abuse and fraud. Each number type undergoes an evaluation process tailored to its specific use case and regulatory requirements. These controls not only ensure compliance with industry standards but also mitigate potential downstream risks, such as unauthorized access or fraudulent use of communication channels. By focusing on prevention and early detection, these policies safeguard Sinch's infrastructure, protect end users from malicious activities, and maintain the integrity of access to quality information. This structured approach ensures that Sinch's products and services promote consumer trust and satisfaction, reinforcing the company's role as a responsible and secure communications provider.

Business responsibility

The foundation of Sinch's ethical business principles is its commitment to conducting business with high integrity. Guided by the core values of Win Together and Make Things Happen, the company is dedicated to building long-term, trust-based partnerships with Sinch's customers, partners, and suppliers while ensuring full compliance with applicable laws and regulations. The company remains dedicated to consistently doing the right thing, acting with integrity, and meeting internationally recognized standards, such as the OECD Guidelines for Multinational Enterprises and the UN Global Compact.

Business conduct

Material topic	Sub-topic	Impact, risk or opportunity	Description
Business conduct	**Corporate culture**	• Impact	Positive impact as a result of a continuous focus on promoting and strengthening the corporate culture across the organization.
	Management of relationships with suppliers	• Impact	Negative impact may arise if existing policies and management practices do not effectively integrate environmental, social and governance (ESG) considerations into supplier management processes.
		• Risk	Risk of supply chain disruptions due to unethical practices if Sinch fails to prevent these issues through effective and responsible supply chain management.
	Corruption and bribery	• Impact	Negative impact may arise from the complexity of managing ethical risks across extensive global operations.
		• Risk	The risk of potential incidents of corruption or bribery as the company operates across multiple jurisdictions and expands by entering new markets.

Corporate culture

As a global company, a strong and unified culture enhances effectiveness and connectivity among Sinch employees. The company's corporate culture is built on a foundation of integrity, accountability, and respect, as outlined in the Code of Business Ethics and Conduct.

SpeakUp

Sinch's whistleblower reporting line, SpeakUp, is managed by a third-party vendor and is available to all employees and individuals working on behalf of Sinch. The system allows for anonymous reporting, where permitted by local law. All concerns and reports are sent directly to the Vice President of Group Ethics and Compliance, who independently assesses each case to determine if the reported issue may constitute a violation of Sinch's Code of Business Ethics and Conduct or local law.

Management of relationships with suppliers

Sinch's supply chain operates on a global scale, with key partners including mobile network operators and providers of services such as Infrastructure as a Service (IaaS) and Software as a Service (SaaS). Integrating sustainability into supply chain management is a strategic priority that strengthens resilience, aligns with core values, and supports long-term success. As a committed signatory of the UNGC, Sinch upholds its Ten Principles as a fundamental part of the company's dedication to protecting for example human rights throughout the value chain.

Business Partner Code of Conduct clarifies Sinch's ethical business principles, which are required for Sinch's business partners, ensuring alignment with Sinch's ethical and sustainability commitments. During 2024, the procurement policy was updated to include ESG screening of suppliers, using a risk-based approach.

Corruption and bribery

Sinch has a strict zero-tolerance policy towards all forms of corruption, grounded in its commitment to doing business with integrity and complying with all applicable laws and regulations. As set out in the Code of Business Ethics and Conduct and Anti-Corruption Policy, employees, including any individual acting on behalf of the company, are forbidden from offering, giving, accepting, or demanding anything of value, directly or indirectly, in exchange for an improper business advantage. The company expressly prohibits facilitation payments. These same principles are applicable to all third parties acting on behalf of Sinch. Commitment to these principles ensures operations are conducted with transparency, fairness, and trust across all markets.

Sinch's Ethics and Compliance Program consists of ten key components and is overseen by the Vice President of Group Ethics and Compliance. The program addresses significant compliance risks, including anti-corruption. Additionally, Sinch has an Anti-Corruption Policy and provides targeted anti-corruption training using a risk-based approach with employees in higher-risk roles receiving more extensive training and communications.

Actions

In 2024, efforts were directed towards further enhancing the organizational culture and updating its core values and the description of the behaviors they represent. This initiative lays the foundation for a company-wide launch of the updated Code of Business Ethics and Conduct in 2025, further embedding these values into Sinch's identity.

Throughout the year, several components of the company's framework underwent a comprehensive review. Sinch's Procurement Policy was updated to align with new requirements and address the material impacts, risks, and opportunities identified in the double materiality assessment. To further strengthen supply chain management in line with these findings, Sinch initiated updates to both the Code of Business Ethics and Conduct and Business Partner Code of Conduct. Additionally, Sinch started to review and update the Anti-Corruption Policy, the Reporting Compliance Concerns Policy, and the newly established Compliance Remediation Committee Charter. These revised documents, along with related communications and training, are scheduled for rollout in 2025. As of December 31, 2024, 99 (98) percent of employees have signed the Code of Business Ethics and Conduct.

To strengthen its Ethics and Compliance Program, Sinch appointed a new Vice President of Group Ethics and Compliance. The company continues to evaluate the adequacy of the Ethics and Compliance Office as new program components are introduced and deployed across Sinch's global operations. The Ethics and Compliance team conducted targeted in-person training on anti-corruption and competition compliance risks for approximately 200 employees, covering 87 percent of the target audience. The Global Leadership Team also received competition compliance training, achieving 100 percent participation within the targeted group. Additionally, Sinch introduced a new third-party screening tool, integrated with existing intake and oversight processes for customers, partners, and suppliers. Training was provided to employees affected by this implementation to ensure a smooth transition.

Next step

In 2025, Sinch will enhance the strategic focus on corporate culture as a core component of Sinch's sustainability agenda, by evaluating and following up on performance, and ensuring alignment with the sustainability framework.

Further, efforts will focus on enhancing the compliance risk assessment framework and methodology, as well as strengthening the evaluation of ethics and compliance risks during third-party onboarding and subsequent monitoring. This will include conducting granular risk assessments for identified high-risk markets. Additionally, Sinch plans to develop and refine the sustainability screening and assessment process for both new and existing suppliers and partners, complementing existing financial, risk, and compliance screenings.

Governance

All Sinch employees are required to read and sign the Code of Business Ethics and Conduct as part of the onboarding process. Additionally, all employees and individuals working on behalf of Sinch must complete mandatory Code of Business Ethics and Conduct training to reinforce their understanding and compliance.

Sinch's Allegation Management Process is well-defined with oversight from Compliance Remediation Committees across the company, as well as the Audit Committee of the Board of Directors. Regular updates on the Ethics and Compliance Program, including the Allegation Management Process, are provided to the Audit Committee. When warranted, internal investigations are overseen by the Vice President of Group Ethics and Compliance, and findings are reported to relevant managers, process owners, and Compliance Remediation Committee members. Remediation efforts covering personnel, process, and third-party remediation are tracked through completion.

Sinch's Procurement function is responsible for the company's supply chain management with the aim to optimize costs, mitigate risks, and secure compliance. A comprehensive approach is taken to managing relationships with suppliers, incorporating risk factors related to the supply chain. In alignment with Sinch's Procurement Policy, new suppliers are reviewed based on key criteria, including IT and information security, privacy, and financial stability as part of the supplier selection process. For suppliers providing products or services above a certain value, they are required to either accept the Business Partner Code of Conduct or demonstrate adherence to an equivalent code meeting the same standards.

Policies:

- Code of Business Ethics and Conduct
- Business Partner Code of Conduct
- Anti-corruption Policy
- Travel and Expense Policy
- Insider Policy
- Financial Policy
- Procurement Policy

Targets

Definition of target	Target year	Result 2024
Signed Business Partner CoC, or equivalent agreement, with all new suppliers managed by Group Procurement with above 1 MSEK contract value	Annual	New
All employees trained on anti-corruption	Annual	New
All employees have read and signed the Code of Business Ethics and Conduct	Annual	99%

Metrics

Incidents of corruption and bribery	Metric	2024
Number of convictions for violation of anti-corruption and anti-bribery laws	#	0
Amount of fines for violation of anti-corruption and anti-bribery laws	#	0

Critical concerns, by number and nature	Metrics	2024	2023	2022
Total number of concerns raised through grievance mechanisms	#	21	26	11
Of which related to Insider Information	%	–	0	9
Of which related to Fraud	%	5	31	9
Of which related to Bribery and Corruption	%	5	4	9
Of which related to Sanctions	%	5	–	–
Of which related to Competition	%	5	–	–
Of which related to Conflicts of Interest	%	14	0	18
Of which related to Harassment	%	19	46	55
Of which related to Retaliation	%	5	4	–
Of which related to Discrimination	%	5	4	–
Of which related to Human Resources	%	33	–	–
Of which related to Other	%	5	12	–
Total number of substantiated concerns raised through grievance mechanisms	#	6	8	4

Information security

Material topic	Sub-topic	Impact, risk or opportunity	Description
Information security	**Security related impacts of employees, customers and end-users**	• Impact	Potential negative impact on end-users of Sinch's products and services and employees if the company fails to provide adequate protective measures to ensure their data.
		• Risk	Risk related to failure to adequately secure operations may result in security breaches, potentially compromising both end-user and employee privacy. Inadequate cybersecurity measures could lead to reputational risks associated with the protection of consumer privacy.

Information security of employees, customers and end-users

Sinch is committed to continually enhancing information security maturity through increased focus and enterprise-wide initiatives aimed at strengthening awareness and improving defenses against cyber threats. Sinch's incident management process ensures a swift, effective, and consistent response to information security incidents. Incidents are identified through monitoring, automated detection and response tools, and reporting channels available on Sinch's website and intranet. Each incident is followed by a root cause analysis and continuous improvement actions tracked in a risk register to mitigate the likelihood and impact of future incidents.

With many of Sinch's employees working remotely, comprehensive coverage is ensured through an information security program, regardless of employees' physical locations. The high-priority systems are designed with redundancy across multiple data centers to ensure resilience and uninterrupted operations in the event of system failures.

Actions

Sinch has further improved its information security program in connection with transforming from multiple business unit information security programs to one global information security program that unifies tooling, resources, and budgets to offer more consistent coverage across the entire product suite. The program has matured significantly this year to include more robust InfoSec risk management and third-party risk management programs, centralized Information Security Management System (ISMS) and compliance reports, increased funding for security tools, robust incident management processes, and a Chief Information Security Officer who oversees the program.

Next step

For 2025, the focus will be to consolidate ISO27001 compliance and certification on a global level, as well as to improve the maturity level of critical information security controls across Sinch's portfolio. Additionally, investments in security operations tooling and expanding product security coverage will be key initiatives that will propel Sinch's ability to determine cybersecurity materiality and improve overall business and cyber resiliency.

Governance

The Information Security function is responsible for implementing the Information Security Policy and Program, which follows a well-established risk management framework to protect employee, customer, and end-user data. Sinch has an Information Security Leadership team that meets weekly to discuss and advance information and IT security matters. The effectiveness of the Information Security function relies on a strategic combination of skilled personnel, well-defined processes, and enabling technology.

Information security of customers and end-users

The company is certified under the ISO/IEC 27001:2022 information security standard, which serves as the foundation for the Information Security Policy and Information Security Management System (ISMS) across the organization. Additionally, Sinch holds certifications from TISAX, Cyber Essentials, and Cyber Vadis to support customers in the EU. Sinch adheres to industry best practices by complying with standards such as NIST 800–53 and CIS Benchmarks. Sinch also applies other management systems and certifications for specific products and services, such as ISO/IEC 9001, HIPAA, PCI-DSS, and SOC 2 Type II, to meet business-specific requirements.

In compliance with the standards aforementioned, Sinch leverages advanced detection and response tools that actively monitor internal and external assets at least weekly for system deficiencies, vulnerabilities, and anomalous activities. Sinch continuously prioritizes mitigation and remediation actions to address findings based on known severity, environmental susceptibility to increased risk, and verified exploits.

Information security of employees

Sinch employees receive information security training upon joining the company, annually thereafter, monthly information security posts, and at least quarterly phishing simulations to test the effectiveness of training. Topics covered in this training include malware, phishing, social media conduct, secure passwords, and data processing best practices.

Policies:

- Information Security Policy
- Privacy Policy

Targets

Definition of target	Target year	Result 2024
100% of employees have been trained on information security	Annual	97%
Achieve and maintain compliance with ISO 27001	Annual	Achieved

Artificial intelligence

As a company operating in the technology industry, Sinch recognizes the significant impacts, risks, and opportunities associated with AI. The focus is on harnessing AI to drive positive outcomes for Sinch's employees and customers while proactively addressing regulatory, cybersecurity, and environmental considerations. In the upcoming year, Sinch will deepen the assessment of AI-related material impacts, risks, and opportunities. Insights from this analysis will guide the development of policies, processes, and targets to ensure responsible AI use, aligning with broader sustainability commitments and business objectives.

As this work progresses, this year's report will not feature a dedicated AI section, but Sinch remains committed to transparent reporting on this topic in the future.

Auditor's Limited Assurance Report on Sinch's reporting of Greenhouse Gas emissions

To Sinch AB (publ), corporate identity number 556882-8908

Introduction

We have been engaged by the Executive Management of Sinch AB (publ) to undertake a limited assurance engagement of Sinch's reporting of Greenhouse Gas emissions in Scope 1, 2, and Scope 3 categories purchased goods and services, capital goods, fuel and energy related activities, business travel, and commuting for the years 2024 ("Reporting") which are presented on page 63 in the Annual Report.

Responsibilities of the Executive Management

The Executive Management are responsible for the preparation of the Reporting in accordance with the applicable criteria, as explained on page 63 in the Annual Report, and are the parts of the Greenhouse Gas Protocol which are applicable to the Reporting, Scope 1, Scope 2 and Scope 3 categories 1 purchased goods and services, 2 capital goods, 3 fuel and energy related activities, 6 business travel, 7 commuting, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of the Reporting that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Reporting based on the limited assurance procedures we have performed. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Reporting, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Sinch AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, the conclusion of the procedures performed do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Reporting.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Reporting, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

Stockholm, April 22, 2025

Deloitte AB

Signature on Swedish original

Johan Telander
Authorized Public Accountant

This is a translation of the Swedish language original. In the events of any differences between this translation and the Swedish original the latter shall prevail.

Consolidated income statement

SEKm	Note	2024	2023
Net sales	5	28,712	28,745
Other operating income	6	492	479
Work performed by the entity and capitalized	15	381	383
Cost of services sold		-19,026	-19,204
Other external expenses[1]	7, 8	-3,152	-2,336
Employee benefits expenses	9	-4,383	-4,371
Other operating expenses[1]	6	-358	-623
EBITDA		**2,665**	**3,074**
Depreciation/amortization and impairment	14, 15, 16, 17	-8,473	-2,580
EBIT		**-5,807**	**494**
Financial income	10	2,288	3,280
Financial expenses	10	-2,715	-3,926
Profit or loss before tax		**-6,235**	**-152**
Current tax	12	-497	-319
Deferred tax	12	319	513
Profit or loss for the year		**-6,413**	**42**
Attributable to:			
Owners of the parent		-6,413	42
Non-controlling interests		0	0
Earnings per share, SEK			
- Basic	13	-7.60	0.05
- Diluted	13	-7.60	0.05

1) Costs for expected credit losses and actual credit losses of SEK 43m (26) have been reclassified from Other operating expenses to Other external expenses. Other external expenses also include a one-time charge for historical tax exposures of SEK -700m (0).

Consolidated statement of comprehensive income

SEKm	Note	2024	2023
Profit or loss for the year		-6,413	42
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss for the period			
Translation differences		1,476	-863
FX changes on increased net investments		303	-138
Tax effect of items in other comprehensive income		-61	28
Other comprehensive income for the year		**1,718**	**-973**
Comprehensive income for the year		**-4,695**	**-931**
Attributable to:			
Owners of the parent		-4,695	-931
Non-controlling interests		0	0

Consolidated statement of financial position

SEKm	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Goodwill	14	20,343	25,160
Customer relationships	15	12,736	13,058
Operator relationships	15	147	177
Proprietary software	15	4,631	4,706
Other intangible assets	15	336	394
Property, plant and equipment	16	1,041	928
Right-of-use-asset	17	715	818
Financial assets	18	35	37
Other non-current receivables	21	53	35
Deferred tax assets	12	1,273	957
Total non-current assets		**41,311**	**46,269**
Current assets			
Accounts receivable	19	4,503	4,669
Tax assets		214	238
Other current receivables	20	262	265
Prepaid expenses and accrued income	21	630	681
Cash and cash equivalents	33	1,083	1,012
Total current assets		**6,692**	**6,866**
TOTAL ASSETS		**48,004**	**53,134**
EQUITY AND LIABILITIES			
Equity	22		
Share capital		8	8
Other capital contributions		32,439	32,382
Reserves		6,012	4,294
Retained earnings including profit for the year		-9,435	-3,022
Equity attributable to owners of the parent		**29,025**	**33,663**
Non-controlling interests		1	1
Total equity		**29,025**	**33,663**
Non-current liabilities			
Deferred tax liability	12	5,075	4,750
Provisions	25	348	55
Non-current liabilities, interest-bearing	23	3,459	6,637
Non-current liabilities, non-interest-bearing	24	22	25
Total non-current liabilities		**8,904**	**11,467**
Current liabilities			
Provisions	25	390	-
Contract liabilities/Advance payments from customers	26	340	262
Accounts payable		1,821	1,849
Tax liability		241	64
Other current liabilities, interest-bearing	23	3,636	2,362
Other non interest bearing current liabilities	24	293	231
Accrued expenses and prepaid income	27	3,353	3,235
Total current liabilities		**10,075**	**8,004**
TOTAL EQUITY AND LIABILITIES		**48,004**	**53,134**

Consolidated statement of changes in equity

SEKm	Share capital	Other capital contributions	Reserves	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Opening balance 1 January 2023	**8**	**32,219**	**5,268**	**-3,064**	**34,431**	**1**	**34,432**
Profit or loss for the year				42	42	0	42
Other comprehensive income			-973		-973	0	-973
Issued warrants		4			4		4
Share-based payments		115			115		115
Shares issued for warrants	0	46			46		46
Issue expenses, net of tax		-2			-2		-2
Closing balance 31 December 2023	**8**	**32,382**	**4,294**	**-3,022**	**33,663**	**1**	**33,663**
Profit or loss for the year				-6,413	-6,413	0	-6,413
Other comprehensive income			1,718		1,718	0	1,718
Issued warrants		3			3		3
Share-based payments, net of tax		32			32		32
Shares issued for warrants	0	23			23		23
Issue expenses, net of tax		-1			-1		-1
Closing balance 31 December 2024	**8**	**32,439**	**6,012**	**-9,435**	**29,025**	**1**	**29,025**

Consolidated statement of cash flows

SEKm	Note	2024	2023
Cash flow from operating activities			
Profit or loss before tax		-6,235	-152
Adjustment for non-cash items	33	8,914	2,859
Income tax paid		-348	-600
Cash flow from operating activities before changes in working capital		**2,330**	**2,107**
Change in inventories		-	0
Change in accounts receivable		399	-544
Change in other current receivables		85	229
Change in accounts payable		-64	228
Change in other current liabilities		194	-234
Cash flow from operating activities		**2,944**	**1,788**
Investing activities			
Acquisition of intangible assets	14, 15	-398	-418
Acquisition of property, plant and equipment	16	-191	-211
Decrease in financial receivables		10	8
Increase in financial receivables		-25	-4
Acquisition of Group companies, net effect on cash and cash equivalents	34	-	-24
Cash flow from (-used in) investing activities		**-604**	**-649**
Financing activities			
New borrowing		7,793	13,661
Amortization of bank loan		-9,926	-15,915
Amortization lease liability		-126	-136
New share issue/warrants		25	48
Cash flow from (-used in) financing activities	33	**-2,234**	**-2,342**
Cash flow for the year		**105**	**-1,203**
Cash and cash equivalents at the beginning of the financial year		1,012	2,173
Exchange rate differences in cash and cash equivalents		-34	42
Cash and cash equivalents at the end of the financial year		**1,083**	**1,012**
Additional cash flow disclosures			
Net interest paid	33	-480	-587
Cash flow from operating activities after investments		2,355	1,159

Parent company income statement

SEKm	Note	2024	2023
Net sales		**595**	**588**
Other operating income	6	19	7
Operating costs			
Other external expenses	7, 8	-752	-336
Employee benefits expenses	9	-32	-22
EBIT before other operating expenses, depreciation/amortization and impairment losses		**-171**	**237**
Other operating expenses	6	-12	-14
Depreciation/amortization and impairment	15, 16	-3	-3
EBITDA		**-186**	**221**
Interest income and similar profit items	10	2,998	3,445
Interest expenses and similar loss items	10	-2,926	-3,477
Profit after financial items		**-114**	**189**
Appropriations	11	184	-120
Profit or loss before tax		**70**	**69**
Tax on profit for the year	12	-40	-15
Profit or loss for the year [1]		**30**	**54**

1) Profit or loss for the year coincides with comprehensive income for the year.

Parent company balance sheet

SEKm	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	15	2	3
Property, plant and equipment	16	0	1
Investments in group companies	18	16,173	16,173
Non-current receivables, Group companies	18	5,749	5,348
Other long-term receivables	18	1	-
Total financial assets		**21,923**	**21,521**
Deferred tax assets	12	3	-
Total non-current assets		**21,928**	**21,525**
Current assets			
Receivables from Group companies		20,872	21,767
Tax assets		51	31
Other current receivables	20	61	13
Prepaid expenses and accrued income	21	21	86
Cash and bank balances	33	28	20
Total current assets		**21,034**	**21,917**
TOTAL ASSETS		**42,962**	**43,442**
EQUITY AND LIABILITIES			
Equity			
Share capital	22	8	8
Total restricted equity		**8**	**8**
Share premium reserve		34,210	34,176
Retained earnings		-3,965	-4,018
Profit or loss for the year		30	54
Total non-restricted equity		**30,275**	**30,213**
Total equity		**30,283**	**30,221**
Untaxed reserves and provisions			
Untaxed reserves	28	85	94
Deferred tax liability		-	3
Total untaxed reserves and provisions		**85**	**97**
Non-current liabilities			
Liabilities to credit institutions	23	2,703	5,841
Total non-current liabilities		**2,703**	**5,841**
Current liabilities			
Accounts payable		15	9
Tax liability	12	11	-
Liabilities to Group companies		6,278	4,973
Liabilities to credit institutions	23	3,532	2,247
Other current liabilities	24	19	2
Accrued expenses and prepaid income	27	35	51
Total current liabilities		**9,890**	**7,283**
TOTAL EQUITY AND LIABILITIES		**42,962**	**43,442**

Parent company statement of changes in equity

SEKm	Share capital	Share premium reserve	Retained earnings	Total equity
Opening balance 1 January 2023	**8**	**34,126**	**-4,015**	**30,119**
Profit or loss for the year			54	54
Issued warrants		4		4
Shares issued for warrants	0	46		46
Issue expenses, net of tax			-2	-2
Closing balance 31 December 2023	**8**	**34,176**	**-3,963**	**30,221**
Profit or loss for the year			30	30
Issued warrants		3		3
Share-based payments		7		7
Shares issued for warrants	0	23		23
Issue expenses, net of tax			-1	-1
Closing balance 31 December 2024	**8**	**34,210**	**-3,935**	**30,283**

Parent company cash flow statement

SEKm	Note	2024	2023
Cash flow from operating activities			
Profit after financial items		-114	189
Adjustment for non-cash items	33	-118	28
Income tax paid		-54	-2
Cash flow from operating activities before changes in working capital		**-286**	**215**
Change in other current receivables		-186	1,063
Change in accounts payable		6	5
Change in other current liabilities		640	-88
Cash flow from operating activities		**173**	**1,195**
Investing activities			
Decrease in financial receivables		-1	-
Change in financial receivables and payables, Group companies		2,065	479
Group contribution received/provided		-120	-200
Cash flow from (-used in) investing activities		**1,944**	**279**
Financing activities			
Borrowings, bank and bond loans		7,793	13,664
Amortization of bank loan		-9,927	-15,915
New issue/warrants		25	48
Derivatives		-	-15
Cash flow from (-used in) financing activities	33	**-2,109**	**-2,218**
Cash flow for the year		**8**	**-745**
Cash and cash equivalents at the beginning of the financial year		20	765
Cash and cash equivalents at the end of the financial year		**28**	**20**

Financial notes

Note 1. General information

Sinch AB (publ), corporate registration number 556882-8908, is a public limited liability company incorporated in Sweden and domiciled in Stockholm. The address of the company's headquarters is Lindhagensgatan 112, 112 51 Stockholm, Sweden. The company and its subsidiaries ("Sinch" or "the Group") provide cloud communications services and digital customer engagement channels to the enterprise sector, including email, messaging, and voice.

Compliance with standards and law

The annual report and consolidated accounts were approved for issuance by the board of directors on Wednesday, April 22, 2025. The parent company income statement and balance sheet and consolidated statement of comprehensive income and statement of financial position will be subject to adoption by the annual general meeting on May 22, 2025.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR1, Supplementary Accounting Rules for Groups have also been applied. The parent company's annual accounts were prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and recommendation RFR 2 Accounting of Legal Entities issued by the Swedish Financial Accounting Standards Council. Differences between the accounting policies of the parent and the Group are stated under "Parent company accounting policies."

Functional currency and presentation currency

The parent company's functional currency is SEK (Swedish Kronor), which is also the presentation currency for the parent and the Group. Accordingly, the financial statements are presented in Swedish kronor. Unless otherwise stated, all amounts are rounded to the nearest million.

Impact of external factors on consolidated accounting policies

The risks and uncertainties faced by the Group are analyzed regarding sector- and business-related conditions and based on the current macroeconomic situation. Macroeconomic developments have resulted in high inflation and interest rates in recent years. In 2024, many advanced economies have recovered with declining inflation and lower interest rates, although the macroeconomic environment remains characterized by uncertainty. Consolidated accounting policies have not been altered in response to macroeconomic changes, but the models used have been affected. Impairment testing of goodwill, where the discount rate is a material component, is one example. See Note 14. In addition to impairment testing of intangible assets, the effects include the impact of risks and uncertainty factors on expected credit losses, which are presented in greater detail in Note 19, as well as associated deferred taxes. See also Note 31.

Increased climate-related impacts due to rising temperatures are expected to lead to changes in the business environment including higher energy prices that could affect operating and capital expenditures and the company's financial performance. There are also climate-related impacts consequent upon changes in demand trends among customers and investors linked to corporate climate action, which could affect the company's financial performance. The Group has determined that there is no material impact on the financial statements for 2024 and believes there will be no significant effects in the future as a consequence of these impacts. The Group's sustainability framework is described in detail in the Sinch Sustainability Report 2024.

Change of cash-generating units

Effective January 1, 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, which 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.

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 have been assessed as being related in terms of sales channels and platforms, similar technology, and a common organizational structure that is highly independent of cash flows from other assets and groups of assets. The product categories are the level at which goodwill is monitored internally and constitute Sinch's cash generating units as of January 1, 2024.

New standards and interpretations in 2024

The following new or revised standards and interpretations are effective for reporting periods beginning on or after January 1, 2024, and have been applied to the consolidated financial statements for 2024. The amendments have had no material impact on the consolidated or parent company financial statements.

- Amendment to IAS 1 *Presentation of Financial Statements* Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants.
- Amendment to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* Required disclosure of Supplier Finance Arrangements.
- Amendment of IFRS 16 *Leases*. Lease Liability in a Sale and Leaseback

New and amended IFRS and interpretations not yet effective

IASB has published the following new or revised standards, of which only IAS 21 has been adopted by the EU:

- IFRS 18 *Presentation and Disclosure in Financial Statements*
- IAS 21 *The Effects of Changes in Foreign Exchange Rates*
- IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

In April 2024, IASB published the new IFRS 18 standard *Presentation and Disclosures in Financial Statements*, which will supersede IAS 1 *Presentation of Financial Statements*. IFRS 18, if adopted by the EU, will become mandatorily effective January 1, 2027, and will be applied retrospectively in both annual and interim reports.

The new standard introduces three areas with new requirements aimed at increasing the comparability, transparency, and usability of financial reports. The first area sets new requirements for the structure of the consolidated statement of profit or loss (statement of comprehensive income) through the introduction of three new categories and requires entities to present two new defined subtotals, "Operating profit" and "Profit before financing and income taxes." The second area introduces new principles and expanded guidance on presentation and disclosures in the financial statements, including guidance concerning how entities can determine whether information about an item should or should not be included in the primary financial statements. The third area that IFRS 18 introduces imposes new requirements for disclosures about certain key figures that the company uses in its external financial communications, i.e., Management-defined performance measures or "MPMs." Consequent upon the implementation of IFRS 18, there will be amendments to other standards, such as IAS 7 *Statement of Cash Flows*, IAS 34 *Interim Financial Reporting*, and IAS 33 *Earnings per Share*.

Sinch has begun a preliminary assessment of the impacts of IFRS 18 and will continue to assess the impacts in 2025. The implementation of IFRS 18 is going to require changes to the structure of the consolidated statement of comprehensive income (profit or loss) and assessments related to the presentation of items in the financial statements and disclosures in notes. The format of the statement of cash flow will also be affected by the implementation of IFRS 18. The implementation of IFRS 18 will also entail identification of MPMs that are relevant to the Group and compilation of disclosures concerning these performance measures in notes.

The other amendments have been determined as having no material impact on the consolidated or parent company financial statements in the period of initial application. None of the new or revised standards have been early applied by the Group.

Note 2. Accounting Policies

Consolidation policies and business combinations

Subsidiaries

Subsidiaries are entities that the parent company, Sinch AB (publ), controls. Potential voting rights and whether contractual control exists are taken into account when assessing whether control exists.

Subsidiaries are reported using the acquisition method of accounting. Transaction costs that arise, except for transaction costs attributable to the issue of equity instruments or debt instruments, are recognized immediately as other external expenses.

Contingent consideration is recognized at acquisition-date fair value. If the contingent consideration is classified as an equity instrument, the original amount is not remeasured and is settled in equity. For other contingent consideration, the items are remeasured at every reporting date and the change is recognized in profit or loss for the year as other income or expense.

Foreign currency

Transactions in foreign currency

Items included in the financial statements of each subsidiary of the Group are measured in the respective companies' functional currencies. In general, the local currency in the country where the company operates is the functional currency, other than in isolated cases where EUR or USD is used as the functional currency instead of the local currency. Exchange rate differences arising upon translation of operating receivables and operating liabilities are recognized as other operating income or other operating expense. Exchange rate differences related to financial assets and liabilities are recognized as financial income or financial expense.

Translation differences arising in foreign operations are recognized in other comprehensive income and accumulated in the translation reserve in equity. Upon disposal of part or all of a foreign operation, the accumulated translation differences attributable to the operation are realized in profit or loss and recognized as financial income or financial expense.

Revenue

Introduction

The Group's sales of services are made up mainly of transaction fees for sending messages, connecting calls, and subscription services for sending emails. Revenues are generated from the sale of services that are sold separately and from services sold in package deals. Revenue is recognized based on the contract with the customer and is measured based on the transaction price, which is the amount Sinch expects to be entitled to in exchange for transferring promised services. The transaction price is distributed across the performance obligations in relation to the standalone selling price of each part. Revenues are recognized at a point in time or over time as the performance obligation is satisfied, which is determined based on how control is passed to the customer. The promised consideration in a contract with a customer may include fixed or variable amounts or both and is recognized only to the extent that it is highly probable that a reversal of recognized revenue will not occur. Any discounts are estimated and allocated proportionally to the performance obligations in the contract.

Consolidated accounts receivable comprise billed and unbilled receivables that carry an unconditional right to payment, while contract assets that refer to accrued income have a conditional right to payment. A conditional right to payment means that a final obligation in the contract must be performed before an unconditional right to payment arises. Revenues based on an unconditional right to payment must be presented 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, which are presented in Note 19.

API Platform

API Platform comprises products and services that target developers and product managers. APIs allow the user to trigger mobile messaging, voice calling, and emails from their own internal or third-party IT systems. These API platforms can process messages sent as SMS or MMS and messages sent to various apps, such as WhatsApp.

The messaging service provided by Sinch entails delivering the message to the relevant mobile operator, which then ensures that the message is delivered to its subscriber in a quality-assured and cost-effective way. Revenues from the sale of services on running account are recognized in the period the service is rendered, i.e., revenues and costs are recognized in the period they are earned or incurred, respectively. Each delivered transaction is considered a distinct service because the customer benefits from each individual message. The service of directing traffic according to a contract consists of an obligation for Sinch to deliver a series of substantially similar distinct services, which have similar transfer patterns. These are accounted for as a single performance obligation. Performance obligations referring to delivering a message, for example in contracts with customers that are billed based on the number of messages sent, are accounted for at the point in time when the message has been delivered. It has been determined that the performance obligation is satisfied at the point in time when the message has been delivered, and the customer cannot derive benefit before that point in time. Regarding services that are transferred over a specific period in time, such as in contracts with customers in which Sinch agrees to deliver a specified number of messages that the customer can use over the term of the contract, revenues are recognized straight-line across the period in which the service is rendered. Services are billed monthly, normally after services are rendered, based on traffic volumes, the channel used, and the mobile network.

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. Recognized over the period in which the service is delivered to the customer, as it has been determined that the customer gains the right to use the network connectivity over time and revenue is consequently recognized over the term of the contract.

Services consisting of inbound voice, outbound voice, local and long-distance calls, toll-free calls, neutral tandem, messaging, and E911 services. Customers can bundle the above services according to their needs and they may represent standalone or compound performance obligations that are substantially similar and have the same patterns of transfer to the customer. Traffic that is billed monthly is based on usage, which means that there is a fixed tariff per destination at which calls are terminated/received, which are subsequently billed to the customers. The amount billed is normally based on the number of minutes used according to the price list in effect. The charges for each component of the services are priced separately in the contract with the customer. Billing for variable charges is based on actual volumes and billing is in arrears.

Applications

Applications comprises products that target business users and consists of software applications for customer engagement that support use cases across marketing, operations, and customer care. This includes, e.g., subscriptions to SaaS services that provide access to various software-managed email services, validation services, and comparable, as well as email that end users make use of by registering a user account or managing passwords. Applications also refers to solutions for marketing by email, where businesses send special offers and carry out promotional campaigns. Subscription services constitute a separate performance obligation. The subscription charge is either a monthly, quarterly, or annual charge. Revenues are recognized straight-line across the subscription period because control is transferred over time. Subscription services are billed in advance and excess consumption is billed in arrears.

Revenue from separate upgrades of software licenses

Separate contracts with customers for upgrading software licenses. A contract with a customer that includes a defined license means that the license is provided either as a “right to access” or a “right to use” intellectual property owned by Sinch. When the promise to provide a license is classified as a “right to access,” the revenue is recognized over time. When the promise to provide a license is classified as a “right to use,” the revenue is recognized when control is passed to the customer. Revenue from separate upgrades of software licenses is recognized when the software is delivered. When modifications to the software are to be performed, revenue is recognized as sales of services at fixed prices. Successive revenue recognition is applied to sales of services at fixed prices based on the percentage of completion. The percentage of completion is determined by calculating the relation to contract costs incurred for work performed at the reporting date and the estimated total contract costs. An anticipated loss on a service contract is immediately recognized as an expense. When the outcome of a service contract cannot be reliably estimated, revenue is recognized only in the amount that corresponds to contract costs incurred that are likely to be recovered from the customer. Contract costs are recognized as an expense in the period in which they are incurred.

Revenue from separate support contracts

Revenue from separate support contracts is recognized on a straight-line basis over the term of the contract.

Leases

In order of size, the main types of assets leased by the Group are premises, rented connection capacity, and vehicles.

At the date the lease begins or upon remeasurement of a lease that contains several components, lease or non-lease components, the Group allocates the consideration payable under the contract based on the relative standalone price of each component. When the components cannot be separated, they are accounted for as a single lease component.

Leases in which the Group is the lessee

The Group recognizes a right-of-use (ROU) asset and a lease liability when the lease commences. The ROU asset is initially recognized at cost, which consists of the initial value of the lease liability plus payments at or prior to commencement plus any initial direct costs. The ROU asset is depreciated straight-line over the useful life of the asset, which for the Group normally coincides with the lease term. When the cost of the ROU asset reflects the fact that the Group will exercise the option to purchase the underlying asset, the asset is depreciated to the end of the period of use.

Estimated useful lives:
- Premises 3-10 years
- Rented connection capacity 2-15 years
- Other 1-3 years

The lease liability, which is divided into current and non-current components, is initially measured at the present value of remaining lease payments during the determined lease term. The lease term is the non-cancellable period plus extension periods in the contract if it is considered reasonably certain at the commencement date that these periods will be used. The majority of the extension options related to leasing of offices and other leases have not been included in the lease liability because the Group cannot reliably determine that they will be extended. Extension options are assessed initially when the new lease is arranged but may be updated regularly during the lease term.

Lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, which is normally the case for the Group's leases, the Group's incremental borrowing rate must be used, which reflects the Group's credit risk.

The Group determines the incremental borrowing rate as follows:
- When possible, financing recently obtained from an outside party is used as the starting point, which is then adjusted to reflect changes in financing conditions since the financing was obtained.
- Adjustments are made for the specific terms and conditions of the lease, e.g., duration of the lease term, country, currency, and security.
- The incremental borrowing rate is allocated to various terms depending on the duration of the leases.

Regarding cash flow related to leases, the principal is accounted for in cash flow from or used in financing activities and the interest component of the lease payment is accounted for in cash flow from operating activities and included in Profit or loss before tax.

The exception provided in IFRS 16 is applied to short-term leases and leases in which the underlying asset is of low value. Accordingly, no ROU assets or lease liability are recognized for these leases. Payments for these leases are recognized as an expense on a straight-line basis over the lease term. This also applies to variable lease payments.

Intangible assets

Goodwill

Goodwill is measured at cost less accumulated impairments. Goodwill is tested for impairment at least annually or whenever there are indications that the carrying amount of the asset has decreased. Goodwill is allocated to the smallest cash generating unit, which has been determined as the Group's three product categories, Applications, API Platform, and Network Connectivity.

Proprietary software

Expenditures for developing new and existing services and processes are capitalized on an ongoing basis if they satisfy the requirements set in IAS 38. Expenditures that do not satisfy the criteria are immediately expensed, e.g., maintenance and training costs. Expenditures related to the research phase are expensed when they arise; for Sinch, these refer mainly to costs incurred in the discovery phase of new potential products or software before development of the specific product or software begins.

Capitalized expenditures refer to both direct internal costs and internal costs, e.g., materials and services, and compensation to employees. Amortization begins when the service is available for use. Development costs recognized in the statement of financial position are carried at cost less accumulated amortization and impairment losses.

Costs incurred subsequently for proprietary software are recognized in the statement of financial position as an asset only if they increase the future economic benefits of the specific asset to which they relate. All other costs are recognized as expenses when they are incurred.

Amortization of intangible assets

Amortization of intangible assets is based on the estimated useful lives of the assets. Amortization is taken straight-line over the estimated useful life of the asset unless the asset has an indefinite useful life. Intangible assets with definite useful lives are amortized as of the date they are ready to be used. Estimated useful lives are reassessed annually.

Estimated useful lives:
- Licenses, 3-5 years
- Customer relationships, 5-15 years
- Operator relationships, 5-10 years
- Trademarks, 1-10 years
- Proprietary software, 3-10 years

Measurement of intangible assets

The Group tests goodwill for impairment at each reporting date and intangible assets if there is indication of impairment. If there is indication of an impairment loss, the recoverable amount of the asset is estimated. The recoverable amount of goodwill is also estimated at least annually, in Q3. A detailed description of impairment testing is provided in Note 14 Goodwill. Impairment losses are charged to amortization and impairments in profit or loss.

Property, plant, and equipment

Owned assets

Items of property, plant, and equipment are carried at cost less accumulated depreciation and impairments. The gain or loss on disposal or withdrawal from use of an asset is the difference between the selling price and the carrying amount of the asset less direct costs to sell and is recognized as other operating income or other operating expense.

Assets are depreciated on a straight-line basis across the estimated useful life of the asset.

Estimated useful lives:
- Fixed facilities – fiber networks, 10 years
- Computers, 3 years
- Equipment, 5 years

The useful lives for leasehold improvements are based on the remaining term of the underlying lease. Depreciation methods applied and the estimated useful lives of assets are reviewed at the end of each year.

Financial instruments

Classification and measurement

The Group's financial instruments are recognized at amortized cost except for liabilities for conditional consideration and derivative instruments, which are measured at fair value. The fair value of conditional consideration is derived from the calculation of present value based on forecasts of the company's future performance, for which the growth rate and earnings capacity are key assumptions. The fair value of foreign currency forward contracts is determined through the use of quoted prices for such instruments on the reporting date, where the resulting value is discounted to present value.

Changes in fair value are recognized in operating profit or loss as other operating income or other operating expenses for conditional consideration (earnouts), and as financial income or financial expense for derivative instruments. See also Note 31 for determination of fair value regarding the Group's financial assets and liabilities.

ECL impairments

Sinch recognizes an allowance for expected credit losses on financial assets measured at amortized cost. IFRS 9 provides simplified rules according to which the Group must immediately report ECL for the asset's remaining time to maturity, which is expected to be less than one year for all receivables. For all other financial assets, the Group must measure the ECL allowance at an amount equal to 12 months' ECL. For financial instruments for which there has been a significant increase in credit risk an allowance is recognized based on expected credit losses over the lifetime of the asset. Impairments of accounts receivable and contract assets are recognized in operating profit or loss as other operating expenses.

The simplified approach is used to estimate credit losses on accounts receivable and contract assets using a provision matrix based on historical events, current conditions, and forecasts of future economic conditions.

The model Sinch uses to calculate credit losses consists of 3 years of historical data of monthly past due. The calculation is made in one matrix for all geographical markets and the receivables are divided into 7 buckets, ranging from not past due to >180 days past due. The matrix calculates a loss percentage per not past due and past due receivables. The loss levels are multiplied by the current amount in each of the 7 buckets and added to obtain historically expected credit losses.

Cash and cash equivalents are covered by the general model. Loss allowances on cash and cash equivalents are based on the institution's credit rating. Large individual receivables for which there is indication of increased credit risk are individually assessed for loss allowances. Other items are assessed collectively. Impairments of cash and cash equivalents and non-current receivables are recognized in profit or loss as financial expenses.

Financial derivative instruments

Currency forward contracts are used to hedge receivables or liabilities against foreign currency risk. Hedge accounting is not applied against foreign currency risk because financial hedges are reflected in the accounts in that both the underlying receivable or liability and the hedging instrument are recognized at the closing rate and exchange rate changes are recognized in profit or loss for the year. Derivatives with positive fair value are recognized as current receivables and derivatives with negative fair value are recognized as current liabilities. Currency swaps and forward contracts are classified as non-interest bearing. Changes in the fair value of economic hedges are recognized as exchange differences in profit or loss for the year and correspond to exchange differences on monetary assets and liabilities. The Sinch Group holds derivative contracts that are covered by master netting agreements. Under these agreements, Sinch has a conditional right to set off assets and liabilities against the same counterparty, which is not reflected in the accounts when gross accounting is applied.

Currency risk in foreign net investments

Net investments in foreign subsidiaries comprise long-term loans for which settlement is not planned within the foreseeable future, and such monetary items are translated at the closing rate. Exchange rate differences that arise are recognized in other comprehensive income and accumulated in the translation reserve. Upon disposal of the net investment, the item is reclassified from equity to profit or loss.

Employee benefits

Defined contribution pension plans

All pension solutions in the Group consist of defined contribution pension plans. The company's obligations regarding payments to defined contribution plans are charged to profit or loss under employee benefits expenses, as the employees render services.

Share-based payments

Sinch has share-related incentive programs consisting of warrants and employee stock options that have been offered to senior management personnel and key individuals. Please see Note 9 for detailed information. The cost of share-based payments is based on the fair value of the subscription rights the employee is granted. The fair value of granted warrants is estimated using the Black & Scholes model and takes the terms, conditions, and circumstances in effect at grant date into account. The amount recognized as an employee benefits expense over the vesting period is adjusted to reflect the expected number of warrants vested. In subsequent periods, this expense is adjusted to reflect the actual number of warrants vested. Social insurance fees attributable to the employee benefits expense that arises upon vesting are expensed over the vesting period and accounted for as an employee benefits expense in profit or loss for the year. The provision for social insurance fees is based on the fair value of the warrants at the reporting date. Fair value is measured using the same model that was used when the warrants were issued.

Upon redemption within the framework of equity-settled programs, treasury shares are delivered to the employee. Upon redemption, the payment of the exercise price received from the employee is recognized as an increase in share capital (quotient value) and other capital contributions.

Parent company accounting policies

The parent company's annual accounts were prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and recommendation RFR 2 Accounting of Legal Entities issued by the Swedish Financial Accounting Standards Council. Opinions issued by the Swedish FASC applicable to listed companies were also applied. RFR 2 requires the parent to apply all IFRS and interpretations endorsed by the EU to its annual accounts for the legal entity to the extent possible within the framework of the Annual Accounts Act and the Swedish Pension Obligations Vesting Act, while observing the relationship between accounting and taxation. RFR 2 specifies the exceptions and additions to IFRS that must be made. Differences between consolidated and parent company accounting policies are disclosed below.

Changed accounting policies

If not otherwise stated below, the parent company's accounting policies have changed in accordance with that stated concerning the Group.

Classification and presentation

An income statement and statement of comprehensive income are presented as a combined report for the parent company and profit or loss for the year thus coincides with comprehensive income for the year. The parent company uses the designations "balance sheet" and "statement pf cash flows" for the reports that the Group refers to as the "consolidated statement of financial position" and the "consolidated statement of cash flows."

The parent company income statement and balance sheet are presented as set out in the Swedish Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity, and the cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows, respectively. The differences against the consolidated financial statements found in the parent company income statement and balance sheet comprise mainly equity reporting and the use of provisions as a separate line item in the balance sheet.

Subsidiaries

The parent company accounts for investments in subsidiaries using the cost method and includes transaction costs directly attributable to the acquisition. Contingent consideration is recognized when a probable and reliable amount can be estimated and any remeasurements of the value are adjusted against acquisition cost. The recoverable amount is calculated when there is indication that shares in subsidiaries have decreased in value. If the recoverable amount is less than the carrying amount, the value of the shares is impaired, which is accounted for as a financial item in the income statement.

Financial instruments

By reason of the relationship between accounting and taxation, the rules in IAS 9 are not applied to the parent company as a legal entity. Non-current financial assets are measured at cost less any impairment losses and current financial assets are measured at the lower of cost and net realizable value.

The parent company applies corresponding impairment losses as the Group for expected credit losses on current and non-current receivables due from Group companies. No significant increase of credit risk has been deemed to exist for any claim against a Group company as of the reporting date. It has been determined that expected credit losses are insignificant and therefore no loss allowance has been recognized.

Financial guarantees

The parent company's financial guarantee contracts consist primarily of guarantee commitments to the benefit of subsidiaries. Under financial guarantees, the company has an obligation to compensate the holder of a debt instrument for losses the holder incurs because a specified debtor does not remit payment as due under contractual terms. In relation to reporting of financial guarantees, the parent company applies a relief rule permitted by the Swedish Financial Reporting Board compared with the rules in IFRS 9. The relief rule refers to financial guarantees issued to the benefit of subsidiaries. In these cases, the rules in IAS 37.14 and 37.36 are applied instead, according to which financial guarantees are recognized as a provision in the balance sheet when the parent company has a legal or constructive obligation that has arisen as a result of a past event and when it is probable that an outflow of resources will be required to settle the obligation. It must also be possible to reliably estimate the amount. If it is not probable that the financial guarantees will lead to outflows, they are recognized as contingent liabilities. See Note 28.

Anticipated dividends

Anticipated dividends from subsidiaries are recognized when the parent company has the unilateral right to determine the amount of the dividend and the parent company has decided the amount of the dividend before publishing its financial statements.

Revenue

Parent company revenues consist primarily of internal Group services, which are recognized when the counterparty obtains the service.

Leases

The Group applies the exemption permitted under RFR 2 and all leases are accounted for as operating leases and thus on a straight-line basis over the lease term.

Taxes

Untaxed reserves are reported in the parent company with no division between equity and deferred tax liabilities. Correspondingly, there is no allocation of a portion of appropriations to deferred tax expense in the parent company income statement.

Group contributions and shareholder contributions

The parent company reports received and issued Group contributions according to the alternative rule under RFR 2 as appropriations. Shareholder contributions are recognized by the recipient directly in equity and are capitalized in shares and participating interests by the issuer to the extent that impairment is not required.

Note 3. Key accounting judgments and estimations in the financial statements

Key accounting judgments and estimations

Preparation of the financial statements and application of accounting policies are often based on management's judgments and estimates and assumptions deemed reasonable and carefully considered when the judgment is made. However, if other judgments, assumptions, or estimates were used, the outcome might differ, and events might occur that could require significant adjustment of the carrying amount of the relevant asset or liability. This could occur, for example, in connection with a change of strategy or a restructuring. This could affect judgments based on the choice of accounting policies and estimates.

The key sources of estimation uncertainty that the Group has assessed as entailing significant risk of material adjustments of the recognized value of assets and liabilities during the next annual reporting period are specified below. The most important judgments made in the application of accounting policies that the Group finds could have the most material impact on the consolidated financial statements are also specified.

The information provided in this note is categorized as follows:
- Key sources of estimation uncertainty
- Management's judgments related to application of consolidated accounting policies.
- Other judgments and estimations

Revenue recognition

Key sources of estimation uncertainty

The Group uses estimates and judgments to determine the amounts and dates of revenue recognition, particularly in order to determine the transaction price and its allocation among identified contractual performance obligations. The transaction price, including variable consideration, e.g., income derived from volume discounts, is estimated at contract inception and periodically thereafter. Judgments are used in the estimation process based on past experience with the type of business or customer class. This includes possible price adjustments based on the most recent available information on contract negotiations, which could have retroactive impact on the prices of previously ordered or delivered services. Net sales in 2024 amounted to SEK 28,712m (28,745). See Note 5.

Judgments related to application of consolidated accounting policies

Revenue for services is recognized when control of the service has been transferred to the customer. This evaluation should be made from a customer perspective, taking into account indicators such as the transfer of the significant risks and rewards of ownership, the customer's acceptance of the asset, access, and the right to invoice. Judgments may be required to evaluate whether risks and rights have been transferred to the customer and whether the customer has accepted the services. All indicators of control transfer are often considered as a whole to determine whether the transfer of control has occurred in a customer contract. Management evaluates on an ongoing basis the customer's ability and intention to pay according to contract. The evaluation is based on the customer's latest credit report and payment history. The evaluation may change during fulfillment of the contract, and if there is evidence that the customer's ability or intention to pay has deteriorated, there should be no further recognition of revenue until the payment criteria have been satisfied.

Impairment testing of goodwill and other intangible assets

Key sources of estimation uncertainty

Goodwill is not amortized; it is tested for impairment annually and whenever there is indication that an impairment loss has occurred. Other intangible assets are amortized over the estimated useful life of the asset. Impairment testing is carried out by assessing the recoverable amount of the cash-generating unit and requires management to make several key assumptions. Calculation of the recoverable amount is based on management's updated business plans and forecasts for future discounted cash flows. Key assumptions used to prepare the impairment test are described further in Note 14. A significant change in key assumptions can have material impact on the carrying amount of goodwill.

Impairments of intangible assets and goodwill during the year amounted to SEK 6,000m and are reported under the line item "Depreciation, amortization, and impairments" on the consolidated income statement. As of December 31, 2024, acquisition-related intangible assets amounted to SEK 33,562m (38,789), including goodwill of SEK 20,343m (25,160).

Judgments related to application of consolidated accounting policies

In connection with initial recognition and subsequent remeasurements, management assesses both the parameters used when cash flow forecasts are prepared as well as when there are indications of impairment. Judgment is also required to define cash-generating units for impairment testing.

Provisions for other taxes

Key sources of estimation uncertainty

Provisions are recognized when the Group has, or can be considered to have, an obligation as a result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation. It must also be possible to reliably estimate the amount.

Provisions are uncertain by nature and are based on multiple assumptions and management's best estimation of the expected outcome. The company is reporting a provision of SEK 700m related to non-income-based taxes for historical periods on the statement of financial position per December 31, 2024. This provision is based on several assumptions, of which the most significant are the application of taxes to Sinch's services, which jurisdictions the company believes may demand historical taxes, and the tax base for revenues from these jurisdictions. Sinch is not currently subject to tax assessment or audit in any of the jurisdictions related to this provision. If relevant jurisdictions interpret these assumptions differently, there may be a different outcome.

See Note 25 for further information about provisions.

Other judgments and estimations

Valuation of cost of services sold

Sources of estimation uncertainty

Accrual of the costs of services sold requires estimates to minimize the risk of future differences. The cost of services sold in Sinch's messaging services arises when each mobile network operator charges a fee per message. The subsequent billing from mobile operators often occurs many months after the traffic was generated. As a result, costs are accumulated as accrued costs until billing has occurred.

Judgments and estimates of reserves related to accrued traffic costs are part of the monthly process to account for traffic costs in a manner that provides a fair picture. These estimations are based on past experience and several other assumptions deemed reasonable under the circumstances. The cost of services sold was SEK 19,026m (19,204) for the 2024 financial year and the accrued traffic cost amounted to 2,351m (2,397) as of December 31, 2024.

Deferred tax

Sources of estimation uncertainty

Valuation of deferred tax assets entails judgment concerning the tax deductibility of costs that are not yet taxable and estimations regarding sufficient future taxable income that would allow the use of loss carryforwards and/or unused tax credits in various tax jurisdictions. All deferred tax assets are subject to annual review of probable use. Valuation of temporary differences, loss carryforwards, and tax credits are based on management's estimations of future taxable income in various tax jurisdictions against which temporary differences and loss carryforwards can be used. These judgments are based primarily on business plans for the Group's assessed outcomes regarding future taxable profit. Deferred tax assets amounted to SEK 1,273m (957) as of December 31, 2024. See Note 12 for more information.

Accounting for income tax, value added tax, and other taxes

Sources of estimation uncertainty

Accounting for income tax is based on evaluation of income tax in all tax jurisdictions where profits arise. According to that set down in IFRIC 23, uncertainty over income tax treatment is considered only if and in connection with accounting for and valuation of income tax items in the financial statements. Assets related to value added tax and other taxes are considered separately for use in each tax jurisdiction in accordance with local regulations. The total complexity of the rules that concern taxes and accounting for taxes require management's involvement in judgments of the classification of transactions and in estimations of the probable outcomes of claimed deductions and/or disputes.

Note 4. Segment reporting

2024, SEKm	Americas	EMEA	APAC	Other	Group
Net sales	**18,109**	**6,640**	**3,963**	-	**28,712**
Cost of services sold	-12,111	-4,521	-2,395	-	-19,026
Gross profit	**5,998**	**2,119**	**1,568**	-	**9,685**
Opex	-	-	-	-7,020	-7,020
EBITDA	-	-	-	**2,665**	**2,665**
EBITDA adjustments	-	-	-	-921	-921
Adjusted EBITDA	-	-	-	**3,586**	**3,586**
Depreciation/amortization and impairment	-	-	-	-	-8,473
EBIT	-	-	-	-	**-5,807**
Net finance income or expense	-	-	-	-	-428
Profit or loss before tax	-	-	-	-	**-6,235**

2023, SEKm	Americas	EMEA	APAC	Other	Group
Net sales	**17,900**	**6,953**	**3,892**	**-**	**28,745**
Cost of services sold	-11,892	-4,837	-2,474	-	-19,204
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**

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses and for which financial information is available. An operating segment's gross profit are subsequently reviewed by the entity's chief operating decision maker (CODM) in order to assess the performance of and allocate resources to the operating segment. The CEO of Sinch has been identified as the CODM.

Each operating segment has a managing director who is responsible for day-to-day operations and who regularly reports the outcomes of the operating segment's performance to the CODM. Assets and liabilities are not monitored by the CODM broken down by operating segment. Non-current assets include intangible assets, property, plant, and equipment, and right-of-use assets.

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.

Non-current assets by region

SEKm	2024	2023
Americas		
Brazil	2,009	2,381
Mexico	130	152
USA	27,519	29,219
Rest of the region	26	29
EMEA		
Belgium	54	66
Denmark	170	174
Finland	1,014	991
France	2,358	2,387
Netherlands	905	824
United Kingdom	823	803
Sweden	404	356
Germany	537	555
Rest of the region	55	50
APAC		
Australia	3,313	6,642
India	593	576
Rest of the region	40	35
Total	**39,950**	**45,240**

Note 5. Net sales

Net sales broken down by product category and region, see Definitions for more information. Of total net sales, SEK 3,350m (3,351) refers to a single customer, which is attributable to the product category API-platform and mainly to the Americas region.

Sinch uses the exception (under IFRS 15.121) relating to unsatisfied performance obligations referring to contracts that will be realized within 12 months. See Notes 21 and 26 for disclosures of contract balances.

2024, SEKm	Americas	EMEA	APAC	Group
Net sales by product category				
Applications	1,201	930	1,223	3,354
API Platform	12,038	5,086	2,633	19,758
Network Connectivity	4,870	624	106	5,601
Total	**18,109**	**6,640**	**3,963**	**28,712**
Net sales allocation per point in time [1]				
Over time	8,891	972	271	10,134
At one point in time	9,218	5,668	3,692	18,578
Total	**18,109**	**6,640**	**3,963**	**28,712**

1) Revenue is recognized at a point in time or over the period in which the performance obligations are fulfilled, which is determined based on the manner in which control is transferred to the customer. See more details in Note 2.

2023, SEKm	Americas	EMEA	APAC	Group
Net sales by product category				
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 [1]				
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**

1) Revenue is recognized at a point in time or over the period in which the performance obligations are fulfilled, which is determined based on the manner in which control is transferred to the customer. See more details in Note 2.

Significant countries' net sales

SEKm	Region	2024	2023
USA	Americas	16,420	16,352
United Kingdom	EMEA	2,051	2,006
India	APAC	1,695	1,598
Australia	APAC	1,150	1,170
France	EMEA	933	932
Brazil	Americas	772	767
Sweden	EMEA	572	518
Singapore	APAC	532	416
Germany	EMEA	472	479
Netherlands	EMEA	408	445
Rest of the world		3,707	4,063
Total		**28,712**	**28,745**

Note 6. Other operating income and other operating expenses

Other operating income

	Group		Parent company	
SEKm	**2024**	**2023**	**2024**	**2023**
Exchange rate gains	485	461	19	7
Other	7	18	0	-
Total	**492**	**479**	**19**	**7**

Other operating expenses

	Group		Parent company	
SEKm	**2024**	**2023**	**2024**	**2023**
Exchange rate losses	-348	-622	-12	-14
Other	-10	-1	-	0
Total	**-358**	**-623**	**-12**	**-14**

Note 7. Auditor's fees

	Group		Parent company	
SEKm	**2024**	**2023**	**2024**	**2023**
Deloitte				
Statutory audit services	23	24	8	7
Audit related services	0	0	-	-
Total Deloitte	**23**	**24**	**8**	**7**
Other audit firms				
Statutory audit services	4	3	-	-
Audit related services	0	0	-	-
Tax services	0	0	-	-
Other services	3	0	-	-
Total other audit firms	**7**	**3**	**-**	**-**

Note 8. Other external expenses

	Group		Parent company	
MSEK	**2024**	**2023**	**2024**	**2023**
Restructuring costs	-93	-47	0	-1
Integration costs	-209	-148	-3	-
Consultancy costs	-517	-539	0	-2
Advice	-181	-248	-25	-12
Telecommunications	-323	-268	0	-2
Supplies and licensing costs	-381	-388	-27	-38
Repairs and maintenance	-102	-93	-	-
Marketing costs	-209	-199	-1	0
Other tax costs[1]	-700	-	-	-
Other external expenses[2]	-439	-407	-695	-282
Total	**-3,152**	**-2,336**	**-752**	**-336**

1) Other tax expense refers to a non-recurring expense for historical tax exposure.

2) Costs for expected credit losses and actual credit losses have been reclassified from Other operating expenses to Other external expenses.

Note 9. Employees, employee benefits expense, and compensation to senior management personnel

Salaries and other compensation – Group

	2024			2023		
SEKm	**Senior management personnel**	**Other employees**	**Total**	**Senior management personnel**	**Other employees**	**Total**
Salaries and other compensation	72	3,494	3,566	60	3,440	3,500
(Of which variable pay)	19	420	439	10	393	403
Other benefits	2	232	234	1	236	237
Share-based payments	13	40	53	19	96	115
(of which vesting of employee stock options)	12	40	52	19	96	115
(of which subsidy of warrants)	1	0	1	-	-	-
Pension expenses	4	159	164	4	153	157
Other social security expenses	10	430	441	10	453	463
Total[1]	**101**	**4,356**	**4,457**	**95**	**4,377**	**4,472**

1) In the consolidated income statement, the equivalent of SEK 124m (126) of employee benefit expenses is classified as cost of services sold.

Salaries and other compensation – Parent

SEKm	2024	2023
Salaries and other compensation	21	17
(Of which variable pay)	3	1
Other benefits	1	0
Share-based payments	8	-
(of which vesting of employee stock options)	7	-
(of which subsidy of warrants)	0	-
Pension expenses	2	2
Other social security expenses	5	4
Total[1]	**36**	**23**

1) A portion of the salary and other compensation paid to the CEO of the parent company is billed onward from other Group companies and accounted for as other external expenses.

The parent company's salaries and other remuneration are for senior executives as the company has no other employees.

Compensation to senior management personnel – Group

	2024						
SEKk	Base pay, fee	Variable pay	Other benefits	Share-based payments	Pension expenses	Other social security expenses	Total
Erik Fröberg, Chairman of the Board[1]	1,700	-	-	-	-	534	2,234
Renée Robinson Strömberg, director[1]	750	-	-	-	-	236	986
Lena Almefelt (Jun-Dec), director[1]	438	-	-	-	-	137	575
Mattias Stenberg (Jun-Dec), director[1]	438	-	-	-	-	137	575
Björn Zethraeus, director[1]	827	-	4	-	85	281	1,197
Johan Stuart (Jan-Jun), director[1]	475	-	-	-	-	149	624
Bridget Crosgrave (Jan-May), director[1]	263	-	-	-	-	82	345
Hudson Smith (Jan-May), director[1]	263	-	-	-	-	82	345
CEO Laurinda Pang[1]	10,451	5,728	473	4,432	128	408	21,620
Other senior management personnel (3)[1]	6,910	2,342	29	467	1,641	3,441	14,830
Other senior management personnel (9 individuals, of whom 3 for part of the year)	30,827	10,683	1,227	8,373	2,552	4,300	57,961
Total senior management personnel	**53,340**	**18,753**	**1,733**	**13,272**	**4,406**	**9,788**	**101,292**

1) Parent company.

Compensation to senior management personnel – Group

	2023						
SEKk	Base pay, fee	Variable pay	Other benefits	Share-based payments	Pension expenses	Other social security expenses	Total
Erik Fröberg, Chairman of the Board[1]	1,700	-	-	-	-	534	2,234
Bridget Cosgrave, director[1]	700	-	-	-	-	220	920
Renée Robinson Strömberg, director[1]	750	-	-	-	-	236	986
Johan Stuart, director[1]	950	-	-	-	-	298	1,248
Björn Zethraeus, director[1]	803	-	4	-	82	272	1,161
Hudson Smith, director[1]	700	-	-	-	-	220	920
CEO Laurinda Pang (Apr-Dec)[1]	7,711	4,050	179	4,518	102	445	17,005
Interim CEO Johan Hedberg (Jan-Apr)	1,148	-	13	-	-	66	1,226
Other senior management personnel (3)[1]	6,337	651	23	-	1,293	2,516	10,819
Other senior management personnel (10 individuals, of whom 6 for part of the year)	28,695	5,546	1,017	14,380	2,832	4,393	56,862
Total senior management personnel	**49,493**	**10,247**	**1,236**	**18,898**	**4,309**	**9,201**	**93,383**

1) Parent company.

Compensation to senior management personnel - Group

Board of directors

As resolved by the 2024 annual general meeting, directors' fees are paid as follows: SEK 700 thousand to outside (non-executive) directors; SEK 1,500 thousand to the Chairman of the Board; SEK 100 thousand to members of the Audit Committee and SEK 250 thousand to the Chair of the Audit Committee; SEK 50 thousand to members of the Compensation Committee and SEK 100 thousand to the Chair of the Audit Committee. Inside (executive) directors receive base pay in their capacity as senior management personnel.

Chief Executive Officer

In accordance with the policy guidelines adopted for 2024, the CEO is entitled to fixed pay, variable pay, special compensation, and other compensation. In accordance with the adopted guidelines, variable pay and special compensation are each limited to a maximum of 50 percent of fixed pay. A six-months' period of notice of termination or resignation applies between the company and the CEO. Upon resignation by the employee or in the event of a breach of contract no severance is paid. Other benefits consist of health insurance and benefits linked to temporary placement in Sweden, such as a housing allowance and general moving costs.

Other senior management personnel

In addition to CEO Laurinda Pang, executive management in 2024 included Brett Scorza, Christina Raaschou, Cristina David (through August 2024), Ilse Van der Haar (from April 2024), Jonathan Bean, Julia Fraser, Nicklas Molin, Roshan Saldanha, Sean O'Neal, Sibito Morley, Thomas Heath, and Wendy Johnstone (from February 2024).

In addition to CEO Laurinda Pang (from April 2023) and Interim CEO Johan Hedberg (through April 2023) executive management in 2023 included Anders Olin (through March 2023), Brett Scorza, Christina Raaschou, Cristina David (from March 2023), Jonathan Bean, Josh Odom (through December 2023), Julie Rassat (through June 2023), Nicklas Molin (from March 2023), Petter Bengtsson (March-December 2023), Roshan Saldanha, Sean O'Neal, Sibito Morley (from June 2023), and Thomas Heath.

Other senior management personnel are entitled to fixed pay, variable pay, and other benefits. Variable pay is based on business targets and, in accordance with adopted policy guidelines, is limited to a maximum of 50 percent of fixed pay. Other benefits consist of health insurance, housing allowance, and fitness/wellness benefits.

Pensions

The age of retirement for the CEO and other senior management personnel is usually 65 but may vary due to regulatory requirements. Pension premiums for the CEO and other senior management personnel reflect customary conditions generally applicable to executives in comparable positions with other companies and are based on defined contribution pension plans. Pension benefits are calculated upon base pay only. There are no commitments to pension benefits for external directors.

Long-term share-related incentive programs

All programs except LTI II 2021, LTI 2022, LTI 2023 and LTI 2024 were adopted before the ten-for-one stock split executed on June 18, 2021. In all of these programs, one warrant/ESO thus carries a right to ten shares. As LTI II 2021, LTI 2022, LTI 2023 and LTI 2024 were adopted after the stock split, one warrant/ESO carries a right to one share in these programs.

Outstanding share-related incentive programs

The annual general meetings of shareholders in the company in 2019-2024 resolved to endorse the board of directors' proposals regarding incentive programs directed at senior management personnel and key employees, issues of warrants as shown on the table below, and approval of the transfer of warrants. The incentive programs are comprised of warrants and employee stock options (ESO). Participants purchase warrants at market price while ESO are granted against no monetary consideration. When warrants and ESO are exercised, participants pay a premium (the exercise price) to obtain shares.

No vesting conditions are attached to warrants, but there are vesting conditions for ESO, whereby the participant must still be employed by the company and the performance conditions, which vary among the programs, must be satisfied. For the performance conditions to be considered satisfied, the following applies to ESO in:

- LTI 2019: The company's earnings growth per share during a measurement period of three (3) years, calculated during the three (3) final years of the term of each ESO series, must have been at least ten (10) percent per year on average.
- LTI 2020 series 4-6: The company's Adjusted EBITDA per share during a measurement period of three (3) years, calculated during the three (3) final years of the term of each ESO series, must have been at least ten (10) percent per year on average.
- LTI 2020 series 7 and LTIP II 2020: The company's Adjusted EBITDA per share during a measurement period of the three (3) most recently ended calendar years immediately before the applicable vesting date must increase by at least ten (10) percent per year on average.
- LTI 2021, LTIP II 2021, LTIP 2022, and LTIP 2023: The company's Adjusted EBITDA per share during a measurement period of between four (4) and twelve (12) calendar quarters, as below, must have increased by at least ten (10) percent on average, where the change is measured as the relative change in Adjusted EBITDA per share compared with the corresponding quarter in the preceding year.
- LTI 2024: The extent to which four performance criteria related to Gross profit per share, Adjusted EBITDA per share, Reduce GHG emissions, and Representation of female leaders in Sinch have been met. For further information, see the complete Board proposal concerning the establishment of a long-term incentive program 2024 in the material provided with the notice of the Annual General Meeting 2024.

No warrants were repurchased in 2024.

Summary of share-related incentive programs

Program	Type of instrument	No. of instruments approved by AGM	No. of instruments granted	Maximum no. of shares issued in the company if all granted instruments are exercised	Exercise price in SEK (adjusted for stock split in affected programs)[8]	Total no. of instruments exercised as of December 31, 2024	Remaining unexercised instruments	Grant date (if more than one date is shown, grants have taken place on more than one occasion)
LTI 2024		**17,100,000**	15,351,227	15,351,227		**–**	**15,084,825**	
– Series 1-3[1]	Warrants	900,000	532,451		29.2; 31.5; 33.7			May, 2024[5]
– Series 4-6	Warrants	900,000	–					
– Series 7[2]	ESO	13,600,000	13,129,761		21.63; 19,835			May and Nov, 2024[6]
– Series 8[3]	ESO	1,700,000	1,689,015		21.63; 19,835			May and Nov, 2024[6]
LTI 2023		**8,385,000**	**7,203,099**	**7,203,099**		**54,100**	**5,900,783**	
– Series 1-3[1]	Warrants	1,400,000	493,300		29.7; 31.9; 34.2			June, 2023[5]
– Series 4[2]	ESO	5,985,000	5,906,299		27.13; 29.815; 28.39; 25,525			June and Dec, 2023 Feb and Mar, 2024[6]
– Series 5[3]	ESO	1,000,000	803,500		27.13			June, 2023[6]
LTI 2022		**25,000,000**	**21,488,206**	**21,488,206**		**1,025,644**	**14,376,722**	
– Series 1-3[1]	Warrants	1,500,000	843,832		58.3; 62.8; 67.3			June, 2022[5]
– Series 4[2]	ESO	21,600,000	18,747,274		37,525; 14,654; 39.15; 25.33; 22.66			June, Sep, and Dec, 2022 April and May, 2023[6]
– Series 5[3]	ESO	1,900,000	1,897,100		37.525; 14.654			June and Sep, 2022[6]
LTI II 2021		**3,210,000**	**3,049,919**	**3,049,919**		**–**	**1,361,511**	
– Series 1[4]	ESO	3,210,000	3,049,919		102.15; 94.10			Dec, 2021 and Feb, 2022[7]
LTI 2021		**323,000**	**311,855**	**3,118,550**		**–**	**1,955,040**	
– Series 1-3[1]	Warrants	33,000	22,857		140.07; 152.80; 165.53			June and Dec, 2021[5]
– Series 4[4]	ESO	290,000	288,998		153.85; 158.65; 102.15			June and Dec, 2021[7]
LTI II 2020		**470,260**	**422,889**	**4,228,890**		**–**	**3,482,430**	
– Series 1-3[1]	Warrants	55,260	20,900		136.10			Dec, 2020[5]
– Series 4[4]	ESO	415,000	401,989		104.00; 142.20; 120.60			Nov, 2020 and Feb, 2021[7]
LTI 2020		**580,000**	**328,100**	**3,281,000**		**179,400**	**1,385,750**	
– Series 1-3[1]	Warrants	255,000	21,950		60.20			June, 2020[5]
– Series 4-6[1]	ESO	7,000	2,800		60.20			June, 2020[5]
– Series 7[4]	ESO	318,000	303,350		142.20; 62.40; 104.00			June and Nov, 2020 and Feb, 2021[7]
LTI 2019		**510,000**	**326,000**	**3,260,000**		**1,786,680**	**–**	
– Series 1-3[1]	Warrants	360,000	176,000		17.41			June and Nov, 2019[5]
– Series 4-6[1]	ESO	150,000	150,000		17.41			Oct 2019[5]
				60,980,891			**43,547,061**	

1) Participants will be granted one third in each series.

2) ESO vest at 25 percent of the total number of granted ESO on the first anniversary of the grant date and at an additional 6.25 percent on the last day of each of the subsequent 12 calendar quarters. The total vesting period after which all granted ESO have vested is approximately four years after the grant date.

3) ESO vest at 50 percent of the total number of granted ESO on the third anniversary of the grant date and at an additional 50 percent on fourth anniversary of the grant date. The total vesting period after which all granted ESO have vested is approximately four years after the grant date.

4) ESO vest at 20 percent of the total number of granted ESO on the first anniversary of the grant date and at an additional 5 percent on the last day of each of the subsequent 16 calendar quarters. The total vesting period after which all granted ESO have vested is five years after the grant date.

5) The exercise periods for each series are shown on a separate table below.

6) Vested ESO are callable during a period of five years after the grant date.

7) Vested ESO are callable during a period of six years after the grant date.

8) The exercise price for warrants has been determined in accordance with the Board proposal to the AGM. When more than one exercise price is stated for a series of warrants, the price for each series is specified. The exercise price for ESO must correspond to the reasonable market value of the share calculated based on the closing price for the company's stock on Nasdaq Stockholm on the last trading day immediately before the grant date for each ESO.

Exercise periods

Warrants and ESO with defined exercise periods are shown on the table below.

For ESO in LTI 2019-2024, which are callable after the options have vested, information about the vesting period and exercise period is provided in the table above.

Program	Exercise period, date for each series		
LTI 2024			
– Series 1-3	June 30–Dec 30, 2027	Dec 30, 2027–June 30, 2028	Dec 29, 2028–June 29, 2029
– Series 4-6	Dec 30, 2027–June 30, 2028	June 30–Dec 29, 2028	June 29–Dec 28, 2029
LTI 2023			
– Series 1-3	June 30–Sep 30, 2026	Mar 30–June 30, 2027	Mar 30–June 30, 2028
LTI 2022			
– Series 1-3	June 30–Sep 20, 2025	Mar 30–June 30, 2026	Mar 30–June 30, 2027
LTI 2021			
– Series 1-3	June 17–Sep 17, 2024	Mar 17–June 18, 2025	Mar 16–June 16, 2026
LTI II 2020			
– Series 1-3	Dec 15, 2023–Mar 15, 2024	Sep 15–Dec 15, 2024	Sep 15–Dec 15, 2025
LTI 2020			
– Series 1-3	–	Mar 15–June 17, 2024	Mar 17–June 18, 2025
– Series 4-6	–	Mar 15–June 17, 2024	Mar 17–June 18, 2025
LTI 2019			
– Series 1-3	–	–	Mar 21–June 21, 2024
– Series 4-6	–	–	Mar 21–June 21, 2024

Grants to senior management personnel

The following grants were made in 2024.

Laurinda Pang was granted 800,000 ESO/warrants from LTI 2024 during the year. Other senior management personnel were granted/subscribed for 3,115,625 ESO/warrants from LTI 2024 and 275,000 ESO/warrants from LTI 2023. The ESO/warrants were granted/subscribed for in February, May, and November 2024.

Historic grants of ongoing programs in 2024

	LTI 2019	LTI 2020	LTI II 2020	LTI 2021	LTI II 2021	LTI 2022	LTI 2023	LTI 2024
Total instruments received by senior management personnel (warrants and ESO)	1,735,000	2,565,000	1,208,000	330,920	350,000	4,422,292	2,160,000	3,915,625
Total number of warrants/ESO granted	3,260,000	3,281,000	4,228,890	3,118,550	3,049,919	21,488,206	7,203,099	15,351,227
% granted to senior management personnel	53%	78%	29%	11%	11%	21%	30%	26%

Calculation of fair value in accordance with IFRS 2 at the grant date is based on the following conditions:

	2024[2]		2023[3]	
	ESO	Warrants	ESO	Warrants
Number (instrument)	15,173,776	532,451	8,469,895	493,300
Number (shares)	15,173,776	532,451	8,469,895	493,300
Expected term (years) [1]	3.58	3.71	4.45	3.58
Volatility[1]	44%	42%	40%	40%
Risk-free rate[1]	2.14%	2.57%	2.61%	2.83%
Share price[1]	20.72	21.63	26.65	27.13
Exercise price[1]	20.72	31.47	26.65	31.93
Fair value per instrument[1]	6.76	5.42	8.89	6.68

1) Weighted average.

2) New grants from LTI 2024 and LTI 2023.

3) New grants from LTI 2023 and LTI II 2022.

Payroll costs for vested ESO in all programs were included in profit or loss in 2024 in the amount of SEK -53m (-115) with a corresponding increase in equity. Social insurance expenses are included in the amount of SEK 16m (-21) recognized as a provision in the statement of financial position.

The potential dilutive effect upon exercise of all employee stock options/warrants in all programs is 4.9 percent (4.2).

	Dec 31, 2024		Dec 31, 2023	
	Right to number of future shares	Average exercise price per share, SEK	Right to number of future shares	Average exercise price per share, SEK
At the beginning of the year	**35,165,144**	**49.82**	**35,552,683**	**50.59**
Granted	15,706,227	21.10	8,961,695	26.94
Forfeit	-5,741,656	42.11	-4,520,604	51.50
Exercised[2]	-1,194,774	16.61	-4,713,880	10.59
Expired	-387,880	69.92	-114,750	47.77
Outstanding as of 31 December[1]	**43,547,061**	**41.20**	**35,165,144**	**49.82**

1) Including 14,184,384 (8,916,374) exercisable warrants/ESO.

2) Weighted average share price at exercise date SEK 24.09 (26.07).

Average FTEs, excluding consultants

	2024	Of whom men	2023	Of whom men
SE Sweden	513	359	501	356
AU Australia	192	119	207	130
BE Belgium	25	16	34	20
BR Brazil	307	179	353	206
DE Germany	58	30	68	36
ES Spain	60	37	49	31
FI Finland	61	50	66	55
FR France	80	48	76	39
GB United Kingdom	103	66	117	77
IN India	595	479	572	440
MX Mexico	39	21	43	25
NZ New Zealand	28	20	29	21
PH Philippines	83	36	-	-
SG Singapore	42	18	47	20
US United States	1,183	752	1,240	785
Rest of the world	122	81	241	129
Total	**3,491**	**2,311**	**3,643**	**2,370**
Of which, parent company (Sweden)	5	4	5	4

Senior management personnel

	Dec 31, 2024		Dec 31, 2023	
	Number on reporting date	Of whom men	Number on reporting date	Of whom men
Group				
Directors	5	3	6	4
Other senior management personnel	12	7	12	9
Parent company				
Directors	5	3	6	4
Other senior management personnel	3	3	4	3

Note 10. Financial income and expense

Group, SEKm	2024	2023
Interest income	64	82
Exchange rate gains	2,214	3,188
Other financial income	9	10
Financial income	**2,288**	**3,280**
Interest expenses	-491	-627
Interest expenses, leases	-38	-46
Exchange rate losses	-2,158	-3,225
Other financial expenses	-32	-27
Financial expenses	**-2,718**	**-3,926**
Net financial income and expense	**-430**	**-646**

Parent company, SEKm	2024	2023
Interest income	3	5
Interest income, Group companies	645	705
Exchange rate gains	2,350	2,735
Other financial income	-	0
Interest income and similar profit items	**2,998**	**3,445**
Interest expenses	-460	-563
Interest expenses, Group companies	-143	-93
Exchange rate losses	-2,296	-2,796
Other financial expenses	-27	-26
Interest expenses and similar loss items	**-2,926**	**-3,477**
Net financial income and expense	**71**	**-32**

Note 11. Appropriations

Parent company, SEKm	2024	2023
Provision to tax allocation reserve	7	-
Accelerated depreciation/amortization	3	0
Group contribution paid	-	-120
Group contribution received	175	-
Total	**184**	**-120**

Note 12. Taxes

On December 13, 2023, the government of Sweden, where the parent company is incorporated, enacted the pillar 2 income taxes legislation effective from January 1, 2024. Under the legislation, the parent will be required to pay, in Sweden, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 percent, unless this is due and payable locally. The Group does not believe that there will be any material impact on the results of the Group's operations for the annual reporting period ending December 31, 2024 in any of the jurisdictions in which Sinch currently operates. The Group is continuing to assess the impact of pillar 2 income taxes legislation on its future financial performance. However, based on the analysis performed the Group does not expect the rules to have material impact on the results of operations or cash flows for the year ending December 31, 2024 or on the financial position as at that date.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognizes nor discloses information about any deferred tax assets or liabilities related to pillar 2 income taxes.

Tax in profit or loss

	Group		Parent company	
SEKm	**2024**	**2023**	**2024**	**2023**
Current tax	-497	-319	-46	-12
Deferred tax	319	513	6	-3
Total	**-178**	**194**	**-40**	**-15**

Current tax recognized directly against other comprehensive income amounts to SEK -61m (28) and refers to tax on net investments.

Reconciliation of tax expense for the year

	Group		Parent company	
SEKm	**2024**	**2023**	**2024**	**2023**
Profit or loss before tax	-6,235	-152	70	69
Tax calculated according to the Swedish tax rate, 20.6%	1,284	31	-14	-14
Current tax regarding previous years	-51	158	-37	-
Revaluation deferred tax	-88	33	-	-
Effect of changed tax rates	2	-	-	-
Tax effect of non-deductible expenses	-1,423	-40	12	-
Tax effect of non-taxable revenue	73	8	-	-
Increase/decrease of non-capitalized LCFW	-23	20	-	-
Increase/decrease of non-capitalized tax credits	-2	-	-	-
Tax effect of income/ expenses not included in reported profit or loss	-3	-4	-1	0
Effect of foreign withholding taxes	3	-14	0	-
Difference in foreign subsidiaries' tax rates	91	-1	-	-
Other	-40	1	-	-
Tax on profit for the year according statement to income	**-178**	**194**	**-40**	**-15**

Tax rate

The parent company's current tax rate is 20.6 percent (20.6). The Group's effective tax rate was -3 percent (128). Excluding acquisition-related amortization and impairments and associated deferred tax assets, the Group's effective tax rate for the period was 35 percent (17). The higher tax rate is driven by current and deferred tax in previous years and non-capitalized loss carryforwards.

Tax effects of temporary differences and LCFW

2024, SEKm	Deferred tax assets	Deferred tax liabilities	Net balance
Intangible assets	80	-4,558	
Right-of-use assets/ liabilities	177	-146	
Property, plant and equipment	25	-231	
Accounts receivable	65	-3	
Provisions	221	0	
Untaxed reserves	-	-136	
Interest deduction	338	-	
Share-related incentive programs	6	-	
Other	115	-72	
LCFW	316	0	
Deferred tax assets/ liabilities	**1,345**	**-5,146**	**-3,802**
Netting	-71	71	0
Deferred tax assets/ liabilities after netting	**1,273**	**-5,075**	**-3,802**

2023, SEKm	Deferred tax assets	Deferred tax liabilities	Net balance
Intangible assets	63	-4,419	
Right-of-use assets/ liabilities	160	-156	
Property, plant and equipment	30	-222	
Accounts receivable	38	-	
Provisions	116	-1	
Untaxed reserves	-	-109	
Interest deduction	264	-	
Share-related incentive programs	31	-	
Other	110	-9	
LCFW	309	-	
Deferred tax assets/ liabilities	**1,120**	**-4,914**	**-3,794**
Netting	-163	163	
Deferred tax assets/ liabilities after netting	**957**	**-4,750**	**-3,794**

Change in deferred tax

SEKm	2024	2023
Opening balance	-3,794	-4,441
Recognized in profit or loss	-178	513
Recognized in other comprehensive income	-	0
Translation difference	169	135
Closing balance	**-3,802**	**-3,794**

LCFW

Expiration year, LCFW, Group

	Dec 31, 2024		Dec 31, 2023	
SEKm	**LCFW**	**Tax effect**	**LCFW**	**Tax effect**
2025	18	5	0	0
2026	18	5	1	0
2027	18	5	1	0
2028	8	2	16	4
2029	0	0	-	-
2030	0	0	-	-
2031	0	0	-	-
2032	0	0	-	-
2033	-	-	-	-
2034	-	-	1	0
Expires after 2034	3	1	-	-
Unlimited utilization period	1,226	385	1,200	368
Total	**1,291**	**402**	**1,219**	**372**

LCFW by country

	Dec 31, 2024		Dec 31, 2023	
SEKm	**LCFW**	**Tax effect**	**LCFW**	**Tax effect**
Belgium	103	26	98	24
Brazil	672	228	594	202
France	-	-	-	-
United Kingdom	220	55	290	72
Sweden	-	-	-	-
Germany	211	70	172	58
USA	62	16	13	3
Rest of the region	23	6	52	12
Total	**1,291**	**402**	**1,219**	**372**

Non-capitalized LCFW, Group

	Dec 31, 2024		Dec 31, 2023	
SEKm	**LCFW**	**Tax effect**	**LCFW**	**Tax effect**
Belgium	103	26	98	24
Finland	-	-	-	-
France	-	-	-	-
Spain	-	-	-	-
United Kingdom	-	-	-	-
Germany	174	57	115	39
Rest of the region	9	2	-	-
Total	**286**	**85**	**213**	**64**

The LCFW above with an unlimited useful life have not been capitalized because it is uncertain whether sufficient future taxable profits will be generated.

Other non-capitalized LCFW, Group

	Dec 31, 2024		Dec 31, 2023	
SEKm	**Deferred deductions and tax credits**	**Tax effect**	**Deferred deductions and tax credits**	**Tax effect**
Belgium	-2	-2	-	-
Total	**-2**	**-2**	**-**	**-**

Note 13. Earnings per share

Basic earnings per share

	2024	2023
Profit for the year attributable to owners of the parent, SEKm	-6,413	42
Weighted average number of ordinary shares outstanding, before dilution	843,897,644	841,130,408
Basic earnings per share, SEK	**-7.60**	**0.05**

Diluted earnings per share

	2024	2023
Profit for the year attributable to owners of the parent, SEKm	-6,413	42
Weighted average number of ordinary shares outstanding, before dilution	843,897,644	841,130,408
Weighted average number of dilutive warrants	-	4,286,429
Weighted average shares outstanding, after dilution	843,897,644	845,416,837
Diluted earnings per share, SEK[1]	**-7.60**	**0.05**

1) The negative results in 2024 do not give rise to any dilutive effect. If results had been positive, the weighted number of dilutive warrants would have been 5,384,961.

Note 14. Goodwill

Group, SEKm	2024	2023
Cost on the opening date	30,255	31,114
Translation differences	1,840	-859
Accumulated cost on the closing date	**32,095**	**30,255**
Impairments on the opening date	-5,095	-5,276
Impairments for the year	-6,000	-
Translation differences	-657	181
Accumulated impairments on the closing date	-11,752	-5,095
Net carrying amount	**20,343**	**25,160**

Impairment testing of goodwill

Goodwill is tested for impairment annually in connection with updated business plans in the third quarter. Impairment testing is performed when there is an indication that the asset has decreased in value. The changes related to Sinch's cash-generating units (CGU) compared to earlier periods are explained in Note 1. Consequent upon the new CGUs, goodwill and acquired intangible assets have been reallocated among the relevant units based on the product view that is the best reflection of the goodwill associated with the reorganized units, in accordance with IAS 36. Sinch has no intangible assets other than goodwill with indefinite useful lives.

The recoverable amount for a CGU 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 gross and operating margin based on the current year and discount rate (WACC).

The estimated growth rate and the forecast gross margin are based on the Group's budgets and forecasts for each CGU. 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 functional currencies of the CGUs, 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 CGUs can mainly be categorized as companies in a growth phase with strong and stable cash flows based on existing business relationships. All CGUs are characterized by their continuous development of new services that complement the current business.

Sinch's CGUs 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 a goodwill impairment of SEK 6,000m. The impairment is attributable to the Applications product category and mainly 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 is allocated to APAC, with a minor portion allocated to the Americas segment. The allocation between segments is based on assumptions in what geography the fair values are generated. The impairment of the Applications CGU is consequent upon a poorer outlook for gross profit growth.

The tables below show goodwill per CGU and the key assumptions used to calculate the recoverable amount as of December 31, 2024.

Goodwill per cash-generating unit

SEKm	2024
Applications	4,226
API Platform	12,000
Network Connectivity	4,118
Total	**20,343**

Group, SEKm	Discount rate before tax	Long-term growth rate
Applications	13.1%	2.0%
API Platform	12.9%	2.0%
Network Connectivity	9.9%	2.0%

Group, SEKm	Annual gross profit growth over the five-year forecast period
Applications	8 - 15 %
API Platform	5 - 12 %
Network Connectivity	-2 - 6 %

Sensitivity analysis

A sensitivity analysis of the impairment test has been carried out to evaluate the impact of reasonably possible changes in key assumptions. As of December 31, 2024, Applications remains sensitive to reasonably possible changes in all key assumptions, including the discount rate and assumptions in the long-term plan. The discount rate for the Applications is largely affected by changes in the risk-free rate and other factors such as country-specific market risk premiums, business risk, and the borrowing cost. The carrying amount of Applications was impaired down to the recoverable amount in Q3. As of December 31, 2024, the recoverable amount for Applications exceeded the carrying amount by SEK 1,092m. This is mainly due to amortization of intangible assets subsequent to the impairment date and partially due to a better outcome in 2024 than forecast.

For Applications, with all other variables constant, a reasonably possible increase of 1 percentage point in the WACC would indicate an impairment of SEK 130m. The recoverable amount for Application would equal the carrying value if WACC increase approximately 0.85 percentage point, and the same is true if the long-term growth rate decrease approximately 1 percentage point. Similarly, with all other variables constant, a reasonably possible decrease of 1.5 percentage point in annual gross profit growth over the five-year forecast period would indicate a need of impairment of SEK 900m. The recoverable amount is equal to carrying value if the annual gross profit growth over the five-year forecast period decreased with approximately 0.8 %.

An impairment would not be required for Network Connectivity in the event of a reasonably possible increase of 1 percentage point in the WACC, or upon changes to other key assumptions. It would, however, significantly reduce the headroom. No need for impairment has been identified for API platform should reasonably possible changes in key assumptions occur.

Sinch monitors developments in the market on an ongoing basis, as well as changes in other key assumptions over time.

Note 15. Other intangible assets

Group 2024, SEKm	Proprietary software	Licenses	Customer relation-ships	Operator relation-ships	Trademarks	Total other non-current intangible assets
Cost on the opening date	**6,520**	**81**	**16,279**	**435**	**589**	**23,903**
Capitalized expenditure for the year	381	14	4	-	-	399
Reclassifications	-	-14	6	-	-	-7
Disposals/retirements	-65	-12	-	-	-	-77
Translation differences	458	2	1,176	19	51	1,706
Accumulated cost on the closing date	**7,294**	**72**	**17,465**	**454**	**641**	**25,926**
Amortization on the opening date	**-1,814**	**-62**	**-3,220**	**-258**	**-214**	**-5,569**
Amortization for the year	-781	1	-1,249	-32	-90	-2,151
Disposals/retirements	61	12	-	-	-	72
Translation differences	-129	-2	-260	-17	-20	-428
Accumulated amortization on the closing date	**-2,663**	**-52**	**-4,729**	**-307**	**-325**	**-8,075**
Net carrying amount	**4,631**	**20**	**12,736**	**147**	**316**	**17,851**

Group 2023, SEKm	Proprietary software	Licenses	Customer relation-ships	Operator relation-ships	Trademarks	Total other non-current intangible assets
Cost on the opening date	**6,355**	**30**	**16,804**	**439**	**610**	**24,238**
Capitalized expenditure for the year	383	15	20	-	-	418
Reclassifications	3	20	-	-	-	23
Disposals/retirements	-14	19	-	-	-	5
Translation differences	-208	-3	-545	-4	-21	-781
Accumulated cost on the closing date	**6,520**	**81**	**16,279**	**435**	**589**	**23,903**
Amortization on the opening date	**-1,040**	**4**	**-2,084**	**-194**	**-156**	**-3,470**
Amortization for the year	-844	-20	-1,255	-70	-68	-2,257
Reclassifications	-2	-30	-	-	-	-32
Disposals/retirements	14	-19	-	-	-	-6
Translation differences	58	2	120	6	10	196
Accumulated amortization on the closing date	**-1,814**	**-62**	**-3,220**	**-258**	**-214**	**-5,569**
Net carrying amount	**4,706**	**19**	**13,058**	**177**	**375**	**18,335**

	Parent company	
MSEK	**2024**	**2023**
Cost on the opening date	**9**	**9**
Accumulated cost on the closing date	**9**	**9**
Amortization on the opening date	**-6**	**-5**
Amortization for the year	-2	-2
Accumulated amortization on the closing date	**-8**	**-6**
Net carrying amount	**2**	**3**

Note 16. Property, plant, and equipment

	Group		Parent company	
SEKm	**2024**	**2023**	**2024**	**2023**
Cost on the opening date	**1,752**	**1,619**	**13**	**14**
Purchases for the year	191	211	-	-
Reclassifications	21	16	-	-
Disposals/retirements	-321	-32	-	-1
Translation differences	229	-62	-	-
Accumulated cost on the closing date	**1,872**	**1,752**	**13**	**13**
Depreciation on the opening date	**-824**	**-745**	**-12**	**-12**
Depreciation for the year	-171	-174	-1	-1
Reclassifications	0	0	-	-
Disposals/retirements	316	30	-	1
Translation differences	-152	65	-	-
Accumulated depreciation on the closing date	**-830**	**-824**	**-13**	**-12**
Net carrying amount	**1,041**	**928**	**0**	**1**

Note 17. Leases

Agreements where the Group is a lessee mainly relate to the lease of office space. The leases do not contain any special terms or restrictions. The majority of the extension options related to leasing of offices and other leases have not been included in the lease liability because the Group cannot reliably determine that they will be extended. Extension options are assessed initially when the new lease is arranged but may be updated regularly during the lease term.

	Group			
2024, SEKm	**Premises**	**Rented connection capacity**	**Other**	**Total ROU assets**
Cost on the opening date	**904**	**149**	**17**	**1,069**
Additional ROU	77	17	5	99
Lease modifications	-76	-11	-	-86
Reclassifications	-6	6	-	0
Terminated contracts	-75	-4	-12	-91
Translation differences	68	15	1	84
Accumulated cost on the closing date	**892**	**172**	**10**	**1,075**
Depreciation on the opening date	**-214**	**-30**	**-8**	**-252**
Depreciation for the year	-123	-19	-4	-146
Reclassifications	2	-2	-	0
Disposals/retirements	51	1	6	58
Translation differences	-16	-4	0	-20
Accumulated depreciation on the closing date	**-300**	**-53**	**-6**	**-360**
Net carrying amount	**592**	**119**	**4**	**715**

2023, SEKm	Premises	Rented connection capacity	Other	Total ROU assets
	Group			
Cost on the opening date	**908**	**148**	**38**	**1,094**
Additional ROU	192	14	0	205
Reclassifications	-3	-7	9	0
Terminated contracts	-164	0	-29	-194
Translation differences	-29	-6	0	-35
Accumulated cost on the closing date	**904**	**149**	**17**	**1,069**
Depreciation on the opening date	**-205**	**-15**	**-14**	**-234**
Depreciation for the year	-126	-17	-6	-149
Reclassifications	-6	13	-7	0
Disposals/retirements	117	-13	19	123
Translation differences	7	2	0	8
Accumulated depreciation on the closing date	**-214**	**-30**	**-8**	**-252**
Net carrying amount	**690**	**119**	**9**	**818**

Lease liabilities

Lease liabilities at year-end amounted to SEK 832m (898).

Aging report, lease payments

Group, SEKm[1]	Dec 31, 2024	Dec 31, 2023
Less than 1 year	133	114
1-2 years	123	83
2-3 years	111	82
3-4 years	100	75
4-5 years	89	70
5+ years	495	474
Total	**1,051**	**898**

1) The amounts in the ageing report 2024 are presented undiscounted and 2023 are presented discounted.

Leasing expenses

Group, SEKm	2024	2023
Depreciation on ROU assets	-138	-149
Interest expenses, lease liabilities	-38	-46
Cost of short-term and low-value leases	-12	-24
Total	**-188**	**-219**

Cash outflow

The total cash flow attributable to leases in 2024 was SEK 126m (136).

Note 18. Financial assets

Non-current receivables

SEKm	Group Dec 31, 2024	Group Dec 31, 2023	Parent company Dec 31, 2024	Parent company Dec 31, 2023
Deposits	18	24	-	-
receivables, Group companies	-	-	5,749	5,348
Other non-current receivables	18	13	1	-
Total[1]	**35**	**37**	**5,750**	**5,348**

1) Deferred contract costs, which were previously classified as non-current financial assets have been reclassified as prepaid expenses. See Note 21.

Interests in Group companies

SEKm	Parent company Dec 31, 2024	Parent company Dec 31, 2023
Cost on the opening date	16,173	15,764
Capital contributions	-	409
Accumulated cost on the closing date	**16,173**	**16,173**

Sinch Group	Corporate ID	Registered office	% of equity and votes Dec 31, 2024	Dec 31, 2023	Net carrying amount, SEKm Dec 31, 2024	Dec 31, 2023
Sinch Sweden AB	**556747-5495**	**Stockholm**	**100**	**100**	**250**	**250**
CLX Networks South Africa[4]	2013/128948/07	South Africa	100	100	-	-
PT Sinch Technology Indonesia	1265000552082	Indonesia	0.4	0.4	-	-
Sinch Communications Canada Inc.	9294-4933	Canada	100	100	-	-
Sinch Turkey Ltd	866349	Turkey	51	51	-	-
Sinch Italy S.R.L.	4491540961	Italy	100	100	-	-
Sinch Operator Software AB	**556353-1333**	**Stockholm**	**100**	**100**	**100**	**100**
Sinch Poland Sp z.o.o.	643951	Poland	100	100	-	-
Sinch Holding AB	**559061-2791**	**Stockholm**	**100**	**100**	**3,718**	**3,718**
Sinch Australia Pty Ltd	ACN 108 364 854	Australia	100	100	-	-
Sinch Germany GmbH	HRB 202010	Germany	100	100	-	-
Sinch Communications Pty Ltd	ACN 112 676 132	Australia	100	100	-	-
Sinch Australia Holding Pty Ltd	ACN 650 744 479	Australia	100	100	-	-
Message4U Pty Ltd	ACN 095 453 062	Australia	100	100	-	-
MessageMedia Australia Pty Ltd[1]	ACN 125 542 403	Australia	-	100	-	-
WholesaleSMS Pty Ltd	ACN 169 517 202	Australia	100	100	-	-
SMS Broadcast Pty Ltd	ACN 127 334 785	Australia	100	100	-	-
SMS Central Australia Pty Ltd	ACN 141 611 645	Australia	100	100	-	-
Streetdata Pty Limited	ACN 092 709 030	Australia	100	100	-	-
Streetdata Unit Trust	ABN 14 314 375 905	Australia	100	100	-	-
Text Messaging Technologies (Holdings) Pty Ltd	ACN 140 425 332	Australia	100	100	-	-
Text Messaging Technologies Pty Ltd	ACN 140 426 204	Australia	100	100	-	-
Mobipost Pty Ltd	ACN 087 914 930	Australia	100	100	-	-
DirectSMS Pty Ltd	ACN 114 992 880	Australia	100	100	-	-
MessageNet Pty Ltd	ACN 082 712 589	Australia	100	100	-	-
ClickSend Pty Ltd	ACN 165 918 525	Australia	100	100	-	-
Bulletin.net Pty Limited	ACN 119 955 805	Australia	100	100	-	-
MessageMedia Europe Limited	3771735	United Kingdom	100	100	-	-
Bulletin.net (NZ) Limited	847056	New Zealand	100	100	-	-
MessageMedia U.S.A. Inc	27-2034769	USA	100	100	-	-
SimpleTexting LLC	85-3394518	USA	100	100	-	-
Sinch Philippines Inc	2023030090540-11	Philippines	100	-	-	-
Sinch Belgium B.V	0691.917.430	Belgium	100	100	-	-
Sinch Communications Spain SL	B82966078	Spain	100	100	-	-
Sinch Finland Oy	1549817-1	Finland	100	100	-	-
Sinch France SAS	524 353 299	France	100	100	-	-
Sinch UK Ltd	3049312	United Kingdom	100	100	-	-
Sinch South Africa (PTY) Ltd	2012/217923/07	South Africa	100	100	-	-
Sinch US Holding Inc.	82-5136971	USA	100	100	-	-
Sinch America Inc.	77-0505044	USA	100	100	-	-
Sinch Engage LLC	46-0553309	USA	100	100	-	-
Sinch Interconnect LLC	3166804	USA	100	100	-	-
Onvoy Holdings Inc.	32-0482384	USA	100	100	-	-
Onvoy Intermediate Holdings Inc.	38-3987416	USA	100	100	-	-
Onvoy, LLC	41-1624131	USA	100	100	-	-
Onvoy Ltd	84-1797016	USA	100	100	-	-
RadiantIQ LLC	47-1806351	USA	100	100	-	-
Onvoy International Holdings, Inc.	11386989	United Kingdom	100	100	-	-
Onvoy Netherlands B.V.	RSIN 860260367	Netherlands	100	100	-	-
Acrobits, S.R.O.	CZ28487923	Czech Republic	100	100	-	-
Alien Licensing, GmbH	CHE-116.371.684	Switzerland	100	100	-	-
Onvoy Communications Limited	3771951OH	Ireland	100	100	-	-
ANZ Communications LLC	27-4606513	USA	100	100	-	-

Sinch Group	Corporate ID	Registered office	% of equity and votes Dec 31, 2024	% of equity and votes Dec 31, 2023	Net carrying amount, SEKm Dec 31, 2024	Net carrying amount, SEKm Dec 31, 2023
ANPI Business, LLC	04-3520968	USA	100	100	-	-
ANPI India Research & Development Private Ltd.	U73100D-L2014FTC266307	India	99	99	-	-
ANPI, LLC	37-1348433	USA	100	100	-	-
ANPI India Research & Development Private Ltd.	U73100D-L2014FTC266307	India	1	1	-	-
Broadvox, LLC	31-1795439	USA	100	100	-	-
Onvoy Spectrum, LLC	47-3389357	USA	100	100	-	-
Inteliquent, Inc.	31-1786871	USA	100	100	-	-
Neutral Tandem - Alabama, LLC	20-8056239	USA	100	100	-	-
Neutral Tandem - Arizona, LLC	20-8042937	USA	100	100	-	-
Neutral Tandem - Arkansas, LLC	20-2254616	USA	100	100	-	-
Neutral Tandem - California, LLC	20-0724701	USA	100	100	-	-
Neutral Tandem - Colorado, LLC	20-1673913	USA	100	100	-	-
Neutral Tandem - Delaware, LLC	4335804	USA	100	100	-	-
Neutral Tandem - Florida, LLC	20-1355255	USA	100	100	-	-
Neutral Tandem - Georgia, LLC	20-2658360	USA	100	100	-	-
Neutral Tandem - GVT, LLC	81-1407859	USA	100	100	-	-
Neutral Tandem - Hawaii, LLC	46-3601056	USA	100	100	-	-
Neutral Tandem - Idaho, LLC	27-1280206	USA	100	100	-	-
Neutral Tandem - Illinois, LLC	31-1034591	USA	100	100	-	-
Neutral Tandem - Indiana, LLC	20-1357955	USA	100	100	-	-
Neutral Tandem - Iowa, LLC	26-2913116	USA	100	100	-	-
Neutral Tandem - Kansas, LLC	26-1767344	USA	100	100	-	-
Neutral Tandem - Kentucky, LLC	20-8998152	USA	100	100	-	-
Neutral Tandem - Louisiana, LLC	26-1856140	USA	100	100	-	-
Neutral Tandem - Maine, LLC	45-3187343	USA	100	100	-	-
Neutral Tandem - Marlyland, LLC	20-2658279	USA	100	100	-	-
Neutral Tandem - Massachusetts, LLC	20-0722634	USA	100	100	-	-
Neutral Tandem - Michigan, LLC	20-0724852	USA	100	100	-	-
Neutral Tandem - Minnesota, LLC	20-1358018	USA	100	100	-	-
Neutral Tandem - Mississippi, LLC	26-0580716	USA	100	100	-	-
Neutral Tandem - Missouri, LLC	26-2483205	USA	100	100	-	-
Neutral Tandem - Montana, LLC	87-1034193	USA	100	100	-	-
Neutral Tandem - Nebraska, LLC	20-8433872	USA	100	100	-	-
Neutral Tandem - Nevada, LLC	20-2305022	USA	100	100	-	-
Neutral Tandem - New Hampshire, LLC	20-8519365	USA	100	100	-	-
Neutral Tandem - New Jersey, LLC	20-0724799	USA	100	100	-	-
Neutral Tandem - New Mexico, LLC	20-8632267	USA	100	100	-	-
Neutral Tandem - New York, LLC	20-0724764	USA	100	100	-	-
Neutral Tandem - North Carolina, LLC	20-8519951	USA	100	100	-	-
Neutral Tandem - North Dakota, LLC	26-3528771	USA	100	100	-	-
Neutral Tandem - Oklahoma, LLC	26-2484331	USA	100	100	-	-
Neutral Tandem - Oregon, LLC	21-1265348	USA	100	100	-	-
Neutral Tandem - Pennsylvania, LLC	20-5873056	USA	100	100	-	-
Neutral Tandem - Puerto Rico, LLC	26-4280147	Puerto Rico	100	100	-	-
Neutral Tandem - Rhode Island, LLC	20-2305087	USA	100	100	-	-
Neutral Tandem - South Carolina, LLC	20-8754082	USA	100	100	-	-
Neutral Tandem - South Dakota, LLC	26-3916483	USA	100	100	-	-
Neutral Tandem - Tennessee, LLC	20-8433955	USA	100	100	-	-
Neutral Tandem - Texas, LLC	20-1357927	USA	100	100	-	-
Neutral Tandem - Utah, LLC	26-1496620	USA	100	100	-	-
Neutral Tandem - Vermont, LLC	45-3187243	USA	100	100	-	-

Sinch Group	Corporate ID	Registered office	% of equity and votes		Net carrying amount, SEKm	
			Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Neutral Tandem - Virginia, LLC	20-4889208	USA	100	100	-	-
Neutral Tandem - Washington DC, LLC	20-4428003	USA	100	100	-	-
Neutral Tandem - Washington, LLC	20-1674163	USA	100	100	-	-
Neutral Tandem - West Virgina, LLC	46-5559757	USA	100	100	-	-
Neutral Tandem - Wyoming, LLC	45-0886699	USA	100	100	-	-
JJRR, LLC	20-2378763	USA	100	100	-	-
Broadvox-CLEC, LLC	38-3792612	USA	100	100	-	-
Minnesota Independent Equal Access Corporation	41-1653110	USA	100	100	-	-
VOIP360, Inc.	20-3088335	USA	100	100	-	-
Voyant Communications, LLC	26-1360206	USA	100	100	-	-
Bettervoice, Inc.	81-2626122	USA	100	100	-	-
Phaxio Blocker, Inc.	83-4283961	USA	100	100	-	-
Layered Communications, LLC	45-0705161	USA	100	100	-	-
MessengerPeople Inc.	5124591	USA	100	100	-	-
MessgengerPeople GmbH	HRB 238421	Germany	100	100	-	-
Dialogue Group Ltd	06766972	United Kingdom	100	100	-	-
Dialogue Communications Ltd	3042634	United Kingdom	100	100	-	-
Dialogue Malta Ltd	C66149	Malta	100	100	-	-
Sinch Singapore Pte Ltd	2013-14618-E	Singapore	100	100	-	-
Sinch Technology (Beijing) Co. Ltd	91110108MA01UQP87U	China	100	100	-	-
Beijing Zhang Zohng Hu Dong Information Technology Co. Ltd	91110108802106771E	China	100	100	-	-
Sinch Hong Kong Limited	72211247	Hong Kong	100	100	-	-
Sinch Denmark ApS	26361710	Denmark	100	100	-	-
Sinch Denmark AB[3]	556484-7918	Stockholm	-	100	-	-
PT Sinch Technology Indonesia	1265000552082	Indonesia	99.6	99.6	-	-
Sinch Korea Co., Ltd	110111-7692878	Korea	100	100	-	-
Sinch Communications LLC[1]	1207700431410	Russia	-	100	-	-
Taiwan Sinch Limited	90771936	Taiwan	100	100	-	-
Sinch Latin America Holding AB	559212-5487	Stockholm	100	100	-	-
Sinch BR S.A.	01.126.946/0001-61	Brazil	100	100	-	-
Cyclelogic do Brasil Mobile Solutions Ltda	CNPJ: 02.554.300/0001-48	Brazil	100	100	-	-
3BR Tech Des. De Websites e. Softwares S.A	CNPJ n.o 13.735.132/0001-03	Brazil	100	100	-	-
Sinch Netherlands B.V.	RSIN: 859656937	Netherlands	100	100	-	-
Cyclelogic Argentina S.R.L.	CUIT: 33-69561065-9	Argentina	100	100	-	-
Cyclelogic Chile Telecomunicaciones SPA.	RUT: 76.115.115-0	Chile	100	100	-	-
Sinch Colombia S.A.S.	NIT: 8300484255	Colombia	100	100	-	-
Cyclelogic Ecuador S.A.	RUC: 0992456809001	Ecuador	100	100	-	-
Sinch México, S. de R.L.de CV.	RFC: CME030325CPA	Mexico	100	100	-	-
Compertime S.A. de C.V.	RFC: COM080812831	Mexico	100	100	-	-
Sinch Panamá S.A.	RUC: 2618804-1-836421	Panama	100	100	-	-
Sinch de Peru S.A.C	RUC: 20516964414	Peru	100	100	-	-
Nedimix S.A.	RUT: 215095650017	Uruguay	100	100	-	-
Sinch Mobile AB	556969-5397	Stockholm	100	100	-	-
Sinch Cloud Communication Services India Pvt. Ltd.	U74999M-H2017FTC29470	India	100	100	-	-
ACL Mobile Private Limited[2]	U00000D-L2000PLC105516	India	100	100	-	-
ACL Technologies Pte Ltd Sdn[2]	U72900D-L2000PTC105180	India	100	100	-	-
Sinch DMCC	JLT 5040	United Arab Emirates	100	100	-	-
Sinch Malaysia Sdn Bhd	832473-T	Malaysia	100	100	-	-

Sinch Group	Corporate ID	Registered office	% of equity and votes Dec 31, 2024	Dec 31, 2023	Net carrying amount, SEKm Dec 31, 2024	Dec 31, 2023
Pegasus Corp Two	**88-0711777**	**USA**	**100**	**100**	**11,507**	**11,507**
Deliver Intermediate Holdco, Inc.	83-4016249	USA	100	100	-	-
Mailgun Technologies, Inc.	81-5151296	USA	100	100	-	-
Email on Acid, LLC	27-1659446	USA	100	100	-	-
Mailgun Technologies SAS	877523639	France	100	100	-	-
Mailjet SAS	524536992	France	100	100	-	-
Mailjet GmbH	HRB 156505	Germany	100	100	-	-
Mailjet Emailing SL	NIF 0B87790879	Spain	100	100	-	-
Mailjet SAAS Ltd	9801918	United Kingdom	100	100	-	-
Mailjet, Inc.	46-5566257	USA	100	100	-	-
Carrying amount in the parent company					**16,173**	**16,173**

1) The company was liquidated in 2024.
2) The company was merged in 2024.
3) The company was sold in 2024.
4) The company was liquidated in 2025.

Note 19. Accounts receivable

Accounts receivable

SEKm	Group Dec 31, 2024	Dec 31, 2023
Unbilled receivables	2,023	1,921
Accounts receivable	2,607	2,897
Total accounts receivable	**4,630**	**4,818**
Expected credit loss allowance		
Opening balance	-149	-176
Reversals of previous provisions	59	71
Confirmed customer losses	65	48
Provisions for the year	-97	-94
Translation differences	-5	1
Closing balance	**-128**	**-149**
Net trade receivables	**4,503**	**4,669**

The carrying amount for accounts receivable, net after ECL allowance, has been assessed as equal to fair value. The ECL allowance has decreased compared with the preceding year.

Aging report, Accounts receivable

SEKm	Group Dec 31, 2024	Dec 31, 2023
Not past due	3,705	3,854
Past due 1-30 days	527	454
Past due 31-60 days	79	122
Past due 61-90 days	75	100
Past Total due >90 days	244	289
Total	**4,630**	**4,818**

Aging report, ECL allowance

SEKm	Group Dec 31, 2024	Dec 31, 2023
Not past due	-4	-5
Past due 1-30 days	-5	-4
Past due 31-60 days	-2	-6
Past due 61-90 days	-4	-6
Past Total due >90 days	-113	-129
Total	**-128**	**-149**

Accounts receivable past due for more than 90 days are considered in default.

Note 20. Other current receivables

SEKm	Group Dec 31, 2024	Dec 31, 2023	Parent company Dec 31, 2024	Dec 31, 2023
VAT receivable	188	166	54	-
Derivatives	-	13	-	13
Other current receivables	74	87	7	-
Total	**262**	**265**	**61**	**13**

Note 21. Prepaid expenses and accrued income

	Group		Parent company	
SEKm	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Insurance premiums	42	39	11	-
Network costs	168	-	-	-
Traffic costs	74	374	-	-
Revenue from contracts with customers	105	71	-	-
Other	294	232	10	86
Total[1]	**683**	**716**	**21**	**86**

1) Deferred contract costs, which were previously classified as non-current financial assets have been reclassified as prepaid expenses. See Note 18.

Note 22. Equity

Shares and share capital, SEK	Ordinary shares	Share capital
Opening balance January 1, 2023	**838,602,248**	**8,386,022**
Shares issued for warrants	4,467,563	44,676
Closing balance December 31, 2023	**843,069,811**	**8,430,698**
Shares issued for warrants	1,436,223	14,362
Closing balance December 31, 2024	**844,506,034**	**8,445,060**

Authorized share capital comprised 844,506,034 shares as of December 31, 2024. The quotient value of the shares is SEK 0.01 (0.01). All shares are fully paid-in.

Reserves, SEKm	Translation reserve
Opening balance January 1, 2023	**5,268**
Translation differences	-863
FX changes on increased net investments	-138
Deferred tax	28
Closing balance December 31, 2023	**4,294**
Translation differences	1,476
FX changes on increased net investments	303
Deferred tax	-61
Closing balance December 31, 2024	**6,012**

The translation reserve includes all exchange rate differences that arise upon translation of financial statements in a currency other than SEK, which is the Group's presentation currency. The translation reserve also includes exchange rate differences that arise upon revaluation of liabilities accounted for as net investments in a foreign operation. Other interest bearing current and non-current liabilities.

Note 23. Interest bearing current and non-current liabilities

Other interest bearing non-current liabilities

	Group		Parent company	
SEKm	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Bank loan	2,205	5,841	2,205	5,841
Senior unsecured bond	499	-	499	-
Lease liability	727	784	-	-
Other non-current liabilities	28	13	-	-
Total	**3,459**	**6,637**	**2,703**	**5,841**

Other interest bearing current liabilities

	Group		Parent company	
SEKm	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Bank loan	2,758	1,499	2,758	1,499
Senior unsecured bond	-	749	-	749
Commercial papers	774	-	774	-
Lease liability	104	114	-	-
Total	**3,636**	**2,362**	**3,532**	**2,248**

As of December 31, Sinch had total available credit facilities of SEK 11,357m (12,610) and the company had used loans and credit facilities totaling SEK 4,971m (7,363). Breakdown of used loans and facilities:

- Loan of SEK 1,500m that matures in February 2025.
- Loan of USD 110m that matures in February 2025.
- Credit facilities of SEK 7,713m that mature in February 2027, of which SEK 2,213m had been used as of December 31, 2024.

The facilities can be used in most currencies and the interest base is the relevant IBOR or overnight rate in each currency. The Group's loan agreements contain adequate contingency procedures to manage a potential termination of a used reference rate that could arise as an effect of the reference rate reform.

The Group's loan financing is subject to fulfillment of certain performance indicators, i.e., covenants. The Group regularly analyzes the performance indicators, which had been met as of December 31, 2024.

In addition, senior unsecured bonds have been issued in the amount of SEK 500m (750) that will mature in September 2027, as well as issued commercial paper of SEK 775m (0) that will mature in less than 12 months.

The bond loan accrues interest at a variable rate based on 3m STIBOR plus 175 bps.

Available bank overdraft facilities amounted to SEK 931m (901) as of December 31, 2024, of which SEK 45m (0) had been utilized.

Financial liabilities decreased by SEK -2 133m (-2 254) in 2024. See Note 32 for more information about the Group's loan financing.

Note 24. Other non interest bearing current and non-current liabilities

Other non interest bearing non-current liabilities

The Group's other non interest bearing non-current liabilities as of December 31, 2024 amounted to SEK 22m (25). The Parent Company had no other non interest bearing non-current liabilities at the reporting date (0).

Other non interest bearing current liabilities

	Group		Parent company	
SEKm	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
VAT, tax withheld at source	262	208	1	2
Derivatives	17	-	17	-
Funds belonging to a third party	5	3	-	-
Other current liabilities	9	19	1	0
Total	**293**	**231**	**19**	**2**

Note 25. Provisions

SEKm	Group Dec 31, 2024	Dec 31, 2023
Provision for social security expenses, ESOP	17	37
Provision for restructuring costs	3	3
Provision for other taxes	310	-
Other provisions	18	16
Total non-current provision	**348**	**55**
Provision for other taxes	390	-
Total current provision	**390**	**-**
Total provisions	**738**	**55**

Sinch recognized a one-time provision of SEK 700m in Q4, reported in the table above as short-term and long-term provisions for other taxes.

Sinch is currently not subject to any investigation or tax audit in any of the jurisdictions to which the provision refers.

Sinch operates in a complex and global tax situation in which numerous jurisdictions regularly clarify their tax law related to how non-income-based taxes should be applied to services similar to those Sinch offers. As a result of numerous acquisitions, Sinch has several subsidiaries that offer similar or related services within the same jurisdiction. In order to determine the company's tax position in each jurisdiction, Sinch has reviewed the company's current stance and its approach during several previous years. As it can be considered probable after this review that an obligation has arisen and that this obligation can be reasonably estimated, the company has evaluated the need for a provision for the historical periods that include the aforementioned tax exposure.

The company is reporting a provision of SEK 700m related to non-income-based taxes for historical periods on the statement of financial position per December 31, 2024. This provision is based on several assumptions including, but not limited to, the application of taxes to Sinch's services, which jurisdictions the company believes may demand historical taxes, and the tax base for revenues from these jurisdictions.

If local tax authorities object to these assumptions or standpoints, it could change the outcome.

Sinch does not expect the changed position to have impact on the company's future competitiveness or capacity to achieve its financial targets.

Note 26. Contract liabilities

Contract liabilities/Advance payments from customers

SEKm	Group 31 Dec 2024	31 Dec 2023
Opening balance	262	260
Revenue reported as derived from contract liabilities that existed at the beginning of the year	-235	-218
Payment from customers for performance obligations not satisfied at the end of the year	298	223
Translation differences	16	-2
Closing balance[1]	**340**	**262**

1) A majority of the contract liabilities is expected to be recognized in revenue during the next financial year.

Note 27. Accrued expenses and prepaid income

SEKm	Group Dec 31, 2024	Group Dec 31, 2023	Parent company Dec 31, 2024	Parent company Dec 31, 2023
Salaries	299	209	2	1
Annual leave pay	160	175	2	2
Social insurance costs incl pension	75	63	2	1
Interest expenses	26	42	26	43
External services	441	349	3	4
Traffic costs	2,351	2,397	-	-
Other items	1	1	-	0
Total	**3,353**	**3,235**	**35**	**51**

Note 28. Untaxed reserves

SEKm	Parent company Dec 31, 2024	Dec 31, 2023
Tax allocation reserves	84	90
Accelerated depreciation/amortization	2	4
Total	**85**	**94**

Note 29. Pledged assets and contingent liabilities

As pledged assets for own debt and provisions

SEKm	Group Dec 31, 2024	Dec 31, 2023
Guarantees[1]	126	109
Contingent liabilities[2]	32	112
Total	**158**	**221**

1) Guarantees primarily refer to bank guarantees.

2) Contingent liabilities in 2023 referred primarily to obligations to perform ordered and contracted services that could not be canceled without financial impact. Contingent liabilities reported in the year-end report for 2024 have been corrected.

The parent company had no pledged assets or contingent liabilities as of December 31, 2024 (0).

Note 30. Related-party transactions

Group

Intragroup transactions between the parent company and its subsidiaries, which are related parties to the company, have been eliminated on consolidation and disclosures concerning the Group are therefore not provided.

Parent company

Sales to Group companies comprise 100 percent of net sales in the parent company. Receivables and liabilities to other Group companies are presented in the parent company balance sheet.

Neqst, which is a shareholder in Sinch as well as a shareholder in Neqst Services AB, has entered into an agreement with Sinch regarding the lease of a shared access to a pied-à-terre for Sinch's Global Leadership Team. The agreement was made on market terms. Disclosures concerning compensation to senior management personnel are provided in Note 9.

Note 31. Financial assets and liabilities

The table below presents the Group's financial assets and liabilities, recognized at carrying amount and fair value, classified in the categories in accordance with IFRS 9. No financial instruments have been set off in the accounts.

Group Dec 31, 2024, SEKm	Financial assets and liabilities measured at amortized cost	Obligatory measurement at fair value through profit or loss	Net carrying amount	Fair value
Financial assets at fair value				
Derivatives, Level 2, Note 20	-	-	-	-
Financial assets not recognized at fair value				
Deposits paid, Note 18	18	-	18	18
Accounts receivable, Note 19	4,503	-	4,503	4,503
Accrued revenue from contracts with customers, Note 21	105	-	105	105
Cash and cash equivalents	1,083	-	1,083	1,083
Total financial assets	**5,709**	**-**	**5,709**	**5,709**
Financial liabilities at fair value				
Derivatives, Level 2, Note 24	-	17	17	17
Earnout, Level 3, Note 24	-	-	-	-
Financial liabilities not recognized at fair value				
Long-term loans payable, Note 23	2,731	-	2,731	2,731
Short-term loans payable, Note 23	3,532	-	3,532	3,532
Lease liabilities, Note 17	1,051	-	1,051	1,051
Funds belonging to a third party, Note 24	5	-	5	5
Accrued interest expense, Note 27	26	-	26	26
Accounts payable	1,821	-	1,821	1,821
Total financial liabilities	**9,167**	**17**	**9,183**	**9,183**

The Group's maximum credit risk consists of the amounts in the table above. As in the preceding year, the "cash and cash equivalents" item on the statement of financial position consists entirely of bank deposits.

Group Dec 31, 2023, SEKm	Financial assets and liabilities measured at amortized cost	Obligatory measurement at fair value through profit or loss	Net carrying amount	Fair value
Financial assets at fair value				
Derivatives, Level 2, Note 20	-	13	13	13
Financial assets not recognized at fair value				
Deposits paid, Note 18	23	-	23	23
Accounts receivable, Note 19	4,669	-	4,669	4,669
Accrued revenue from contracts with customers, Note 21	71	-	71	71
Cash and cash equivalents	1,012	-	1,012	1,012
Total financial assets	**5,775**	**13**	**5,788**	**5,788**
Financial liabilities at fair value				
Derivatives, Level 2, Note 24	-	-	-	-
Earnout, Level 3, Note 24	-	-	-	-
Financial liabilities not recognized at fair value				
Long-term loans payable, Note 23[1]	5,853	-	5,853	5,853
Short-term loans payable, Note 23	2,248	-	2,248	2,248
Lease liabilities, Note 17	898	-	898	898
Funds belonging to a third party, Note 24	3	-	3	3
Accrued interest expense, Note 27	42	-	42	42
Accounts payable	1,849	-	1,849	1,849
Total financial liabilities	**10,893**	**-**	**10,893**	**10,893**

1) Non-current liabilities have been updated for 2023 and also include other non-current liabilities.

Determination of fair value

Financial assets and liabilities measured at fair value in the balance sheet, or where the fair value is disclosed, are classified in one of three levels based on the information used to measure fair value.

Sinch uses the following methods and assumptions to determine the fair value of recognized financial instruments.

Derivatives - Foreign currency forward contracts are measured at level 2, i.e., fair value is determined using measurement models based on observable market data, such as quoted prices for similar assets and liabilities, market interest rates, and yield curves.

The fair value of foreign currency forward contracts is determined through the use of quoted prices for such instruments on the reporting date, where the resulting value is discounted to present value.

Earnout – Earnouts (conditional consideration) related to the acquisition of shares in subsidiaries are measured according to Level 3, i.e., financial instruments for which fair value is determined based on measurement models where significant inputs are based on unobservable market data, at the present value of future cash flows that are based on forecasts of the companies' future performance. Material assumptions in this estimate are future growth rate and earnings capacity and are based on forecasts of the companies' future performance. A percentage increase in cash flow leads to the corresponding percentage increase in earnout at the unchanged discount rate. Nominal amounts paid are shown in Note 33.

The carrying amounts of other financial assets and liabilities are considered a good approximation of the fair values due to short maturity or short fixed-interest periods and because the credit margin has not changed.

Profit or loss from financial assets and liabilities

The effects of financial assets and liabilities on profit are accounted for in net financial income or expenses, except for foreign exchange differences attributable to operating items accounted for in operating profit or loss. The effects on profit or loss are specified in the table below, distributed by measurement category.

Group 2024, SEKm	Financial assets and liabilities measured at amortized cost	Obligatory measurement at fair value through profit or loss	Total
Exchange rate differences in operating profit	137	-	137
Interest income	64	-	64
Interest expenses	-491	-	-491
Interest expense, lease liability	-38	-	-38
Exchange rate differences in net financial income/expenses	87	-30	57
Total	**-240**	**-30**	**-270**

Group 2023, SEKm	Financial assets and liabilities measured at amortized cost	Obligatory measurement at fair value through profit or loss	Total
Exchange rate differences in operating profit	-161	-	-161
Interest income	82	-	82
Interest expenses	-627	-	-627
Interest expense, lease liability[1]	-46	-	-46
Exchange rate differences in net financial income/expenses	-63	28	-35
Total[1]	**-816**	**28**	**-788**

1) The comparison figure for interest expenses has been adjusted to include interest expenses, lease liabilities.

Note 32. Financial risk management

In the course of its operations, Sinch is exposed to various types of financial risk. Financial risk refers to fluctuations in the company's earnings and cash flow consequent upon changes in exchange rates, interest rates, refinancing risks, and credit risks. The frameworks for exposure, management, and monitoring of financial risks are set by the board of directors in the Finance Policy which is revised annually. Within the Group, the Treasury Department has operational responsibility for securing the Group's financing and managing cash liquidity, financial assets, and financial liabilities. The Group takes advantage of economies of scale and synergies by means of a centralized Treasury Department. Group Treasury reviews compliance with policies and exposure on a monthly basis and reports regularly to the board of directors. The Group does not engage in speculative trading in financial instruments.

Liquidity risk and financing risk

Liquidity risk is the risk that the Group might have difficulty performing its obligations associated with financial liabilities. Liquidity planning is used to manage liquidity risk and minimize the cost of financing the Group. The Group policy is to minimize the borrowing requirement by centralizing surplus liquidity in the Group through cash pools and intragroup transactions. Liquidity risks for the Group are managed centrally within the parent company. Sinch has been granted a bank overdraft facility of SEK 931m (901) to manage fluctuations in cash flow, of which SEK 45m (0) had been used as of December 31, 2024. The Group's loan financing is subject to fulfillment of certain performance indicators, i.e., covenants. The performance indicators are calculated based on operating profit or loss before depreciation, amortization, and impairments (Adjusted EBITDA), interest expenses, and net debt. The Group regularly analyzes the performance indicators, which had been met as of December 31, 2024. The carrying value of related debt was 4,926m as of December 31, 2024. The Group regularly monitors and evaluates the changes in connection with the arrangement of any new credit agreements.

The Group's liquidity reserve, which comprises unused loan limits and available bank balances as of the reporting date, is specified below.

Group, SEKm	Dec 31, 2024	Dec 31, 2023
Granted loan limits		
Revolving line of credit	5,500	5,500
Total granted loan limits	**5,500**	**5,500**
Used loan limits	-	1,154
Unused loan limits	**5,500**	**4,346**
Available bank balances	1,083	1,012
Bank overdraft facility	931	901
Liquidity reserve	**7,514**	**6,259**

At year-end, Sinch's financial liabilities amounted to SEK 9,183m (10,893), see Note 31, and the maturity structure is shown on the table below. See also Note 23 for more information concerning bank and bond loans.

Maturity structure, financial liabilities

The table shows the maturity structure for the Group's financial liabilities. The amounts reported refer to contractual, undiscounted cash flows based on the agreed date at which the Group is obliged to pay. Financial liabilities in foreign currency are converted to SEK in the table at the exchange rates prevailing at the end of the reporting period.

	Dec 31, 2024				Dec 31, 2023			
SEKm	**< 1 year**	**> 1 < 2 years**	**> 2 < 3 years**	**> 3 years**	**< 1 year**	**> 1 < 2 years**	**> 2 < 3 years**	**> 3 years**
Bank loan[1]	2,713	-	2,213	-	1,500	2,605	3,258	-
Senior unsecured bond	-	-	500	-	750	-	-	-
Derivatives (liability)	17	-	-	-	-	-	-	-
Lease liabilities	133	123	111	684	114	83	82	619
Accounts payable	1,821	-	-	-	1,849	-	-	-
Funds belonging to a third party	5	-	-	-	3	-	-	-
Commercial papers	775	-	-	-	-	-	-	-
Total	**5,464**	**123**	**2,824**	**684**	**4,216**	**2,688**	**3,340**	**619**

1) In February 2025, Sinch entered into a credit agreement of $100m with Danske Bank, the proceeds of which will be used to refinance existing loans. The loan matures in February 2027.

SEKm	Original currency	Dec 31, 2024	Dec 31, 2023
Bank loan	SEK	2,500	4,300
Bank loan	USD	2,426	3,063
Bank loan	INR	-	1
Senior unsecured bond	SEK	500	750

Market risk

Market risk is the risk that the fair value of cash flows or future cash flows from a financial instrument will vary due to changes in the market price. Market risk is categorized by IFRS into three types: interest rate risk, currency risk, and other price risks. The market risks that primarily affect the Group are interest rate risk and currency risk.

Interest rate risk

The Group's primary interest rate risk arises through long-term borrowing at variable rates, which exposes the Group to interest rate risk relating to cash flows. Interest rate risk is the risk that the fair value of cash flows or future cash flows from a financial instrument will vary due to changes in market rates. The fixed interest term is a significant factor affecting the interest rate risk. The majority of Sinch's loan financing is carried at a three-month rate. An interest rate change of 100 points on credit facilities and bond loans at the reporting date would affect the Group's future profit before tax by +/- SEK 62m (+/– 81). The sensitivity analysis assumes that all other variables, such as exchange rates, remain constant. As of December 31, 2024, the average remaining term to maturity for the Group's external utilized loan financing was 1.05 years (1.7) and the average interest rate on external loan financing was 4.55 percent (5.86). See also Note 23 for more information concerning bank and bond loans.

Currency risk

Transaction exposure is the risk that currency movements in connection with sales and purchases in foreign currency could affect consolidated cash flows and profit or loss. The Group's sales are transacted mainly in foreign currencies, primarily EUR, USD, and GBP. The Group's costs are incurred in foreign currencies, primarily EUR, USD, and GBP, as well as SEK. Exchange rate changes have greater impact on revenues than on costs. The Group has significant net currency exposure. See the table below. Hedging instruments were not used to currency-hedge the Group's commercial transaction exposure in 2024.

Currency risk also arises in the translation of the assets and liabilities of foreign subsidiaries to the parent company's functional currency, i.e., translation exposure.

Exchange rate differences are included in the consolidated income statement at SEK 137m (-161) in operating profit or loss and at SEK 57m (-35) in financial income/expense. See also Note 31 Financial assets and liabilities for more information. As of the reporting date, the Group had financial liabilities of SEK 17m arising from currency derivatives. In the comparison period, the Group had a financial asset of SEK 13m arising from currency derivatives. Currency derivatives are used as a financial hedge for financial liabilities and assets, which may be intragroup, in foreign currency with a reverse profit effect upon exchange rate movements. As the underlying hedged asset or liability has the opposite effect on profit or loss as the derivative, the total effect on consolidated net profit or loss in connection with a change in the value of currency derivatives is limited. Hedge accounting is not applied to these derivatives.

Transaction exposure

Sinch's transaction exposure is distributed among the currencies in the table below. Amounts are stated in SEK millions translated at the closing rate. The table shows the Group's net exposure to monetary items in each currency. The exposure for 2023 has been corrected compared to prior year financial statements. The correction does not impact the financial reports elsewhere.

Currency, SEKm	2024	2023
USD	2,569	1,387
EUR	1,012	1,281
GBP	391	468
Other currencies	86	63
Total foreign currency	**4,057**	**3,199**

Sensitivity to transaction exposure

Based on transaction exposure as of December 31, 2024, above, Sinch's profit before tax would have been affected by +/– SEK 406m (+/-320) if exchange rates against SEK were to change by 10 percent. The largest exposures are against USD, EUR and GBP.

Translation exposure

Foreign net assets in the Group are distributed among the following currencies:

	Dec 31, 2024			Dec 31, 2023		
Currency, SEKm	Net investment	Extended net investment	Net exposure	Net investment	Extended net investment	Net exposure
AUD	502	-	502	6,959	-	6,959
BRL	2,804	455	3,259	3,540	528	4,067
DKK	290	-	290	137	-	137
EUR	4,895	-	4,895	4,409	-	4,409
GBP	1,752	-	1,752	1,240	-	1,240
INR	547	333	880	440	292	732
MXN	242	-	242	259	-	259
USD	18,441	3,480	21,921	22,581	3,002	25,582
Other currencies	253	-	253	139	-	139
Total	**29,726**	**4,268**	**33,994**	**39,705**	**3,822**	**43,527**

Sensitivity to translation exposure

Consolidated equity would be affected by SEK +/- 3,399m (4,353) if SEK were to change by 10 percent against all the currencies against which Sinch has translation exposure, based on the exposure as of December 31, 2024, as above. The Group does not apply hedge accounting.

Credit risk

Credit risk describes the Group's risks in financial assets and arises if a counterparty fails to perform its contractual payment obligation towards Sinch. Credit risk is divided between financial credit risk, which refers to the risk in interest-bearing assets and derivatives, and customer credit risk, which refers to the risk in accounts receivable and contract assets. At year-end 2024, total financial credit exposure including accounts receivable and contract assets was SEK 5 709 (5,753) including cash and cash equivalents of SEK 1,083m (1,012).

Financial credit risk

Financial credit risk is the risk the Group runs in relation to financial counterparties in connection with placements of surplus funds, balances in bank accounts, and investments in financial assets. The Group's policy is to minimize the potential credit risk for surplus liquidity by using cash flows from subsidiaries to amortize the Group's external loans. Credit risk in the form of counterparty risk also arises upon use of derivatives and consists of the risk that a potential profit will not be realized if the counterparty fails to perform its part of the contract. The Group's maximum financial credit risk corresponds to the fair values of financial assets. See Note 31.

Sinch limits its exposure to financial counterparties by using banks and financial institutions with high credit ratings. The Group's financial interest-bearing assets consist mainly of bank deposits. There is some concentration of credit risk in cash and cash equivalents where deposits are placed with banks with high credit ratings. Financial counterparty risk has been assessed as limited and is evaluated on an ongoing basis.

At year-end, surplus funds were placed mainly in larger banks with global presence, primarily in the Nordics, the US, Australia, and Brazil.

Loss allowances for cash and cash equivalents are covered by the general model and based on the credit institution's rating. Sinch does not apply minimum rating but the financial counterparties are of good credit quality and there was no significant exposure for these assets at year-end, which are therefore not included in the loss allowance.

Customer credit risk

The risk that Sinch's customers will not meet their obligations, i.e., that payment is not obtained from customers, is a customer credit risk. The Group's exposure to credit risk is primarily attributable to accounts receivable and to a lesser extent to contract assets. Credit exposure in accounts receivable amounted to SEK 4,503m (4,669) at year-end. Sinch has historically had low credit losses. Sinch's credit risk related to accounts receivable has a high degree of risk diversification through a wide variety of customer categories in a large number of geographical markets, and by virtue of the fact that many of the Group's customers are highly reputable companies with high credit ratings. Sinch has concentration of credit risk among certain large customers. The five largest customers account for about 24 percent (23) of accounts receivable. The largest customers operate primarily in the telecom and financial sectors and generally have public investment grade ratings from credit rating institutions.

Sinch also applies a policy of credit checking its customers, whereupon information about customers' financial position is obtained from credit rating firms. Credit classifications are done to a certain extent; for example, the customer may be required to pay in advance. For those customers who pay in arrears, individual credit limits are set in the transaction system. The simplified approach is used to estimate expected credit losses on accounts receivable and contract assets where a loss allowance has been made for the lifetime of the receivables. The loss allowance is based on information from previous events, current circumstances, and forecasts of future economic circumstances. Management's expectations for changes in external risks and future customer payment behavior are taken into account Loss allowances are made according to individual assessments for most of the Group's accounts receivable and for major customers. In addition, individual loss allowances are made for accounts receivable assessed as problematic. A provision matrix is also applied to accounts receivable that are not individually assessed. Provision matrices state increased loss allowance percentages based on the number of days the receivables are past due. Regional distribution and customer groupings are taken into account when individual allowances and group allowances according to the provision matrix are determined.

See Notes 19 and 21 for disclosures on ECL allowances for accounts receivable and contract assets and the aging structure of accounts receivable.

Capital management

Sinch defines its managed capital as consolidated equity. Sinch must have a robust financial position and good liquidity. This provides the financial scope for action and independence required to run the business and manage variations in the need for capital employed and to benefit from business opportunities. The board of directors of Sinch decides the company's capital structure, leverage, and dividend policy.

The capital structure is intended to create balance among equity, loan financing, and liquidity so that Sinch assures the financing of the business at a reasonable cost of capital. Sinch endeavors to finance growth, normal investments, and any dividends to shareholders by generating sufficient positive cash flow from operating activities.

Debt policy

Sinch's capital structure should enable a high degree of financial flexibility and facilitate acquisitions. Sinch's target is for net debt over time, excluding IFRS 16-related lease liabilities, to be lower than 3.5 times Adjusted EBITDA measured on a rolling twelve months' basis. "Over time" means that the company's debt is permitted to temporarily exceed the set target during a period immediately after a business combination. As of December 31, 2024, net debt/Adjusted EBITDA multiple was 1.5x (2.0).

Dividend policy

As the board of directors believe there will be good opportunities for growth through acquisitions in the next few years, the board is therefore proposing that the company's profits should primarily be reinvested.

Note 33. Cash flow

Cash and cash equivalents

SEKm	Group Dec 31, 2024	Group Dec 31, 2023	Parent company Dec 31, 2024	Parent company Dec 31, 2023
Cash and bank balances	1,083	1,012	28	20

Interest

Interest, SEKm	Group 2024	Group 2023	Parent company 2024	Parent company 2023
Interest received	64	82	648	705
Interest paid	-545	-669	-618	-652
Net interest	**-480**	**-587**	**31**	**53**

Adjustment for non-cash items in cash flow from operating activities

SEKm	Group 2024	Group 2023	Parent company 2024	Parent company 2023
Depreciation / amortization and impairment	8,473	2,580	3	3
Profit or loss from sale of equipment	7	14	-	0
Change in provision for doubtful receivables	43	26	-	-
Changes in provisions	700	-14	-	-
Unrealized exchange rate differences	-373	108	-143	39
Fair value derivatives	29	-13	29	-13
Not paid/received interest	-16	4	-14	-1
Warrants vesting	37	136	7	-
Other	14	18	-	-
Total	**8,914**	**2,859**	**-118**	**28**

Reconciliation of liabilities attributable to financing activities

Group, SEKm	Opening balance Jan 1, 2024	Cash flow	Non-cash items: Transaction costs	Non-cash items: New and amended leases	Non-cash items: Change in fair value	Non-cash items: Exchange rate changes	Closing balance Dec 31, 2024
Bank loan	7,339	-2,653	15	-	-	261	4,961
Senior unsecured bond	749	-250	1	-	-	-	500
Commercial papers	-	775	-1	-	-	-	774
Lease liability	898	-126	-	-	-	-	772
Other financial liabilities	37	-5	-	-	-	-	32
Total	**9,024**	**-2,259**	**15**	**-**	**-**	**261**	**7,041**

Group, SEKm	Opening balance Jan 1, 2023	Cash flow	Non-cash items: Transaction costs	Non-cash items: New and amended leases	Non-cash items: Change in fair value	Non-cash items: Exchange rate changes	Closing balance Dec 31, 2023
Bank loan	9,701	-2,251	16	-	-	-127	7,339
Senior unsecured bond	748	0	1	-	-	-	749
Commercial papers	-	-	-	-	-	-	-
Lease liability	872	-136	-	189	-	-27	898
Other financial liabilities	40	-3	-	-	-	0	37
Total	**11,362**	**-2,390**	**17**	**189**	**-**	**-153**	**9,024**

Parent company, SEKm	Opening balance Jan 1, 2024	Cash flow	Non-cash items: Transaction costs	Non-cash items: Change in fair value	Non-cash items: Exchange rate changes	Closing balance Dec 31, 2024
Bank loan	7,339	-2,659	88	-	193	4,961
Senior unsecured bond	749	-250	1	-	-	500
Commercial papers	-	775	-1	-	-	774
Total	**8,088**	**-2,134**	**88**	**-**	**193**	**6,235**

Parent company, SEKm	Opening balance Jan 1, 2023	Cash flow	Non-cash items: Transaction costs	Non-cash items: Change in fair value	Non-cash items: Exchange rate changes	Closing balance Dec 31, 2023
Bank loan	9,701	-2,251	16	-	-127	7,339
Senior unsecured bond	748	0	1	-	0	749
Commercial papers	-	-	-	-	-	-
Total	**10,449**	**-2,251**	**17**	**-**	**-127**	**8,088**

Note 34. Acquisition of Group companies

Acquisitions in 2024

There were no acquisitions in 2024.

Acquisitions in 2023

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

Note 35. Events after the end of the financial year

Partnership

Sinch announced a partnership around network API:s with Aduna, a JV between Ericsson and leading telecom operators.

Loan financing

Early in the year, Sinch entered into a two-year credit agreement of $100m with Danske Bank for the purpose of refinancing existing loans.

Global Leadership Team

Sinch has appointed Jonas Dahlberg as the new Chief Financial Officer. Jonas Dahlberg has a background from Transcom, Sweco and McKinsey and will start no later than April 1, 2025.

Additionally, Thomas Heath, Sinch's Chief Strategy Officer, has decided to step down from his position from April 1, 2025.

In March, Sinch announced changes to the Global Leadership Team as Sean O'Neal will leave Sinch. During the recruitment of successor, Robert Gerstmann, Sinch co-founder and Chief Evangelist, will lead the product organization.

One-time provision

Sinch announced that the company has reassessed its position for historical non-income based taxes. Consequently, the company has recorded a one-time provision of SEK 700m during the fourth quarter since it is considered probable that a liability existed as per December 31, 2024.

Year-end-report

Sinch published the year-end report for 2024 on February 13, 2025.

Note 36. Proposed allocation of profit or loss

The board of directors will propose to the annual general meeting that no dividend be distributed for the 2024 financial year.

The following non-restricted equity in the parent company is at the disposal of the annual general meeting, SEK:

Share premium reserve	34,209,508,842
Retained earnings	-3,964,564,450
Profit or loss for the year	29,763,966
Total	**30,274,708,359**

The board of directors proposes that profit be allocated as follows, SEK:

Carried forward to retained earnings	30,274,708,359
Total	**30,274,708,359**

Certification and signatures

The board of directors and the CEO certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, IFRS, and that the annual report has been prepared in accordance with generally accepted accounting principles in Sweden. The annual report and the consolidated financial statements present fairly, in all material respects, the financial position and financial performance of the parent company and the Group. The management report for the parent company and the Group presents a fair overview of the development of the parent company's and the Group's operations, financial position, and financial performance, and describes significant risks and uncertainties faced by the parent company and the companies included in the Group The consolidated financial statements and the parent company financial statements will be presented to the annual general meeting for adoption on May 22, 2025.

Stockholm, April 22, 2025

Erik Fröberg
Chairman of the Board

Renée Robinson Strömberg
Director

Björn Zethraeus,
Director

Lena Almefelt
Director

Mattias Stenberg
Director

Laurinda Pang
Chief Executive Officer

Our audit report was submitted
April 22, 2025
Deloitte AB

Johan Telander
Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Sinch AB (publ) corporate identity number 556882-8908

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Sinch AB (publ) for the financial year 2024-01-01 - 2024-12-31 except for the corporate governance report and the sustainability report on pages 26-29, 41-49 and 56-78. The annual accounts and consolidated accounts of the company are included on pages 32-123 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance report or the statutory sustainability report on pages 26-29, 41-49 and 56-78. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of intangible assets

Sinch reports intangible assets of SEK 38,194m as of December 31, 2024. For cash generating units ("CGUs") which contain intangible assets, the determination of recoverable amount, being the higher of fair value less costs to sell and value in use, requires judgement on behalf of management in both identifying and valuing the CGUs. Management prepares impairment assessments by CGUs, as required under accounting standards. Such assessments are based on management's estimates of variables such as sales growth, EBITDA margin, terminal growth rate of free cash flow, and discount rate. Changes in judgements and estimates made by management may have a material effect on the financial statements and consequently Valuation of intangible assets is considered a key audit matter.

Disclosures regarding intangible assets are included in note 1 Accounting principles, note 14 Goodwill and note 15 Other non-current intangible assets.

Audit procedures

Our audit procedures included, but were not limited to:

- evaluate the design of relevant internal controls over the impairment assessment process;
- evaluate and challenge key assumptions in management's valuation model, including assumptions of sales growth, EBITDA margin, terminal growth rate, and discount rate;
- assess the appropriateness of the discount rates applied with the involvement of our internal valuations specialists;
- test the arithmetic accuracy of the valuation model used by management, and
- evaluate the appropriateness of disclosures in the financial statements.

Cost of services sold recognition

The group´s cost of services sold arises mainly from messaging and voice services and amounts to SEK 19,026m for the period 2024-01-01 – 2024-12-31. The cost of services sold contains of many transactions individually priced based on supplier specific agreements. Accurate cost of services sold recognition requires adequate accounting principles, systems and internal controls. There is a risk that the cost of services sold is not complete, that transactions are not accurately recorded and that the cost of services sold is not estimated and reported in the correct period since the supplier invoices are often obtained several months after the transactions are recorded. A change in estimates made by management may have a material effect on the financial statements and consequently Cost of services sold recognition is considered a key audit matter.

Audit procedures

Our audit procedures included, but were not limited to:

- evaluate the design and implementation of relevant internal controls over the cost of services sold process
- obtain external supplier confirmations of cost of services sold transactions
- test recorded cost of services sold accruals as of December 31, 2024, and
- test the completeness and accuracy of cost of services sold transactions

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-31, 56-78, and 128-133. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Sinch AB (publ) for the financial year 2024-01-01 - 2024-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Sinch AB (publ) for the financial year 2024-01-01 - 2024-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of

Sinch AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance report on pages 41-49 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance report is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance report has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

The auditor´s opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 26-29 and 56-78, and that it is prepared in accordance with the Annual Accounts Act according to the previous version applied before 1 July 2024.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Deloitte AB, was appointed auditor of Sinch AB (publ) by the general meeting of the shareholders on the 2024-05-16 and has been the company's auditor since 2012-02-01.

Stockholm, April 22 2025

Deloitte AB

Johan Telander

Authorized Public Accountant

Definitions

Regions

Effective January 1, 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

Definition: 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 measurements 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

Definition: Net sales less the cost of services sold.

Purpose: A large share of Sinch's cost of services sold consists of traffic fees paid to mobile operators. Traffic fees differ significantly from one country to the next and changes in traffic patterns 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

Definition: Gross profit in relation to net sales.

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

Gross profit growth

Definition: Gross profit for the year divided by gross profit in the preceding year.

Purpose: Gross profit growth is more relevant than net sales growth because the cost of services sold varies widely among geographical markets.

Operating expenses (Opex)

Definitions: Opex is defined as the difference between gross profit and EBITDA and consists 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

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

Purpose: 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

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

Adjusted operating expenses (Adjusted Opex)

Definition: Adjusted Opex is defined as the difference between gross profit and Adjusted EBITDA and consists 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 and marketing expenses

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

Research and development expenses

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

General and administrative expenses

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

Acquisition costs

Definition: Acquisition costs are such costs incurred as a consequence of a business combination.

Integration costs
Definition: Integration costs arise mainly in connection with business combinations and in connection with the creation of a common IT infrastructure. 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. As of 2024, integration costs include only external costs and resources.

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

Purpose: Enables comparison of profitability over time in underlying operations.

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

Purpose: Measures the earnings per share generated by the business adjusted for acquisition costs, integration costs, and other adjustment items.

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

EBITDA margin /Adjusted EBITDA margin
Definition: EBITDA/Adjusted EBITDA in relation to net sales.

Amortization/depreciation of acquisition-related assets
Definition: 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/depreciation, as this is a measure of the use of resources necessary to generate profit.

Adjusted EBIT
Definition: EBIT after the same adjustments as for Adjusted EBITDA and excluding non-cash acquisition-related depreciation, amortization, and impairment.

Purpose: Enables comparison of profitability over time, regardless of amortization/depreciation 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
Definition: EBIT/Adjusted EBIT in relation to net sales.

Net margin
Definition: Net profit for the year in relation to net sales.

Purpose: The net margin is a performance indicator that indicates the size of the company's profit in relation to its turnover, which is useful to assess the efficiency of the company's operations.

Interest bearing liabilities
Definition: Bond loans, bank loans, overdraft facilities, commercial paper, and lease liabilities.

Purpose: Used to calculate net debt.

Net debt
Definition: Interest bearing liabilities less cash and cash equivalents.

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

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

Purpose: 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
Definition: Equity as a percentage of total assets.

Purpose: 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.

Return on equity
Definition: Profit or loss for the year divided by average equity.

Purpose: Return on equity is a measurement of profitability in relation to the carrying amount of equity. Return on equity is a measurement of how investments are used to generate higher earnings and return on shareholders' capital.

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

Interest coverage ratio
Definition: EBIT plus interest income divided by interest expenses excluding IFRS 16-related lease liabilities.

Purpose: Indicates the company's ability to cover its interest expenses.

Operational measurements

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

Organic growth

Definition: Growth in local currency and excluding acquisitions.

Purpose: 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

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

Total shares outstanding

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

Annual general meeting, terms and acronyms, addresses

Annual general meeting

The annual general meeting of shareholders in Sinch AB (publ) will be held on Thursday, May 22, 2025. In accordance with the provisions set down in chapter 7, §4(a) of the Swedish Companies Act and the company's Articles of Association, the board of directors has decided that shareholders shall have the option to vote by post prior to the meeting. Shareholders thus may choose whether to attend the meeting in person, by proxy, or by postal vote.

Right to attend the annual general meeting

Shareholders who wish to attend the annual general meeting must:

- be registered in the share register kept by Euroclear Sweden AB on Wednesday, May 14, 2025, or, if the shares are nominee-registered, request the nominee to register the shares in the shareholder's own name ("voting rights registration") by Friday, May 16, 2025, and
- provide notice of intent to attend as instructed under "Attendance in person or by proxy" below no later than Friday, May 16, 2024, or cast a postal vote as instructed under "Postal voting" below. Postal votes must be received by Computershare AB no later than Friday, May 16, 2025.

Shareholders with nominee-registered shares held via a bank or other nominee must request the nominee to register the shares in the shareholder's own name in the share register kept by Euroclear Sweden AB in order to participate at the annual general meeting (voting rights registration). As set out above, the nominee must have performed such registration with Euroclear Sweden AB by Friday, May 16, 2025. Shareholders must therefore contact the nominee well in advance of this date and re-register the shares as instructed by the nominee.

Attendance in person or by proxy

Shareholders who wish to attend the annual general meeting in person or by proxy must notify the company thereto by Friday, May 16, 2025. The notice may be submitted:

- Electronically on the company's website (https://investors.sinch.com)
- By postal letter to Computer Share AB, Attn: Sinch AB (publ) Annual General Meeting, Box 5267, 102 46 Stockholm, Sweden
- By phone at +46 771 24 6400
- By email to proxy@computershare.se.

The notice shall specify the shareholder's full name, personal identity/social security number or company registration number, address, phone number, and, where applicable, the number of assistants (limited to two) who will be accompanying the shareholder to the general meeting.

Shareholders who do not wish to attend in person or exercise their voting rights through postal voting may exercise their voting rights at the annual general meeting by proxy, who must present a written, signed, and dated proxy form. If the proxy form was issued by a legal person, a copy of the company registration document or equivalent authorization document for the legal person must be appended to the proxy form.

Postal voting

Shareholders who wish to exercise their voting rights through postal voting must use the postal voting form and follow the instructions posted on the company's website (https://investors.sinch.com), which are also available at company headquarters (Lindhagensgatan 112, 112 51 Stockholm, Sweden). The completed and signed postal voting form must be sent by postal letter to Computer Share AB, Attn: Sinch AB (publ) Annual General Meeting, Box 5267, 102 46 Stockholm, Sweden. Completed postal voting forms must be received by Computershare AB by Friday, May 16, 2025. The completed and signed postal voting form may alternatively be submitted electronically and sent by email to info@computershare.se. Shareholders may also submit their postal votes electronically using BankID through the Company's website (https://investors.sinch.com). If the shareholder casts their postal votes by proxy, a written and dated proxy form shall be enclosed with the voting form. Proxy forms are available upon request and on the company's website (https://investors.sinch.com). If the shareholder is a legal entity, a certificate of incorporation or other authorization document shall be enclosed with the voting form.

Shareholders are not allowed to include special instructions or conditions in the postal vote. If special instructions or conditions are included, the postal vote will be invalid. Further information and conditions are provided on the voting form.

Forthcoming reporting dates

Interim report, January-March 2025	**May 8, 2025**
Half-yearly report, January-June 2025	**July 22, 2025**
Interim report, January-September 2025	**November 5, 2025**

Sinch explains the terms and acronyms

A2P	Acronym for Application-to-Person, which describes communication from an enterprise application (or system) to a person's mobile phone. This is as opposed to Person-to-Person (P2P) communication.
API	Application Programming Interface, refers to a defined interface that exposes a capability and makes it accessible through software. As an example, the Sinch SMS API lets a developer reach any mobile phone in the world using a few lines of code that call upon the API, submit the phone number, and specify the message to send.
Chatbot	Software that answers the user's questions in a chat conversation.
CRM system	CRM is an acronym for Customer Relationship Management. This type of system helps companies in various ways, including managing customers and business opportunities and creating marketing campaigns.
CPaaS	Acronym for Communications Platform-as-a-Service, a type of cloud service that provides programs and applications over the internet.
CSRD	Stands for the Corporate Sustainability Reporting Directive, and is a European Union regulation requiring companies to disclose information on their environmental, social, and governance (ESG) practices and sustainability efforts.
Direct Routing	A way to provide a public switched telephone network connection so that users can make and receive outside calls on any device.
Email Deliverability	The ability to deliver emails to inboxes, which is affected by the sender's sending behavior, infrastructure, and authentication protocol.
Email Delivery Rate	The share of the total number of sent emails, expressed as a percentage, that are delivered to the mailbox
Email verifications	An API that verifies the existence, syntax, and risk factors for a specific recipient's email address.
ESRS	Stands for European Sustainability Reporting Standards, a set of standards developed by the European Union to guide companies in reporting sustainability-related information.
E911 (Enhanced 911)	Calls to emergency services that automatically provide the phone number and location of the 911 call.
GHG Protocol	Refer to the Greenhouse Gas Protocol which is a widely used international standard for measuring and managing greenhouse gas emissions, helping organizations such as Sinch to track and report their environmental impact.
Gray Traffic	Routing a message to a mobile subscriber in a fraudulent or unapproved way by which the sender avoids paying fees to the subscriber's mobile operator.
Landing Page	A personalized web page that is reached by clicking a link in an SMS or in an email.
MMS	Acronym for Multimedia Messaging Service, a further development of SMS that enables sending of multimedia, such as pictures and video clips, between mobile phones.
Cloud services	ITC services provided over the internet on an external resource instead of the user's own computers, i.e., the option to manage programs, data storage, capacity, and processing power via the internet.
MVNO	Acronym for Mobile Virtual Network Operator.
OTP	An abbreviation for One-Time Password and is one of the most common use cases for businesses to send Application-to-Person SMS.
P2A	Application-to-Person messaging refers to messages sent from a person to a software application, i.e., inbound messages from an end user to a business.
P2P	Person-to-Person messaging refers to messages sent between people to one another. These days, P2P messaging is typically bundled into a mobile subscription without any marginal cost per message.
RCS for Business	Acronym for Rich Communication Services, a further development of SMS and MMS that enables the sending of more advanced communications in which pictures and video are sent between individuals or groups.
Routing APIs	Also called inbound routing and email receiving. Routing APIs allow an email sender to point inbound emails to different inboxes, applications, and recipient addresses while the message is simultaneously analyzed within JSON and UTF-8.
SaaS	Acronym for Software-as-a-Service, a type of cloud service that provides programs and applications over the internet.
SBTi	Science Based Targets initiative: A global initiative that helps companies set greenhouse gas reduction targets in line with climate science and the Paris Agreement to limit global warming to well below 2°C. Sinch has set a Net Zero target in alignment with SBTi methodology during 2024.
SDK	Acronym for Software Development Kits, SDK are a set of development tools that make it possible for software developers to build applications for a specific program bundle, hardware platform, game console, operating system or comparable.
Session	A time-based billing window for messaging, such as 24 hours, that is priced as a unit. Session pricing complements per-message pricing and is is more suitable for conversational use cases.
Sinch	The word Sinch is an informal American synonym for easy. We build cloud-based technology that is easy to deploy, easy to scale, and easy for end users to like.
SIP Trunking	SIP (Session Initiation Protocol) allows voice communications to be carried over an internet connection.
SMS	Acronym for Short Message Service, a service for short text messages sent to and from mobile phones.

STIR/SHAKEN A suite of protocols and procedures intended to combat illegal caller ID spoofing.

Super Network The Sinch Super Network consists of more than 600 direct commercial relationships and technical connections with the largest mobile operators in the world, local American carriers, and email nodes. The network creates direct access to a very large share of all people who own a mobile device or have access to a computer and gives Sinch a competitive advantage.

White Traffic Traffic that primarily goes directly through mobile operators and is fully compliant with applicable regulations.

UCaaS Acronym for Unified Communication as a Service. The term is used to describe a bundle of cloud services that can be used for corporate communications.

2FA Two-factor authentication is a security method that requires two distinct forms of identification to access information.

Largest Sinch offices

	Country	Address	Telephone
Stockholm – Headquarters	Sweden	Lindhagensgatan 112 112 51 Stockholm, Sweden.	+46 (0) 8 566 166 00
Atlanta	USA	One Alliance Center 3500 Lenox Road NE Ste 1875 Atlanta, GA 30326	
Chicago	USA	One North Wacker, Ste 2500 Chicago, IL 60606	
Noida	India	5th Floor, Tower 4 Express Trade Tower 2B-36 Sector 132 Noida 201302	
Melbourne	Australia	Suite 8.3, Level 8, 150 Lonsdale Street Melbourne – VIC 3000	
São Paulo	Brazil	Avenida Brigadeiro Faira Lima, 1663, 10° e 13° andares - Jd. Paulistano, São Paulo - S.P., CEP 01452-001	

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