

INTERIM REPORT, JANUARY–MARCH 2025

Gross profit growth in all regions

January–March 2025

- Net sales increased by 4 percent to SEK 7,049m (6,792), corresponding to 3 percent organic growth.
- Gross profit increased by 4 percent to SEK 2,408m (2,312), corresponding to 2 percent organic growth. All regions and product categories reported organic gross profit growth.
- EBITDA decreased by 4 percent to SEK 740 (768), corresponding to 7 percent organic decline.
- Adjusted EBITDA increased by 12 percent to SEK 889m (794), corresponding to 8 percent organic increase.
- The loss after tax for the quarter amounted to SEK -47m (-90).
- Cash flow from operations after investments was SEK -104m (424) and negatively affected by a temporary working capital increase.
- Free cash flow per share, rolling 12 months, was SEK 2.15 (1.80). Cash conversion rolling 12 months was 50 percent.
- Net debt in relation to rolling 12 months adjusted EBITDA was 1.4 (2.0).

Significant events during the quarter

- IDC recognized Sinch as a leader in CPaaS.
- Sinch launched the RCS Business enablement service – a solution that helps operators launch and manage RCS for Business.
- Sinch expanded its partnership with Verizon to provide RCS for Business Messaging to Verizon customers.
- Sinch co-founder Robert Gerstmann was appointed acting CPO as Sean O’Neal left Sinch.

Significant events after the end of the quarter

- Jonas Dahlberg joined Sinch as new CFO on April 1.
- Sinch published the 2024 Annual report.
- The board of directors has asked for authorization for up to 10 percent share buybacks from the general meeting.
- Sinch announced partnerships with OneReach.ai.
- Omdia named Sinch a CPaaS leader.

Sinch Group, SEKm	Q1			
	2025	2024	R12M	2024
Net sales	7,049	6,792	28,968	28,712
Gross profit	2,408	2,312	9,781	9,685
Gross margin	34%	34%	34%	34%
EBITDA	740	768	2,638	2,665
EBITDA margin	11%	11%	9%	9%
Adjusted EBITDA	889	794	3,682	3,586
Adjusted EBITDA margin	13%	12%	13%	12%
Cash flow from operating activities after investments	-104	424	1,826	2,355
Net debt/Adjusted EBITDA R12M, multiple	1.4	2.0	1.4	1.5
Free cashflow/share R12M, SEK	2.15	1.80	2.15	2.77

COMMENTS FROM THE CEO

Gross profit growth in all regions

The first quarter of 2025 marks our third consecutive quarter of year-over-year organic net sales growth. I am very pleased that this sales increase has translated into organic gross profit growth across all regions and product categories. Gross profit grew by 4 percent in total and 2 percent organically, representing an improvement compared to the previous quarters.

Our Adjusted EBITDA increased 8 percent organically, primarily due to gross profit growth and the efficiency program we executed in 2024. While we continue to manage our costs carefully, we invest selectively to capture prioritized growth opportunities and unlock further synergies. Our cash conversion over the past 12 months was 50 percent, which is at the upper end of our guidance range of 40–50 percent. The underlying cash generation remained strong this quarter, although we saw an increase in working capital driven by a temporary impact following a cost-optimization agreement with one of our larger suppliers. While this agreement positively affects our gross margin and profitability, it has also resulted in a temporary working capital increase which is expected to gradually normalize in the coming quarters.

At our Capital Markets Day, we introduced four strategic levers to reaccelerate growth:

- Enterprise expansion
- Self-service capabilities
- RCS and email
- Partners and ecosystems

I am encouraged to see strong activity and tangible results across all these levers in our regions and product categories this quarter. The number of large enterprise customers increased by 5 percent year-over-year, while gross profit from self-serve products grew by 13 percent over the same period. Our email products reported double-digit organic gross profit growth, globally. Additionally, the number of RCS messages sent by our customers exceeded 600 million, which approximately meant a 50 percent increase versus the last quarter of 2024.

APAC remains our fastest-growing operating segment in terms of organic gross profit, and the expansion of enterprise accounts throughout Asia is one of the primary drivers. When it comes to RCS, traffic in India continues to grow steadily, and we are leveraging strong partnerships with operators and regional banks to stimulate growth across the broader Asia region.

In the Americas, we continue to add new enterprise customers, with a steady flow of new case studies highlighted on sinch.com. Email remains a rapid growth area reporting double-digit growth in the quarter. To further broaden the customer base, we launched Mailgun in Latin America in April. Additionally, we have announced new strategic partnerships in AI with OneReach.ai. I am also proud to share that we were once again named Customer Experience Partner of the Year by Adobe. Moreover, industry analysts IDC and Omdia reaffirmed our leadership in CPaaS, specifically highlighting

our progress in RCS and AI-enabled customer communications. Organic gross profit growth in Network Connectivity also turned positive this quarter, reflecting successful cost optimization efforts by our regional team.



In EMEA, we see continued year on year growth in the quarter in both API Platform and Applications. Growth within these product categories is largely driven by larger enterprise customers and email products. RCS for Business remains a high-priority topic in the region and was prominently discussed with customers and partners at Mobile World Congress and numerous partner events throughout the quarter.

Overall, we have had a good start to the year, delivering another stable quarter from a financial perspective. The improvement in organic growth gives me confidence in our strategic execution and confirms that we are on the right track to achieving our mid-term financial targets.

While we continue to see solid demand in our core markets, we are carefully monitoring external factors. The recently implemented US tariffs do not include services and hence do not directly impact Sinch. However, macroeconomic uncertainty broadly impacts the economy. Amid these uncertain conditions, Sinch continues to play a critical role in supporting enterprises. We help our customers retain and engage their customer base through smarter growth strategies, reduced delivery costs, and maximized engagement ROI. While we still have not experienced any negative impact on our business, we remain vigilant on cost and are ready to take further action if needed.

Finally, I would like to extend a warm welcome to our new CFO, Jonas Dahlberg. I am delighted to have him on board as we continue our journey.

Stockholm May 8, 2025

Laurinda Pang
CEO

Sinch overview

Sinch Group, SEKm	Q1			
	2025	2024	R12M	2024
Net sales	7,049	6,792	28,968	28,712
Gross profit	2,408	2,312	9,781	9,685
Gross margin	34%	34%	34%	34%
EBITDA	740	768	2,638	2,665
EBITDA margin	11%	11%	9%	9%
Adjusted EBITDA ¹	889	794	3,682	3,586
Adjusted EBITDA margin	13%	12%	13%	12%
Adjusted EBITDA/gross profit	37%	34%	38%	37%
EBIT	124	151	-5,834	-5,807
EBIT margin	2%	2%	-20%	-20%
Adjusted EBIT ¹	749	658	3,157	3,066
Adjusted EBIT margin	11%	10%	11%	11%
Profit or loss for the period	-47	-90	-6,371	-6,413
Cash flow from operating activities	60	553	2,450	2,944
Cash flow from operating activities after investments	-104	424	1,826	2,355
Net debt (+) / Net cash (-)	5,887	7,848	5,887	6,012
Net debt/Adjusted EBITDA R12M, multiple ²	1.4	2.0	1.4	1.5
Equity ratio	60%	65%	60%	60%
Free cashflow/share R12M, SEK	2.15	1.80	2.15	2.77
Diluted earnings per share for the period ³ , SEK	-0.06	-0.11	-7.55	-7.60
Average number of employees	3,557	3,521	3,500	3,491
Average number of employees including consultants	4,099	4,197	4,071	4,096

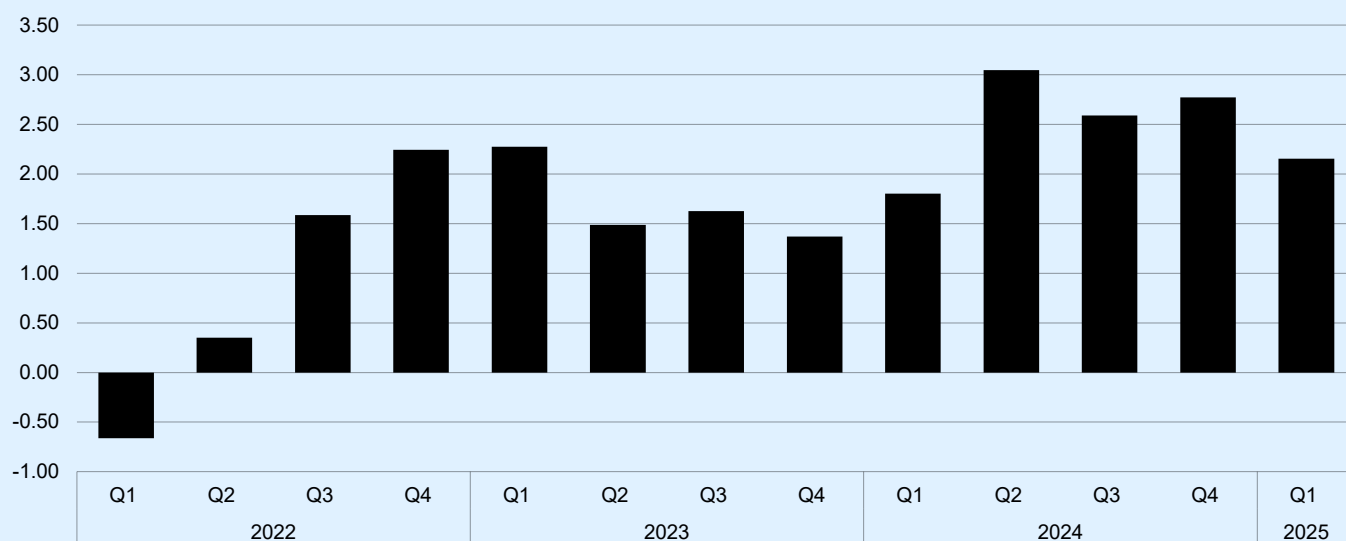
For a list and definitions of financial and operational measurements, please refer to page 26.

1) Adjusted EBITDA and Adjusted EBIT are alternative performance measures that are not defined under IFRS. See Note 2 for reconciliation and the end of the report for definitions.

2) In the calculation of this APM, net debt and Adjusted EBITDA are both measured excluding IFRS 16-related lease liabilities. See page 7 for comments.

3) The dilutive effect is not taken into account when financial performance is negative and outstanding warrants/stock options are not considered when the company's average share price is below the exercise price.

Free cash flow per share⁴, R12M (SEK)



4) The Sinch Board of Directors measures long-term value creation through assessment of free cash flow per share. Free cash flow/share is an Alternative Performance Measure (APM) that is intended to measure the free cash flow generated by the business. The chart above shows the development of this APM over time.

Quarterly summary

Adjusted EBITDA and Adjusted EBIT are reported below to clarify performance in underlying operations. See Note 2 for more information.

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Net sales, SEKm									
Americas	4,337	4,389	4,523	4,651	4,247	4,460	4,554	4,849	4,431
EMEA	1,691	1,726	1,751	1,786	1,551	1,610	1,641	1,838	1,668
APAC	900	906	991	1,095	995	971	955	1,043	949
Total	6,927	7,021	7,265	7,532	6,792	7,041	7,150	7,729	7,049
Gross profit, SEKm									
Americas	1,392	1,469	1,514	1,633	1,443	1,490	1,482	1,583	1,509
EMEA	526	522	564	504	504	505	536	574	518
APAC	342	331	355	390	364	391	388	425	380
Total	2,260	2,322	2,433	2,526	2,312	2,386	2,406	2,582	2,408
Gross margin									
Americas	32%	33%	33%	35%	34%	33%	33%	33%	34%
EMEA	31%	30%	32%	28%	33%	31%	33%	31%	31%
APAC	38%	37%	36%	36%	37%	40%	41%	41%	40%
Total	33%	33%	33%	34%	34%	34%	34%	33%	34%
EBITDA, SEKm									
EBITDA, total	692	715	848	818	768	792	799	307	740
EBITDA margin	10%	10%	12%	11%	11%	11%	11%	4%	11%
Adjusted EBITDA, total	834	865	943	996	794	867	923	1,003	889
Adjusted EBITDA margin	12%	12%	13%	13%	12%	12%	13%	13%	13%
Adjusted EBITDA/gross profit	37%	37%	39%	39%	34%	36%	38%	39%	37%
EBITDA adjustments, SEKm (Note 2)									
Acquisition costs	-3	-2	-2	-2	-2	-1	-2	-3	-2
Restructuring costs	-6	-28	-14	0	-18	-55	-11	-9	-3
Earnouts	-18	-	-	-	-	-	-	-	-
Integration costs	-47	-47	-31	-23	-49	-39	-50	-71	-65
Costs of share-based incentive programs	-23	-33	-29	-52	0	-14	-27	4	-9
Operational foreign exchange gains/losses	-45	-41	-12	-63	43	34	-33	93	-67
Other adjustments	0	1	-9	-37	-1	0	-1	-711	-3
Total EBITDA adjustments	-141	-149	-95	-178	-26	-75	-124	-696	-149
Amortization of acquisition-related assets	-496	-506	-526	-535	-481	-492	-496	-483	-476
Impairment of goodwill	-	-	-	-	-	-	-6,000	-	-
Total EBIT adjustments	-638	-655	-621	-713	-507	-568	-6,620	-1,179	-625

January – March 2025

Sinch's operating segments are three regions of Americas, EMEA, and APAC. In addition to the operating segments a complementary view covering the three product categories, Applications, API Platform, and Network Connectivity, is also presented.

Net sales

Consolidated net sales in Q1 increased by 4 percent to SEK 7,049m (6,792) compared to Q1 2024.

Organic growth is defined as growth in local currency and excluding acquisitions. There have been no material acquisitions or disposals in the past 12 months. Accordingly, the differences between reported and organic growth for Q1 are explained solely by exchange rate changes.

The currency effect corresponded to SEK 29m. Organic net sales increased by 3 percent compared to Q1 2024.

Organic net sales in Q1 increased in Americas and EMEA and decreased in APAC.

Organic net sales also increased in all product categories, Applications, API Platform, and Network Connectivity. See Note 10.

Profit

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

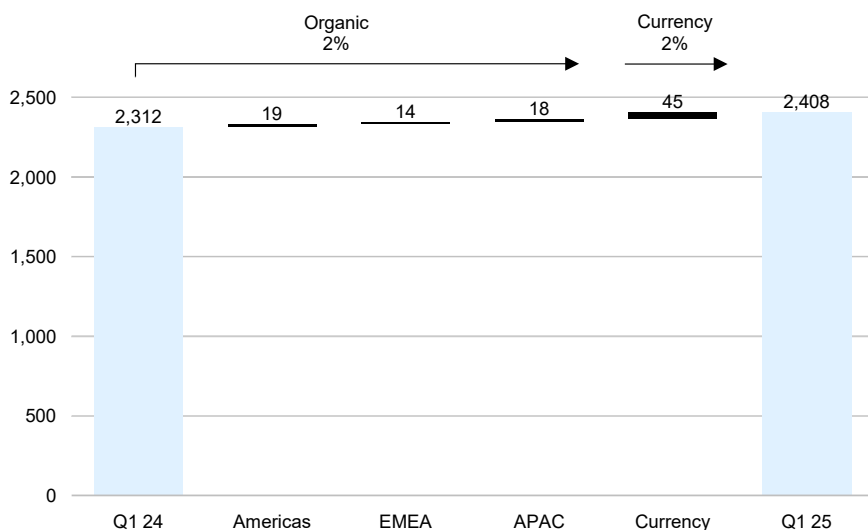
Consolidated gross profit increased in Q1 by 4 percent compared to Q1 2024 and amounted to 2,408 SEK (2,312). The increase is due primarily to the higher net sales and a slightly higher gross margin resulting from a changed product and customer mix.

The currency tailwind was 2 percent for the period, corresponding to SEK 45m. Organic gross profit grew by 2 percent compared to the same period last year.

The gross margin increased in APAC, was stable in Americas, and decreased in EMEA. Organic gross profit rose in all operating segments, Americas, EMEA, and APAC.

The gross margin was stable in the Applications product category, increased in API Platform, and decreased in Network Connectivity. Organic gross profit also increased in all product categories, Applications, API Platform, and Network Connectivity.

Change in consolidated gross profit, Q1 2024 – Q1 2025



Net sales for the quarter, SEKm

7,049

Gross margin

34%

Organic gross profit growth

2%

Operating expenses (Opex)

Operating expenses, defined as the difference between gross profit and EBITDA, increased by 8 percent to SEK 1,667m (1,544) compared to the same period in 2024. Out of the SEK 122m increase SEK 110m relates to operational foreign exchange losses. The increased cost base was further affected by underlying inflation-related cost increases, increased employee benefits expenses related to salary revisions, variable pay, and the costs of share-based incentive programs, as well as increased integration costs. These increases were partially offset by workforce reductions, decreased restructuring costs, and other savings from synergies coming from increased level of integration.

Adjusted operating expenses, defined as the difference between gross profit and Adjusted EBITDA, were relatively flat and SEK 1,519m (1,518) compared to the same period in 2024. Adjusted operating expenses excluding impact from foreign exchange movements declined by 1% compared to the same period in 2024.

EBITDA

Adjusted EBITDA amounted to SEK 889m (794), an increase by 12 percent compared to the same period in 2024. Foreign exchange movements improved EBITDA by SEK 29m, or 4 percent. Organic Adjusted EBITDA grew by 8 percent compared to the same period last year.

The Adjusted EBITDA margin was 13 percent (12).

Total Adjusted EBITDA was SEK 149m (26) higher than EBITDA for the period. The adjustments include operational foreign exchange gains/losses of SEK -67m (43), integration costs of SEK -65m (-49) and restructuring costs of SEK -3m (-18). See the quarterly summary and Note 2 for more information.

Adjusted EBITDA/gross profit was 37 percent (34) for the period.

EBITDA decreased by 4 percent to SEK 740m (768). Foreign exchange movements improved EBITDA by SEK 29m, or 4 percent. Organic EBITDA declined by 8 percent compared to the same period last year.

The consolidated EBITDA margin was 11 percent (11).

EBIT

EBIT amounted to SEK 124m (151).

Acquisition-related amortization, which does not affect cash flow, reduced EBIT by SEK -476m (-481). The amortization refers mainly to straight-line amortization of acquired customer relationships and acquired software.

Adjusted EBIT (EBIT excluding EBITDA adjustments and amortization and impairments of acquisition-related assets) amounted to SEK 749m (658). See the quarterly summary and Note 2 for specifications.

Other income and expense items

Net financial expenses were SEK -132m (-111), including net interest expenses of SEK -69m (-131) and foreign exchange differences of SEK -60m (25).

The Group's effective tax rate, excluding acquisition-related amortization and impairments and associated deferred tax assets, for the period was 30 percent (30). The higher tax rate is driven by current and deferred tax in previous years and non-capitalized loss carryforwards. Reported effective tax rate was -498 percent (326).

The net loss for the period amounted to SEK -47m (-90).

Cash flow

Cash flow before the change in working capital amounted to SEK 619m (557). Cash flow was reduced by tax paid of SEK -111m (-57) and net interest paid and received of SEK -76m (-131).

Cash flow from operating activities amounted to SEK 60m (553) and was impacted by the total change in working capital of SEK -560m (-4). Working capital in Q1 was within normal variation but increased from last quarter due to reduction of accounts payable and to a temporarily increase in prepaid expenses of about SEK 370m following a cost-optimization agreement with one of our largest suppliers. The effect is expected to

Adjusted EBITDA margin

13%

Adjusted EBIT, SEKm

749

Cash flow from operating activities, SEKm

60

normalize in later quarters this year. The balance of account receivables reduced from last quarter.

Cash used in investing activities was SEK -163m (-131) and was affected by net investments of SEK -164m (-129), consisting primarily of capitalized development expenditure of SEK -106m (-99).

Cash used in financing activities was SEK -216m (-645) for the period, where the change in borrowings impacted net cash by SEK -183m (-615). Net cash flow for the period was SEK -319m (-223).

Liquidity and financial position

Consolidated cash and cash equivalents as of March 31, 2025, amounted to SEK 719m (756).

Net debt amounted to SEK 5,887m (7,848) and includes IFRS 16-related lease liabilities of SEK 770m (923). One of Sinch's financial targets is that net debt over time shall be below 2.5 times Adjusted EBITDA (measured on a rolling twelve month basis). Excluding IFRS 16-related lease liabilities, net debt in relation to Adjusted EBITDA R12M was 1.4x (2.0).

As of March 31, Sinch had total available credit facilities of SEK 9,508m (12,765), of which the company had used SEK 4,001m (7,078). These consisted of:

- A used loan of USD 100m that matures in February 2027.
- Credit facilities of SEK 7,603m that mature in February 2027, of which SEK 2,653m had been used as of March 31, 2025.
- Bank overdraft facilities of SEK 901m (920), of which SEK 344m (146) had been used as of March 31, 2025.

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 1.330m (0) that will mature in less than 12 months.

Financial liabilities decreased by SEK -183m (625) in Q1. During the same period, the company's net debt decreased by SEK -125m (139).

In total, Sinch had cash and cash equivalents of SEK 719m and unused loans, credit facilities and overdraft facilities of SEK 5,507m as of March 31, 2025.

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

Equity at March 31, 2025, amounted to SEK 26,407m (35,389), corresponding to an equity ratio of 60 percent (65).

Employees

At the end of the quarter, the Group employed 4,091 (4,166) people, including consultants. The average number of employees and consultants during the period was 4,099 (4,197). The average number of employees was 3,557 (3,521), of whom 34 (32) percent women.

Americas

Americas is Sinch's largest operating segment and contributes more than 60 percent of consolidated net sales and gross profit. The region includes both North and Latin America with the US and Brazil being the largest contributing countries.

Americas, SEKm	Q1		R12M	2024
	2025	2024		
Net sales	4,431	4,247	18,293	18,109
Gross profit	1,509	1,443	6,064	5,998
Gross margin	34%	34%	33%	33%

Net sales by product category, SEKm	Q1		R12M	2024
	2025	2024		
Applications	292	267	1,225	1,201
API Platform	2,846	2,819	12,065	12,038
Network Connectivity	1,293	1,160	5,003	4,870
Total	4,431	4,247	18,293	18,109

Gross profit by product category, SEKm	Q1		R12M	2024
	2025	2024		
Applications	205	192	853	840
API Platform	873	855	3,477	3,459
Network Connectivity	431	396	1,734	1,699
Total	1,509	1,443	6,064	5,998

Events

- Sinch was recognized as a CPaaS leader in IDC [CPaaS Marketscape](#) and after the end of the quarter also by [Omdia](#).
- Sinch [expanded its partnership with Verizon](#) to advance RCS Adoption.
- [Sinch was awarded Unified Customer Experience Technology Partner of the Year](#) by Adobe, our third year of recognition.
- Sinch rolled-out Mailgun in Latin America and launched new [functionality for Mailjet](#) which adds AI powered templates, efficient branding support, and sophisticated analytics.
- New [customer cases](#) in Q1 include Family Quest, Telarus, LiveVox, World Mobile and TRA Store.
- After the end of the quarter, [Sinch announced](#) new partnerships with OneReach.ai.

Net sales

Net sales amounted to SEK 4,431m (4,247), corresponding to growth of 4 percent compared to Q1 2024. The corresponding organic growth was 4 percent.

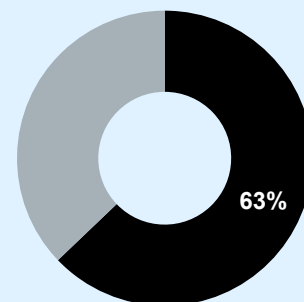
Gross profit

The gross margin was 34 percent (34) and has been stable for the past five quarters.

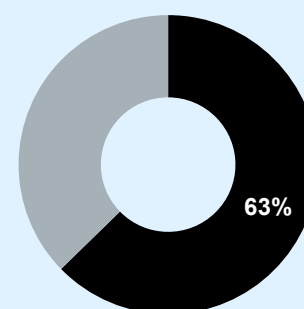
Gross profit in Q1 amounted to SEK 1,509m (1,443), corresponding to an increase of 5 percent compared to Q1 2024. The organic increase in local currencies was 1 percent. The positive gross profit trend is driven primarily by increased net sales, mainly in Network Connectivity.

Gross profit increased in all product categories compared to the same quarter last year. The improvement in Network Connectivity is a result of commercial negotiations with customers and suppliers, which also reduce the risk of future cost increases.

Share of net sales



Share of gross profit



Read more about Mailjet news

→ [From AI Templates to Actionable Analytics: Sinch Mailjet Empowers Marketers for Success in 2025](#)

Customer case:



→ [How LiveVox streamlines voice and SMS communications with Elastic SIP Trunking](#)

EMEA

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

EMEA, SEKm	Q1		R12M	2024
	2025	2024		
Net sales	1,668	1,551	6,758	6,640
Gross profit	518	504	2,133	2,119
Gross margin	31%	33%	32%	32%

Net sales by product category, SEKm	Q1		R12M	2024
	2025	2024		
Applications	234	220	944	930
API Platform	1,303	1,179	5,211	5,086
Network Connectivity	131	152	603	624
Total	1,668	1,551	6,758	6,640

Gross profit by product category, SEKm	Q1		R12M	2024
	2025	2024		
Applications	158	151	646	638
API Platform	308	288	1,230	1,210
Network Connectivity	52	65	257	271
Total	518	504	2,133	2,119

Events

- Sinch participated in about 10 events for partners including SAP, Temenos, and Hubspot.
- At Mobile World Congress, [Sinch demonstrated](#) how businesses can swiftly and easily adopt RCS.
- New [customer cases](#) in Q1 include Printemps, BPCE and RAK.

Net sales

Net sales in Q1 increased by 8 percent compared to the corresponding quarter in 2024 and amounted to SEK 1,688m (1,551). The corresponding organic growth in local currency was 7 percent.

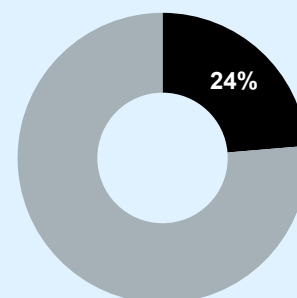
Gross profit

The gross margin was 31 percent (33) for the quarter. The gross margin was mainly affected by a change in product mix during Q1 and specifically in Network Connectivity due to a lower share of project-based contracts.

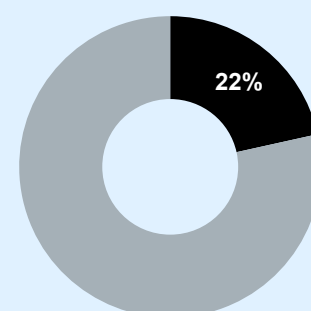
In total, gross profit increased in Q1 by 3 percent to SEK 518m (504) compared to Q1 2024, driven primarily by higher sales. Organic gross profit also grew by 3 percent.

Gross profit in Applications and API Platform improved compared to the same quarter last year, with the largest increase in API Platform. The change in Network Connectivity is negative compared to the corresponding quarter and shows lower volume due to an adverse timing effect linked to project-based contracts, which is expected to normalize in later quarters this year.

Share of net sales



Share of gross profit



Customer case:

PRINTEMPS

- [How Printemps drives 3x more customer engagement with rich messaging](#)

APAC

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

APAC, SEKm	Q1		R12M	2024
	2025	2024		
Net sales	949	995	3,918	3,963
Gross profit	380	364	1,584	1,568
Gross margin	40%	37%	40%	40%

Net sales by product category, SEKm	Q1		R12M	2024
	2025	2024		
Applications	292	291	1,224	1,223
API Platform	631	679	2,585	2,633
Network Connectivity	27	24	109	106
Total	949	995	3,918	3,963

Gross profit by product category, SEKm	Q1		R12M	2024
	2025	2024		
Applications	181	178	765	762
API Platform	193	177	791	775
Network Connectivity	6	9	28	30
Total	380	364	1,584	1,568

Events

- Marketing activities in the quarter included partner events with Hubspot and Emarsys, executive roundtable and user group activities.
- Sinch signed agreement with a large Australian national pharmacy chain regarding the delivery of SMS solutions.
- New customer cases in Q1 include OzMobiles.

Net sales

Net sales decreased by 5 percent compared to Q1 2024 and amounted to SEK 949m (995). All business during the quarter is classified as organic. Organic net sales in local currencies decreased by 4 percent.

The downturn in net sales is due to lower sales in API Platform where decreased SMS sales in India were only partially offset by increased sales elsewhere in Asia.

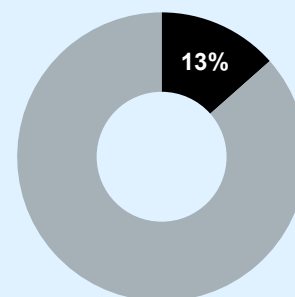
Gross profit

The gross margin was 40 percent (37) for the quarter. The improved gross margin is mainly attributable to a changed product and customer mix and, to a certain extent, cost optimization.

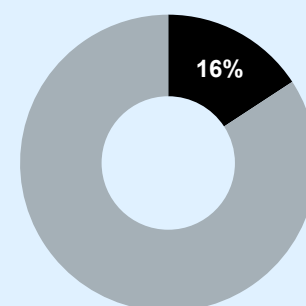
Gross profit in Q1 amounted to SEK 380m (364).

Gross profit grew by 4 percent compared to the same quarter last year, driven mainly by growth in Asia. Organic gross profit grew by 5 percent. The gross profit growth is attributable primarily to an improved gross margin.

Share of net sales



Share of gross profit



Customer case:

OzMobiles 
Since 2011

- [Sinch delivers ROI and cost savings with Ozmobiles through marketing campaign tools and native integration with Klaviyo.](#)

Consolidated statement of financial position

SEKm	Note	Mar 31		Dec 31
		2025	2024	2024
ASSETS				
Non-current assets				
Goodwill		18,755	26,399	20,343
Customer relationships		11,349	13,431	12,736
Operator relationships		128	176	147
Proprietary software		4,174	4,851	4,631
Other intangible assets		294	392	336
Property, plant and equipment		958	960	1,041
Right-of-use-asset		664	834	715
Financial assets		33	32	35
Other non-current receivables		47	46	53
Deferred tax assets		1,236	1,180	1,273
Total non-current assets		37,637	48,301	41,311
Current assets				
Accounts receivable	6	3,949	4,537	4,503
Tax assets		296	150	214
Other current receivables		311	273	262
Prepaid expenses and accrued income	7	884	521	630
Cash and cash equivalents		719	756	1,083
Total current assets		6,160	6,237	6,692
TOTAL ASSETS		43,797	54,538	48,004
EQUITY AND LIABILITIES				
Equity				
Share capital		8	8	8
Other capital contributions		32,450	32,398	32,439
Reserves		3,430	6,093	6,012
Retained earnings including profit for the year		-9,482	-3,111	-9,435
Equity attributable to owners of the parent	4	26,406	35,389	29,025
Non-controlling interests		0	1	1
Total equity		26,407	35,389	29,025
Non-current liabilities				
Deferred tax liability		4,574	5,167	5,075
Provisions	8	333	54	348
Non-current liabilities, interest-bearing		4,292	3,570	3,459
Non-current liabilities, non-interest-bearing		19	22	22
Total non-current liabilities		9,205	8,813	8,904
Current liabilities				
Provisions	8	401	-	390
Contract liabilities/Advance payments from customers		333	302	340
Accounts payable		1,378	1,262	1,821
Tax liability		284	95	241
Other current liabilities, interest-bearing		2,314	5,034	3,636
Other non interest bearing current liabilities		273	239	293
Accrued expenses and prepaid income		3,188	3,405	3,353
Total current liabilities		8,185	10,336	10,075
TOTAL EQUITY AND LIABILITIES		43,797	54,538	48,004
Financial instruments measured at fair value				
Derivative instruments with positive value		4	-	-
Derivative instruments with negative value		9	15	17

Consolidated statement of changes in equity

SEKm	Attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Other capital contributions	Reserves	Retained earnings	Total			
Opening balance Jan 1, 2024	8	32,382	4,294	-3,022	33,663	1	33,663	
Profit or loss for the period				-89	-89	0	-90	
Other comprehensive income			1,799		1,799	0	1,799	
Share-based payments, net of tax		12			12		12	
Shares issued for warrants	0	4			4		4	
Closing balance Mar 31, 2024	8	32,398	6,093	-3,111	35,389	1	35,389	
Opening balance Jan 1, 2025	8	32,439	6,012	-9,435	29,025	1	29,025	
Profit or loss for the period				-47	-47	0	-47	
Other comprehensive income			-2,582		-2,582	0	-2,583	
Share-based payments, net of tax		12			12		12	
Shares issued for warrants	0	1			1		1	
Issue expenses, net of tax		-1			-1		-1	
Closing balance Mar 31, 2025	8	32,450	3,430	-9,482	26,406	0	26,407	

Consolidated statement of cash flows

SEKm	Note	Q1		R12M	2024
		2025	2024		
Profit or loss before tax		-8	40	-6,283	-6,235
Adjustment for non-cash items ¹		738	574	9,078	8,914
Income tax paid		-111	-57	-402	-348
Cash flow before changes in working capital		619	557	2,393	2,330
Change in working capital		-560	-4	58	614
Cash flow from operating activities		60	553	2,450	2,944
Net investments in property, plant and equipment and intangible assets		-164	-129	-624	-589
Change in financial receivables		1	-2	-12	-16
Acquisition of Group companies		-	-	0	0
Cash flow from (-used in) investing activities		-163	-131	-636	-604
Change in borrowings		-183	-615	-1,701	-2,133
Amortization lease liability		-32	-34	-124	-126
Warrants/Employee Stock Options	4	-1	5	20	25
Cash flow from (-used in) financing activities		-216	-645	-1,805	-2,234
Cash flow for the period		-319	-223	9	105
Opening balance cash and cash equivalents for the period		1,083	1,012	756	1,012
Exchange rate differences in cash and cash equivalents		-44	-33	-45	-34
Closing balance cash and cash equivalents for the period		719	756	719	1,083
Additional cash flow disclosures					
Interest paid ²		-98	-146	-496	-545
Interest received ²		21	15	70	64
Cash flow from operating activities after investments		-104	424	1,826	2,355

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

2) Interest paid and received is included in cash flow from operating activities.

Other disclosures

Sinch Group, SEKm	Q1			
	2025	2024	R12M	2024
Share information				
Basic earnings per share, SEK	-0.06	-0.11	-7.55	-7.60
Diluted earnings per share, SEK ¹	-0.06	-0.11	-7.55	-7.60
Basic weighted average number of shares	844,551,761	843,356,408	844,193,871	843,897,644
Diluted weighted average number of shares ²	844,551,761	843,356,408	844,193,871	843,897,644
Total number of shares at the end of the period	844,556,222	843,362,848	844,556,222	844,506,034
Financial position				
Equity attributable to owners of the parent	26,406	35,389	26,406	29,025
Equity ratio	60%	65%	60%	60%
Net investments in property, plant and equipment and intangible assets	-164	-129	-624	-589
Cash and cash equivalents	719	756	719	1,083
Net debt (+) / Net cash (-)	5,887	7,848	5,887	6,012
Net debt/Adjusted EBITDA R12M, multiple	1.4	2.0	1.4	1.5
EBIT margin	2%	2%	-20%	-20%
EBITDA margin	11%	11%	9%	9%
Employee information				
Average number of employees	3,557	3,521	3,500	3,491
Average number of employees, women	1,196	1,129	1,158	1,141
Percentage female	34%	32%	33%	33%

1) The dilutive effect is not taken into account when financial performance is negative and outstanding warrants/stock options are not considered when the company's average share price is below the exercise price.

2) If results had been positive, the weighted number of dilutive warrants would have been 2,968,588 (3,706,955) for the interim reporting period.

Segment reporting

An operating segment is defined as a business activity that is able to generate revenues and incur costs, whose operating results are regularly reviewed by the entity's chief executive officer, and for which separate financial information is available. The Group's operating segments are Americas, EMEA, and APAC. These three regions represent the domiciles of our customers. See also Definitions. Note that items below Gross profit are not allocated to the segments. See Note 2 for more information.

Q1 2025, SEKm	Americas	EMEA	APAC	Other	Group
Net sales	4,431	1,668	949	-	7,049
Cost of services sold	-2,921	-1,150	-569	-	-4,641
Gross profit	1,509	518	380	-	2,408
Opex	-	-	-	-1,667	-1,667
EBITDA	-	-	-	740	740
EBITDA adjustments	-	-	-	-149	-149
Adjusted EBITDA	-	-	-	889	889
Depreciation / amortization and impairment	-	-	-	-	-616
EBIT	-	-	-	-	124
Net finance income or expense	-	-	-	-	-132
Profit or loss before tax	-	-	-	-	-8

Q1 2024, SEKm	Americas	EMEA	APAC	Other	Group
Net sales	4,247	1,551	995	-	6,792
Cost of services sold	-2,804	-1,046	-631	-	-4,480
Gross profit	1,443	504	364	-	2,312
Opex	-	-	-	-1,544	-1,544
EBITDA	-	-	-	768	768
EBITDA adjustments	-	-	-	-26	-26
Adjusted EBITDA	-	-	-	794	794
Depreciation / amortization and impairment	-	-	-	-	-617
EBIT	-	-	-	-	151
Net finance income or expense	-	-	-	-	-111
Profit or loss before tax	-	-	-	-	40

R12M, MSEK	Americas	EMEA	APAC	Other	Group
Net sales	18,293	6,758	3,918	-	28,968
Cost of services sold	-12,229	-4,625	-2,334	-	-19,187
Gross profit	6,064	2,133	1,584	-	9,781
Opex	-	-	-	-7,144	-7,144
EBITDA	-	-	-	2,638	2,638
EBITDA adjustments	-	-	-	-1,044	-1,044
Adjusted EBITDA	-	-	-	3,682	3,682
Depreciation / amortization and impairment	-	-	-	-	-8,472
EBIT	-	-	-	-	-5,834
Net finance income or expense	-	-	-	-	-449
Profit or loss before tax	-	-	-	-	-6,283

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

Distribution of net sales

Q1 2025, SEKm

Net sales by product category	Americas	EMEA	APAC	Group
Applications	292	234	292	818
API Platform	2,846	1,303	631	4,780
Network Connectivity	1,293	131	27	1,450
Total	4,431	1,668	949	7,049

Net sales allocation per point in time

Over time	2,265	249	67	2,581
At one point in time	2,166	1,419	882	4,467
Total	4,431	1,668	949	7,049

Q1 2024, SEKm

Net sales by product category	Americas	EMEA	APAC	Group
Applications	267	220	291	779
API Platform	2,819	1,179	679	4,677
Network Connectivity	1,160	152	24	1,336
Total	4,247	1,551	995	6,792

Net sales allocation per point in time

Over time	2,150	234	70	2,454
At one point in time	2,097	1,317	925	4,339
Total	4,247	1,551	995	6,792

R12M, MSEK

Net sales by product category	Americas	EMEA	APAC	Group
Applications	1,225	944	1,224	3,393
API Platform	12,065	5,211	2,585	19,860
Network Connectivity	5,003	603	109	5,715
Total	18,293	6,758	3,918	28,968

Net sales allocation per point in time

Over time	9,006	987	269	10,262
At one point in time	9,288	5,770	3,649	18,707
Total	18,293	6,758	3,918	28,968

2024, SEKm

Net sales by product category	Americas	EMEA	APAC	Group
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

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

Parent company

Sinch AB (publ) owns and manages the shares attributable to the Sinch Group. The Group's operational and strategic management functions have been centralized to the parent company. The parent company had 4 (5) employees at the end of the period. The parent company has no external business activities, and the risks are mainly related to the operations of the subsidiaries.

Parent company income statement

SEKm	Q1		R12M	2024
	2025	2024		
Net sales	149	150	594	595
Other operating income	2	3	18	19
Operating expenses				
Other external expenses	-157	-60	-850	-752
Employee benefits expenses	-17	-10	-39	-32
EBIT before other operating expenses, depreciation/amortization and impairment losses	-23	84	-277	-171
Other operating expenses	-5	1	-18	-12
Depreciation / amortization and impairment	-1	-1	-3	-3
EBITDA	-28	84	-297	-186
Interest income and similar profit items	541	708	2,831	2,998
Interest expenses and similar loss items	-675	-611	-2,989	-2,926
Profit after financial items	-161	180	-456	-114
Appropriations	-	-	184	184
Profit or loss before tax	-161	180	-272	70
Tax on profit for the period	34	-37	32	-40
Profit or loss for the period	-127	143	-240	30

Parent company balance sheet

SEKm	Mar 31		Dec 31
	2025	2024	2024
ASSETS			
Non-current assets			
Intangible assets	1	3	2
Property, plant and equipment	0	1	0
Investments in group companies	16,173	16,173	16,173
Non-current receivables, Group companies	4,815	5,661	5,749
Other long-term receivables	0	-	1
Total financial assets	20,988	21,834	21,923
Deferred tax assets	1	3	3
Total non-current assets	20,991	21,841	21,928
Current assets			
Receivables from Group companies	21,122	21,255	20,872
Tax assets	97	15	51
Other current receivables	22	0	61
Prepaid expenses and accrued income	21	82	21
Cash and bank balances	8	0	28
Total current assets	21,271	21,352	21,034
TOTAL ASSETS	42,262	43,193	42,962
EQUITY AND LIABILITIES			
Share capital	8	8	8
Total restricted equity	8	8	8
Share premium reserve	34,217	34,180	34,210
Retained earnings	-3,936	-3,963	-3,965
Profit or loss for the year	-127	143	30
Total non-restricted equity	30,154	30,360	30,275
Total equity	30,162	30,369	30,283
Untaxed reserves	85	94	85
Total untaxed reserves and provisions	85	94	85
Non-current liabilities			
Liabilities to credit institutions	3,597	2,735	2,703
Total non-current liabilities	3,597	2,735	2,703
Current liabilities			
Accounts payable	5	4	15
Tax liability	8	-	11
Liabilities to Group companies	6,160	4,917	6,278
Liabilities to credit institutions	2,214	5,011	3,532
Other current liabilities	4	14	19
Accrued expenses and prepaid income	27	48	35
Total current liabilities	8,418	9,995	9,890
TOTAL EQUITY AND LIABILITIES	42,262	43,193	42,962

Note 1. Accounting Policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Annual Accounts Act. Disclosures in accordance with IAS 34 Interim Financial Reporting are provided in notes and elsewhere in the interim report. The interim report for the parent company has been prepared in accordance with the Annual Accounts Act, which is in accordance with RFR 2 Accounting of Legal Entities. The accounting policies and estimation methods are unchanged from those applied in the 2024 Annual Report. The financial statements are presented in SEKm unless otherwise specified. Amounts and calculations presented in the tables are rounded off and may not precisely match the figures presented in the financial statements and notes.

New standards and interpretations effective in 2025

The new or amended IFRS standards applicable in 2025 and later have had no material impact on Sinch's financial statements. Risks and uncertainties relevant to Sinch are described in the 2024 Annual Report.

New and amended IFRS 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 Disclosures 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 entails new requirements for disclosures about certain key figures that the company uses in its external financial communication, 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.

Receivables and accrued revenues

Accounts receivable (both billed and unbilled) have an unconditional right to payment. Revenues based on an unconditional right to payment must be reported as unbilled receivables if the amounts have not been billed as of the reporting date, while revenues that have been billed are shown as billed receivables on the balance sheet. Most customers are billed monthly in arrears (after services are rendered) and the unbilled receivables are converted to billed receivables a few days after the close of books.

Contract assets referring to accrued revenue have a conditional right to payment, which means, for example, that Sinch must first satisfy a final contractual obligation before an unconditional right to payment is established.

Financial assets and liabilities

Financial assets and liabilities are recognized at amortized cost, which is deemed to constitute their fair value because a majority of loan financing is carried at a three-month rate.

Related-party transactions

There have been no significant changes in the relationships and transactions with related parties compared to that disclosed in the 2024 Annual Report.

Note 2. Operating profit

EBITDA and EBIT adjustments are intended to clarify performance in underlying operations. The adjustments include acquisition costs, integration costs, operational foreign exchange gains/losses, restructuring costs, costs of share-based incentive programs, and non-recurring adjustments.

The costs of incentive programs are clarified and divided into payroll costs and social insurance costs, where payroll costs are,

in accordance with IFRS 2, an estimated cost that does not affect cash flow and social insurance costs fluctuate with Sinch's price per share. Excluding these costs from Adjusted EBITDA ensures that short-term changes in the share price do not impede analysis of the underlying business and makes it easier to relate Adjusted EBITDA to Sinch's cash flow.

Reconciliation items related to operating profit

EBITDA adjustments, SEKm	Q1		R12M	2024
	2025	2024		
Acquisition costs	-2	-2	-7	-7
Restructuring costs	-3	-18	-78	-93
Integration costs	-65	-49	-224	-209
Costs of share-based incentive programs	-9	0	-46	-37
Operational foreign exchange gains/losses	-67	43	27	137
Other adjustments	-3	-1	-715	-713
Total EBITDA adjustments	-149	-26	-1,044	-921
Amortization of acquisition-related assets	-476	-481	-1,948	-1,952
Impairment of goodwill	-	-	-6,000	-6,000
Total EBIT adjustments	-625	-507	-8,992	-8,873

Integration costs, SEKm	Q1		R12M	2024
	2025	2024		
Employee benefits expenses, external resources	-13	-1	-50	-37
External consultants	-47	-48	-156	-157
Other	-4	-	-18	-14
Total integration costs per category¹	-65	-49	-224	-209

1) Reported as other external expenses.

Costs of share-based incentive programs, SEKm	Q1		R12M	2024
	2025	2024		
Cost of vested employee stock option	-12	-12	-52	-53
Social insurance costs	3	13	6	16
Total costs for share-based incentive programs per category²	-9	0	-46	-37

2) Reported as employee benefits expenses.

Operational foreign exchange gains/losses, SEKm	Q1		R12M	2024
	2025	2024		
Realized foreign exchange gains/losses	-40	13	-5	48
Unrealized foreign exchange gains/losses	-27	30	32	89
Total operational foreign exchange gains/losses per category³	-67	43	27	137

3) Reported as other operating income or other operating expenses.

Other adjustments, SEKm	Q1		R12M	2024
	2025	2024		
Other historical tax related expenses	-	-	-700	-700
Other	-3	-1	-15	-13
Total other adjustments	-3	-1	-715	-713

Note 3. Pledged assets and contingent liabilities

Pledged assets amounted to SEK 111m (119) and contingent liabilities amounted to SEK 31m (117).

Note 4. Incentive programs

Within the framework of the LTI 2024 incentive program adopted by the AGM on May 16, 2024, 277,500 warrants have been granted to senior executives and key employees within Sinch. The warrants were granted at market value corresponding to subscription prices of SEK 9.40, SEK 9.44 and SEK 9.87 for the respective series. The maximum number of instruments in LTI 2024 is 17,100,000.

During the first quarter, 64,371 options from LTI 2022 were exercised at the exercise price of SEK 14,654 per share, where each option carried 1 share. In relation to this, 64,371 shares will be registered with Bolagsverket in the second quarter of 2025. Sinch will consequently gain SEK 1m in equity in Q2.

Total costs for the incentive programs recognized in profit or loss amount to SEK -9m for the period of January–March. Payroll

costs for vested employee stock options are included in profit or loss in the amount of SEK -12m (-12). With a corresponding increase in equity and social insurance costs based on the share price, the result improved by SEK 3m (13), resulting in a corresponding reduction of provisions in the balance sheet.

The potential dilutive effect, calculated based on the exercise price of the options in relation to the average share price during the period, is 0.4 percent (0.4) upon exercise of all warrants and employee stock options in all programs. See Note 9 of the 2024 Annual Report for further disclosures regarding the Group's incentive programs LTI 2020, LTI 2020, LTI II 2020, LTI 2021, LTI II 2021, LTI 2023, and LTI 2024.

Note 5. Depreciation, amortization, and impairments

Goodwill is tested for impairment annually in the third quarter in connection with updated business plans. Impairment tests are also performed when there is an indication that the asset has decreased in value.

There were no indications of goodwill impairment in the cash generating units in Q1 2025.

Depreciation, amortization and impairment, SEKm	Q1			
	2025	2024	R12M	2024
Amortization acquired customer relationships	-316	-306	-1,259	-1,249
Amortization acquired operator relationships	-10	-8	-34	-32
Amortization acquired trademarks	-12	-23	-79	-90
Amortization acquired software	-138	-144	-576	-581
Impairment of goodwill	-	-	-6,000	-6,000
Total acquisition related amortization and write-downs	-476	-481	-7,948	-7,952
Amortization proprietary software	-57	-45	-212	-200
Amortization licenses	-7	-3	-3	1
Amortization other intangible assets	0	0	0	0
Total amortization intangible assets	-540	-529	-8,162	-8,151
Depreciation property, plant and equipment	-43	-44	-171	-171
Depreciation right-of-use assets	-33	-35	-136	-138
Impairments	0	-10	-3	-13
Total amortization/depreciation and impairment of intangible assets and property, plant and equipment	-616	-617	-8,472	-8,473

Note 6. Accounts receivable

Accounts receivable, SEKm	Mar 31		Dec 31
	2025	2024	2024
Unbilled receivables	1,846	1,977	2,023
Receivables, billed	2,218	2,720	2,607
Expected credit loss allowance	-115	-159	-128
Total accounts receivable	3,949	4,537	4,503

Note 7. Prepaid expenses and accrued income

Prepaid expenses and accrued income, SEKm	Mar 31		Dec 31
	2025	2024	2024
Accrued revenue from contracts with customers	58	52	52
Other accrued income and prepaid expenses	826	469	578
Total accrued income and prepaid expenses	884	521	630

Note 8. Provisions

Provisions, SEKm	Mar 31		Dec 31
	2025	2024	2024
Provision for social security expenses, ESOP	13	24	17
Provision for restructuring costs	3	9	3
Provision for other taxes	310	-	310
Other non-current provisions	6	22	18
Total non-current provision	333	54	348
Provision for other taxes	390	-	390
Other current provisions	11	-	-
Total current provision	401	-	390
Total provisions	734	54	738

Sinch presented a non-recurring provision of SEK 700m in Q4 2024, reported in the table above as short- and long-term provisions for other taxes. There were no material changes in provisions in Q1 2025.

Note 9. Net sales by product category

Net sales by product category, SEKm	Q1			
	2025	2024	R12M	2024
Applications	818	779	3,393	3,354
API Platform	4,780	4,677	19,860	19,758
Network Connectivity	1,450	1,336	5,715	5,601
Total net sales	7,049	6,792	28,968	28,712

Note 10. Gross profit by product category

Gross profit by product category, SEKm	Q1			
	2025	2024	R12M	2024
Applications	544	521	2,264	2,240
API Platform	1,375	1,321	5,498	5,445
Network Connectivity	488	470	2,019	2,000
Total gross profit	2,408	2,312	9,781	9,685

Note 11. Adjusted OPEX by function

Sinch reports Group costs by nature; see the Consolidated income statement on page 11. Further information is provided in Note 11, in which operating expenses are distributed by function. The R&D expenses described below include the costs of technical operations. See page 26 for further details about the function definitions applied by Sinch.

Adjusted Opex by function, SEKm	Q1		R12M	2024
	2025	2024		
Sales & marketing expenses	-440	-459	-1,728	-1,747
Research & development expenses	-738	-720	-2,978	-2,960
General & administrative expenses	-341	-339	-1,393	-1,392
Total adjusted Opex	-1,519	-1,518	-6,100	-6,099
EBITDA adjustments	-149	-26	-1,044	-921
Total Opex	-1,667	-1,544	-7,144	-7,020

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.

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. Operator traffic fees differ significantly from one country to the next. Consequently, changes in traffic patterns and the volume mix can have high impact on net sales and the gross margin even though there is no effect on gross profit in absolute numbers.

Gross margin

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.

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/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 depreciation/amortization and impairments of non-cash acquisition-related property, plant, and equipment and intangible assets.

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.

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.

Free cash flow per share

Definition: Cash flow from operating activities after investments divided by the volume-weighted average number of shares outstanding in the period after dilution.

Purpose: Measures free cash flow per share generated by the business.

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.

Terms and acronyms

See the Annual Report for Sinch AB (publ) for definitions of terms and acronyms, available at investors.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 customer experience through mobile messaging, voice, and email.

Sinch’s operating segments are Americas, EMEA, and APAC. Sinch’s products are divided into three product categories: Applications, API Platform, and Network Connectivity.

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. XSTO:SINCH. Read more at sinch.com.

Forthcoming reporting dates

Interim Report Q2, Jan–Jun 2025	July 22
Interim Report Q3, Jan–Sep 2025	Nov 5

Annual General Meeting

The Annual General Meeting will be held at 10:00 AM CEST on May 22, 2025, at Sinch headquarters, Lindhagensgatan 112, Stockholm.

Risk assessment

Sinch is, like all businesses, exposed to various types of risks in its operations. Growth in combination with rapid and continuous changes in the business environment has made it necessary to increase focus on risks and risk management. Sinch has created an Enterprise Risk Management (ERM) process to identify and control risks, and to ensure that required controls and procedures are established to safeguard the assets and interests of the company. Sinch has defined five types of risks under this framework: Strategic, Operational, Legal & Compliance, Financial, and External. More information about risks and risk management is provided in the 2024 Annual Report.

Outlook

As a general rule, Sinch does not publish forecasts but recognizes that the effects of geopolitical uncertainty and a volatile

macroeconomic environment are expected to persist in 2025. The Group’s exposure to Ukraine and Russia is limited to less than 1 percent of annualized gross profit or loss. The new tariffs announced in early 2025 have applied to goods and have not affected Sinch’s services. 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.

Forward-looking statements

This report contains statements concerning, among other matters, Sinch’s financial position and earnings, as well as statements regarding market conditions that may be forward-looking. Sinch believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions. Forward-looking statements, however, include risks and uncertainties and actual outcomes or consequences may differ materially from those expressed. Other than as required by applicable law, forward-looking statements apply only on the day they are presented and Sinch does not undertake to update any of them in light of new information or future events.

Assurance

The board of directors and the CEO certify that the interim report gives a true and fair view of the company’s and the Group’s operations, position, and results, and describes significant risks and uncertainties faced by the company and the companies included in the Group.

Headquarters

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Lindhagensgatan 112
112 51 Stockholm, Sweden

Corporate ID 556882-8908

sinch.com

Invitation to webcast and phone conference

Sinch will present the interim report in a webcast and phone conference on Thursday, May 8, 2025, at 2:00 PM CEST. Watch the presentation at investors.sinch.com/webcast.

Follow the link below to register to participate via phone conference: <https://conference.inderes.com/teleconference/?id=5005056>. After you register, you will be given a phone number and conference ID to log into the conference.

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Stockholm, May 8, 2025

Erik Fröberg
Board Chair

Björn Zethraeus
Director

Lena Almefelt
Director

Mattias Stenberg
Director

Renée Robinson Strömberg
Director

Laurinda Pang
President and CEO

Note: Sinch AB (publ) is required to publish the information in this report pursuant to the EU Market Abuse Regulation. The information was released for publication by the contact person above on May 8, 2025, at 7:30 AM CEST.

This report is published in Swedish and English. In case of any differences between the English version and the Swedish original text, the Swedish version shall apply. The report has not been reviewed by the company's independent auditors.

