Q4 2021
Investor Presentation

17 February 2022

[Webcast : 14:00 CET]

Oscar Werner, CEO
Roshan Saldanha, CFO
Thomas Heath, Chief Strategy Officer & Head of Investor Relations

SEK 16,2bn
net sales in the past 12 months

SEK 80bn
Market Cap

SEK 1.3bn
Adj. EBITDA in the past 12 months

4,090
people

62 countries with local presence

a global leader in cloud communications and mobile customer engagement

Over 150,000 customers

Listed on NASDAQ in Stockholm, Sweden

Scalable cloud communications platform for messaging, email, voice and video

More than 600 billion engagements per year

Serving 8 of the 10 largest U.S. tech companies

100% Consumer penetration

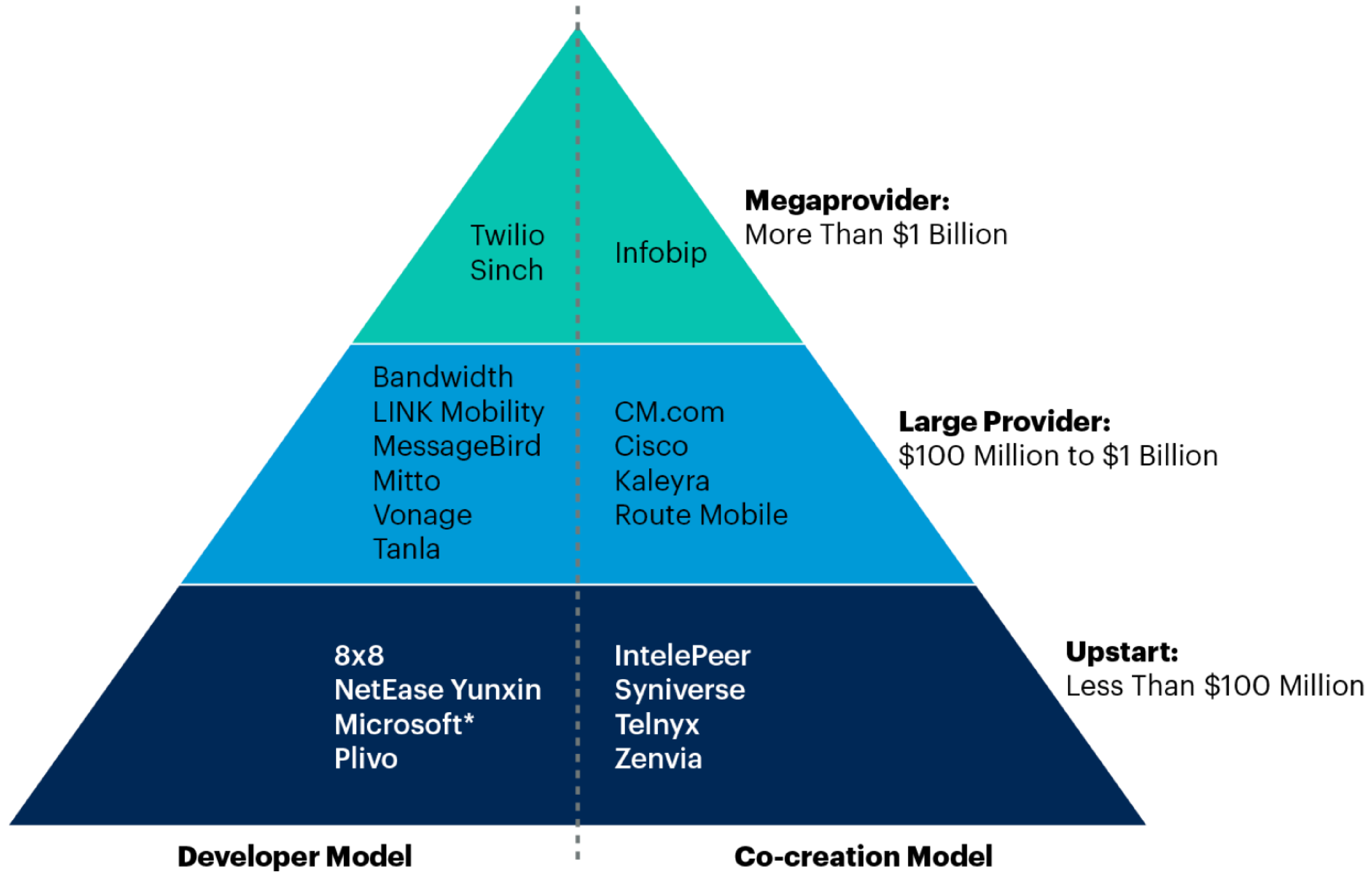
Growing, global, multi-billion USD market

Profitable since our foundation in 2008

* Consolidated figures as of Q4 2021. MessageMedia, Inteliquent, MessengerPeople, Pathwire, SDI and Wavy consolidated less than 12 months.

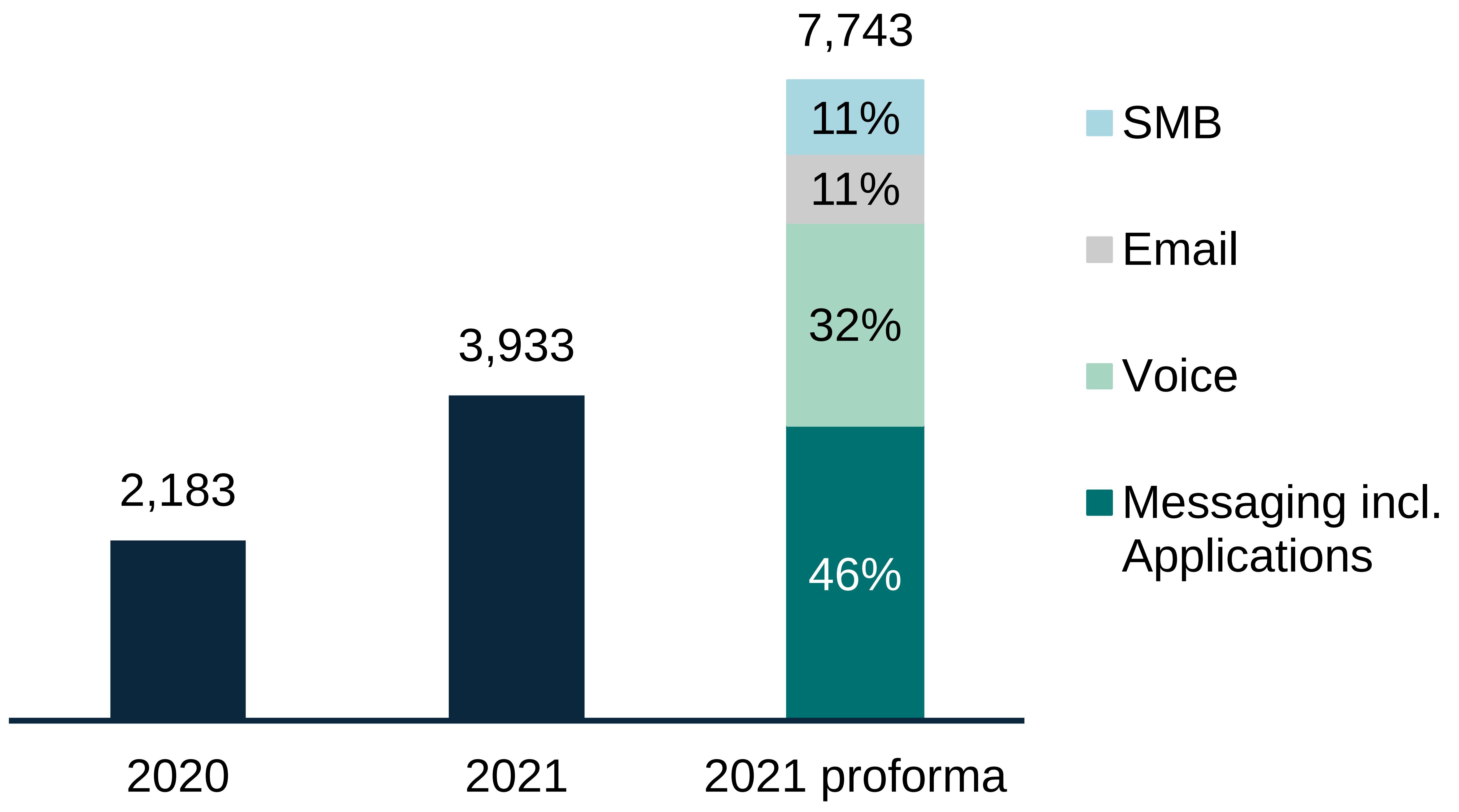
Transforming into a a global leader

Major Vendors in CPaaS



Source: Gartner (November 2021)
* Gartner estimate based on launch in April 2021

Rising gross profit and broadened product mix



Gross profit in SEKm.

Fourth quarter highlights

01

Strengthened position as global leader in CPaaS

- Net sales growing 74%, Gross profit 69% and Adj EBITDA 25%
- Adjusted EBITDA of SEK 471m and operating cash flow of SEK 462m
- Transformative acquisitions positioning Sinch as the leading profitable CPaaS company
- Full year proforma Net sales at SEK 23.1bn with GP at SEK 7.7bn

02

Factors affecting organic earnings growth

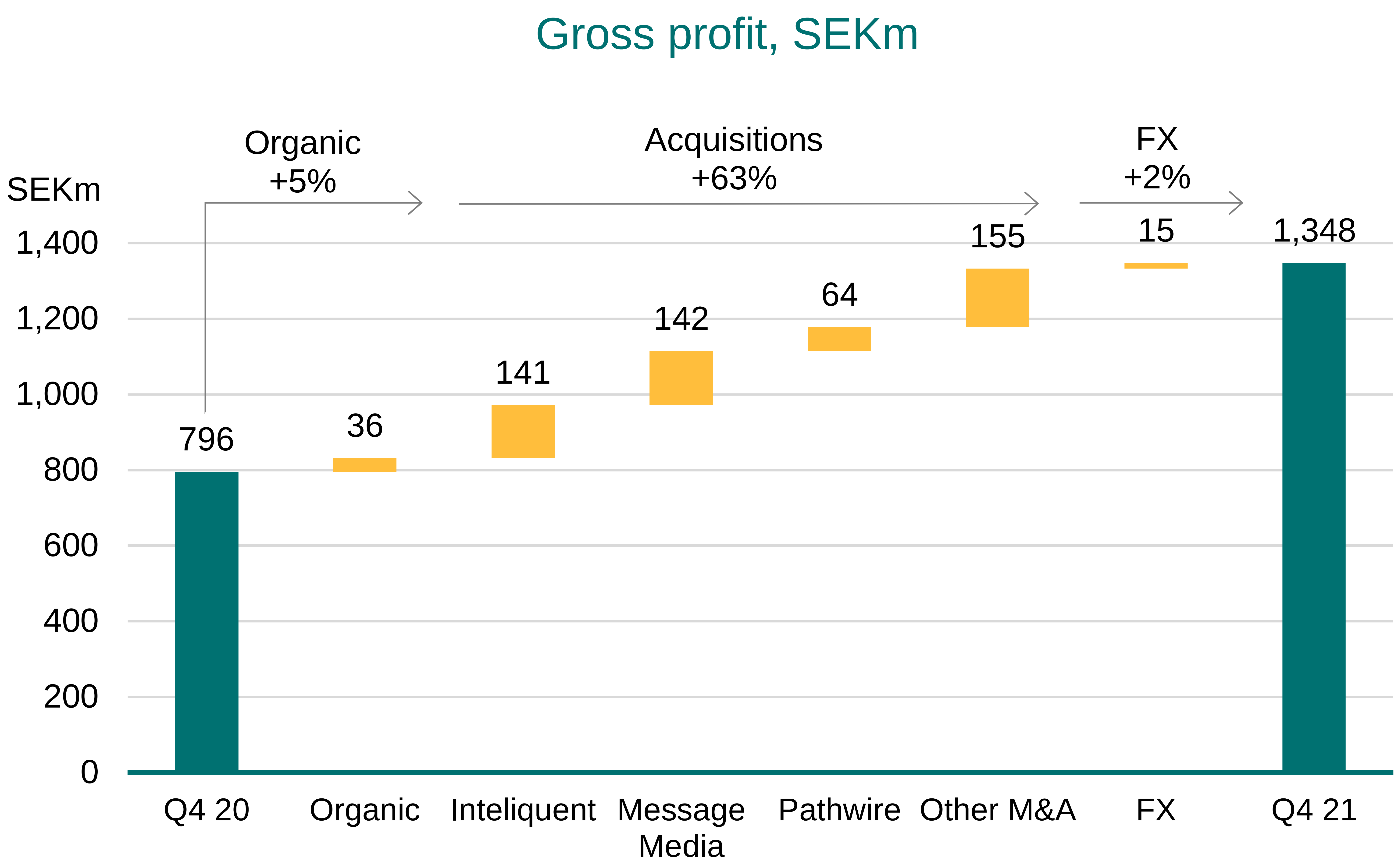
- Strong comparison quarter
- Minimum commitments to a multinational mobile operator, in combination with low traffic volume, had a 5% (SEK 34m) negative effect on Gross profit in Q4
- Bad debt relating to one customer added SEK 37m to Opex in Q4
- Continued effect of previously communicated price adjustments

03

Focus areas for 2022

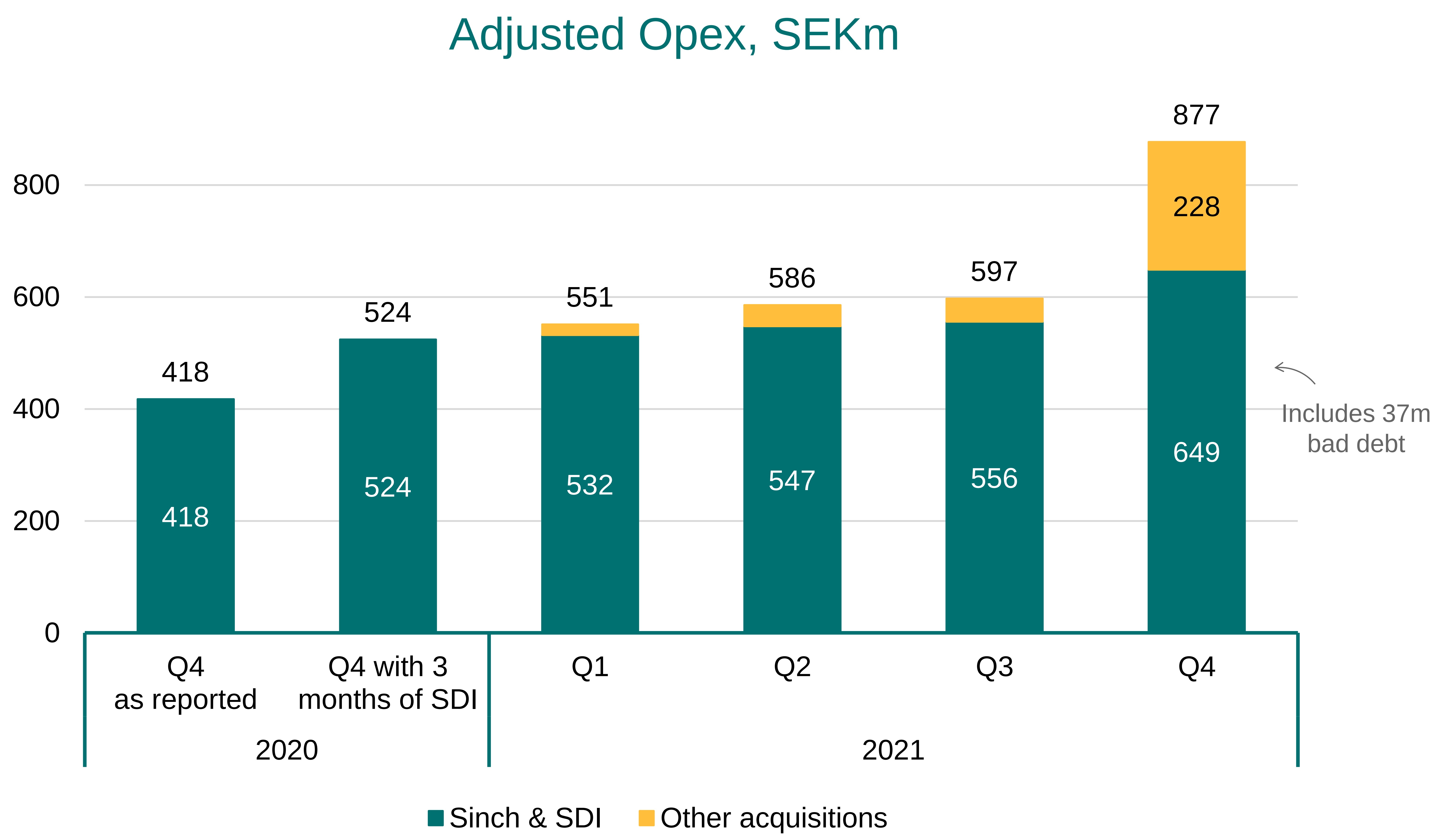
- Capitalizing on strong market position to drive growth
- Cost control in Messaging and group functions to ensure that costs do not grow faster than Gross profit
- New operating model with full P&L responsibility for Business Unit Presidents

Gross profit evolution



- Tough comparables in Q4 2021
- Minimum commitment to a multinational global mobile operator causing a 5% negative impact on GP in Q4 2021
- Unable to immediately pass on full carrier price increases in Brazil and India
- Price adjustments causing new sales to contribute lower margins than existing business
- 10% underlying GP growth in local currency excluding impact of pre-commitments

Opex development



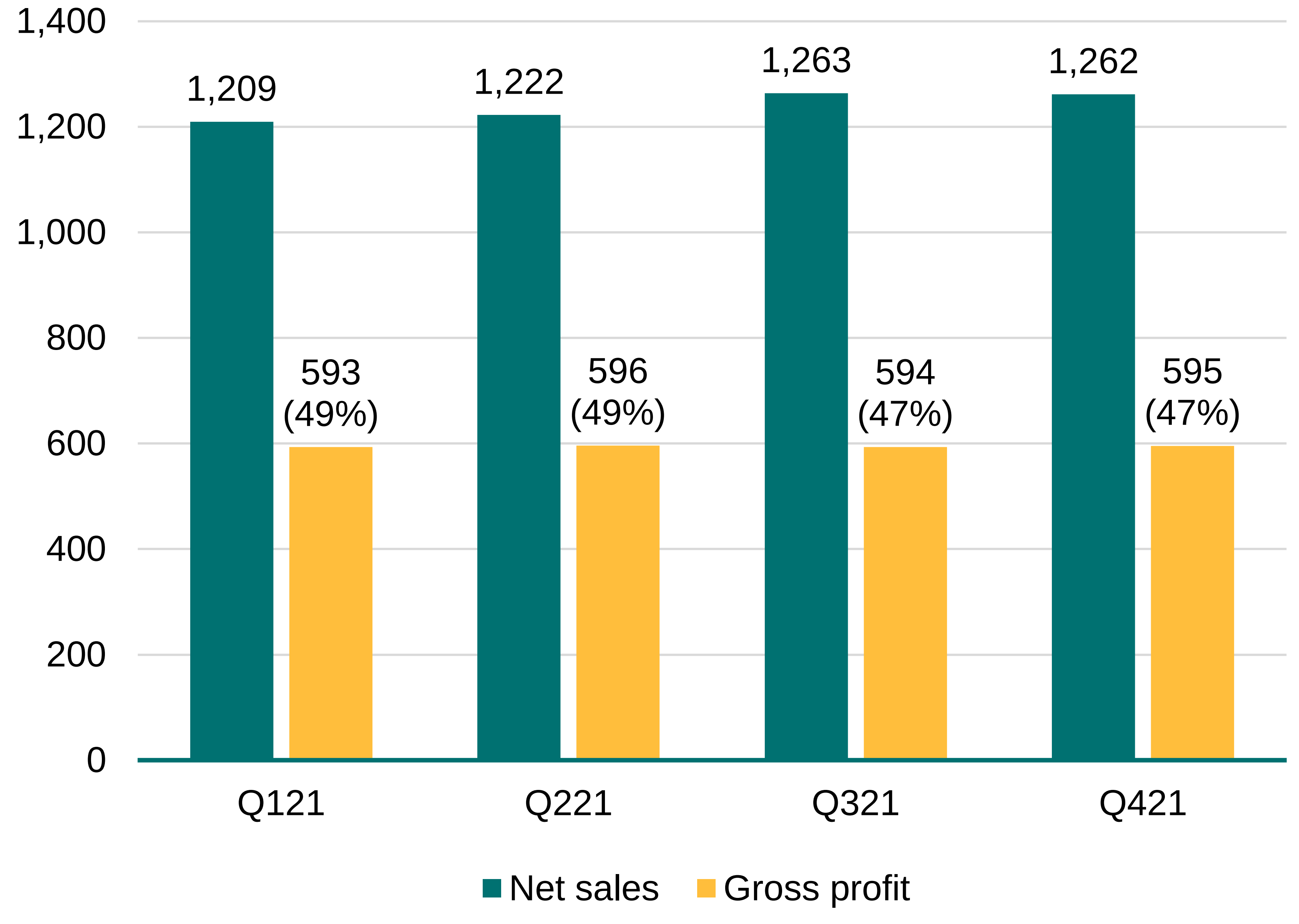
- Slower opex growth in 2020 due to Covid-19 outbreak
- Increased opex base during 2021
  - Sales & product initiatives
  - Preparations for upcoming, large acquisitions
  - Businesses acquired during 2022 adding further Opex
- SEK 37m one-time impact on Opex in Q4 21 due to bad debt from a specific voice customer
- 17% underlying opex growth in Sinch+SDI excluding one-off

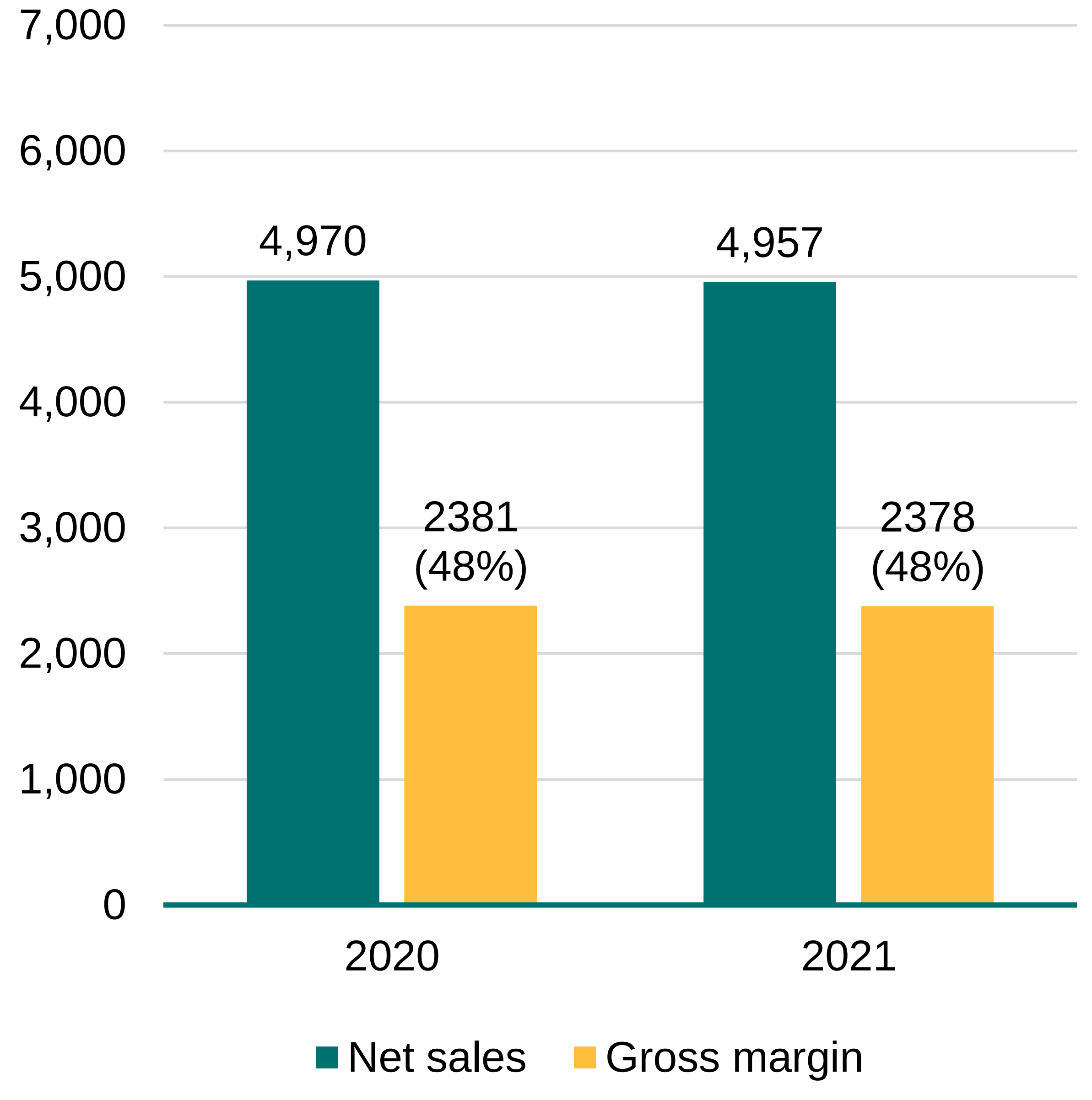
Adjusted Opex = Gross profit – Adjusted EBITDA

Inteliquent

The largest independent voice communications provider in the United States.

Inteliquent proforma Net sales and Gross profit (SEKm)





- Transaction closed 9 December
- Adj EBITDA in Q421 of SEK 325m, implying a 26% margin
- 7% organic net sales growth and 7% organic gross profit growth in local currencies in FY 2021

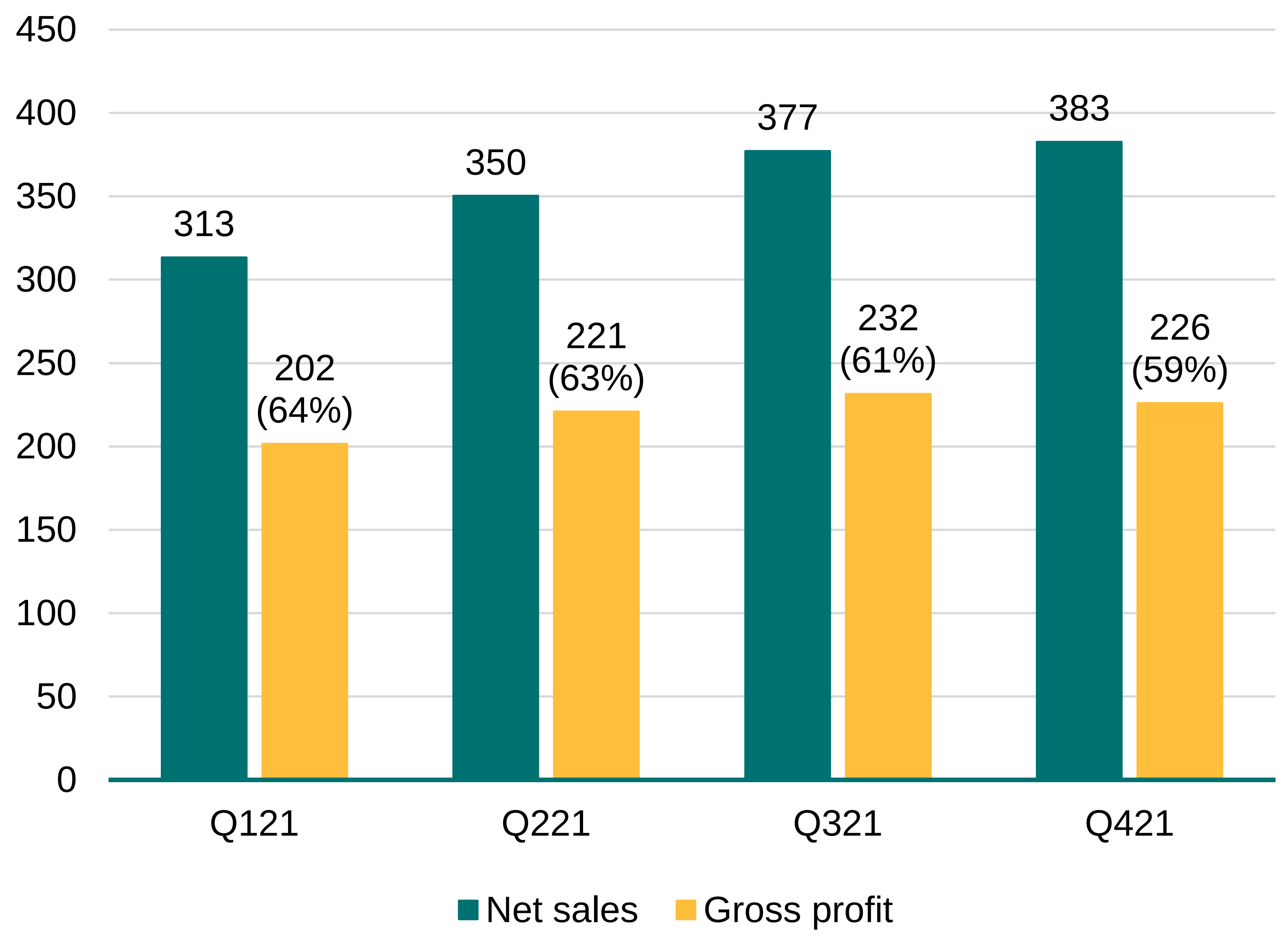
- Healthy underlying growth driven by enterprise demand for programmable voice
- Growth in 2021 impacted by Covid-19, growth in 2022 affected by 8YY regulation

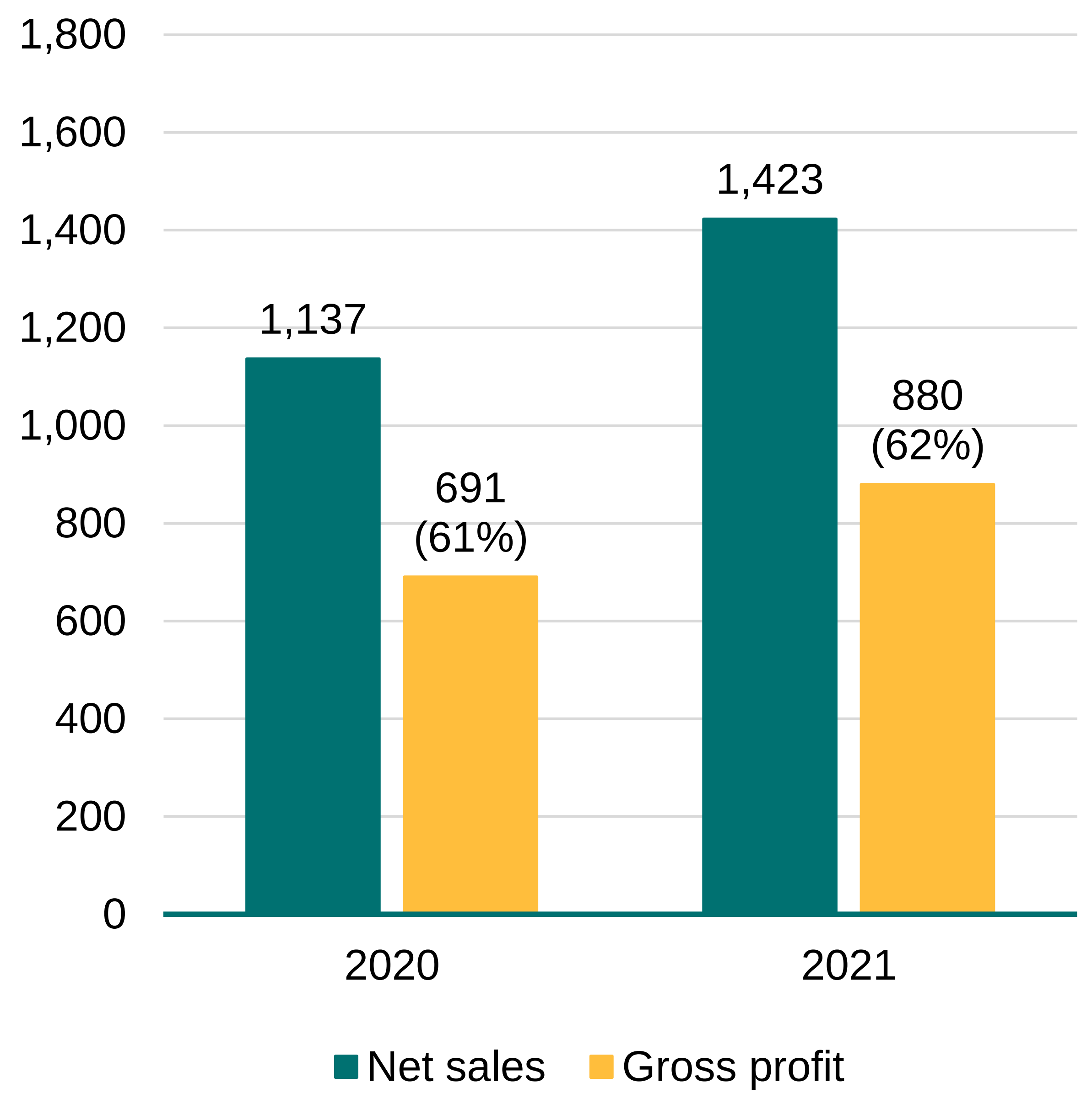
All figures proforma.

MessageMedia

Leading mobile messaging solutions for small and medium sized businesses (SMB) in the United States and Australia, New Zealand, and Europe.

MessageMedia proforma Net sales and Gross profit (SEKm)





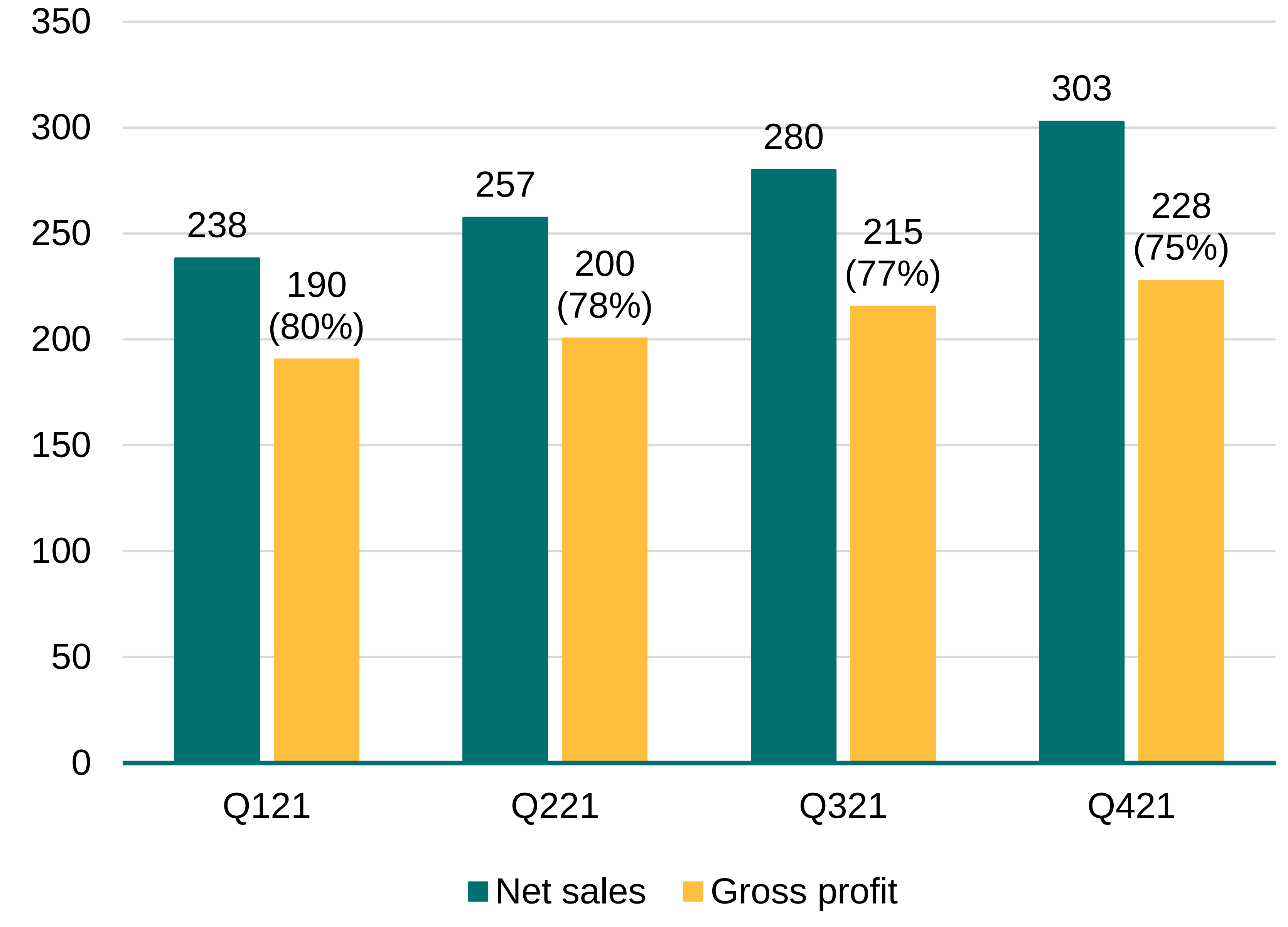
- Transaction closed 5 November
- Adj EBITDA in Q421 of SEK 100m, implying a 26% margin
- 25% organic net sales growth and 28% organic gross profit growth in local currencies in FY 2021
- 7,000 new customers started using the web-based products in Q4
- Integration with Sinch Conversation API has begun

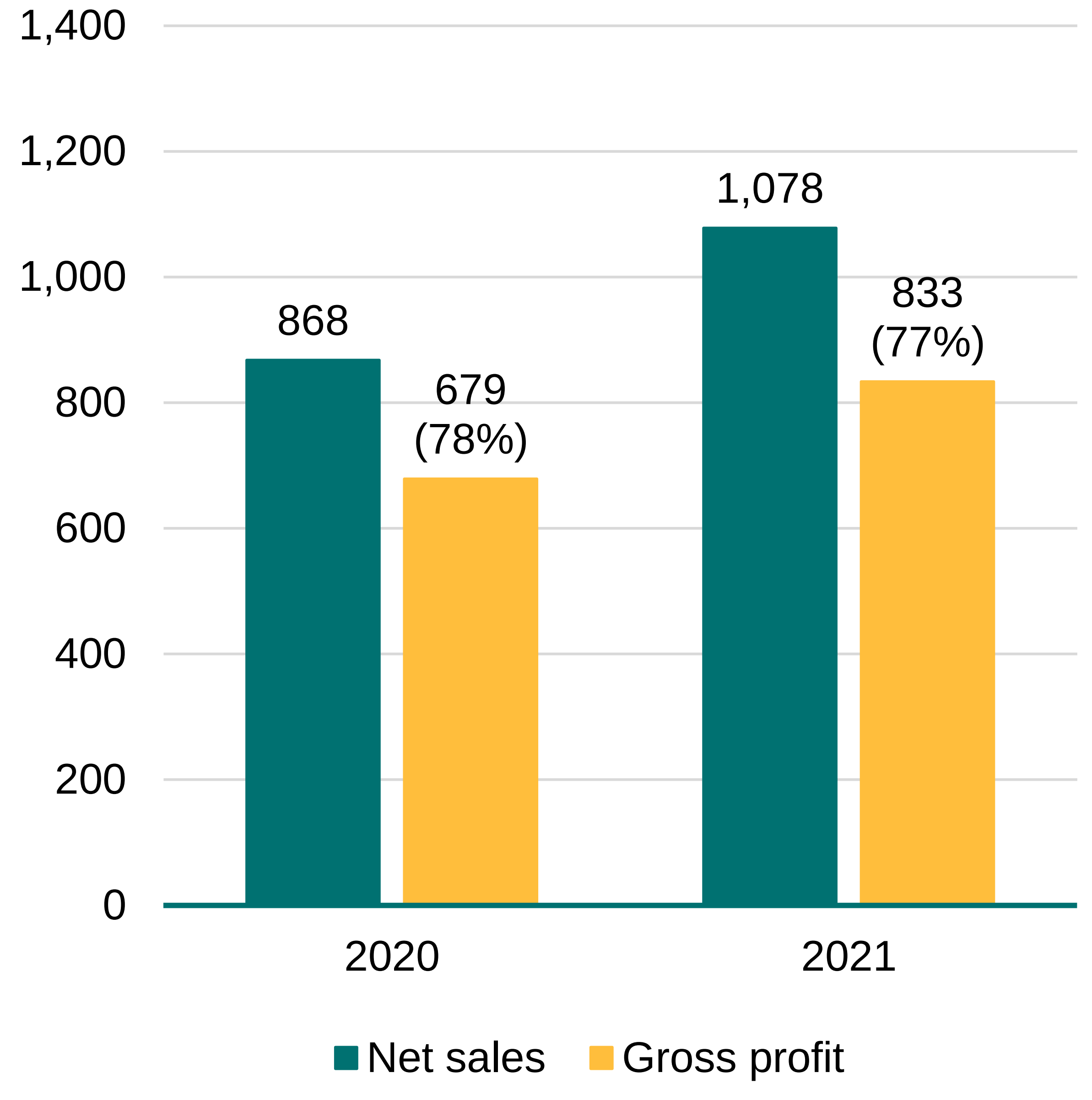
All figures proforma.

Pathwire

The best-in-class email deliverability platform for transactional and marketing email.

Pathwire proforma Net sales and Gross profit (SEKm)





- Transaction closed 7 December
- Adj EBITDA in Q421 of SEK 113m, implying a 37% margin
- 32% organic net sales growth and 30% organic gross profit growth in local currencies in FY 2021
- Strong early stage pipeline of cross sales to existing Sinch customers
- High-velocity developer Go To Market with over 100,000 paying customers

All figures proforma.

New operating model

	Enterprise & Messaging	Voice	Developer & Email	Applications	SMB
Business Unit	President Anders Olin	President Ed O'Hara	President Will Conway	President Eduardo Henrique	President Paul Perrett
Financials	• 46% of proforma GP* • 23% gross margin* • 17% GP growth in 2021**	• 32% of proforma GP • 46% gross margin* • 7% GP growth in 2021	• 11% of proforma GP • 77% gross margin* • 30% GP growth in 2021	• Currently included in Messaging	• 11% of proforma GP • 62% gross margin* • 28% GP growth in 2021
Focus 2022	• Gross profit growth recovery & attention to gross margins • Ensuring opex grows in line with gross profit • Cross sales of other products to large enterprise customers	• Sales efforts & product development to accelerate voice sales to enterprise customers • Cross sales of voice and messaging • International expansion • 8YY reform	• Continued focus on profitable growth • Cross sales of Email to Sinch enterprise customers • Cross sales of SMS to Pathwire developer community	• Separation of Applications offering into separate business unit • Includes Chatlayer, MessengerPeople, Sinch4Marketing, Contact Pro • 2022 focus on product unification and international expansion	• Continued growth in the United States through new customer acquisition • Integration of SMS backend to Sinch global platform • Extension of omnichannel capabilities leveraging Sinch Conversation API

* Applications is currently included in Enterprise & Messaging ** Including Applications. Excluding ACL (India) and Wavy (Brazil)

SMB = Small and Medium-sized Businesses

Financials

Income statement

SEKm	Q4 2021	Q4 2020	2021	2020
Net sales	5,207	2,999	16,177	8,023
Cost of goods sold and services	-3,860	-2,204	-12,244	-5,840
Gross profit	**1,348**	**796**	**3,933**	**2,183**
Other operating income	89	34	192	198
Work performed by the entity and capitalized	37	20	98	69
Other external costs	-504	-293	-1,306	-683
Employee benefits expenses	-559	-312	-1,837	-869
Other operating expenses	-80	-66	-249	-183
EBITDA	**330**	**179**	**831**	**715**
Depreciation and amortization	-342	-88	-673	-262
EBIT	**-12**	**91**	**158**	**453**
Net finance income/expenses	615	-34	1,039	-74
Profit before tax	**603**	**57**	**1,197**	**379**
Income tax	-176	156	-315	67
Profit for the period	**427**	**213**	**882**	**446**

- Adjusted EBITDA is different from EBITDA primarily due to acquisition costs, integration costs, and share-based incentive plans
- Adjusted EBITDA of SEK 471 million (378) in Q4 21
- Depreciation & amortization includes non-cash amortization related to acquired entities
- Adjusted EBIT of SEK 393 million (356) in Q4 21
- Net financials affected by currency gains ahead of upcoming acquisitions

Reconciling Cash flow with Adjusted EBITDA

SEK million	Q4 2021	Q4 2020	2021	2020
Adjusted EBITDA	471	234	1,322	989
Paid interest	0	-8	-34	-30
Paid taxes	-126	-28	-253	-101
Other items	140	-43	142	-256
Cash flow before changes in working capital	**485**	**155**	**1,177**	**602**
Cash flow before changes in working capital / Adjusted EBITDA	103%	66%	89%	61%

- High conversion of Adjusted EBITDA to cash flow
- Other items positively impacted by realized currency changes

Cash flow

SEKm	Q4 2021	Q4 2020	2021	2020
Cash flow before changes in working capital	486	155	1,177	602
Change in working capital	-24	-207	-859	-148
Cash flow from operating activities	**462**	**-52**	**318**	**454**
Net investments in property, plant and equipment and intangible assets	-174	-20	-277	-86
Change in financial receivables	-2	-8	-4	-2
Acquisition of Group companies	-28,216	-2,190	-28,877	-2,885
Cash flow from investing activities	**-28,392**	**-2,218**	**-29,158**	**-2,972**
Changes in loans	10,662	-29	10,533	-267
Amortization lease liability	-23	-8	-55	-30
New issue/warrants	6,505	3,318	15,976	5,529
Cash flow from financing activities	17,144	3,280	26,454	5,231
Cash flow for the period	**-10,786**	**1,011**	**-2,386**	**2,713**
Opening cash and cash equivalents	11,934	2,113	3,123	466
Exchange rate differences	717	-1	1,128	-56
Closing cash and cash equivalents	**1,865**	**3,123**	**1,865**	**3,123**

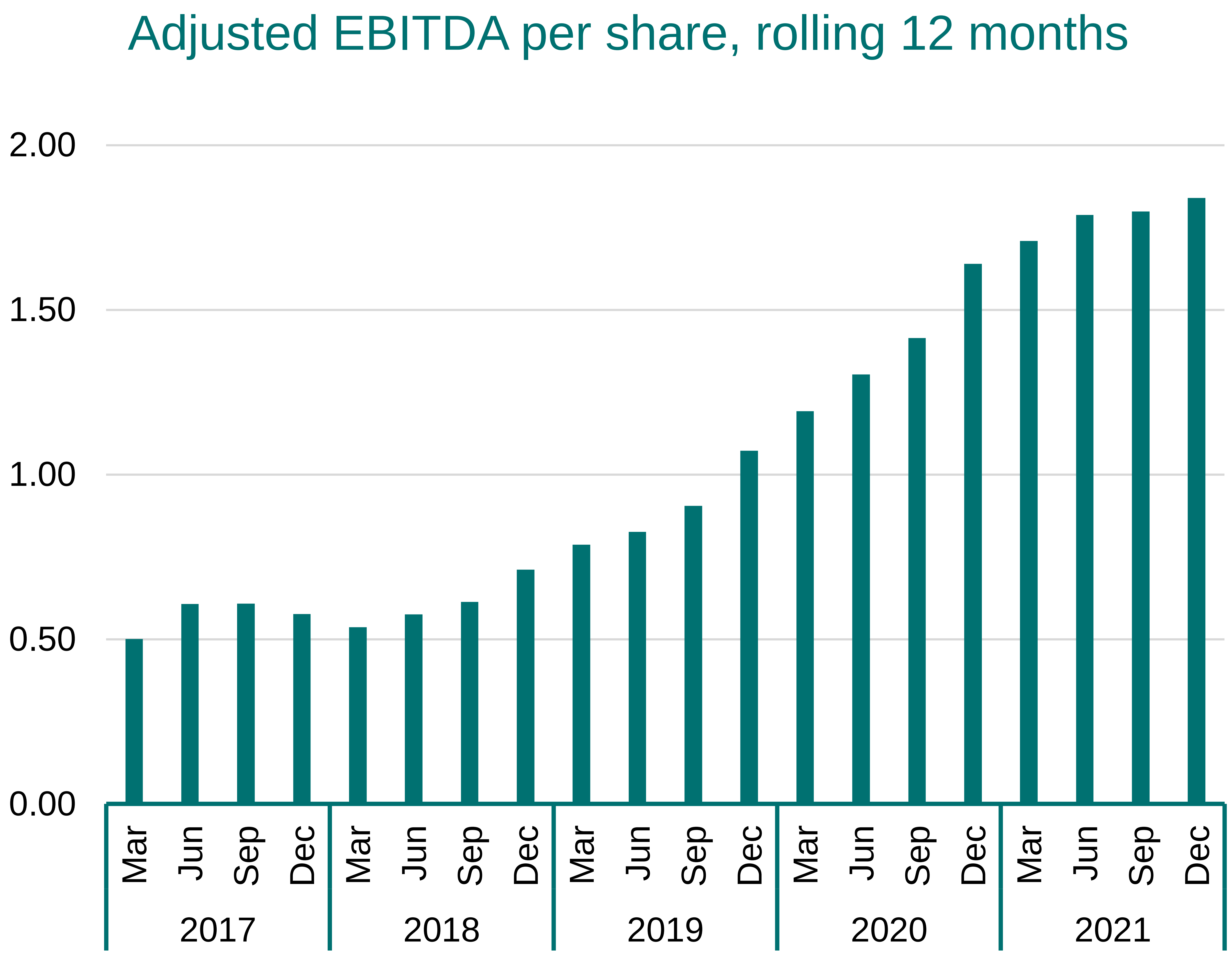
- Positive net working capital excluding acquisitions
- Acquisitions and financing related to acquisitions during Q4

Cash flow reclassification

SEKm	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Cash flow before changes in working capital	226	221	244	486
Change in working capital	361	-461	-735	-24
Cash flow from operating activities	**587**	**-240**	**-491**	**462**
Net investments in property, plant and equipment and intangible assets	-39	-26	-38	-174
Change in financial receivables	6	-9	1	-2
Acquisition of Group companies	-505	-178	22	-28,216
Cash flow from investing activities	**-538**	**-213**	**-14**	**-28,392**
Changes in loans	-21	-71	-37	10,662
Amortization lease liability	-10	-16	-6	-23
New issue/warrants	37	9,395	39	6,505
Cash flow from financing activities	6	9,308	-4	17,144
Cash flow for the period	**54**	**8,855**	**-510**	**-10,786**
Opening cash and cash equivalents	3,123	3,200	12,264	11,934
Exchange rate differences	22	209	179	717
Closing cash and cash equivalents	3,199	12,264	11,934	1,865

- Part of the financing for Wavy was recognised as “New share issue” in Q1 2021
- Reassessment causing reclassification of select cash flow items in Q1 and Q2 2021
- Acquisitions affecting cash flow in Q4 2021

Financial targets



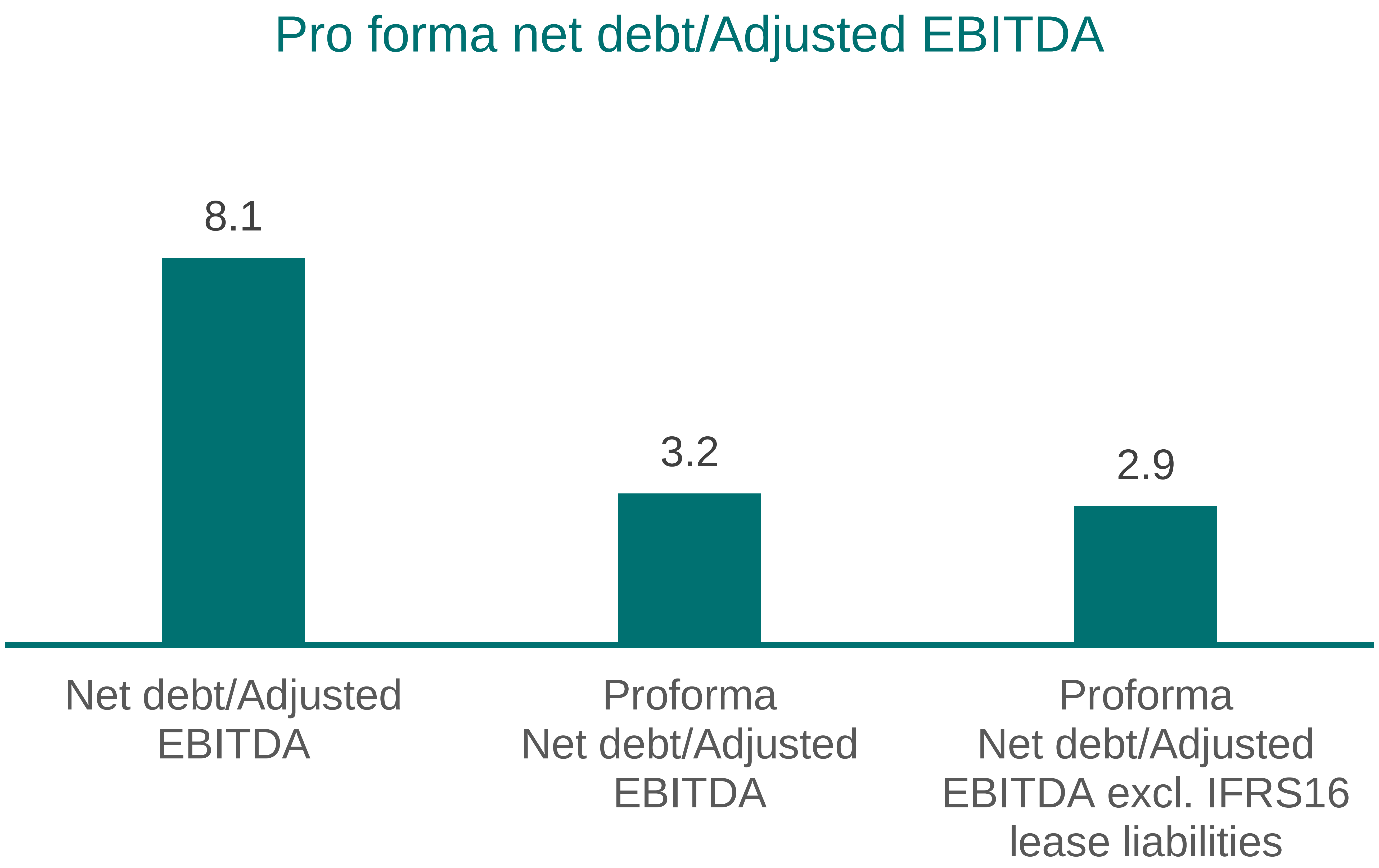
Targets:

- Adjusted EBITDA per share to grow 20% per year
- Net debt < 3.5x adjusted EBITDA over time

Performance:

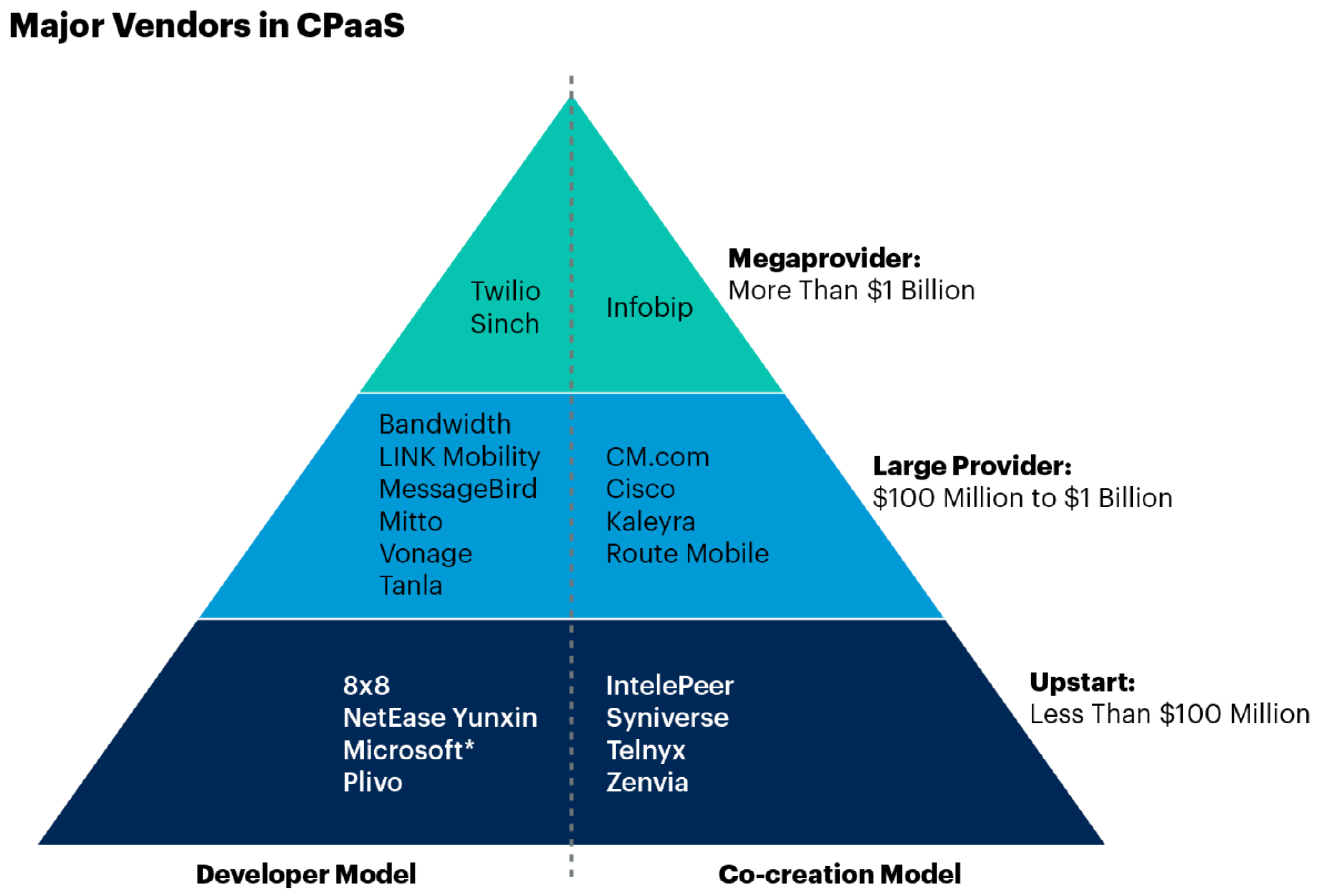
- Adjusted EBITDA per share grew 12% in Q4 21, measured on a rolling 12 month basis
- Net debt/EBITDA of 8.1x, measured on a rolling 12 month basis
- Proforma Net debt/EBITDA of 3.2x

Financial leverage



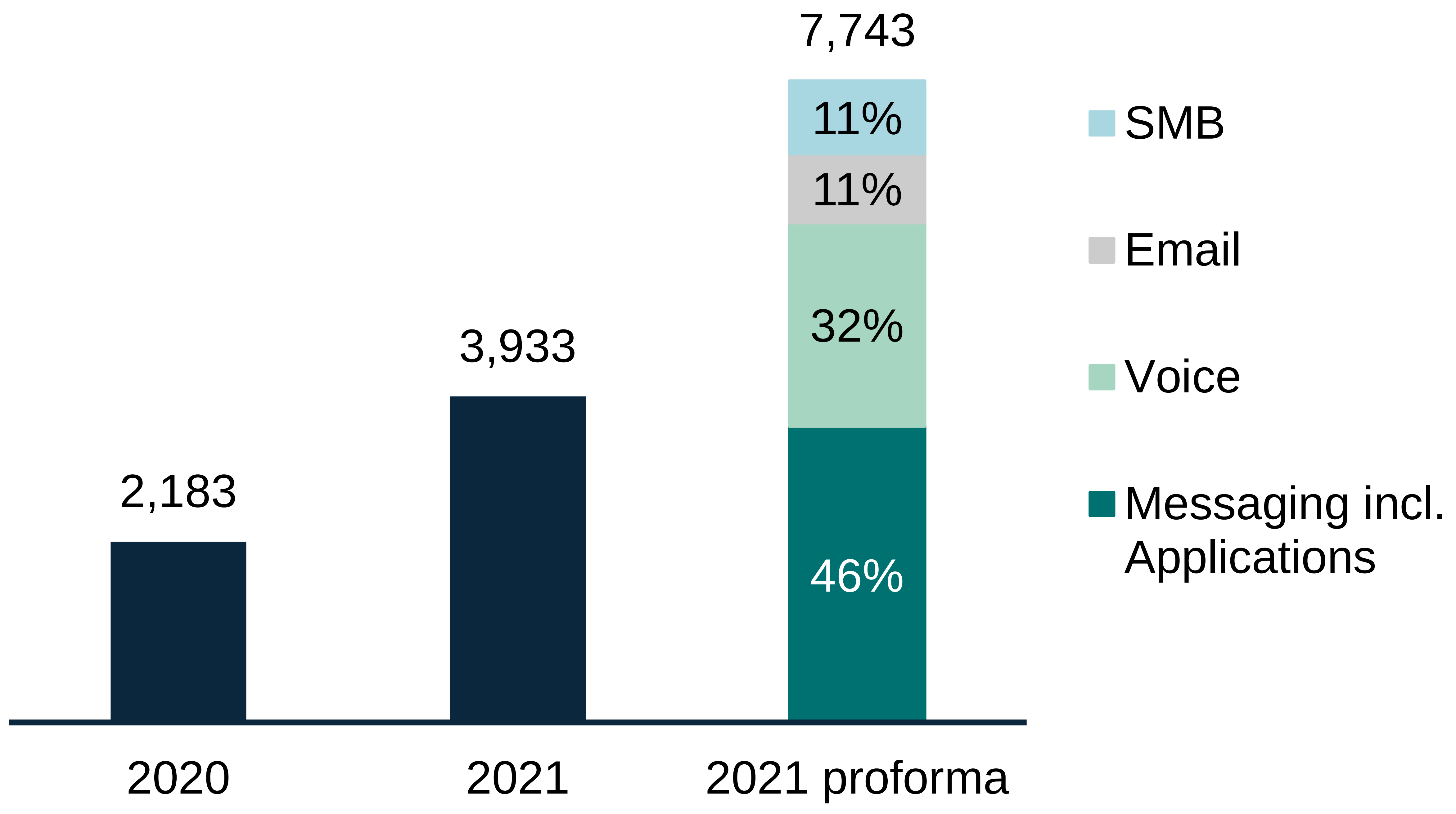
- Pro forma calculation includes last 12 months of Adj EBITDA for acquired entities
- Financial target is to maintain Net debt < 3.5x adjusted EBITDA over time
- Pro forma Net debt/Adj EBITDA of 3.2x, or 2.9x excluding IFRS 16-related lease liabilities

Transforming into a a global leader



Source: Gartner (November 2021)
* Gartner estimate based on launch in April 2021

Rising gross profit and broadened product mix



Gross profit in SEKm.

Thank you!

To get in touch, contact:

Ola Elmeland, Investor Relations Director
Thomas Heath, Chief Strategy Officer & Head of Investor Relations
investors@sinch.com