Customer engagement through mobile technology

Scalable cloud communications platform for messaging, voice and video

100% Consumer penetration

Growing, global, multi-billion USD market

Profitable since our foundation in 2008

11x growth in gross profit since IPO in 2015
Track record of profitable growth

- Focus on Gross profit since pass-through revenues vary between geographies
- Acquisitions adding significantly to our scale and profitability
- Investing to increase growth in acquired units

The acquisitions of Inteliquent and MessageMedia are pending regulatory approval. ACL includes the last 2 months of earnings before the unit was consolidated on 1 September 2020. SDI includes the last 4 months of earnings before the unit was consolidated on 1 November 2020. Wavy includes the last 7 months of earnings before the unit was consolidated on 1 February 2021. Synergies refer to expected synergies for Wavy and SAP Digital Interconnect, estimated mid-point, at full run rate. Exchange rates as of 15 July 2021.
Establishing a global leader in CPaaS
Creating value for businesses & their customers

Email
Rich content
Limited reach

SMS
Limited content
100% reach

Conversational Messaging
Rich content
100% reach*

35x higher open rate
App-like experience

* Blending multiple channels including RCS, WhatsApp, Messenger and SMS with landing page technology
Conversational messaging through Instagram

- Enabling businesses to have 1:1 conversations with customers on one of the world’s most loved channels
- Over 1 billion monthly active users on Instagram worldwide
- 60% of people say they discover new brands on Instagram
- 80% of users follow a company

Available in closed beta through the Sinch Conversation API
Zero-click user authentication

- Innovative new way to verify a customer’s mobile phone number
- Verifying that you are in control of your phone & phone number is a way to implement Two Factor Authentication (2FA)
- Data verification has superior UX, speed and security compared to existing methods
- Complements Sinch’s existing verification portfolio with SMS, flash call, voice verification

No pin code needed – direct integration with mobile operators

Now available in closed beta
Playbook for profitable growth

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

Software-as-a-Service

- Ensure leading direct global connectivity without middlemen
- Differentiate through superior quality, scale and reach
- Benefit from market growth and continue to win market share

Connectivity
Strategic acquisitions

Technology & Go To Market
- mblox
- Sinch!
- Xura
- Unwire
- myELEFANT
- Chatlayer.ai
- SAP Digital Interconnect
- Inteliquent
- TWM
- UNAVY
- ACL
- Message Media

Voice, video, verification
Personalized video
Rich messaging, Low code tools
Conversational AI
Conversational messaging
Voice
SME

Scale and profitability
- USA, Western Europe
- Germany, Central Europe
- Nordics
- Brazil
- Latin America
- North America
- USA, Australia

## Complementary Go-To-Market models

<table>
<thead>
<tr>
<th>Enterprise</th>
<th>Developer</th>
<th>SME</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Online lead-generation</td>
<td>• Online self-signup</td>
<td>• Online self-signup</td>
</tr>
<tr>
<td>• Lead with APIs and SaaS</td>
<td>• Lead with APIs</td>
<td>• Lead with SaaS &amp; integrations</td>
</tr>
<tr>
<td>• Target enterprise customers and indirect channel partners</td>
<td>• Target developers, who may work for any size business</td>
<td>• Target small and medium sized businesses: local dentists, mechanics, etc.</td>
</tr>
<tr>
<td>• Customers may have in-house development resources or use System Integrators</td>
<td>• Customers have in-house developer resources</td>
<td>• Customers have limited development resources</td>
</tr>
<tr>
<td>• Customers look for superior service delivery, global reach, end-to-end connectivity, compliance, and competitive pricing at high volumes</td>
<td>• Customers look for intuitive UX, self-signup and self-service, SDKs, tutorials and code examples, strong documentation</td>
<td>• Customers look for ‘out-of-the-box’ solution, ease-of-use, quick time-to-value, and ability to reach wanted business objective without coding</td>
</tr>
</tbody>
</table>
SaaS products focused on ease-of-use

- Web-based SaaS application suite supporting outbound messaging and conversational use cases
- Optimized for ease-of-use and quick time-to-value
- Subscriptions-based price model
- Single platform supporting multiple brands
- Preconfigured integrations to multiple SME-focused cloud platforms

Integrations including: HubSpot, Shopify, NetSuite, Zoho CRM ...

...and many more!
Global, digital, go-to-market model

- **>5,000 customers**
  - 4% of gross profit

- **>25,000 customers**
  - 27% of gross profit
  - 40%+ y/y growth

- **>28,000 customers**
  - 62% of gross profit

- **>1,000 customers**
  - 7% of gross profit

**Website users**
- Hundreds of thousands per month

**Leads & Trials**
- Thousands per month

**Paying customers**
- >20%

**Returning customers**
- 2/3

- >1,500 net new customers per month
Deal rationale

Message Media
• Leading provider of software-as-a-service for mobile customer engagement to small and medium sized businesses with strong organic growth in the United States, Australia, New Zealand and beyond
• More than 60,000 customers, sending over 5 billion mobile messages per year
• 9 successful acquisitions with focus on integration to leverage shared technology platform
• Over 350 employees with headquarters in Melbourne, Australia

Deal rationale
• Expand addressable market and position Sinch for growth with small and medium sized businesses
• Add digital customer acquisition engine winning >1,500 new customers per month
• Expand scope of future M&A with experienced team leveraging modern multi-brand platform
• Accretive deal that fits both Scale and Profitability & Technology and Go To Market criteria

Integration
• MessageMedia to form SME-focused part of Sinch with current management in place
• Integration costs estimated to reach USD 8 million over 18 months
• MessageMedia to benefit from Sinch’s global super network and investments in new conversational messaging channels. Savings to be reinvested in expansion, leveraging Sinch’s presence in 47 countries

Financials
• Enterprise value of USD 1,300m, of which USD 1,100m is paid in cash and 200m is paid in equity
• Closing is subject to regulatory approval, closing expected in H2 2021
• Revenues of USD 151m, gross profit of USD 94m, and EBITDA of USD 51m expected in L12M to June 2021
• Underlying year-on-year revenue growth around 22% over the past 2 years with higher growth in the US
April – June 2021

- Gross profit rising 89% to SEK 869 million (460.3)
- Adjusted EBITDA rising 42% to SEK 284 million (200)
- Adjusted EBIT excl. acquisition-related amortization of SEK 254 million (185)
- Profit after tax of SEK 47 million (37)

- Organic Gross Profit growth of 32% in local currency
- 42% growth in Adjusted EBITDA (excludes currency effects and share incentive plans)
- Broad growth across customer segments and geographies
- Gross margin and Adj EBITDA margin affected negatively by recently acquired businesses
- Continued opex investments to prepare our business for future growth, strengthen our go to market and develop new products
Broad-based organic growth

Continued high organic Gross profit growth

Growth comes both from net new business & wins from competition*

* US sample, Q2 2021
Gross profit growth

- Broad organic growth across the business due to investments in product and go to market
- 32% organic Gross profit growth
- 89% total Gross profit growth
Adjusted EBITDA margin

- Acquired businesses still operating at lower margin
- Currency headwind and dilutive, temporary traffic
- Investments in scale and growth
- 42% growth in Adjusted EBITDA despite scale-up investments
Headcount increase

- Headcount rises with recruitment and acquisitions
- Added 132 colleagues in Q2
- Total headcount at 2,292 at end of Q2 2021
Strong growth in Messaging

- Total Gross profit growth of 76% with organic growth at 31%
- SDI contributing from 1 November 2020 & Wavy from 1 February 2021
- Investments in product, sales and marketing delivering broad growth across the full customer base
Rising message volumes

- Large increase in September 2020 due to ACL acquisition in India
- 352% year-on-year growth in transactions in Q2 with 59% growth in comparable units
- Growth from existing customers, new customers, new use cases
Gross profit per transaction

OPEX/transaction & Gross profit/transaction (SEK)

- Gross profit is the primary bottom line driver
- Per-transaction measures relevant to track profitability and economies of scale
- ACL Mobile has significantly lower GP and OPEX per transaction, skews overall measures from September 2020
Messaging margin affected by M&A

- Revenue and gross margin depend on mix of terminating markets
- EBITDA/Gross profit shows margin excluding mobile operator charges
- Acquisitions of ACL, SDI, Wavy causing 4.7% dilution to Adj EBITDA/Gross profit in Messaging
- Investing to support future growth
Continued Covid impact on Voice and Video

- Growth compared to previous quarters fuelled by Number verification
- Temporary traffic with low gross margin will not continue after Q2
- Work to prepare for upcoming integration with Inteliquent after deal closes
Broadened product offering to Operators

- Sinch and SDI operator organizations united in early 2021
- Strong Q2 performance, both organic and SDI
- High margins in Operator Software business, though volatile between quarters
- SDI person-to-person (P2P) interconnect business operating at lower gross margin
## Integration

<table>
<thead>
<tr>
<th>Integration planning</th>
<th>Integration planning</th>
<th>Integration</th>
<th>Integration</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Deal signed in Feb 2021</td>
<td>• Deal signed in June 2021</td>
<td>• TWW closed Oct 2019</td>
<td>• Deal closed Nov 2020</td>
</tr>
<tr>
<td>• Regulatory approval process is ongoing</td>
<td>• Regulatory approval process is ongoing</td>
<td>• Wavy closed Feb 2020</td>
<td>• Sales teams merged with Sinch across 19 countries</td>
</tr>
<tr>
<td>• Expected to close H2 2021</td>
<td>• Expected to close H2 2021</td>
<td>• Completed rebranded with local website</td>
<td>• Product &amp; Operations teams integrated with Sinch</td>
</tr>
<tr>
<td>• Integration planning together with MessageMedia management, as applicable under competition rules</td>
<td>• Integration planning together with Inteliquent management, as applicable under competition rules</td>
<td>• Initiated customer and supplier migrations to leverage Sinch global platform</td>
<td>• Continued customer and supplier migrations to shared global platform</td>
</tr>
</tbody>
</table>

- Local carrier connections leveraged to better serve large global Sinch customers
- Sinch Operator technology deployed in India
- Chatlayer Conversational AI platform deployed locally in India
### Income statement

<table>
<thead>
<tr>
<th>Sinch Group, SEK million</th>
<th>Q2 2021</th>
<th>Q2 2020</th>
<th>2020</th>
<th>R12M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>3,682</td>
<td>1,622</td>
<td>8,023</td>
<td>11,809</td>
</tr>
<tr>
<td>Cost of goods sold and services</td>
<td>-2,813</td>
<td>-1,162</td>
<td>-5,840</td>
<td>-8,844</td>
</tr>
<tr>
<td>Gross profit</td>
<td>869</td>
<td>460</td>
<td>2,183</td>
<td>2,966</td>
</tr>
</tbody>
</table>

Other operating income
- Q2 2021: 24
- Q2 2020: 34
- 2020: 198
- R12M: 188

Work performed by the entity and capitalized
- Q2 2021: 21
- Q2 2020: 18
- 2020: 69
- R12M: 77

Other external costs
- Q2 2021: -294
- Q2 2020: -126
- 2020: -683
- R12M: -979

Employee benefits expenses
- Q2 2021: -419
- Q2 2020: -198
- 2020: -869
- R12M: -1,306

Other operating expenses
- Q2 2021: -51
- Q2 2020: -43
- 2020: -183
- R12M: -207

**EBITDA**
- Q2 2021: 152
- Q2 2020: 146
- 2020: 715
- R12M: 738

Depreciation, amortization, and impairments
- Q2 2021: -104
- Q2 2020: -58
- 2020: -262
- R12M: -347

**EBIT**
- Q2 2021: 48
- Q2 2020: 88
- 2020: 453
- R12M: 391

Finance income
- Q2 2021: 377
- Q2 2020: 2
- 2020: 6
- R12M: 607

Finance expenses
- Q2 2021: -318
- Q2 2020: -34
- 2020: -79
- R12M: -513

**Profit before tax**
- Q2 2021: 107
- Q2 2020: 56
- 2020: 379
- R12M: 485

Current tax
- Q2 2021: 21
- Q2 2020: -34
- 2020: -143
- R12M: -121

Deferred tax
- Q2 2021: -81
- Q2 2020: 15
- 2020: 209
- R12M: 137

**Profit for the period**
- Q2 2021: 47
- Q2 2020: 37
- 2020: 446
- R12M: 501

- Non-recurring items in EBITDA reflect recent M&A activity
- SEK 75 million integration cost related primarily to SDI and Wavy
- Adjusted EBIT excludes non-recurring items as well as amortization of acquisition-related assets
- Adjusted EBIT of SEK 254 million (185) in Q1 21
Reconciling Cash flow with EBITDA

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q2 2021</th>
<th>Q2 2020</th>
<th>2020 R12M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>284</td>
<td>200</td>
<td>989</td>
</tr>
<tr>
<td>Paid interest</td>
<td>-12</td>
<td>-10</td>
<td>-30</td>
</tr>
<tr>
<td>Paid taxes</td>
<td>-40</td>
<td>-6</td>
<td>-101</td>
</tr>
<tr>
<td>Other items not affecting cash</td>
<td>187</td>
<td>-57</td>
<td>-256</td>
</tr>
<tr>
<td><strong>Cash flow before changes in</strong></td>
<td><strong>418</strong></td>
<td><strong>127</strong></td>
<td><strong>602</strong></td>
</tr>
<tr>
<td><strong>working capital</strong></td>
<td></td>
<td></td>
<td><strong>944</strong></td>
</tr>
<tr>
<td>Cash flow before changes in</td>
<td><strong>147%</strong></td>
<td><strong>64%</strong></td>
<td><strong>61%</strong></td>
</tr>
<tr>
<td><strong>working capital / Adjusted EBITDA</strong></td>
<td></td>
<td></td>
<td><strong>81%</strong></td>
</tr>
</tbody>
</table>

- High conversion of Adjusted EBITDA to cash flow
- “Other” captures non-recurring items in EBITDA and revaluation of balance sheet items
Cash flow

<table>
<thead>
<tr>
<th>Sinch Group, SEK million</th>
<th>Q2 2021</th>
<th>Q2 2020</th>
<th>2020</th>
<th>R12M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow before changes in working capital</td>
<td>418</td>
<td>127</td>
<td>602</td>
<td>944</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>-461</td>
<td>137</td>
<td>-148</td>
<td>-344</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td><strong>-43</strong></td>
<td><strong>264</strong></td>
<td><strong>454</strong></td>
<td><strong>600</strong></td>
</tr>
<tr>
<td>Net investments in tangible and intangible assets</td>
<td>58</td>
<td>-24</td>
<td>-86</td>
<td>-26</td>
</tr>
<tr>
<td>Change in financial receivables</td>
<td>-9</td>
<td>-1</td>
<td>-2</td>
<td>-3</td>
</tr>
<tr>
<td>Acquisition of Group companies</td>
<td>-178</td>
<td>-81</td>
<td>-2,885</td>
<td>-3,442</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td><strong>-129</strong></td>
<td><strong>-107</strong></td>
<td><strong>-2,972</strong></td>
<td><strong>-3,471</strong></td>
</tr>
<tr>
<td>Amortization of bank loans</td>
<td>-71</td>
<td>-211</td>
<td>-267</td>
<td>-143</td>
</tr>
<tr>
<td>Amortization lease liability</td>
<td>-16</td>
<td>-7</td>
<td>-30</td>
<td>-43</td>
</tr>
<tr>
<td>New share issue/warrants</td>
<td>9,310</td>
<td>701</td>
<td>5,529</td>
<td>12,664</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td><strong>9,223</strong></td>
<td><strong>482</strong></td>
<td><strong>5,231</strong></td>
<td><strong>12,479</strong></td>
</tr>
<tr>
<td><strong>Cash flow for the period</strong></td>
<td><strong>9,051</strong></td>
<td><strong>639</strong></td>
<td><strong>2,713</strong></td>
<td><strong>9,607</strong></td>
</tr>
<tr>
<td>Opening balance cash and cash equivalents for the period</td>
<td>3,200</td>
<td>2,041</td>
<td>466</td>
<td>2,651</td>
</tr>
<tr>
<td>Exchange rate differences in cash and cash equivalents</td>
<td>13</td>
<td>-29</td>
<td>-56</td>
<td>6</td>
</tr>
<tr>
<td><strong>Closing balance cash and cash equivalents for the period</strong></td>
<td><strong>12,264</strong></td>
<td><strong>2,651</strong></td>
<td><strong>3,123</strong></td>
<td><strong>12,264</strong></td>
</tr>
</tbody>
</table>

- Working capital varies between quarters, negative Q2 follows positive Q1
- New share issue ahead of MessageMedia acquisition announcement
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 38% in Q2 21, measured on a rolling 12 month basis
- Net debt/EBITDA of -9.6x, measured on a rolling 12 month basis
Financial leverage

Pro forma net debt/Adjusted EBITDA

- Pro forma calculation includes last 12 months of Adj EBITDA for acquired entities
- Updated financial target is to maintain Net debt < 3.5x adjusted EBITDA over time
- Pro forma Net debt/Adj EBITDA of 2.8x to after recent share issue and payment for Inteliquent and MessageMedia

The acquisitions of Inteliquent and MessageMedia are pending regulatory approval.
Inteliquent & MessageMedia to benefit margins

- Inteliquent and MessageMedia operate at higher margins
- Inteliquent and MessageMedia transactions will add approx. 8 percentage points to Sinch’s gross margin and 4 percentage points to Sinch’s Adjusted EBITDA margin
- Pro forma* calculation implies SEK 19.1 bn revenue, SEK 6.2 bn gross profit, and SEK 2.6 bn Adj EBITDA

* The acquisitions of Inteliquent and MessageMedia are pending regulatory approval. Pro forma calculation as of Q2 2021, including last 12 months earnings in Sinch, ACL, SDI, Wavy, Inteliquent and MessageMedia. Inteliquent contribution excludes covid uplift considered to be temporary.
Key priorities ahead

Continued high growth: broad-based organic & through M&A
Improving growth in acquired businesses
Cost control, synergies and operational efficiency

Continued strengthening of our connectivity offering
Investment in SaaS products for advanced, Conversational messaging
Thanks!