Acquisition of Inteliquent
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CEO

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Customer engagement through mobile technology

- Scalable cloud communications platform for messaging, voice and video
- 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
- >650% growth in gross profit since IPO in 2015

SEK 6.6bn revenue in the past 12 months
SEK 786m Adj. EBITDA in the past 12 months
SEK 96bn Market Cap
1,792 people
47 countries with local presence

120 billion engagements per year
Publicly listed on NASDAQ in Stockholm
Global scale and leadership

- Focus on Gross profit since passthrough revenues vary between geographies
- Acquisitions adding significantly to our scale and profitability
- Inteliquent adds 62% to full year gross profit and 78% to Adj EBITDA
Adding voice & strengthening our US presence

Gross Profit, rolling 12 months*

<table>
<thead>
<tr>
<th>Service</th>
<th>Share of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Messaging</td>
<td>42%</td>
</tr>
<tr>
<td>Voice &amp; Video</td>
<td>29%</td>
</tr>
<tr>
<td>Operators</td>
<td>29%</td>
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Headcount distribution*

<table>
<thead>
<tr>
<th>Region</th>
<th>Share of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>32%</td>
</tr>
<tr>
<td>North America</td>
<td>30%</td>
</tr>
<tr>
<td>Asia</td>
<td>25%</td>
</tr>
<tr>
<td>Latin America</td>
<td>15%</td>
</tr>
</tbody>
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* Pro forma as of Q3 2020, including Inteliquent
Playbook for profitable growth

**Software-as-a-Service**
- Empower businesses to leverage rich and conversational messaging
- Increase software value-add (CPaaS) in addition to our connectivity offering
- Increase stickiness with maintained scalability

**Connectivity**
- Ensure leading direct global connectivity without middlemen
- Differentiate through superior quality, scale and reach
- Benefit from market growth and continue to win market share
Leveraging M&A to meet strategic objectives

Technology & Go To market
• Complementary technology that fits our strategic product roadmap
• Go To Market-ability in relevant products and geographies
• Increased software value-add with higher gross margin
• Future growth drivers

Scale and profitability
• Acquire sticky customer relationships
• Add direct operator connections
• Leverage shared platform assets and extract synergies
• EV/EBITDA-accretive: acquiring profit at a valuation below our own
Strategic acquisitions

Technology & Go To Market
- Sinch!: Voice, video, verification
- vehicle: Personalized video
- myElephant: Rich messaging, Low code tools
- WAVVY: Next-generation messaging

Scale and profitability
- mblox: USA, Western Europe
- dialogue: Australia, South East Asia
- TWW: Brazil
- WAVVY: Latin America
- India
- ACL: India
- unwire: Nordics
- Intelliquent: Americas, Europe, APAC
- SAP Digital Interconnect: Americas, Europe, APAC

Timeline:
- 2016
- 2017
- 2018
- 2020
- 2021
## Deal rationale

### Inteliquent
- Largest independent voice communications provider in the United States
- 300+ billion voice minutes per year and 100+ million active phone numbers
- Around 600 employees including contractors with headquarters in Chicago, Illinois

### Deal rationale
- Establish Sinch as a leader in voice communications selling to the largest US voice customers
- Super network for voice reaching 94% of the US population without middlemen
- Accretive deal that fits Scale and Profitability category

### Integration
- Integration costs estimated to reach USD 25 million over 18 months
- Cross- and upsell combined Sinch+Inteliquent product portfolio
- Reinvest USD 15-20 million of EBITDA to accelerate joint roadmap in CPaaS voice, strengthen enterprise go to market and expand voice offering internationally

### Financials
- Enterprise value of USD 1,140m. Closing is subject to regulatory approval, closing expected in H2 2021
- Reported revenues of USD 533m, gross profit of USD 256m, and EBITDA of USD 135m in 2020
- Revenues of USD 499m, GP of USD 233m and Adj EBITDA of USD 112m excl. temporary Covid uplift
- Underlying year-on-year revenue growth around 11% over the past 2 years driven by growth in CPaaS
CPaaS driving demand for voice

- CPaaS voice expected grow with a 33% CAGR in 2019-24
- Growth driven by continued digital transformation and increased use of API-based voice products
- Increased convergence of voice and messaging

CPaaS revenues, 2019-24 (USDbn)

Source: IDC Worldwide Communications-Platform-as-a-Service Forecast 2020-2024
The Gartner CPaaS stack

- Focus on Gartner levels 1-3
- Differentiate by quality
- Secure profitability through superior scale
America’s leading Super Network for Voice

- 100+ million phone numbers powered by our network
- 300+ billion minutes of use on our network annually
- 37% greater local number coverage than other providers
- 99.999% uptime backed by 43 geo-redundant points of presence across the U.S.
Serving the category leaders in every sector

- Top 5 Collaboration Companies
- Top 5 Communications Platform Companies
- 10 of Top 12 VoIP Companies
- Top 5 Wireless Carriers
- Top 5 Cable Companies
- Top 5 Wireline Companies
CPaaS

- Full service provider of inbound and outbound voice calling
- Unrivalled access to local phone numbers across the US
- API-based delivery model
- 52 percent of L12m Gross Profit

IaaS

- Strategic relationships with major wireless carriers
- IP-based voice interconnection for off-net call termination
- Outbound traffic routing to toll-free numbers (8YY)
- 48 percent of L12m Gross Profit
Financial leverage

Pro forma net debt/Adjusted EBITDA

-1.2  -1.2  1.4  -1.9  -1.3  3.7
Q3 20 reported + TWW, myElefant, Chatlayer, ACL + SDI + Share issue + Wavy + Inteliquent

• Pro forma calculation includes last 12 months of Adj EBITDA for acquired entities
• Financial target is to maintain Net debt < 2.5x adjusted EBITDA over time
• Pro forma Net debt/Adj EBITDA of 3.7x to decline ahead of closing with cash generation and earnings growth
• Financing agreed with lending banks, total debt commitments of SEK 9.7 bn

The acquisition of Inteliquent is pending regulatory approval.
Financial targets

Targets:
• Adjusted EBITDA per share to grow 20% per year
• Net debt < 2.5x adjusted EBITDA over time

Performance:
• Adjusted EBITDA per share grew 51% in Q3 20, measured on a rolling 12 month basis
• Net debt/EBITDA of -1.2x, measured on a rolling 12 month basis (see previous slide)
Thanks!