

Sinch extends leadership in conversational messaging through acquisition of MessengerPeople

Stockholm, Sweden – September 22, 2021 – Sinch AB (publ), a global leader in cloud communications for mobile customer engagement, today announced that it has entered into a definitive agreement to acquire MessengerPeople, a leading German software-as-a-service platform for conversational messaging. Sinch will pay a total enterprise value of EUR 48 million, with a total cash consideration of EUR 33.6 million and EUR 14.4 million paid in the form of new shares in Sinch. Using yesterday's EUR/SEK exchange rate of 10.18, this corresponds to an enterprise value of SEK 489 million.

Founded in Munich in 2015, MessengerPeople offers a cloud-based software suite that makes it easy for businesses to engage with their customers via messaging apps like WhatsApp, Telegram and Apple Business Chat (iMessage). A pioneer in its field, MessengerPeople was amongst the very first innovators to recognize the potential of next generation messaging channels and build software tools for businesses to leverage these capabilities. More than 700 businesses use MessengerPeople applications to engage with their customers, and around 80% of these businesses are based in the DACH region.

"I'm very impressed with the MessengerPeople team and their success in bringing innovative products to market. Most businesses have yet to discover the benefits of conversational messaging, and together we are superbly placed to win in this market as uptake now begins to accelerate", comments Oscar Werner, CEO of Sinch.

With easy-to-use applications that are designed for business users, MessengerPeople complements Sinch's API-based offering for larger enterprises and channel partners. The MessengerPeople platform is particularly well-suited for pre-sales and customer care, which accounts for around 85 percent of current volumes. Monetization is based primarily on subscriptions and monthly active users, through a software-as-a-service (SaaS) model, rather than on transaction volumes.

MessengerPeople serves businesses across a broad range of verticals such as eCommerce, Automotive, Public Authorities, and Media. Current customers include travel & tourism leader TUI, e-commerce specialist Women's Best, and the state government of Telangana, India. In the year ending December 2021, MessengerPeople is expected to generate revenues of EUR 5.1 million, Gross Profit of EUR 4.5 million, and Adjusted EBITDA of EUR 0.6 million. Underlying revenue growth compared to the previous year is expected to reach 35 percent. The company has around 40 employees and is based in Munich, Germany.

The acquisition builds on Sinch's ongoing organic investments and previous acquisitions in next-generation, conversational messaging. Integration cost is estimated to SEK 16 million over 12 months, with targets centered on cross-sales, accelerated geographic expansion, and product integration with Sinch's communication APIs and related Sinch applications.

"Mobile messaging is simple, quick and interactive – and used by people all over the world. Empowering businesses to use messaging is a tremendous market opportunity, and teaming up with Sinch gives us the size to pursue it on a global scale", comments Franz Buchenberger, founder & CEO of MessengerPeople.

The transaction is expected to close in the fourth quarter 2021 and will be financed with a combination of new Sinch shares and Sinch's available cash at hand. Sinch has a financial target to maintain net debt/adjusted EBITDA below 3.5x over time. As of Q2 2021, the company had a net cash position, with net debt/adjusted EBITDA of -9.6x, in anticipation of upcoming transactions. Taking into consideration the expected, upcoming payment for Inteliquent and MessageMedia, pro forma Net debt/Adj EBITDA is 2.6x. All else equal, the acquisition of MessengerPeople increases Sinch's pro forma net debt/EBITDA by 0.1x to 2.7x.



Webcast

A conference call for analysts and investors will take place today, September 22, at 14.00 CEST. The live webcast will be available at investors.sinch.com/webcast, where it will also be possible to ask questions. To participate by phone, please dial in a few minutes before the call to ensure that you are connected.

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Presentation materials are available at <https://investors.sinch.com>.

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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 40 countries. Shares are traded at NASDAQ Stockholm: XSTO:SINCH. Visit us at sinch.com.

About MessengerPeople

MessengerPeople is one of the pioneers in the field of messaging services and a leading software-as-a-service provider for communication via messaging apps. The innovative Messenger Communication Platform enables companies to communicate professionally with customers via WhatsApp, Facebook Messenger, Instagram Messaging, Apple Business Chat, Telegram, Viber, Notify, and Webchat. With the MessengerPeople solution, over 700 companies worldwide – and over 20 million end users – have already taken advantage of messaging platforms as a means of communication between companies and customers. Find out more at messengerpeople.com.

Advisors

Handelsbanken Capital Markets is acting as financial advisor and K&L Gates LLP as legal advisor to Sinch in the transaction.

Important information

This communication may contain certain forward-looking statements. Such statements are all statements that do not relate to historical facts and include expressions such as "believe", "estimate", "anticipate", "expect", "assume", "predict", "intend", "may", "presuppose", "should" or similar. The forward-looking statements in this release are based on various estimates and assumptions that in several cases are based



on additional assumptions. Although Sinch believes these assumptions were reasonable when made, such forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that are difficult or impossible to predict and that are beyond Sinch's control. Such risks, uncertainties and important factors could cause the actual results to differ materially from the results expressly or implicitly indicated in this communication through the forward-looking statements. The information, perceptions and the forward-looking statements in this release apply only as of the date of this release and may change without notice.

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 contact person set out above, at 07:30 CEST on September 22, 2021.