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Press Release

Stockholm, 30 November

## **Sinch announces its intention to carry out a directed new share issue and large shareholders' intention to sell existing shares to a fund managed by SB Management**

Stockholm, Sweden – Sinch AB (publ) – XSTO: SINCH

Sinch AB (publ) (“Sinch” or the “Company”) has mandated Carnegie and Handelsbanken Capital Markets (together, the “Joint Bookrunners”) to evaluate the conditions for carrying out a directed issue of approximately 3.2 million new shares, through an accelerated book building process (the “Share Issue”). In connection with the Share Issue, and in order to meet the demand, certain larger shareholders, including several co-founders (the “Selling Shareholders”), have agreed to sell 5.2 million shares (the “Sell-down”). The Share Issue will be directed to Swedish and international institutional investors. A fund managed by SB Management, a 100% owned direct subsidiary of SoftBank Group Corp, (“SB Management”) has, subject to the subscription price in the Share Issue not exceeding a price per share corresponding to a discount of 3 percent in relation to the volume weighted average share price of the Company’s share on 30 November 2020, committed to be part of the Share Issue by subscribing for 1.2 million shares at the bookbuilding price. In addition to participating in the Share Issue, SB Management has, subject to completion of the Share Issue and its participation therein, committed to acquire 5.2 million shares for a total amount of approximately SEK 4.7 billion. Following the Share Issue and Sell-down, SB Management will become a significant shareholder in the Company with a shareholding of approximately 10.1 percent of the shares and votes of the Company. The Company intends to mainly use the potential issue proceeds from the Share Issue to increase the Company’s financial flexibility for further acquisitions. The Company will not receive any proceeds from the Sell-down.

### **Share Issue**

The Company has engaged the Joint Bookrunners to evaluate the conditions to carry out a directed new share issue of approximately SEK 3.3 billion, directed to Swedish and international investors of institutional character through an accelerated book building process (the “Bookbuilding”). The subscription price and the total number of new shares in the Share Issue will be determined through the Bookbuilding, which will commence immediately after the announcement of this press release. The Share Issue is contingent on a resolution, based on the authorization given by the annual general meeting on 15 May 2020, by the board of directors, which, alongside pricing and allocation is expected to occur prior to the beginning of trading on Nasdaq Stockholm at 09.00 CET on 1 December 2020. The board of directors may decide to extend or shorten the application period and can at any moment decide to terminate the Bookbuilding and thus refrain from carrying out the Share Issue. The Company will announce the outcome of the Share Issue in a subsequent press release after completion of the Bookbuilding.

SB Management has, subject to the subscription price in the Share Issue not exceeding a price





per share corresponding to a discount of 3 percent in relation to the volume weighted average share price of the Company's share on 30 November 2020, committed to be part of the Share Issue by subscribing for 1.2 million shares at the Bookbuilding price. SB Management is supportive of Sinch's plans for future growth including through M&A.

### **Sell-down and consolidation of ownership**

In connection with the Share Issue, and in order to meet the demand, the Selling Shareholders, have agreed to sell 5.2 million shares to SB Management at a price of SEK 900 per share, subject to completion of the Share Issue and SB Management's participation therein. Following the Share Issue and the Sell-down, SB Management will become a significant shareholder in the Company with a shareholding of approximately 10.1 percent of the shares and votes of the Company.

In connection with the Sell-down, SB Management has undertaken to follow the recommendations from the board of directors or the board of directors' independent bid committee, in the event of a public takeover offer by a third party to the shareholders of Sinch.

The Selling Shareholders in the Sell-down are Cantaloupe AB (owned by co-founders Robert Gerstmann, Henrik Sandell, Kristian Männik, and Björn Zethraeus); Salvis Investment Limited (owned by co-founder Johan Hedberg); Erik Fröberg; as well as Neqst D1 AB.

The rationale of the Sell-down is to enable the Company to attract and meet demand from new shareholders such as SB Management. In connection with the Sell-down, Cantaloupe AB's and Neqst D1 AB's ownership will be consolidated in Neqst D2 AB, which, following such consolidation, will become the largest shareholding entity of Sinch after the Share Issue and the Sell-down. This enables a long-term ownership in Sinch.

### **Use of proceeds**

The Company intends to mainly use the proceeds from the Share Issue to increase the Company's financial flexibility for new acquisitions. Sinch is continuously evaluating potential acquisitions. The increased financial flexibility that the Share Issue would entail would further strengthen the Company's position as a relevant and competitive buyer.

With the Share Issue, the board of directors intends to deviate from the shareholders' preferential right to secure the most time- and cost-effective capital raising possible, with the purpose of financing further value creating acquisitions and to broaden the Company's shareholder base. By establishing the subscription price in the Share Issue through the Bookbuilding, it is the board of directors' assessment that the subscription price will be on a market level.

The Company will not receive any proceeds from the Sell-down.

### **Lock-up**

In connection with the Share Issue, the Company has entered into a lock-up undertaking, with customary exceptions, regarding future share issues for a period of 90 calendar days as from today. In addition, Cantaloupe AB, Neqst D1 AB (together in the newly formed Neqst D2 AB) and Salvis Investment Limited, who before the contemplated Share Issue and Sell-down hold approximately 29 percent of the shares and votes in the Company have undertaken, with customary exceptions, not to sell any shares in the Company for a period of 90 calendar days as from today.

### **Advisers**

Carnegie and Handelsbanken Capital Markets act as Joint Bookrunners in connection with the Share Issue and the Sell-down. Gernandt & Danielsson is legal advisor to the Company. Baker McKenzie is legal advisor to the Joint Bookrunners.



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#### About Sinch

Sinch brings businesses and people closer with tools enabling personal engagement. Its leading cloud communications platform lets businesses reach every mobile phone on the planet, in seconds or less, through mobile messaging, voice and video. Sinch is a trusted software provider to mobile operators, and its platform powers business-critical communications for many of the world's largest companies. Sinch has been profitable and fast-growing since its foundation in 2008. It is headquartered in Stockholm, Sweden, and has local presence in more than 30 countries. Shares are traded at NASDAQ Stockholm: XSTO:SINCH. Visit us at [sinch.com](http://sinch.com).

**This information is information that Sinch AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the above mentioned contact person, at 17.31 CET on 30 November 2020.**

#### Important information

**This press release is not and does not form a part of any offer for sale of securities in any jurisdiction, neither from the Company, the Selling Shareholders nor someone else. Copies of this communication may not be made in, and may not be distributed or sent into, the United States, Australia, Canada, Japan, South Africa, New Zealand, Hong Kong, Singapore or any other jurisdiction in which distribution of this press release would be unlawful or would require registration or other measures. The distribution of this announcement in other jurisdictions may be restricted by law and persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions.**

The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable state securities law. The Company or any other person does not intend to register any part of the Share Issue in the United States or to conduct a public offering of shares in the United States.

The securities referred to herein have not been and will not be registered under the applicable securities laws of Canada, Japan, Australia, South Africa, New Zealand, Hong Kong or Singapore and, subject to certain exemptions, may not be offered or sold in or into or for the account or benefit of any person having a registered address in, or located or resident in, Canada, Japan, Australia, South Africa, New Zealand, Hong Kong or Singapore. There will be no public offering of the securities described herein in Canada, Japan, Australia, South Africa, New Zealand, Hong Kong or Singapore.

This press release is not a prospectus for purposes of Prospectus Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 and its delegated and implemented regulations (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorized any offer to the public of securities in any EEA Member State and no prospectus has been or will be prepared in connection with the Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

Any investment decision in connection with the Share Issue and the Sell-down must be made on the basis of all publicly available information relating to the Company and the issued shares and sold existing shares. Such information has not been independently verified by the Joint Bookrunners. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in the Company or the new shares. The Joint Bookrunners are acting for the Company and the Selling Shareholders in connection with the transaction and no one else and will not be responsible to anyone other than the Company and Selling Shareholders for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein

None of the Company, the Joint Bookrunners, the Selling Shareholders or any of their respective affiliates directors, officers, employees, agents, affiliates or advisers is under any obligation to update, complete, revise or keep current the information contained in this press release to which it relates or to provide the recipient of with access to any additional information that may arise in connection with it, unless it is not required by law or Nasdaq Stockholm's rule book for issuers.

#### Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these



forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq Stockholm's rule book for issuers.

#### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Sinch have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Sinch may decline and investors could lose all or part of their investment; the shares in Sinch offer no guaranteed income and no capital protection; and an investment in the shares in Sinch is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Share Issue and the Sell-down. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Sinch.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Sinch and determining appropriate distribution channels.

**Every care has been taken into consideration when translating this press release into English. In the event of differences between the English version and the Swedish original, the Swedish version shall apply.**