sinch

Q3
2025

INTERIM REPORT, JANUARY – SEPTEMBER 2025

# Improved profitability and positioned for long-term growth

## July – September 2025

- Net sales amounted to SEK 6,659m (7,150). Net sales were unchanged organically, while currency effects had a negative impact of 7 percent.
- Gross profit amounted to SEK 2,318m (2,406), an organic increase of 5 percent. Currency effects had a negative impact of 8 percent.
- EBITDA amounted to SEK 851m (799), an organic increase of 16 percent. Currency effects had a negative impact of 9 percent.
- Adjusted EBITDA amounted to SEK 915m (923), an organic increase of 8 percent. Currency effects had a negative impact of 8 percent.
- Loss after tax was SEK -10m (-6,095).
- Basic earnings per share were SEK -0.01 (-7.22) and diluted earnings per share were SEK -0.01 (-7.22).
- Free cash flow was SEK 244m (293).
- Free cash flow per share R12M was SEK 1.65 (2.59). Cash conversion R12M was 38 percent.
- Net debt in relation to adjusted EBITDA R12M amounted to 1.4 (1.6).
- Repurchased a total of 15,279,642 shares for SEK 519m, holding 1.8 percent of total outstanding shares in treasury as of September 30.

## January–September 2025

- Net sales amounted to SEK 20,324m (20,983). Organic growth was 2 percent, while currency effects had a negative impact of 5 percent.
- Gross profit amounted to SEK 7,048m (7,103). Gross profit increased organically by 4 percent. All regions and product categories contributed positively to organic growth. Currency effects had a negative impact of 5 percent.
- EBITDA amounted to SEK 2,351m (2,359). EBITDA increased by 4 percent organically, while currency effects had a negative impact of 2 percent.
- Adjusted EBITDA was SEK 2,673m (2,584) and increased organically by 8 percent, while currency effects had a negative impact of 4 percent.
- Loss after tax was SEK -33m (-6,089).
- Basic earnings per share were SEK -0.04 (-7.22) and diluted earnings per share were SEK -0.04 (-7.22).
- Free cash flow was SEK 663m (1,620).

## Significant events in Q3

- During the quarter, Sinch's strong position within AI was confirmed as AI innovators across all regions now use the company's API products.
- Research firm Gartner named Sinch a Magic Quadrant Leader for CPaaS for the third year running.
- Sinch is now live with RCS for Business together with the three largest mobile operators in the United States.
- Daniel Morris was appointed as the new Chief Product Officer.
- Sinch expanded its AI-driven platform Sinch Engage with RCS campaign creation and management capabilities.
- The Extraordinary General Meeting resolved to implement a long-term incentive program as proposed by the Board of Directors.

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **Sinch Group, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Net sales | 6,659 | 7,150 | 20,324 | 20,983 | 28,053 | 28,712 |
| Gross profit | 2,318 | 2,406 | 7,048 | 7,103 | 9,629 | 9,685 |
| Gross margin | 35% | 34% | 35% | 34% | 34% | 34% |
| EBITDA | 851 | 799 | 2,351 | 2,359 | 2,657 | 2,665 |
| EBITDA margin | 13% | 11% | 12% | 11% | 9% | 9% |
| Adjusted EBITDA | 915 | 923 | 2,673 | 2,584 | 3,675 | 3,586 |
| Adjusted EBITDA margin | 14% | 13% | 13% | 12% | 13% | 12% |
| Basic earnings per share | -0.01 | -7.22 | -0.04 | -7.22 | -0.42 | -7.60 |
| Diluted earnings per share | -0.01 | -7.22 | -0.04 | -7.22 | -0.42 | -7.60 |
| Free cash flow | 244 | 293 | 663 | 1,620 | 1,397 | 2,355 |
| Free cash flow/share R12M, SEK | 1.65 | 2.59 | 1.65 | 2.59 | 1.65 | 2.77 |
| Net debt/adjusted EBITDA R12M, multiple | 1.4 | 1.6 | 1.4 | 1.6 | 1.4 | 1.5 |

COMMENTS FROM THE CEO

# Improved profitability and positioned for long-term growth

I am pleased to report organic earnings growth in the third quarter. Adjusted EBITDA was SEK 915 million, corresponding to an 8 percent organic growth year on year. The Adjusted EBITDA margin expanded to a record high of 14 percent, driven by gross profit growth, cost control and increased synergies. Organic gross profit growth was 5 percent, in line with the previous quarter although the profile of this growth is not yet what we expect to deliver over time. Our strong cash generation enabled us to take an important step forward this quarter with the launch of our first share buyback program, underscoring our confidence in Sinch's long-term value.

Market growth remains stable, but the structural shifts driven by conversational messaging and Artificial Intelligence (AI) are accelerating. We are at the forefront of this change. To date, our volume of RCS for Business messages has increased threefold compared to the same period last year. This growth is led by India, followed by Latin America, and early adopter markets in Europe. We are proud to see our clients Picard, Courir and Clarins have been nominated for retail technology innovation awards for their powerful RCS campaigns in the quarter.

A major milestone was achieved in August when all major US Tier-1 operators were live with RCS for Business. Reach is growing rapidly, with several brands already achieving over 75 percent RCS coverage among their customers, firmly establishing RCS as a viable and powerful alternative to SMS. The growing adoption of RCS for Business stimulates the broader market for conversational messaging. To complement our RCS Upscale offering, we have now launched WhatsApp Upscale. These developments accelerate the market for conversational messaging and reinforce the value of our channel-agnostic platform. Sinch is well positioned to help businesses navigate this complexity and connect with customers on any channel they choose.

The use of AI in combination with conversational messaging is a strong driver of market growth and remains a central pillar of our strategy. We view AI agents as our newest customers and intend to power the last mile of agentic communication. We are not simply adding AI features, we are building an intelligent, AI-driven communications platform that creates new opportunities for our customers. In the quarter, we have seen market validation of this position and Sinch API-products are now powering leading AI-innovators in all regions.

In Americas, we saw strong organic gross profit growth of 8 percent, driven by the successful turnaround of our Network Connectivity business and strong growth in Applications. The underlying growth in our API business was solid, but overall growth was dampened by competitive pressure among a few of our large enterprise customers. I am pleased with our intake of new enterprise accounts which is reducing customer concentration. However, new business does take time to ramp so their contribution does not yet fully offset the effects of competitive pressure elsewhere.

Gross profit in EMEA declined by 3 percent, which is below our expectations. Network Connectivity and Applications contributed positively to growth. API platform experienced continued solid growth in messaging, while our reduced focus on fixed price contracts burdened overall growth.

In APAC, organic gross profit grew by 1 percent. We have strong momentum in our API business with enterprises, particularly as a world leading e-commerce enterprise became one of our largest regional customers. However, overall API growth was subdued by margin pressure from SMS in India. Within Applications, competitive pressure, especially in Australia, negatively affected gross profit growth.

Our strategic initiatives are yielding results. The analyst firm Gartner recognized our industry leadership by naming Sinch a Leader in its CPaaS Magic Quadrant for the third consecutive year. We see strong traction with large enterprise customers, increasing in numbers with some 5 percent year on year. We continue to develop our self-serve offer which has delivered double-digit gross profit growth year to date. RCS for Business traffic has tripled year-on-year and has now been fully rolled-out in the US. In addition, our Email volumes have increased by 39 percent versus last year. Our partner and ecosystem activities support growth of conversational messaging, applications and our geographic expansion. Partners alone, have generated 5 percent gross profit growth year to date.

Looking ahead, we remain confident in our strategy and our ability to deliver long-term sustainable and profitable growth.

Stockholm, November 5, 2025
Laurinda Pang
CEO

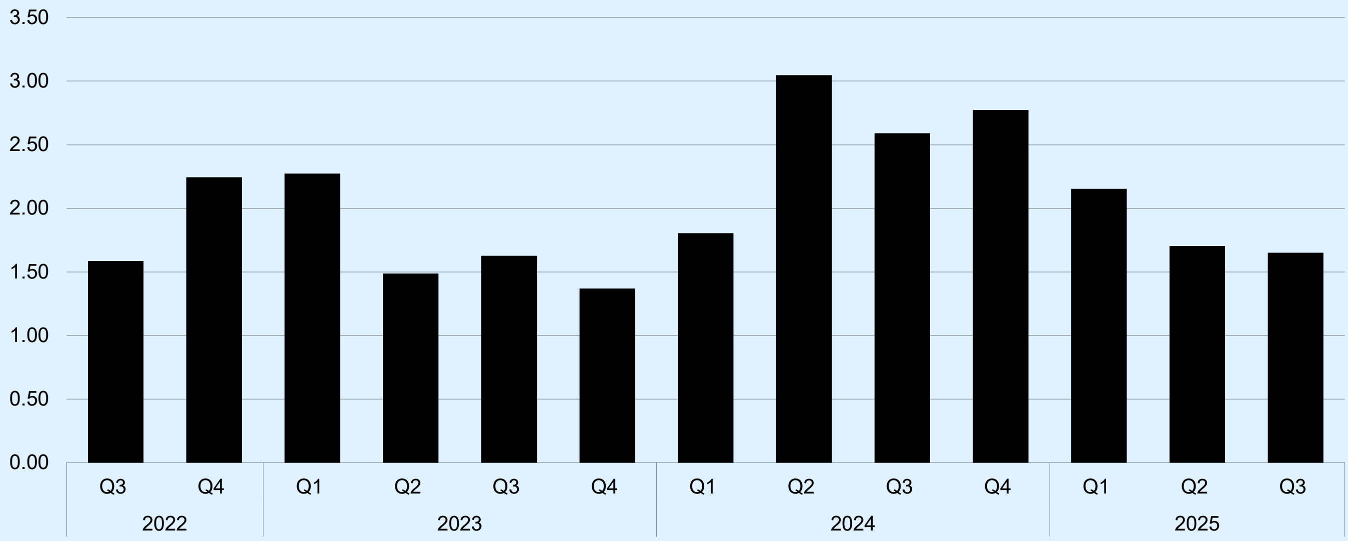
# Sinch overview

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **Sinch Group, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Net sales | 6,659 | 7,150 | 20,324 | 20,983 | 28,053 | 28,712 |
| Gross profit | 2,318 | 2,406 | 7,048 | 7,103 | 9,629 | 9,685 |
| Gross margin | 35% | 34% | 35% | 34% | 34% | 34% |
| EBITDA | 851 | 799 | 2,351 | 2,359 | 2,657 | 2,665 |
| EBITDA margin | 13% | 11% | 12% | 11% | 9% | 9% |
| Adjusted EBITDA[1] | 915 | 923 | 2,673 | 2,584 | 3,675 | 3,586 |
| Adjusted EBITDA margin | 14% | 13% | 13% | 12% | 13% | 12% |
| Adjusted EBITDA/gross profit | 39% | 38% | 38% | 36% | 38% | 37% |
| EBIT | 242 | -5,824 | 574 | -5,503 | 270 | -5,807 |
| EBIT margin | 4% | -81% | 3% | -26% | 1% | -20% |
| Adjusted EBIT[1] | 735 | 795 | 2,230 | 2,191 | 3,105 | 3,066 |
| Adjusted EBIT margin | 11% | 11% | 11% | 10% | 11% | 11% |
| Profit or loss for the period | -10 | -6,095 | -33 | -6,089 | -357 | -6,413 |
| Basic earnings per share, SEK | -0.01 | -7.22 | -0.04 | -7.22 | -0.42 | -7.60 |
| Diluted earnings per share[2], SEK | -0.01 | -7.22 | -0.04 | -7.22 | -0.42 | -7.60 |
| Cash flow from operating activities | 395 | 437 | 1,151 | 2,039 | 2,055 | 2,944 |
| Free cash flow | 244 | 293 | 663 | 1,620 | 1,397 | 2,355 |
| Free cash flow/share R12M, SEK | 1.65 | 2.59 | 1.65 | 2.59 | 1.65 | 2.77 |
| Net debt (+) / Net cash (-) | 5,738 | 6,473 | 5,738 | 6,473 | 5,738 | 6,012 |
| Net debt/adjusted EBITDA R12M, multiple[3] | 1.4 | 1.6 | 1.4 | 1.6 | 1.4 | 1.5 |
| Equity ratio | 60% | 61% | 60% | 61% | 60% | 60% |
| Average number of employees | 3,622 | 3,487 | 3,600 | 3,484 | 3,578 | 3,491 |
| Average number of employees including consultants | 4,122 | 4,037 | 4,118 | 4,107 | 4,105 | 4,096 |

For a list and definitions of financial and operational measurements, please refer to page 30.

1) Adjusted EBITDA and adjusted EBIT are alternative performance measures that are not defined under IFRS. See Note 2 for reconciliation and page 30 for definitions.
2) 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.
3) In the calculation of this APM, net debt and adjusted EBITDA are both measured excluding IFRS 16-related lease liabilities. See page 9 for comments.

**Free cash flow per share[4], 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 adjustments in EBIT are reported below to clarify performance in underlying operations. See Note 2 for more information.

| Net sales, SEKm | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 |
|---|---|---|---|---|---|---|---|---|---|
| Americas | 4,523 | 4,651 | 4,247 | 4,460 | 4,554 | 4,849 | 4,431 | 4,155 | 4,199 |
| EMEA | 1,751 | 1,786 | 1,551 | 1,610 | 1,641 | 1,838 | 1,668 | 1,572 | 1,542 |
| APAC | 991 | 1,095 | 995 | 971 | 955 | 1,043 | 949 | 888 | 918 |
| **Total** | **7,265** | **7,532** | **6,792** | **7,041** | **7,150** | **7,729** | **7,049** | **6,616** | **6,659** |

| Gross profit, SEKm | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 |
|---|---|---|---|---|---|---|---|---|---|
| Americas | 1,514 | 1,633 | 1,443 | 1,490 | 1,482 | 1,583 | 1,509 | 1,443 | 1,468 |
| EMEA | 564 | 504 | 504 | 505 | 536 | 574 | 518 | 516 | 499 |
| APAC | 355 | 390 | 364 | 391 | 388 | 425 | 380 | 363 | 351 |
| **Total** | **2,433** | **2,526** | **2,312** | **2,386** | **2,406** | **2,582** | **2,408** | **2,322** | **2,318** |

| Gross margin | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 |
|---|---|---|---|---|---|---|---|---|---|
| Americas | 33% | 35% | 34% | 33% | 33% | 33% | 34% | 35% | 35% |
| EMEA | 32% | 28% | 33% | 31% | 33% | 31% | 31% | 33% | 32% |
| APAC | 36% | 36% | 37% | 40% | 41% | 41% | 40% | 41% | 38% |
| **Total** | **33%** | **34%** | **34%** | **34%** | **34%** | **33%** | **34%** | **35%** | **35%** |

| EBITDA, SEKm | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 |
|---|---|---|---|---|---|---|---|---|---|
| EBITDA, total | 848 | 818 | 768 | 792 | 799 | 307 | 740 | 760 | 851 |
| EBITDA margin | 12% | 11% | 11% | 11% | 11% | 4% | 11% | 11% | 13% |
| Adjusted EBITDA, total | 943 | 996 | 794 | 867 | 923 | 1,003 | 889 | 869 | 915 |
| Adjusted EBITDA margin | 13% | 13% | 12% | 12% | 13% | 13% | 13% | 13% | 14% |
| Adjusted EBITDA/gross profit | 39% | 39% | 34% | 36% | 38% | 39% | 37% | 37% | 39% |

| EBITDA adjustments, SEKm (Note 2) | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 |
|---|---|---|---|---|---|---|---|---|---|
| Acquisition costs | -2 | -2 | -2 | -1 | -2 | -3 | -2 | -1 | -1 |
| Restructuring costs | -14 | 0 | -18 | -55 | -11 | -9 | -3 | -1 | -6 |
| Integration costs | -31 | -23 | -49 | -39 | -50 | -71 | -65 | -51 | -35 |
| Costs of share-based incentive programs | -29 | -52 | 0 | -14 | -27 | 4 | -9 | -17 | -11 |
| Operational foreign exchange gains/losses | -12 | -63 | 43 | 34 | -33 | 93 | -67 | -35 | -11 |
| Other adjustments | -9 | -37 | -1 | 0 | -1 | -711 | -3 | -4 | 0 |
| **Total EBITDA adjustments** | **-95** | **-178** | **-26** | **-75** | **-124** | **-696** | **-149** | **-109** | **-64** |
| Amortization of acquisition-related assets | -526 | -535 | -481 | -492 | -496 | -483 | -476 | -429 | -428 |
| Impairment of goodwill | - | - | - | - | -6,000 | - | - | - | - |
| **Total EBIT adjustments** | **-621** | **-713** | **-507** | **-568** | **-6,620** | **-1,179** | **-625** | **-538** | **-493** |

# July – September 2025

Organic growth is defined as growth in local currency and excluding acquisitions. No material acquisitions or disposals have been executed in the past 12 months. Accordingly, the differences between reported and organic growth for the third quarter are explained solely by exchange rate fluctuations.

**Net sales**

Net sales amounted to SEK 6,659m (7,150) and were unchanged on an organic YoY basis. Regionally, APAC made a positive contribution while Americas was unchanged and EMEA decreased. Net sales increased organically in the Applications and Network Connectivity product categories but decreased in API Platform. See Note 9.

Currency effects had a negative impact of 7 percent, corresponding to SEK -516m.

**Gross profit**

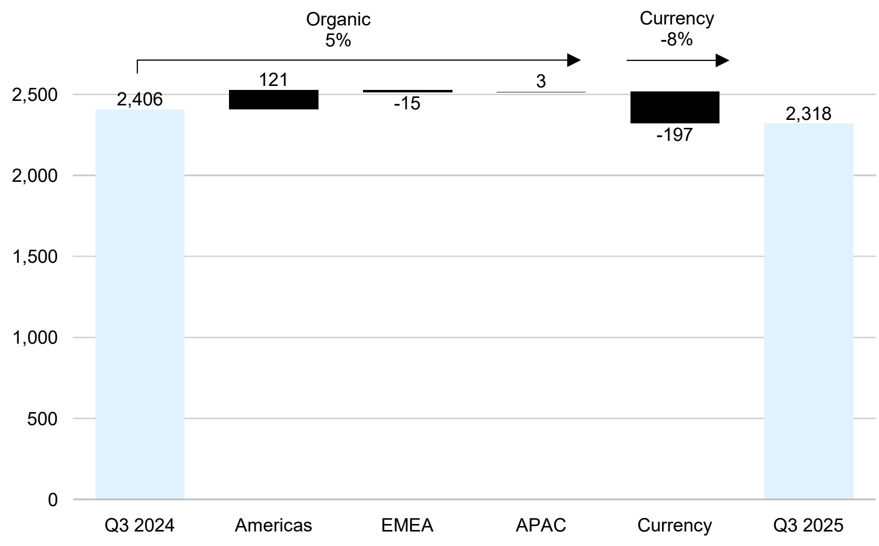
Gross profit was SEK 2,318m (2,406) and increased organically by 5 percent YoY. The Americas and APAC regions contributed to organic growth, while EMEA declined. All product categories; Applications, API Platform, and Network Connectivity, contributed to organic gross profit growth.

Stable net sales, a favorable product and market mix, and improved gross margins contributed to organic gross profit growth.

Currency effects had a negative impact of 8 percent, corresponding to SEK -197m.

The gross margin was 35 percent (34) for the quarter, with equal contributions from a favorable product mix and increased profitability on product level. The gross margin increased in Network Connectivity and was stable in the Applications and API Platform product categories. The gross margin increased in Americas but decreased in EMEA and APAC.

**Change in consolidated gross profit, Q3 2024 – Q3 2025**




Net sales for the quarter, SEK

6.7 billion

Gross margin

35%

Organic gross profit growth

5%

**Operating expenses (Opex)**

Opex amounted to SEK 1,467m (1,607), corresponding to an organic decrease by 1 percent YoY. Decreased integration costs and operational foreign exchange gains had positive impact on Opex and currency effects had a positive impact of 8 percent, corresponding to SEK 124m.

Adjusted Opex, defined as the difference between gross profit and adjusted EBITDA, amounted to SEK 1,403m (1,483). Currency effects had a positive impact of 8 percent, corresponding to SEK 120m. Adjusted Opex increased organically by 3 percent YoY.

**EBITDA**

Adjusted EBITDA amounted to SEK 915m (923). Currency effects had a negative impact of 8 percent, corresponding to SEK -77m. Adjusted EBITDA increased organically by 8 percent YoY.

The adjusted EBITDA margin was 14 percent (13), driven by gross profit growth, increased efficiency and tighter cost control.

Adjusted EBITDA was SEK 64m (124) higher than EBITDA for the quarter. The adjustments included operational foreign exchange losses of SEK -11m (-33), integration costs of SEK -35m (-50) and restructuring costs of SEK -6m (-11). See the quarterly summary and Note 2 for more information.

Adjusted EBITDA/gross profit was 39 percent (38) in Q3.

EBITDA was SEK 851m (799) and increased organically by 16 percent, while currency effects had a negative impact of 9 percent, corresponding to SEK -74m, which was driven by the overall strengthening of SEK and the effect was primarily driven by our exposure to USD.

The consolidated EBITDA margin was 13 percent (11).

**EBIT**

EBIT amounted to SEK 242m (-5,824). A goodwill impairment of SEK 6,000m attributable to the Applications product category had negative impact on EBIT in the comparison period.

Acquisition-related amortization and impairments reduced EBIT by SEK -428m (-6,496). The amortization refers mainly to 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 735m (795). See the quarterly summary and Note 2 for specifications.

**Other income and expense items**

Net financial expenses were SEK -69m (-139), including net interest expenses of SEK -66m (-114) and foreign exchange differences of SEK 8m (-17).

Net loss for the quarter amounted to SEK -10m (-6,095).

**Cash flow**

Cash flow before the change in working capital amounted to SEK 692m (692). Cash flow was reduced by tax paid of SEK -131m (-99) and net interest paid and received of SEK -61m (-117).

Cash flow from operating activities amounted to SEK 395m (437) and was increased by the change in working capital of SEK-296m (-255). Cash flow from changes in working capital for the quarter was affected by temporary variations in payment patterns, primarily involving one large customer, and increased payments to suppliers QoQ. Working capital is within normal variations and does not reflect any structural change.

Cash used in investing activities was SEK -149m (-141) and was affected by investments of SEK -152m (-143), consisting primarily of capitalized development expenditure of SEK -115m (-87).

Free cash flow amounted to SEK 244m (293) and the decrease was mainly due to the change in cash flow from operating activities. Cash conversion R12M was 38 percent, close to the guidance of 40-50 percent.

Adjusted EBITDA margin

14%

Adjusted EBIT, SEK

735 million

Cash flow from operating activities, SEK

395 million

Cash flow used in financing activities was SEK -358m (87) for the quarter, where the change in borrowings improved net cash by SEK 421m (108) and buybacks of treasury shares and purchases under an equity swap contract related to incentive programs, reduced cash flow by SEK -760m (0). Net cash flow for the quarter was SEK -111m (382).

**Employees**

At the end of the quarter, the Group employed 4,109 (4,041) people, including consultants. The average number of employees and consultants in Q3 was 4,122 (4,037). The average number of employees was 3,622 (3,487), of whom 33 (33) percent were women.

# January–September 2025

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

**Net sales**

Net sales amounted to SEK 20,324m (20,983). Net sales increased organically by 2 percent YoY. All regions and product categories contributed to organic growth. See Note 9.

The currency headwind was 5 percent, corresponding to SEK -1,085m.

**Gross profit**

Gross profit was SEK 7,048m (7,103). Gross profit increased organically by 4 percent YoY. Gross profit increased organically in all regions and all product categories. Higher net sales, a favorable product and market mix, and improved gross margins contributed to organic growth.

The currency headwind was 5 percent, corresponding to SEK -356m.

The gross margin was 35 percent (34) for the period. The gross margin was stable in EMEA and increased in Americas and APAC. The gross margin was stable in all product categories.

**Operating expenses (Opex)**

Opex amounted to SEK 4,697m (4,745), corresponding to organic growth of 4 percent YoY. The currency tailwind was 5 percent, corresponding to SEK 246m.

The majority of Opex is attributable to direct and indirect employee benefits. Expenses were mainly impacted by operational currency losses compared to the same period last year.

Adjusted Opex, defined as the difference between gross profit and adjusted EBITDA, amounted to SEK 4,375m (4,520). Adjusted Opex increased organically by 2 percent. The currency tailwind was 5 percent, corresponding to SEK 243m.

**EBITDA**

Adjusted EBITDA was SEK 2,673m (2,584) and increased organically by 8 percent YoY. The currency headwind was 4 percent, corresponding to SEK -114m.

Adjusted EBITDA was SEK 322m (225) higher than EBITDA for the period. The adjustments include integration costs of SEK -151m (-138), operational foreign exchange gains/losses of SEK -113m (44) and restructuring costs of SEK -11m (-84). See the quarterly summary and Note 2 for more information.

The adjusted EBITDA margin was 13 percent (12).

Adjusted EBITDA/gross profit was 38 percent (36) for the period.

EBITDA amounted to SEK 2,351m (2,359). EBITDA increased organically by 4 percent. The currency headwind was 5 percent, corresponding to SEK -111m.

The consolidated EBITDA margin was 12 percent (11).

**EBIT**

EBIT amounted to SEK 574m (-5,503). A goodwill impairment of SEK 6,000m attributable to the Applications product category had negative impact on EBIT in the comparison period.

Acquisition-related amortization reduced EBIT by SEK -1,334m (-7,469) The amortization refers mainly to 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 2,230m (2,191). See the quarterly summary and Note 2 for specifications.

Net sales for the period, SEK

20.3 billion

Gross margin

35%

**Other income and expense items**

Net financial expenses were SEK -329m (-399), including net interest expenses of SEK -207m (-371) and foreign exchange differences of SEK -107m (-8).

The Group's reported tax rate was 113 percent (-3). Group tax was impacted by a reduction of deferred tax assets amounting to SEK 180m. Excluding this reduction and acquisition-related amortizations impacting profit, the tax rate was 28 percent (33).

The net loss for the period was SEK -33m (-6,089).

**Cash flow**

Cash flow before change in working capital amounted to SEK 1,797m (1,717). Cash flow was reduced by tax paid of SEK -576m (-303) and net interest paid and received of SEK -210m (-378).

Cash flow from operating activities amounted to SEK 1,151m (2,039). The difference is mainly explained by a change in working capital of SEK -646m during the period, while cash flow from operating activities in the comparison period was improved by a total change in working capital of SEK 322m.

Working capital at the end of the period was within normal variations but has increased since January 1 mainly due to the previously communicated temporary increase in prepaid expenses related to a cost optimization agreement with one of our largest suppliers. The temporary increase in prepaid expenses that ensued in Q1 amounted to SEK 270m at the end of Q3.

Cash used in investing activities was SEK -485m (-421) and was affected by investments of SEK -488m (-418)m, consisting primarily of capitalized development expenditure of SEK -337m (-282).

Free cash flow amounted to SEK 663m (1,620) and the decrease consists mainly of changes in working capital. Cash flow during the same period last year was at a very high level. Cash conversion R12M was 38 percent, which is close to Sinch’s guidance of 40-50 percent.

Cash flow used in financing activities was SEK -1,078m (-1,467) for the quarter, where the change in borrowings reduced cash flow by SEK -243m (-1,388) and buybacks of treasury shares and purchases under an equity swap contract related to incentive programs reduced total cash flow by SEK -760m (0). Net cash flow for the period was SEK -413m (150).

**Liquidity and financial position**

Consolidated cash and cash equivalents as of September 30, 2025, amounted to SEK 592m (1,108).

Net debt amounted to SEK 5,738m (6,473) and includes IFRS 16-related lease liabilities of SEK 703m (813). 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, R12M). Excluding IFRS 16-related lease liabilities, net debt in relation to adjusted EBITDA R12M was 1.4x (1.6). This is a slight increase compared to the second quarter, primarily driven by the buybacks of shares during the third quarter.

Sinch’s credit facility agreement was extended and refinanced in Q3, on existing terms. The change involved a new maturity date and reduction in the size of the facility, which entails a decrease in annual financing costs.

As of September 30, Sinch had total available credit facilities of SEK 7,942m (11,123), of which the company had used SEK 3,702m (5,074). These consisted of:

- A used loan of USD 100m that matures in February 2027.
- Credit facilities of SEK 6,018m that mature in July 2028, of which SEK 2,638m had been used as of September 30, 2025.
- Bank overdraft facilities of SEK 882m (903), of which SEK 22m (0) had been used as of September 30, 2025.
- A money market loan of SEK 100m that matures in October, 2025.

In addition to these, there are senior unsecured bonds in the amount of SEK 500m (1,173) that will mature in September, 2027, and commercial paper of SEK 1,434m (513) that will mature in less than 12 months.

Financial liabilities decreased during the period by SEK -243m (-1,388). During the same period, the company's net debt decreased by SEK -274m (-1,514).

In total, Sinch had cash and cash equivalents of SEK 592m and unused loans, credit facilities, and overdraft facilities of SEK 4,240m as of September 30, 2025.

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

Equity as of September 30, 2025, amounted to SEK 24,524m (27,770), corresponding to an equity ratio of 60 percent (61).

**Share buyback and equity swap**

Supported by the mandate of the AGM held May 22, the Board of Directors announced on July 21 the decision to buy back shares corresponding to up to 10 percent of total shares outstanding in the company during the period prior to the 2026 AGM. The buyback is intended to adjust the company's capital and equity structure to further increase shareholder value. Sinch bought back 15,279,642 shares in Q3 for a total of SEK 519m within the framework of the previously communicated buyback program, which corresponds to 1.8 percent of total shares outstanding.

The total number of shares issued in Sinch is 844,935,967, of which the company now holds 15,279,642 treasury shares.

During the third quarter, Sinch entered into a share swap agreement with a third party, which in its own name acquires and transfers shares in Sinch to employees who participate in long-term incentive programs. The total number of shares purchased during the period amounts to 10,857,000 shares, with a value of SEK 329m.

**Employees**

The average number of employees and consultants during the period was 4,118 (4,107). The average number of employees was 3,600 (3,484), of whom 33 (32) percent were 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.

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **Americas, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Net sales | 4,199 | 4,554 | 12,785 | 13,260 | 17,634 | 18,109 |
| Gross profit | 1,468 | 1,482 | 4,420 | 4,415 | 6,003 | 5,998 |
| Gross margin | 35% | 33% | 35% | 33% | 34% | 33% |

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **Net sales by product category, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Applications | 284 | 305 | 863 | 848 | 1,216 | 1,201 |
| API Platform | 2,724 | 3,022 | 8,231 | 8,827 | 11,443 | 12,038 |
| Network Connectivity | 1,190 | 1,227 | 3,691 | 3,586 | 4,975 | 4,870 |
| **Total** | **4,199** | **4,554** | **12,785** | **13,260** | **17,634** | **18,109** |

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **Gross profit by product category, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Applications | 207 | 205 | 624 | 599 | 865 | 840 |
| API Platform | 798 | 863 | 2,477 | 2,567 | 3,369 | 3,459 |
| Network Connectivity | 462 | 413 | 1,320 | 1,249 | 1,770 | 1,699 |
| **Total** | **1,468** | **1,482** | **4,420** | **4,415** | **6,003** | **5,998** |

**Events**

- A leading player in artificial intelligence signed a contract with Sinch to manage its global email communications.
- A major American retail chain expanded its partnership with Sinch through an upselling agreement for messaging services.
- Sinch reached full RCS coverage among all American Tier 1 carriers, further strengthening the company's market-leading position and making it possible for brands to reach over 75 percent of U.S. handsets with verified and interactive messaging.

**Net sales**

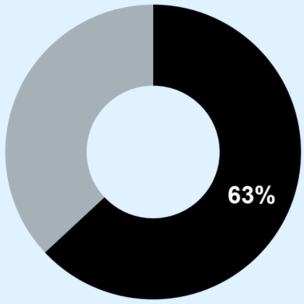
Net sales amounted to SEK 4,199m (4,554). Adjusted for currency effects, net sales were unchanged on organic basis. The currency headwind was 8 percent, corresponding to SEK -343m.

**Gross profit**

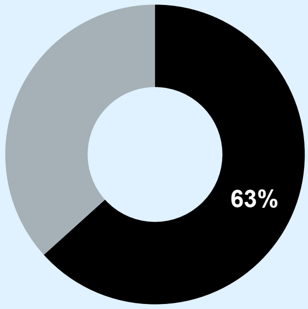
Gross profit was SEK 1,468m (1,482). Gross profit increased organically by 8 percent. The organic growth in gross profit was driven by all product categories. Network Connectivity delivered particularly strong organic growth during the quarter due to persistent margin improvements. The solid underlying growth in the API platform driven by a broader and expanding customer base, was partly offset by competitive pressure among a few large customers in the installed base, which held back overall growth. The currency headwind was 9 percent, corresponding to SEK -135m.

The gross margin increased to 35 percent (33), driven by underlying profitability at the product level in API Platform and Network Connectivity.

Share of net sales




Share of gross profit



# EMEA

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

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **EMEA, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Net sales | 1,542 | 1,641 | 4,783 | 4,802 | 6,621 | 6,640 |
| Gross profit | 499 | 536 | 1,533 | 1,546 | 2,107 | 2,119 |
| Gross margin | 32% | 33% | 32% | 32% | 32% | 32% |

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **Net sales by product category, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Applications | 221 | 228 | 687 | 676 | 941 | 930 |
| API Platform | 1,176 | 1,260 | 3,682 | 3,666 | 5,102 | 5,086 |
| Network Connectivity | 145 | 153 | 413 | 459 | 579 | 624 |
| **Total** | **1,542** | **1,641** | **4,783** | **4,802** | **6,621** | **6,640** |

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **Gross profit by product category, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Applications | 158 | 160 | 478 | 467 | 649 | 638 |
| API Platform | 275 | 310 | 871 | 885 | 1,196 | 1,210 |
| Network Connectivity | 66 | 66 | 184 | 194 | 261 | 271 |
| **Total** | **499** | **536** | **1,533** | **1,546** | **2,107** | **2,119** |

**Events**

- Sinch entered a partnership with a leading AI company that entails integration of Sinch email and messaging services into their platform.
- Agreement signed with a leading e-commerce platform in the Benelux for Chatlayer, Sinch's platform for conversational AI that enables companies to automate and improve customer dialogues through, for example, chatbots and voice assistants.
- Sinch continued to drive the RCS transformation through Sinch RCS Tech Talks in partnership with Google in London, Stockholm, and Munich.
- Customer relationships were reinforced through the Sinch Awards in Paris and participation in the industry event Google Roadshow in Paris.

**Net sales**

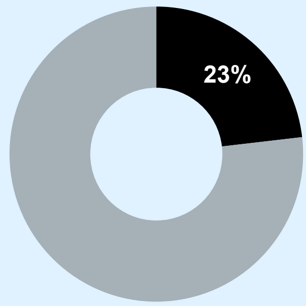
Net sales amounted to SEK 1,542m (1,641) and decreased organically by 2 percent year-on-year. The currency headwind was 4 percent, corresponding to SEK -72m.

**Gross profit**

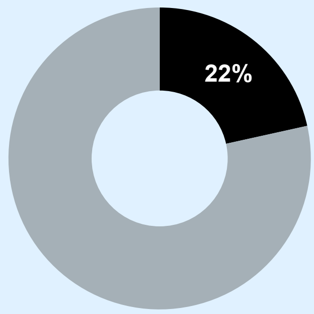
Gross profit was SEK 499m (536), corresponding to an organic decrease of 3 percent year-on-year. Applications and Network Connectivity continued to grow. The underlying core messaging business in API platform also delivered solid growth, however the region was impacted by our reduced focus on fixed-price contracts with operators. The currency headwind was 4 percent, corresponding to SEK -22m.

The gross margin was 32 percent (33) for the quarter which was negatively impacted by lower profitability in certain products, mainly in API platform. This was mostly offset by a favorable change in product and customer mix.

Share of net sales




Share of gross profit



# APAC

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

| APAC, SEKm | Q3 2025 | Q3 2024 | Jan-Sep 2025 | Jan-Sep 2024 | R12M | 2024 |
|---|---|---|---|---|---|---|
| Net sales | 918 | 955 | 2,755 | 2,920 | 3,798 | 3,963 |
| Gross profit | 351 | 388 | 1,094 | 1,142 | 1,519 | 1,568 |
| Gross margin | 38% | 41% | 40% | 39% | 40% | 40% |

| Net sales by product category, SEKm | Q3 2025 | Q3 2024 | Jan-Sep 2025 | Jan-Sep 2024 | R12M | 2024 |
|---|---|---|---|---|---|---|
| Applications | 281 | 299 | 853 | 895 | 1,181 | 1,223 |
| API Platform | 613 | 628 | 1,829 | 1,948 | 2,514 | 2,633 |
| Network Connectivity | 24 | 28 | 74 | 77 | 103 | 106 |
| **Total** | **918** | **955** | **2,755** | **2,920** | **3,798** | **3,963** |

| Gross profit by product category, SEKm | Q3 2025 | Q3 2024 | Jan-Sep 2025 | Jan-Sep 2024 | R12M | 2024 |
|---|---|---|---|---|---|---|
| Applications | 164 | 189 | 512 | 558 | 716 | 762 |
| API Platform | 182 | 195 | 567 | 563 | 780 | 775 |
| Network Connectivity | 5 | 3 | 15 | 22 | 23 | 30 |
| **Total** | **351** | **388** | **1,094** | **1,142** | **1,519** | **1,568** |

**Events**

- Key customer agreements extended with a global e-commerce company for email services and with a global bank for messaging services.
- Sinch carried out targeted marketing activities including joint events with Apparel 21 and the iMedia Future of Marketing Summit, as well as multiple initiatives aimed at reinforcing Sinch's expert position.

**Net sales**

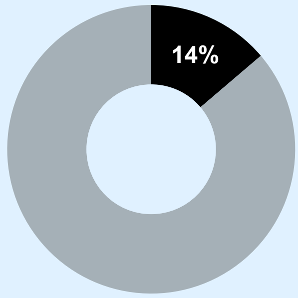
Net sales amounted to SEK 918m (955) and increased organically by 7 percent year-on-year. The currency headwind was 11 percent, corresponding to SEK -100m.

**Gross profit**

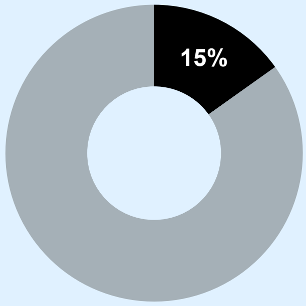
Gross profit was SEK 351m (388) and increased organically by 1 percent. Organic gross profit growth was mainly driven by the API Platform product category, with several new large customers in core messaging. Also, within API platform, the India core messaging business stabilized sequentially but weakened year over year due to gross margin pressure. Within Applications, increased competition, particularly in Australia, as well as lower gross margins had a negative impact. The currency headwind was 10 percent, corresponding to SEK -40m.

The gross margin was 38 percent (41) for the quarter. The gross margin was negatively impacted by lower profitability at the product level within Applications and API Platform.

Share of net sales




Share of gross profit



# Consolidated income statement

| | | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|---|
| **SEKm** | **Note** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Net sales | 9 | 6,659 | 7,150 | 20,324 | 20,983 | 28,053 | 28,712 |
| Other operating income | | 52 | 75 | 242 | 287 | 447 | 492 |
| Work performed by the entity and capitalized | | 115 | 87 | 337 | 282 | 437 | 381 |
| Cost of services sold | | -4,341 | -4,744 | -13,276 | -13,879 | -18,424 | -19,026 |
| Other external expenses | | -539 | -575 | -1,719 | -1,718 | -3,154 | -3,152 |
| Employee benefits expenses | | -1,033 | -1,087 | -3,207 | -3,355 | -4,235 | -4,383 |
| Other operating expenses | | -62 | -109 | -350 | -241 | -467 | -358 |
| **EBITDA** | | **851** | **799** | **2,351** | **2,359** | **2,657** | **2,665** |
| Depreciation / amortization and impairment | 5 | -609 | -6,623 | -1,776 | -7,862 | -2,387 | -8,473 |
| **EBIT** | | **242** | **-5,824** | **574** | **-5,503** | **270** | **-5,807** |
| Financial income | | 302 | 937 | 1,675 | 2,022 | 1,941 | 2,288 |
| Financial expenses | | -371 | -1,076 | -2,005 | -2,421 | -2,299 | -2,715 |
| **Profit or loss before tax** | | **173** | **-5,963** | **245** | **-5,902** | **-89** | **-6,235** |
| Current tax | | 100 | -193 | -322 | -358 | -461 | -497 |
| Deferred tax | | -283 | 61 | 44 | 171 | 193 | 319 |
| **Profit or loss for the period** | | **-10** | **-6,095** | **-33** | **-6,089** | **-357** | **-6,413** |
| **Attributable to:** | | | | | | | |
| Owners of the parent | | -10 | -6,094 | -33 | -6,089 | -357 | -6,413 |
| Non-controlling interests | | 0 | 0 | 0 | 0 | 0 | 0 |

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **Earnings per share, SEK** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Basic | -0.01 | -7.22 | -0.04 | -7.22 | -0.42 | -7.60 |
| Diluted[1] | -0.01 | -7.22 | -0.04 | -7.22 | -0.42 | -7.60 |

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.

# Consolidated statement of comprehensive income

| | | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|---|
| **SEKm** | **Note** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| **Profit or loss for the period** | | **-10** | **-6,095** | **-33** | **-6,089** | **-357** | **-6,413** |
| **Other comprehensive income** | | | | | | | |
| **Items that may subsequently be reclassified to profit or loss for the period** | | | | | | | |
| Translation differences | | -220 | -1,135 | -3,178 | 162 | -1,865 | 1,476 |
| FX changes on increased net investments | | -31 | -219 | -637 | -33 | -301 | 303 |
| Hedge accounting net investment | 12 | 31 | - | 22 | - | 22 | - |
| Tax effect on items in other comprehensive income | | 0 | 45 | 127 | 7 | 59 | -61 |
| **Other comprehensive income or loss for the period** | | **-220** | **-1,309** | **-3,667** | **136** | **-2,085** | **1,718** |
| **Comprehensive income or loss for the period** | | **-231** | **-7,404** | **-3,700** | **-5,954** | **-2,441** | **-4,695** |
| **Attributable to:** | | | | | | | |
| Owners of the parent | | -231 | -7,404 | -3,699 | -5,953 | -2,441 | -4,695 |
| Non-controlling interests | | 0 | 0 | 0 | -1 | 0 | 0 |

# Consolidated statement of financial position

| | | Sep 30 | | Dec 31 |
|---|---|---|---|---|
| **SEKm** | **Note** | **2025** | **2024** | **2024** |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Goodwill | | 18,030 | 19,207 | 20,343 |
| Customer relationships | | 10,266 | 12,246 | 12,736 |
| Operator relationships | | 109 | 150 | 147 |
| Proprietary software | | 3,820 | 4,453 | 4,631 |
| Other intangible assets | | 258 | 327 | 336 |
| Property, plant and equipment | | 903 | 931 | 1,041 |
| Right-of-use-asset | | 598 | 719 | 715 |
| Financial assets | | 33 | 38 | 35 |
| Other non-current receivables | | 42 | 45 | 53 |
| Deferred tax assets | | 1,083 | 1,158 | 1,273 |
| **Total non-current assets** | | **35,142** | **39,273** | **41,311** |
| **Current assets** | | | | |
| Accounts receivable | 6 | 4,108 | 4,182 | 4,503 |
| Tax assets | | 323 | 286 | 214 |
| Other current receivables | | 251 | 264 | 262 |
| Prepaid expenses and accrued income | 7 | 682 | 508 | 630 |
| Cash and cash equivalents | | 592 | 1,108 | 1,083 |
| **Total current assets** | | **5,956** | **6,348** | **6,692** |
| **TOTAL ASSETS** | | **41,098** | **45,621** | **48,004** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Share capital | | 8 | 8 | 8 |
| Other capital contributions | | 31,637 | 32,442 | 32,439 |
| Reserves | | 2,345 | 4,430 | 6,012 |
| Retained earnings including profit for the year | | -9,467 | -9,111 | -9,435 |
| **Equity attributable to owners of the parent** | 4 | **24,524** | **27,770** | **29,025** |
| Non-controlling interests | | 0 | 0 | 1 |
| **Total equity** | | **24,524** | **27,770** | **29,025** |
| **Non-current liabilities** | | | | |
| Deferred tax liability | | 4,206 | 4,834 | 5,075 |
| Provisions | 8 | 532 | 56 | 348 |
| Non-current liabilities, interest-bearing | | 3,691 | 3,336 | 3,459 |
| Non-current liabilities, non-interest-bearing | | 16 | 21 | 22 |
| **Total non-current liabilities** | | **8,445** | **8,247** | **8,904** |
| **Current liabilities** | | | | |
| Provisions | 8 | 215 | - | 390 |
| Contract liabilities/Advance payments from customers | | 313 | 314 | 340 |
| Accounts payable | | 1,097 | 1,418 | 1,821 |
| Tax liability | | 96 | 139 | 241 |
| Other current liabilities, interest-bearing | | 2,640 | 4,245 | 3,636 |
| Other non interest bearing current liabilities | | 357 | 220 | 293 |
| Accrued expenses and prepaid income | | 3,412 | 3,268 | 3,353 |
| **Total current liabilities** | | **8,129** | **9,604** | **10,075** |
| **TOTAL EQUITY AND LIABILITIES** | | **41,098** | **45,621** | **48,004** |
| **Financial instruments measured at fair value** | | | | |
| Derivative instruments with positive value | | 17 | 12 | - |
| Derivative instruments with negative value | | 21 | - | 17 |

# Consolidated statement of changes in equity

| | Attributable to owners of the parent | | | | | | |
|---|---|---|---|---|---|---|---|
| SEKm | Share capital | Other capital contributions | Reserves | Retained earnings | Total | Non-controlling interests | Total equity |
| **Opening balance Jan 1, 2024** | **8** | **32,382** | **4,294** | **-3,022** | **33,663** | **1** | **33,663** |
| Profit or loss for the period | | | | -6,089 | **-6,089** | 0 | **-6,089** |
| Other comprehensive income | | | 136 | | **136** | 0 | **136** |
| Issued warrants | | 3 | | | **3** | | **3** |
| Share-based payments, net of tax | | 41 | | | **41** | | **41** |
| Shares issued for warrants | 0 | 18 | | | **18** | | **18** |
| Issue expenses, net of tax | | -1 | | | **-1** | | **-1** |
| **Closing balance Sep 30, 2024** | **8** | **32,442** | **4,430** | **-9,111** | **27,770** | **0** | **27,770** |
| | | | | | | | |
| **Opening balance Jan 1, 2025** | **8** | **32,439** | **6,012** | **-9,435** | **29,025** | **1** | **29,025** |
| Profit or loss for the period | | | | -33 | **-33** | 0 | **-33** |
| Other comprehensive income | | | -3,667 | | **-3,667** | 0 | **-3,667** |
| Issued warrants | | 3 | | | **3** | | **3** |
| Share-based payments, net of tax | | 37 | | | **37** | | **37** |
| Shares issued for warrants | 0 | 7 | | | **7** | | **7** |
| Repurchase of own shares | | -519 | | | **-519** | | **-519** |
| Equity swap | | -329 | | | **-329** | | **-329** |
| Issue expenses, net of tax | | -1 | | | **-1** | | **-1** |
| **Closing balance Sep 30, 2025** | **8** | **31,637** | **2,345** | **-9,467** | **24,524** | **0** | **24,524** |

# Consolidated statement of cash flow

| | | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|---|
| **SEKm** | **Note** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Profit or loss before tax | | 173 | -5,963 | 245 | -5,902 | -89 | -6,235 |
| Adjustment for non-cash items¹ | | 650 | 6,754 | 2,128 | 7,922 | 3,119 | 8,914 |
| Income tax paid | | -131 | -99 | -576 | -303 | -621 | -348 |
| **Cash flow before changes in working capital** | | **692** | **692** | **1,797** | **1,717** | **2,410** | **2,330** |
| Change in working capital | | -296 | -255 | -646 | 322 | -354 | 614 |
| **Cash flow from operating activities** | | **395** | **437** | **1,151** | **2,039** | **2,055** | **2,944** |
| Investments in property, plant and equipment and intangible assets | | -152 | -143 | -488 | -418 | -658 | -589 |
| Change in financial receivables | | 2 | 2 | 3 | -3 | -10 | -16 |
| Acquisition of Group companies | | - | - | - | - | 0 | 0 |
| **Cash flow from (-used in) investing activities** | | **-149** | **-141** | **-485** | **-421** | **-668** | **-604** |
| Change in borrowings | | 421 | 108 | -243 | -1,388 | -988 | -2,133 |
| Amortization lease liability | | -24 | -31 | -82 | -98 | -110 | -126 |
| Warrants/Employee Stock Options | 4 | 5 | 10 | 6 | 19 | 11 | 25 |
| Repurchase own shares and equity swap | 4 | -760 | - | -760 | - | -760 | - |
| **Cash flow from (-used in) financing activities** | | **-358** | **87** | **-1,078** | **-1,467** | **-1,846** | **-2,234** |
| **Cash flow for the period** | | **-111** | **382** | **-413** | **150** | **-458** | **105** |
| Opening balance cash and cash equivalents for the period | | 717 | 734 | 1,083 | 1,012 | 1,108 | 1,012 |
| Exchange rate differences in cash and cash equivalents | | -14 | -9 | -78 | -55 | -57 | -34 |
| **Closing balance cash and cash equivalents for the period** | | **592** | **1,108** | **592** | **1,108** | **592** | **1,083** |
| **Additional cash flow disclosures** | | | | | | | |
| Interest paid² | | -79 | -133 | -268 | -423 | -390 | -545 |
| Interest received² | | 18 | 17 | 58 | 45 | 77 | 64 |
| Free cash flow | | 244 | 293 | 663 | 1,620 | 1,397 | 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

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **Sinch Group, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| **Share information** | | | | | | |
| Basic earnings per share, SEK | -0.01 | -7.22 | -0.04 | -7.22 | -0.42 | -7.60 |
| Diluted earnings per share, SEK[1] | -0.01 | -7.22 | -0.04 | -7.22 | -0.42 | -7.60 |
| Basic weighted average number of shares | 833,258,364 | 844,127,485 | 840,760,802 | 843,721,625 | 841,683,593 | 843,897,644 |
| Diluted weighted average number of shares[2] | 833,258,364 | 844,127,485 | 840,760,802 | 843,721,625 | 841,683,593 | 843,897,644 |
| Total number of shares outstanding at the end of the period | 818,799,325 | 844,183,424 | 818,799,325 | 844,183,424 | 818,799,325 | 844,506,034 |
| **Financial position** | | | | | | |
| Equity attributable to owners of the parent | 24,524 | 27,770 | 24,524 | 27,770 | 24,524 | 29,025 |
| Equity ratio | 60% | 61% | 60% | 61% | 60% | 60% |
| Investments in property, plant and equipment and intangible assets | -152 | -143 | -488 | -418 | -658 | -589 |
| Cash and cash equivalents | 592 | 1,108 | 592 | 1,108 | 592 | 1,083 |
| Net debt (+) / Net cash (-) | 5,738 | 6,473 | 5,738 | 6,473 | 5,738 | 6,012 |
| Net debt/adjusted EBITDA R12M, multiple | 1.4 | 1.6 | 1.4 | 1.6 | 1.4 | 1.5 |
| EBIT margin | 4% | -81% | 3% | -26% | 1% | -20% |
| EBITDA margin | 13% | 11% | 12% | 11% | 9% | 9% |
| **Employee information** | | | | | | |
| Average number of employees | 3,622 | 3,487 | 3,600 | 3,484 | 3,578 | 3,491 |
| Average number of employees, women | 1,203 | 1,152 | 1,205 | 1,131 | 1,197 | 1,141 |
| Percentage female | 33% | 33% | 33% | 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 4,362,877 (3,832,239) 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.

| Q3 2025, SEKm | Americas | EMEA | APAC | Other | Group |
|---|---|---|---|---|---|
| **Net sales** | **4,199** | **1,542** | **918** | **-** | **6,659** |
| Cost of services sold | -2,731 | -1,043 | -566 | - | -4,341 |
| **Gross profit** | **1,468** | **499** | **351** | **-** | **2,318** |
| Opex | - | - | - | -1,467 | -1,467 |
| **EBITDA** | - | - | - | **851** | **851** |
| *EBITDA adjustments* | - | - | - | *64* | *64* |
| ***Adjusted EBITDA*** | - | - | - | ***915*** | ***915*** |
| Depreciation / amortization and impairment | - | - | - | - | -609 |
| **EBIT** | - | - | - | - | **242** |
| Net finance income or expense | - | - | - | - | -69 |
| **Profit or loss before tax** | - | - | - | - | **173** |

| Q3 2024, SEKm | Americas | EMEA | APAC | Other | Group |
|---|---|---|---|---|---|
| **Net sales** | **4,554** | **1,641** | **955** | **-** | **7,150** |
| Cost of services sold | -3,072 | -1,105 | -567 | - | -4,744 |
| **Gross profit** | **1,482** | **536** | **388** | **-** | **2,406** |
| Opex | - | - | - | -1,607 | -1,607 |
| **EBITDA** | - | - | - | **799** | **799** |
| *EBITDA adjustments* | - | - | - | *124* | *124* |
| ***Adjusted EBITDA*** | - | - | - | ***923*** | ***923*** |
| Depreciation / amortization and impairment | - | - | - | - | -6,623 |
| **EBIT** | - | - | - | - | **-5,824** |
| Net finance income or expense | - | - | - | - | -139 |
| **Profit or loss before tax** | - | - | - | - | **-5,963** |

| Jan-Sep 2025, SEKm | Americas | EMEA | APAC | Other | Group |
|---|---|---|---|---|---|
| **Net sales** | **12,785** | **4,783** | **2,755** | **-** | **20,324** |
| Cost of services sold | -8,365 | -3,250 | -1,662 | - | -13,276 |
| **Gross profit** | **4,420** | **1,533** | **1,094** | **-** | **7,048** |
| Opex | - | - | - | -4,697 | -4,697 |
| **EBITDA** | - | - | - | **2,351** | **2,351** |
| *EBITDA adjustments* | - | - | - | *322* | *322* |
| ***Adjusted EBITDA*** | - | - | - | ***2,673*** | ***2,673*** |
| Depreciation / amortization and impairment | - | - | - | - | -1,776 |
| **EBIT** | - | - | - | - | **574** |
| Net finance income or expense | - | - | - | - | -329 |
| **Profit or loss before tax** | - | - | - | - | **245** |

| Jan-Sep 2024, SEKm | Americas | EMEA | APAC | Other | Group |
|---|---|---|---|---|---|
| **Net sales** | **13,260** | **4,802** | **2,920** | **-** | **20,983** |
| Cost of services sold | -8,845 | -3,256 | -1,778 | - | -13,879 |
| **Gross profit** | **4,415** | **1,546** | **1,142** | **-** | **7,103** |
| Opex | - | - | - | -4,745 | -4,745 |
| **EBITDA** | - | - | - | **2,359** | **2,359** |
| *EBITDA adjustments* | - | - | - | *225* | *225* |
| ***Adjusted EBITDA*** | - | - | - | ***2,584*** | ***2,584*** |
| Depreciation / amortization and impairment | - | - | - | - | -7,862 |
| **EBIT** | - | - | - | - | **-5,503** |
| Net finance income or expense | - | - | - | - | -399 |
| **Profit or loss before tax** | - | - | - | - | **-5,902** |

| R12M, SEKm | Americas | EMEA | APAC | Other | Group |
|---|---|---|---|---|---|
| **Net sales** | **17,634** | **6,621** | **3,798** | **-** | **28,053** |
| Cost of services sold | -11,630 | -4,514 | -2,279 | - | -18,424 |
| **Gross profit** | **6,003** | **2,107** | **1,519** | **-** | **9,629** |
| Opex | - | - | - | -6,972 | -6,972 |
| **EBITDA** | - | - | - | **2,657** | **2,657** |
| *EBITDA adjustments* | - | - | - | *1,018* | *1,018* |
| ***Adjusted EBITDA*** | - | - | - | ***3,675*** | ***3,675*** |
| Depreciation / amortization and impairment | - | - | - | - | -2,387 |
| **EBIT** | - | - | - | - | **270** |
| Net finance income or expense | - | - | - | - | -359 |
| **Profit or loss before tax** | - | - | - | - | **-89** |

| 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

**Q3 2025, SEKm**

| Net sales by product category | Americas | EMEA | APAC | Group |
|---|---|---|---|---|
| Applications | 284 | 221 | 281 | 786 |
| API Platform | 2,724 | 1,176 | 613 | 4,513 |
| Network Connectivity | 1,190 | 145 | 24 | 1,360 |
| **Total** | **4,199** | **1,542** | **918** | **6,659** |

| Net sales allocation per point in time | | | | |
|---|---|---|---|---|
| Over time | 2,122 | 238 | 58 | 2,418 |
| At one point in time | 2,077 | 1,304 | 860 | 4,241 |
| **Total** | **4,199** | **1,542** | **918** | **6,659** |

**Q3 2024, SEKm**

| Net sales by product category | Americas | EMEA | APAC | Group |
|---|---|---|---|---|
| Applications | 305 | 228 | 299 | 832 |
| API Platform | 3,022 | 1,260 | 628 | 4,910 |
| Network Connectivity | 1,227 | 153 | 28 | 1,408 |
| **Total** | **4,554** | **1,641** | **955** | **7,150** |

| Net sales allocation per point in time | | | | |
|---|---|---|---|---|
| Over time | 2,219 | 239 | 49 | 2,508 |
| At one point in time | 2,335 | 1,401 | 905 | 4,642 |
| **Total** | **4,554** | **1,641** | **955** | **7,150** |

**Jan-Sep 2025, SEKm**

| Net sales by product category | Americas | EMEA | APAC | Group |
|---|---|---|---|---|
| Applications | 863 | 687 | 853 | 2,403 |
| API Platform | 8,231 | 3,682 | 1,829 | 13,742 |
| Network Connectivity | 3,691 | 413 | 74 | 4,178 |
| **Total** | **12,785** | **4,783** | **2,755** | **20,324** |

| Net sales allocation per point in time | | | | |
|---|---|---|---|---|
| Over time | 6,476 | 726 | 190 | 7,391 |
| At one point in time | 6,310 | 4,058 | 2,566 | 12,933 |
| **Total** | **12,785** | **4,783** | **2,755** | **20,324** |

**Jan-Sep 2024, SEKm**

| Net sales by product category | Americas | EMEA | APAC | Group |
|---|---|---|---|---|
| Applications | 848 | 676 | 895 | 2,419 |
| API Platform | 8,827 | 3,666 | 1,948 | 14,441 |
| Network Connectivity | 3,586 | 459 | 77 | 4,122 |
| **Total** | **13,260** | **4,802** | **2,920** | **20,983** |

| Net sales allocation per point in time | | | | |
|---|---|---|---|---|
| Over time | 6,597 | 707 | 190 | 7,494 |
| At one point in time | 6,663 | 4,095 | 2,731 | 13,488 |
| **Total** | **13,260** | **4,802** | **2,920** | **20,983** |

**R12M, SEKm**

| Net sales by product category | Americas | EMEA | APAC | Group |
|---|---|---|---|---|
| Applications | 1,216 | 941 | 1,181 | 3,337 |
| API Platform | 11,443 | 5,102 | 2,514 | 19,059 |
| Network Connectivity | 4,975 | 579 | 103 | 5,657 |
| **Total** | **17,634** | **6,621** | **3,798** | **28,053** |

| Net sales allocation per point in time | | | | |
|---|---|---|---|---|
| Over time | 8,769 | 990 | 271 | 10,030 |
| At one point in time | 8,865 | 5,631 | 3,527 | 18,023 |
| **Total** | **17,634** | **6,621** | **3,798** | **28,053** |

**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 1 (4) 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

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Net sales | 205 | 155 | 503 | 454 | 645 | 595 |
| Other operating income | 1 | 4 | 7 | 12 | 14 | 19 |
| **Operating expenses** | | | | | | |
| Other external expenses | -238 | -134 | -577 | -401 | -928 | -752 |
| Employee benefits expenses | -8 | -13 | -32 | -31 | -33 | -32 |
| Depreciation / amortization and impairment | 0 | -1 | -2 | -2 | -2 | -3 |
| Other operating expenses | -1 | -5 | -15 | -11 | -16 | -12 |
| **EBIT** | **-41** | **6** | **-115** | **21** | **-322** | **-186** |
| Interest income and similar profit items | 352 | 883 | 1,903 | 2,394 | 2,506 | 2,998 |
| Interest expenses and similar loss items | -346 | -983 | -2,110 | -2,445 | -2,591 | -2,926 |
| **Profit after financial items** | **-35** | **-94** | **-322** | **-30** | **-406** | **-114** |
| Appropriations | - | - | - | - | 184 | 184 |
| **Profit or loss before tax** | **-35** | **-94** | **-322** | **-30** | **-222** | **70** |
| Tax on profit for the period | 9 | 19 | 67 | 6 | 22 | -40 |
| **Profit or loss for the period** | **-26** | **-74** | **-254** | **-24** | **-201** | **30** |

# Parent company balance sheet

| | Sep 30 | | Dec 31 |
|---|---|---|---|
| **SEKm** | **2025** | **2024** | **2024** |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible assets | 0 | 2 | 2 |
| Property, plant and equipment | 0 | 0 | 0 |
| Investments in group companies | 16,173 | 16,173 | 16,173 |
| Non-current receivables, Group companies | 1,224 | 5,321 | 5,749 |
| Other long-term receivables | - | 1 | 1 |
| **Total financial assets** | **17,397** | **21,494** | **21,923** |
| Deferred tax assets | 75 | - | 3 |
| **Total non-current assets** | **17,472** | **21,497** | **21,928** |
| **Current assets** | | | |
| Receivables from Group companies | 23,855 | 20,682 | 20,872 |
| Tax assets | 76 | 88 | 51 |
| Other current receivables | 25 | 27 | 61 |
| Prepaid expenses and accrued income | 31 | 89 | 21 |
| Cash and bank balances | 8 | 261 | 28 |
| **Total current assets** | **23,995** | **21,147** | **21,034** |
| **TOTAL ASSETS** | **41,467** | **42,644** | **42,962** |
| **EQUITY AND LIABILITIES** | | | |
| Share capital | 8 | 8 | 8 |
| **Total restricted equity** | **8** | **8** | **8** |
| Share premium reserve | 33,379 | 34,204 | 34,210 |
| Retained earnings | -3,936 | -3,964 | -3,965 |
| Profit or loss for the period | -254 | -24 | 30 |
| **Total non-restricted equity** | **29,188** | **30,216** | **30,275** |
| **Total equity** | **29,196** | **30,224** | **30,283** |
| Untaxed reserves | 85 | 94 | 85 |
| Deferred tax liability | - | 2 | - |
| **Total untaxed reserves and provisions** | **85** | **97** | **85** |
| **Non-current liabilities** | | | |
| Liabilities to credit institutions | 3,061 | 2,595 | 2,703 |
| **Total non-current liabilities** | **3,061** | **2,595** | **2,703** |
| **Current liabilities** | | | |
| Accounts payable | 2 | 5 | 15 |
| Tax liability | 8 | - | 11 |
| Liabilities to Group companies | 6,450 | 5,525 | 6,278 |
| Liabilities to credit institutions | 2,543 | 4,148 | 3,532 |
| Other current liabilities | 89 | 2 | 19 |
| Accrued expenses and prepaid income | 31 | 48 | 35 |
| **Total current liabilities** | **9,124** | **9,727** | **9,890** |
| **TOTAL EQUITY AND LIABILITIES** | **41,467** | **42,644** | **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 in 2025**

The new or amended IFRS standards applicable in 2025 and later have had no material impact on Sinch 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 IFRS 18 and IFRS 19 have not yet 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 now 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.

**Hedging of currency risk in foreign net investments**

In Q2 2025, net investments in foreign subsidiaries were partially hedged by means of derivative instruments and foreign currency loans that are translated to the closing rate on the reporting date. Exchange rate differences arising from financial instruments used as hedging instruments in a hedge of net investments in foreign subsidiaries are recognized, to the extent the hedge is effective, in other comprehensive income and accumulated in the translation reserve in equity. When a subsidiary is sold, the cumulative value change related to the sold business and to the financial instruments used to currency hedge the net assets is moved from the translation reserve in equity to profit or loss for the year.

**Share buyback**

Based by the mandate of the AGM held May 22, 2025, the Board of Directors of Sinch AB announced its decision to buy back shares equal to up to 10 percent of total shares outstanding in the company. Upon buyback of treasury shares, equity is reduced by the consideration paid including any transaction costs.

**Share-based payments**

Sinch entered into an equity swap contract in Q3 to meet its future commitment to offer up to 12.8 million shares to participants in LTI 2025, provided vesting conditions are met. The employee incentive program is secured through an agreement to buy back own shares (total return swap). The contract with a third party entails the parent company to buy its own equity instruments (treasury shares) at a predetermined price. The equity swap contract is thus classified as an equity instrument, and the corresponding amount is accounted for as a reduction in equity. The outcome upon sale is not recognized in the income statement, but rather as a change in equity. Interest paid under the equity swap contract is recognized as a financial expense on the income statement.

# 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

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **EBITDA adjustments, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Acquisition costs | -1 | -2 | -4 | -4 | -7 | -7 |
| Restructuring costs | -6 | -11 | -11 | -84 | -19 | -93 |
| Integration costs | -35 | -50 | -151 | -138 | -222 | -209 |
| Costs of share-based incentive programs | -11 | -27 | -37 | -41 | -33 | -37 |
| Operational foreign exchange gains/losses | -11 | -33 | -113 | 44 | -20 | 137 |
| Other adjustments | 0 | -1 | -6 | -2 | -717 | -713 |
| **Total EBITDA adjustments** | **-64** | **-124** | **-322** | **-225** | **-1,018** | **-921** |
| Amortization of acquisition-related assets | -428 | -496 | -1,334 | -1,469 | -1,817 | -1,952 |
| Impairment of goodwill | - | -6,000 | - | -6,000 | - | -6,000 |
| **Total EBIT adjustments** | **-493** | **-6,620** | **-1,656** | **-7,694** | **-2,835** | **-8,873** |

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **Integration costs, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Employee benefits expenses, external resources | -4 | -11 | -25 | -22 | -40 | -37 |
| External consultants | -24 | -37 | -108 | -113 | -153 | -157 |
| Other | -7 | -1 | -18 | -3 | -29 | -14 |
| **Total integration costs per category[1]** | **-35** | **-50** | **-151** | **-138** | **-222** | **-209** |

1) Reported as other external expenses.

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **Costs of share-based incentive programs, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Cost of vested employee stock option | -7 | -18 | -25 | -42 | -36 | -53 |
| Social insurance costs | -4 | -9 | -12 | 1 | 3 | 16 |
| **Total costs for share-based incentive programs per category[2]** | **-11** | **-27** | **-37** | **-41** | **-33** | **-37** |

2) Reported as employee benefits expenses.

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **Operational foreign exchange gains/losses, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Realized foreign exchange gains/losses | -3 | -13 | -78 | 4 | -34 | 48 |
| Unrealized foreign exchange gains/losses | -8 | -20 | -34 | 40 | 14 | 89 |
| **Total operational foreign exchange gains/losses per category[3]** | **-11** | **-33** | **-113** | **44** | **-20** | **137** |

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

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **Other adjustments, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Other historical tax related expenses | - | - | -3 | - | -703 | -700 |
| Other | 0 | -1 | -3 | -2 | -14 | -13 |
| **Total other adjustments** | **0** | **-1** | **-6** | **-2** | **-717** | **-713** |

# Note 3. Pledged assets and contingent liabilities

Pledged assets amounted to SEK 68m (127) and contingent liabilities amounted to SEK 34m (32). Pledged assets amounted to SEK 126m and contingent liabilities to SEK 32m on December 31, 2024.

# Note 4. Incentive programs

Within the framework of LTI 2024, adopted by the AGM on May 16, 2024, senior executives and key employees within Sinch were granted 277,500 warrants in Q1 and 250,000 employee stock options in Q2. 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.

Within the framework of LTI 2025 adopted by the EGM on August 14, 2025, senior executives and key employees within Sinch were granted 10,680,800 employee stock options in Q3. The maximum number of instruments in LTI 2025 is 12,800,000.

Sinch entered into an equity swap contract with a third party in Q3, 2025, to hedge the expected financial exposure of LTI 2025. As of September 30, the equity swap consisted of 10,857,000 shares corresponding to SEK 329m.

In Q3, 271,473 options from LTI 2022, 3,126 options from LTI 2023, and 15,624 options from LTI 2024 were exercised, where each option carried 1 share. The exercise prices were, respectively, SEK 14.654, SEK 27.13, and SEK 21.63 per share.

In relation to this, 290,223 shares will be registered in Q4 and Sinch will thereby gain an additional SEK 4m in equity through the exercise.

The total costs of incentive programs recognized in profit or loss for Q3 amounted to SEK -11m (-27). Payroll costs for vested employee stock options in all programs were included in profit or loss in the amount of SEK -7m (-18) with a corresponding increase in equity. Social insurance costs, based on the share price and the vesting period, reduced profit by SEK -4m (-9) and resulted in an increased provision in the statement of financial position.

Total costs for the incentive programs amount to SEK -37m (-41) for the period of January-September, 2025. Payroll costs for vested employee stock options in all programs were included in profit or loss in the amount of SEK -25m (-42) with a corresponding increase in equity. Social insurance costs, based on the share price and the vesting period, reduced profit by SEK -12m (1) and resulted in an increased provision in the statement of financial position.

The performance criterion of adjusted EBITDA/share amounted to SEK 1.09 (1.09) for Q3 and to SEK 3.16 (3.05) for the period of January-September.

The potential dilutive effect, calculated based on the exercise price of the options in relation to the average share price during the period, was 0.9 percent (0.5) upon exercise of all outstanding warrants and employee stock options when the exercise price is lower than the share price on the reporting date. See Note 9 of the 2024 Annual Report for further disclosures regarding the Group's incentive programs LTI 2020, LTI II 2020, LTI 2021, LTI II 2021, LTI 2022, LTI 2023, and LTI 2024,

# Note 5. Depreciation, amortization and impairments

Goodwill is tested for impairment annually in connection with updated business plans in the third quarter. 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 Q3 2025.

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **Depreciation, amortization and impairment, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Amortization acquired customer relationships | -284 | -319 | -885 | -939 | -1,195 | -1,249 |
| Amortization acquired operator relationships | -8 | -8 | -26 | -26 | -32 | -32 |
| Amortization acquired trademarks | -11 | -23 | -33 | -69 | -54 | -90 |
| Amortization acquired software | -126 | -145 | -390 | -435 | -536 | -581 |
| Impairment of goodwill | - | -6,000 | - | -6,000 | - | -6,000 |
| **Total acquisition-related amortization and write-downs** | **-428** | **-6,496** | **-1,334** | **-7,469** | **-1,817** | **-7,952** |
| Amortization proprietary software | -102 | -51 | -215 | -148 | -268 | -200 |
| Amortization licenses | -1 | -1 | -9 | -4 | -3 | 1 |
| Amortization other intangible assets | 0 | 1 | 0 | 0 | 0 | 0 |
| Depreciation property, plant and equipment | -50 | -42 | -133 | -128 | -176 | -171 |
| Depreciation right-of-use assets | -27 | -34 | -88 | -103 | -122 | -138 |
| Impairments | 0 | 0 | 2 | -10 | -1 | -13 |
| **Total amortization/depreciation and impairment** | **-609** | **-6,623** | **-1,776** | **-7,862** | **-2,387** | **-8,473** |

# Note 6. Accounts receivable

| | Sep 30 | | Dec 31 |
|---|---|---|---|
| **Accounts receivable, SEKm** | **2025** | **2024** | **2024** |
| Unbilled receivables | 1,799 | 1,920 | 2,023 |
| Receivables, billed | 2,438 | 2,396 | 2,607 |
| Expected credit loss allowance | -130 | -133 | -128 |
| **Total accounts receivable** | **4,108** | **4,182** | **4,503** |

# Note 7. Prepaid expenses and accrued income

| | Sep 30 | | Dec 31 |
|---|---|---|---|
| **Prepaid expenses and accrued income, SEKm** | **2025** | **2024** | **2024** |
| Accrued revenue from contracts with customers | 61 | 48 | 52 |
| Other accrued income and prepaid expenses | 621 | 460 | 578 |
| **Total accrued income and prepaid expenses** | **682** | **508** | **630** |

# Note 8. Provisions

| | Sep 30 | | Dec 31 |
|---|---|---|---|
| **Provisions, SEKm** | **2025** | **2024** | **2024** |
| Provision for social security expenses, ESOP | 27 | 32 | 17 |
| Provision for restructuring costs | 7 | 5 | 3 |
| Provision for other taxes | 494 | - | 310 |
| Other non-current provisions | 4 | 19 | 18 |
| **Total non-current provision** | **532** | **56** | **348** |
| Provision for other taxes | 206 | - | 390 |
| Other current provisions | 9 | - | - |
| **Total current provision** | **215** | **-** | **390** |
| **Total provisions** | **747** | **56** | **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 was no material change in total provisions in Q3, 2025, but a reclassification occurred between current and non-current provisions based on a changed assessment of settlement dates.

# Note 9. Net sales by product category

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **Net sales by product category, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Applications | 786 | 832 | 2,403 | 2,419 | 3,337 | 3,354 |
| API Platform | 4,513 | 4,910 | 13,742 | 14,441 | 19,059 | 19,758 |
| Network Connectivity | 1,360 | 1,408 | 4,178 | 4,122 | 5,657 | 5,601 |
| **Total net sales** | **6,659** | **7,150** | **20,324** | **20,983** | **28,053** | **28,712** |

# Note 10. Gross profit by product category

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **Gross profit by product category, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Applications | 529 | 554 | 1,613 | 1,624 | 2,230 | 2,240 |
| API Platform | 1,255 | 1,369 | 3,915 | 4,014 | 5,345 | 5,445 |
| Network Connectivity | 534 | 483 | 1,519 | 1,465 | 2,054 | 2,000 |
| **Total gross profit** | **2,318** | **2,406** | **7,048** | **7,103** | **9,629** | **9,685** |

# Note 11. Adjusted Opex by function

Sinch reports Group costs by nature; see the Consolidated Income Statement on page 14. 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 30 for further details about the function definitions applied by Sinch.

| | Q3 | | Jan-Sep | | | |
|---|---|---|---|---|---|---|
| **Adjusted Opex by function, SEKm** | **2025** | **2024** | **2025** | **2024** | **R12M** | **2024** |
| Sales & marketing expenses | -402 | -421 | -1,279 | -1,331 | -1,695 | -1,747 |
| Research & development expenses | -676 | -723 | -2,092 | -2,189 | -2,864 | -2,960 |
| General & administrative expenses | -324 | -338 | -1,004 | -1,000 | -1,395 | -1,392 |
| **Total adjusted Opex** | **-1,403** | **-1,483** | **-4,375** | **-4,520** | **-5,954** | **-6,099** |
| EBITDA adjustments | -64 | -124 | -322 | -225 | -1,018 | -921 |
| **Total Opex** | **-1,467** | **-1,607** | **-4,697** | **-4,745** | **-6,972** | **-7,020** |

# Note 12. Financial risk management

Currency risk arises in the translation of the net assets of foreign subsidiaries to the parent company's functional currency ("translation exposure"). Sinch began to apply hedge accounting in Q2 2025 in accordance with IFRS 9 with regard to net investments in foreign subsidiaries by means of raising currency loans and derivative instruments in the corresponding currency in order to reduce volatility in recognized profit or loss. No ineffectiveness in the hedging relationship had impact on profit or loss for the period. At the end of the period, net assets in USD had been hedged in the amount of USD 327m.

The translation reserve in consolidated equity includes all exchange rate differences that arise upon translation of financial statements in a currency other than SEK, which is the Group's presentation currency. As of September 30, 2025, the translation reserve on the consolidated statement of financial position includes exchange rate differences of SEK 31m, before tax, that arose upon revaluation of liabilities taken up as hedging instruments for a net investment in a foreign operation.

More information about risks and risk management is provided in the 2024 Annual Report.

# 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 measures 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. For a reconciliation of these financial measurements and organic growth, please refer to investors.sinch.com.

**Gross profit**

Definition: Net sales less the cost of services sold.

Purpose: A large share of Sinch's cost of services sold consists of traffic fees paid to mobile operators. 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 & marketing expenses**

Definition: Expenditures associated with promoting and selling our products, including acquiring new customers, and managing existing customer relationships.

**Research & development expenses**

Definition: Expenditures associated with the development, improvement, and technical operations of our products, net of capitalized software development.

**General & 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.

Purpose: Enables comparison of profitability over time, regardless of amortization/depreciation and impairment of acquisition-related property, plant, and equipment, and intangible assets, and independently of financing structure and the corporation tax rate.

**EBIT margin/adjusted EBIT margin**
Definition: EBIT/adjusted EBIT in relation to net sales.

**Net margin**
Definition: Net profit for the year in relation to net sales.

Purpose: The net margin is a performance indicator that indicates the size of the company's profit in relation to its turnover, which is useful to assess the efficiency of the company's operations.

**Interest-bearing liabilities**
Definition: Bond loans, bank loans, overdraft facilities, commercial paper, and lease liabilities.

Purpose: Used to calculate net debt.

**Net debt**
Definition: Interest-bearing liabilities less cash and cash equivalents.

Purpose: Used to track the debt trend and visualize the size of refinancing requirements.

**Net debt/adjusted EBITDA R12M**
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.

**Free cash flow**
Definition: Cash flow from operating activities after net investments in property, plant, and equipment and intangible assets during the period.

**Free cash flow per share**
Definition: Free cash flow divided by the volume-weighted average number of shares outstanding for the period after dilution.

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

**Cash conversion**
Definition: Free cash flow divided by adjusted EBITDA.

Purpose: Measures the free cash flow generated by the business in relation to profitability in underlying operations.

## 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

For definitions of terms and acronyms, please see 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 categories: Applications, API Platform, and Network Connectivity.

Sinch has been profitable and fast-growing since it was founded in 2008. The company is headquartered in Stockholm, Sweden, and its stock is traded on NASDAQ Stockholm: XSTO:SINCH. Read more at sinch.com.

## Forthcoming reporting dates

| | |
|---|---|
| Year-end report, Jan–Dec 2025 | February 17 |
| Interim report Q1, Jan–Mar 2026 | May 7 |
| Interim report Q2, Jan–Jun 2026 | July 22 |
| Interim report Q3, Jan–Sep 2026 | November 5 |

## Annual Report and Sustainability Report

| | |
|---|---|
| Annual Report and Sustainability Report 2025 | April 2026 |

## AGM

The Annual General Meeting will be held at 10:00 A.M. CEST on Thursday, May 21, 2026, 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 ERM (Enterprise Risk Management) 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 new tariffs presented in early 2025 apply to goods and have not affected Sinch's services. Despite 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 things, 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

Sinch AB (publ)
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 Wednesday, November 5, 2025 at 2:00 P.M. CET. Watch the presentation at investors.sinch.com/webcast.

If you wish to participate via phone conference, follow the link below to register: 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.

**For additional information, please contact:**
**Mia Nordlander**
Head of Investor Relations & Sustainability
Mobile: +46 73 511 53 95
E-mail: mia.nordlander@sinch.com

**Jonas Dahlberg**
Chief Financial Officer
E-mail: investors@sinch.com

Stockholm, November 5, 2025

Erik Fröberg
Board Chair

Björn Zethraeus
Director

Kristina Willgård
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 November 5, 2025, at 7:30 A.M. CET.*

*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.*

# Review Report

## Introduction

We have reviewed the interim report for Sinch AB (publ) for the period January 1 - September 30, 2025. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 2025-11-05

Deloitte AB

Signature on Swedish original

Johan Telander

Authorized Public Accountant