Laura Garfinkel | Director
laura.garfinkel@claconnect.com
Cellular: 973-760-9218
Office: 770-637-8308

July 30, 2024

VIA ELECTRONIC SUBMISSION

Secretary of the Commission
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027

25-ANPC-218-COC

RE: ANPI, LLC - APPLICATION AND REQUEST FOR CERTIFICIATE OF PUBLIC CONVENIENCE AND NESSESSITY TO PROVIDE INTEREXCHANGE SERVICES ON A RESOLD BASIS THROUGHOUT THE STATE OF KANSAS

Dear Commission:

This submission contains an Application for a Certificate of Public Convenience and Necessity to Provide Interexchange Telecommunication Services on a resold basis throughout the State of Kansas as filed on behalf of ANPI, LLC.

An original and one (1) copy of this filing is being submitted by electronic delivery. Applicant will make payment of filing fee in the manner and means determined by the Commission.

Should you have any questions concerning this filing, please do not hesitate to contact me.

Respectfully Submitted,

CLA (CliftonLarsonAllen LLP.)3575
Piedmont Road Northeast Building 15,
Suite 1550
Atlanta, GA 30305
Telephone: (973) 760-9218
Facsimile: (678) 447-8808-0988
Email: Laura.Garfinkel@claconnect.com
Attorney in Fact for ANPI, LLC.

BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

IN THE MATTER OF ANPI, LLC APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR AUTHORITY TO PROVIDE INTER EXCHANGE SERVICES IN THE STATE OF KANSAS	**))))))**	**CASE NO. 25-ANPC218COC**

APPLICATION

COMES NOW, ANPI, LLC holding FEIN Number 37-1348433 ("Applicant") and respectfully requests the Kansas Corporation Commission grant a Certificate of Authority to provide Interexchange Services on a resold basis throughout the State of Kansas.

In accordance with the rules and regulations of the Kansas Corporation Commission's Regulations for in order to secure a Certificate of Public Convenience and Necessity, Applicant states the following:

Section 1. **The legal name and name under which the applicant intends to do business, the mailing and physical address of applicant, and telephone number where the applicant can be reached by the Commission as designated below.**

The Applicant is:

ANPI, LLC
One North Wacker, Suite 2500
Chicago, IL 60606
Toll Free: 855-492-2300
Fax: 312-346-2601
Website Address: www.inteliquent.com

<u>Section 2.</u> The names and addresses of the applicant's principal corporate officers are:

The officer responsible for the Applicant's operations is Brett Scorza. Mr. Scorza serves as the President of ANPI, LLC and is located at One North Wacker, Suite 2500: Chicago, Illinois 60606.

The current physical address for the officer responsible for Applicant's operations is:

One North Wacker, Suite 2500

Chicago, Illinois 60606

<u>Section 3.</u> All such information about the structure of the business organization, and where applicable, a copy of any articles of incorporation, partnership agreement, or by-laws of the applicant is specified as below (and accordingly in any attached exhibit to which corresponds). And the applicant has no affiliate entities offering and/or providing telecommunications services in Kansas.

ANPI, LLC is a Limited Liability Company formed under the laws of Delaware with all such represented formation documents and information included as ***<u>Exhibit A.</u>*** And Applicant's Ownership Structure and Officers and Directors are listed additionally as ***<u>Exhibit A.1.</u>***

The Applicant has been in business for over 10 years providing unique telecommunications products and services to business customers on a nationwide basis.

The company designs powerful, flexible, secure, and highly scalable voice, data, Internet and integrated communication services for businesses nationwide. Additionally, the company is able to bundle products and services of multiple Trusted Carriers increasing their ability to solve business problems.

The Applicant, helps wholesale customers and also businesses and organizations nationwide leverage critical changes in telecommunication technology to increase productivity, reduce operating costs, and protect the bottom line. The Applicant offers, scalable and innovative solutions when it comes to Voice, Data, Networking and Cloud Solutions designed specifically for a customer's industry and customized for their business.

As a Competitive Local Exchange Carrier (CLEC), Inter Exchange Carrier (IXC) and also VoIP Provider in multiple states ANPI, LLC bundles and resells the products and services of Tier 1 and Tier 2 Carriers, using a combination of their own facilitates and the underlying service provider all while offering the business customer competitive prices. ANPI, LLC then consolidates the solutions on a single customized bill and presents the invoice via a secure Internet billing system.

Headquartered in Chicago, Illinois ANPI, LLC team is comprised of telecom veterans with broad industry experience designing and deploying solutions for companies with a single location or organizations with a regional or national footprint that drive business value and increase productivity.

Section 4. **Applicant hereon provides a certified copy of the applicant's authorization to do business in Kansas issued by the Secretary of State**.

A copy of Applicant's authorization to do business in Kansas is attached hereto as ***Exhibit B.***

Section 5. **The Applicant has and shall have and maintain at all times the services of a Registered Agent within the State and such Registered Agent shall serve as representative with local presence and off for service of process:**

Agent Name: Cogency Global, Inc.
Address: 2101 SW 21st St.,
City, State and Zip Code: Topeka, KS 66604

Section 6. **Applicant's demonstration of managerial, financial and technical abilities, including. but not limited to, the following:**

Applicant has the managerial, technical and leadership capabilities to provide the telecommunications services for which it seeks authority under this application. The Applicant has a well grounded and well-rounded management and technical team who have been long term employees of the Applicant. Management and leadership foster innovation, creativity and collaboration amongst not only themselves but also the employee base.

Management and technical biographies of key personnel are included in the submission with the original filing as an exhibit.

Section 7. **Applicant here now provides all relevant financial information in order to demonstrate that applicant has the full ability and wherewithal to support applicant's own operations and also to support all offerings to Business Customers within the state of Kansas.**

Applicant is financially qualified to provide the telecommunications services for which it seeks the authority requested in this Application attached as ***Exhibit C.*** Applicant is providing 3 years financial statements represented as Income Statement and Balance Sheet per each calendar year to demonstrate Applicant's financial wherewithal.

Section 8. **Applicant, as reflected below, has the ability to demonstrate managerial ability. And applicant, as noted below, provides a brief description of its history providing telecommunications services and a specification and listing of the geographic areas in which is has been and is currently providing telecommunications services.**

Applicant has the managerial, technical, administrative and operational qualifications necessary to provide the proposed services throughout the state of Kansas as its proposed service territory. As noted above, Applicant operates a national communications company which provides multiple communications products and services. The Applicant is currently providing service as a registered CLEC, IXC and VoIP Provider (where and as required by Commission regulations) as registered entity with the proper Secretary of State in the states of: AK, AL, AZ, CA, CO, CT, GA, HI, IA, ID, IL, IN, LA, MA, MD, ME, MI, MO, MI, NC, ND, NE, NJ, NV, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, VT, WA, WI, WV, WY. Applicant is in full compliance with each state Commission as appropriate where registrations require such state Commission compliance.

The Applicant has never had a request for authorization denied by any commission.

The Applicant has never had authorization revoked in any state by any commission.

Set forth in ***Exhibit D*** are resumes or key management personnel who are responsible for the Applicant's operations. These resumes highlight management's extensive and long historical background in the telecommunications industry. The management team members and leadership team have extensive years of telecommunications expertise. Applicant thereby demonstrates that it possesses significant managerial and technical experience and expertise along with all qualifications necessary to operate a competitive telecommunications company in Kansas, which is fully consistent with the Commission's requirement. In fact, Applicant exceeds Commission requirements and proudly stands ready to serve the needs of business class customers throughout the state.

<u>Section 9.</u> A description of the services to be offered and the proposed exact geographic areas in which the services shall be offered is specified below.

Applicant intends to offer a wide array of telecommunications products and services on a resold basis throughout the state of Kansas as Applicant's representative coverage area. Applicant shall provide services to business customers only and will not offer residential services of any kind. Applicant seeks to provide resold interexchange exchange services to business class customers and wholesale customers throughout the state of Kansas. Specifically, the Applicant wishes to provide business class subscribers and wholesale carrier customers with intrastate and interstate interexchange services and hosted IPPBX communications systems provisioned over VoIP technology. These IPPBX systems can interface with Cable Modem, ATA, Router, and Ethernet, MPLS, Point to Point, Private Line and other forms of delivery which the Applicant will make available to business customers. Further the applicant shall also include with its service offerings access to emergency services, operator services, directory assistance, interexchange service and other ancillary features that Applicant must provide pursuant to applicant statutes and regulations. Applicant intends to rely upon the facilities and network equipment deployed by its underlying carriers and Applicant's designated additional underlying providers in conjunction with Applicants own network infrastructure.

Applicant attests that it shall comply with all applicable rules and regulations of the Commission related to service areas.

Section 10. Key contact information regarding the Applicant's operations, without limitation, for the Repair and Maintenance functions to support customer needs, are listed below. Additionally, the individuals named below also serve as key contact personnel responsible for and knowledgeable about the applicant's operations in Kansas.

Financial/Annual Reports
Name: James Silvestri
Official Title: Head of Tax, North America
Direct Telephone Number: 312-384-8000
Fax Number: 312-346-2601
Email: james.silvestri@sinch.com

Tariff/Regulatory
Name: Richard Monto
Official Title: General Counsel and Corporate Secretary
Direct Telephone Number: 312-384-8000
Email: Richard.Monto@sinch.com

with copy to:
Company Name: CLA (CliftonLarsonAllen LLP)
Name: Laura Garfinkel
Official Title: Director
Direct Telephone Number: 973-760-9218
FAX Number: 866-611-5443
Email: laura.garfinkel@claconnect.com

The ownership structure is provided in Exhibit A.1. Some key Officers and Directors of ANPI, LLC are as follows:

Brett Scorza
President
One North Wacker, Suite 2500
Chicago, IL 60606
brett,scorza@sinch.com

Richard Monto
General Counsel and Corporate Secretary
One North Wacker, Suite 2500
Chicago, IL 60606
richard.monto@sinch.com

The name and address of the senior management personnel responsible for Kansas operations of ANPI, LLC is as follows:

<u>Customer Service</u>
Name: Veronica Keltner
Title: Vice President – Customer Service
Address: One North Wacker, Suite 2500
City, State and Zip: Chicago, IL 60606
Veronica.keltner@sinch.com
Phone: 803-902-6000

<u>Repair, Maintenance & Billing</u>
Name: Eric Nelson
Title: Senior Director – NOC
Address: One North Wacker, Suite 2500
City, State and Zip: Chicago, IL 60606
Email: nocvoice@sinch.com
Phone: 800-933-1224

<u>Section 11.</u> A list of other states where the applicant has applied to operate as a telecommunications service provider and/or to offer telecommunications services is provided herein. Additionally, information is provided in which other states where the applicant is authorized to operate. Applicant has never lost certification in those specified states nor has Applicant ever been denied any requested authority which is may have sought in the past.

No states have denied the Applicant authority to operate as a telecommunications carrier and/or provider in any state with which the Applicant had previously filed requests for approval for any authority. Attached as ***<u>Exhibit E</u>*** represent Applicant's jurisdictional operations in other states along with historical information as when service was first provided within each respective state.

Section 12. Illustrative, proposed tariffs in compliance with the requirements as set forth in Rule 6.09 are provided with this submission.

Exhibits F Represents the Applicant's proposed Interexchange Tariff that will be filed with the Commission upon approval of this application and/or at anytime the Commission requests.

CONCLUSION

Applicant's entry into the telecommunications market will enhance competition in the provision of telecommunications services which will serve to benefit Kansas business customers who are seeking premier telecommunications services offerings while Applicant remains at all times in compliance with the rules, guidelines and regulations as set forth by the Kansas Corporation Commission. By submission of this Applicant and its Exhibits, along with providing confidential financial information, Applicant respectfully attests that it has demonstrated to the Commission that it can support all of its service offerings and is financially, technically and fully qualified in every respect to provide all stated services throughout Kansas to serve the greater good of the public.

WHEREFORE, ANPI, LLC respectfully requests that the Commission grant this Application and provide its approval.

Respectfully Submitted,

Laura Garfinkel

CLA (CliftonLarsonAllen LLP.)3575 Piedmont
Road Northeast Building 15, Suite 1550
Atlanta, GA 30305
Telephone: (973) 760-9218
Facsimile: (678) 447-8808-0988
Email: Laura.Garfinkel@claconnect.com
Attorney in Fact for ANPI, LLC.

KANSAS CORPORATION COMMISSION

OATH

STATE OF ILLINOIS)
)
)
COUNTY OF COOK)

Richard Monto ("Affiant"), being duly sworn, deposes and says that he is General Counsel and Secretary for ANPI, LLC ("Applicant") and that the facts set forth in the foregoing Application have been prepared under his direction, from the original books, papers and records of said company, and that he examined the same, and declares the same to be true and correct to the best of his knowledge and belief.

Affiant states further that Applicant has full knowledge of the Kansas Corporation Commission's jurisdiction affecting local and long distance service providers and will comply with the applicable requirements of this Commission.

Subscribed and affirmed before me this 21st day of May, 2024

OFFICIAL SEAL
LAURA BOSCH
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES: 04/14/2027

Seal:

Laura Bosch 4/14/27
Notary Public: My Commission expires:

Richard Monto
Print Name

RJ Monto
Sign Name

May 21, 2024
Date

Telecommunications Carrier Code of Conduct
Kansas Corporation Commission

As a provider of telecommunications services in the state of Kansas, ANPI, LLC ("Applicant"), by and through its undersigned officer, commits to comply with the following:

- If applying for certification to provide local telecommunications service, provide:
  Access to 911 and E911 services;
  White page directory listings;
  Access to telephone relay services;
  Access to directory assistance;
  Access to operator services;
  Equal access to interLATA long distance carriers;
  Free blocking of 900- and 700-type services;
  Interconnection on a nondiscriminatory basis with other local exchange carriers;

- If requesting Eligible Telecommunications Carrier (ETC) designation, provide all applicable federal Lifeline discounts.

- Follow all applicable Commission rules and regulations.

- Maintain required registration with the Office of the Kansas Secretary of State. To contact the Kansas Secretary of State: Memorial Hall, First Floor, 120 SW 10 Ave., Topeka, KS 66612-1594 (785) 296-4564 or www.kssos.org.

- File Annual Interrogatory Form in accordance with the Commission's Order in Docket 13-GIMT-736-GIT dated December 3, 2013.

- Pay all assessments due to the Commission and/or the Citizen's Utilities Ratepayer Board (CURB) pursuant to K.S.A. 66-1501, 66-1502, 66-1503, and 66-1504.

- File reports and pay assessments to the Kansas Universal Service Fund (KUSF) as set forth in K.S.A. 66-2008(a) and the Commission's December 27, 1996 Order in Docket No. 94-GIMT-478-GIT. KUSF instructions and remittance forms may be obtained online at www.gvnw.com/usf/kansas/index.htm.

- A competitive local exchange carrier wishing to discontinue service shall notify customers and the Commission in accordance with Order No. 7 in the Commission's Docket No. 01-GIMT-649-GIT. An inter-exchange carrier providing service in Kansas wishing to discontinue service shall notify customers in accordance with FCC regulations.

- Promptly notify the Commission of any change of address and contact information.

- Treat each customer equally to all other similarly situated customers, free of prejudice or disadvantage.

- Respect customers' right to select different telecommunications services and vendors.

- Administer procedures to prevent deceptive and unfair marketing practices aimed at potential or existing customers.

- Protect customers' right to privacy, by safeguarding records and personal information against unauthorized use.

- Respond to consumer complaints or inquiries submitted by Commission Staff thoroughly and quickly.

Verification

I, Richard Monto, of lawful age, and being first duly sworn, now state: As an officer of the Applicant, I am authorized to and do hereby make the above commitment. Further, I acknowledge that failure to comply with the above commitments or other lawful requirements of the Commission will subject Applicant to potential fines, penalties, revocation of certification, or other sanctions and remedies.

Rich L. Monto

Subscribed and sworn to before me on this 21st day of May 2024

Laura Bosch
Notary Public

OFFICIAL SEAL
LAURA BOSCH
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES: 04/14/2027

(8-26-14)

LIST OF EXHIBITS

EXHIBIT A

Applicant's Business Formation Documents and Authority to Operate

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "ANPI, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FIRST DAY OF AUGUST, A.D. 2024.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "ANPI, LLC" WAS FORMED ON THE FIFTEENTH DAY OF SEPTEMBER, A.D. 2010.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.

Jeffrey W. Bullock, Secretary of State

SECRETARY'S OFFICE 1793 DELAWARE 1855

4872084 8300

SR# 20243295740

Authentication: 204062372

Date: 08-01-24

You may verify this certificate online at corp.delaware.gov/authver.shtml

EXHIBIT A.1

Applicant's Ownership Structure

NARRATIVE OVERVIEW

As more fully described below, GTCR Onvoy Holdings, LLC is the parent company of, without limitation, Onvoy, LLC ("Onvoy"), Broadvox-CLEC, LLC ("BV-CLEC"), ANPI Business, LLC ("ANPI-Biz"), ANPI, LLC ("ANPI"), Neutral Tandem-Pennsylvania, LLC ("Neutral Tandem"). As further described below, GTCR Onvoy Holdings, LLC was purchased by Sinch with the transaction ("Transaction") formally approved by the FCC and by all requisite Public Service Commissions where each underlying entity is registered to provide telephony and communications related services.

Onvoy has principal executive offices at One North Wacker Drive, Suite 2500, Chicago, Illinois 60606 as does ANPI. Onvoy is a Minnesota limited liability company and direct, owned subsidiary of Onvoy Intermediate Holdings, Inc., a Delaware corporation that is a direct, wholly owned subsidiary of Onvoy Holdings, Inc. ("Onvoy Holdings"), a Delaware corporation that is a direct, wholly owned subsidiary of GTCR Onvoy Holdings, LLC.

Onvoy has provided telecommunications services since 1988. Onvoy provides primarily wholesale local exchange and long-distance services, switched access, transit and other services to other carriers and communications providers. Onvoy and/or one or more of its subsidiaries is authorized to provide intrastate telecommunications services in the District of Columbia, Puerto Rico, the U.S. Virgin Islands and in every U.S. state. Onvoy is also authorized by the FCC to provide domestic and international telecommunications services. Finally, Onvoy provides access to the public switched telephone network, telephone numbers and other functionalities on a wholesale basis to VoIP providers. Onvoy owns a number of entities as outlined in this Exhibit. Onvoy, LLC owns 100% ownership interest in ANPI, LLC.

ANPI, LLC is a Delaware limited liability company. ANPI provides end user and wholesale interexchange service throughout the United States and is authorized to provide competitive local exchange service in a number of states. ANPI is also authorized by the FCC to provide interstate and international telecommunications services.

Onvoy is a Delaware corporation and a wholly owned direct subsidiary of Sinch Holding AB ("Sinch Holding"), which is in turn a wholly-owned direct subsidiary of Sinch AB (publ) ("Sinch"). Sinch, a publicly traded company headquartered in Stockholm, Sweden, is a global leader in the markets for communications-platform-as-a-service (CPaaS) and mobile customer engagement. Sinch trades publicly on the Nasdaq Stockholm AB exchange. Through its operating subsidiaries, Sinch is a leading global communications services provider with employees in 30 countries. Sinch serves, without limitation, enterprise customers, cloud platforms, application service providers, wholesale communications providers, and mobile operators.

The name, address, citizenship and principal place of business of any person, party or entity that directly or indirectly owns more than 20% of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest 1%):

Onvoy, LLC:

Name:	Onvoy Intermediate Holdings, LLC
Address:	One North Wacker Drive, Suite 2500 Chicago, Illinois 60606
Citizenship:	U.S. (Delaware)
% Interest:	100% (indirectly, as 100% direct owner of Onvoy)

Name:	Onvoy Holdings, LLC
Address:	One North Wacker Drive, Suite 2500 Chicago, Illinois 60606
Citizenship:	U.S. (Delaware)
% Interest:	100% (indirectly, as 100% direct owner of Onvoy Intermediate Holdings, LLC)

OWNERSHIP OF ONVOY HOLDINGS, LLC:

Name:	Sinch US Holding Inc.
Address:	One Alliance Center 3500 Lenox Road NE, Suite 1875 Atlanta, GA 30326
Citizenship:	U.S. (Delaware)
% Interest:	100% (as 100% direct owner of Onvoy Holdings, LLC)

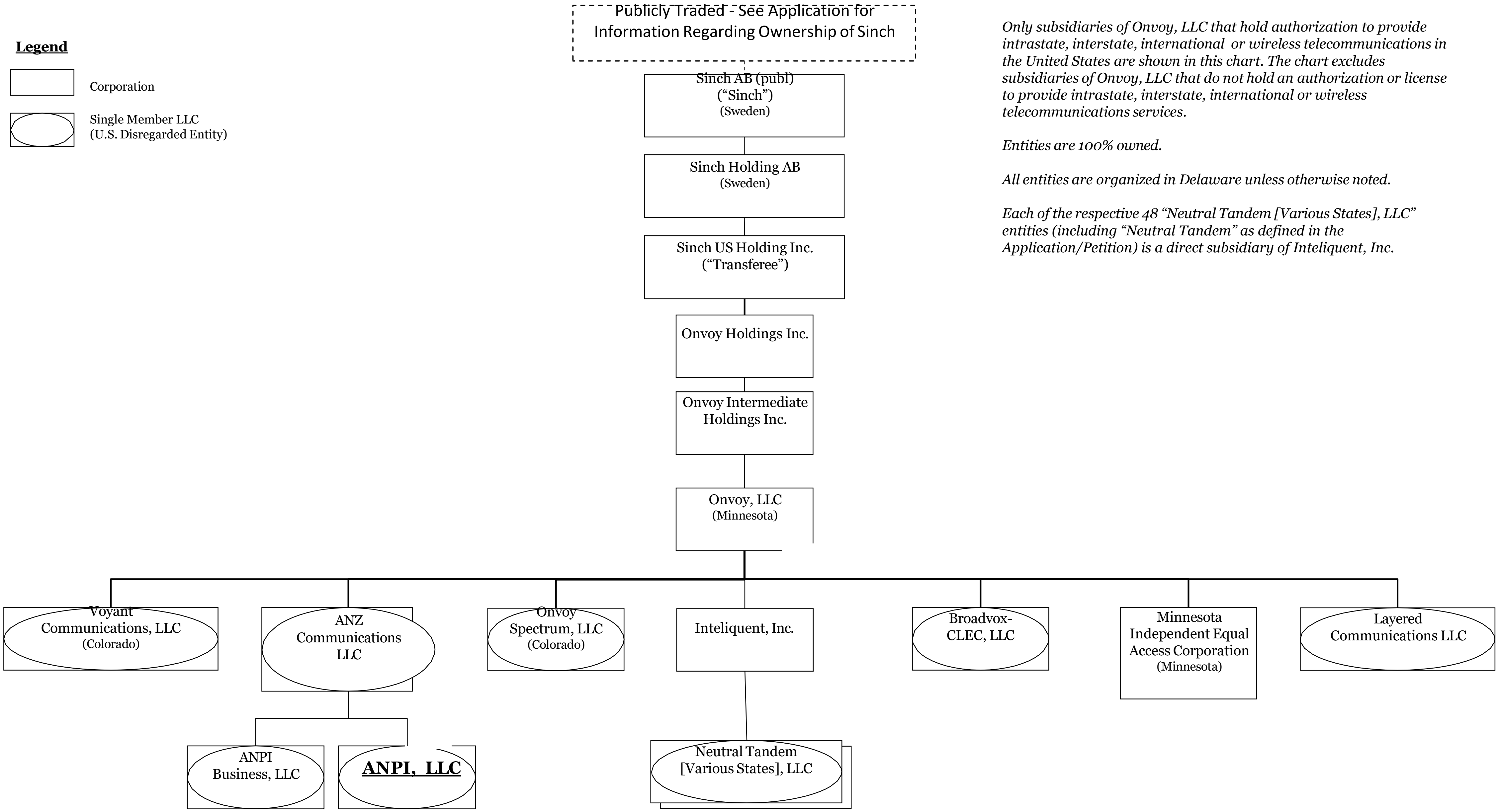
Name:	Sinch Holding AB
Address:	Lindhagensgatan 74 112 18 Stockholm Sweden
Citizenship:	Swedish
% Interest:	100% (indirectly, as 100% direct owner of Sinch US Holding Inc.)

Name:	Sinch AB (publ)
Address:	Lindhagensgatan 74 112 18 Stockholm Sweden
Citizenship:	Swedish
% Interest:	100% (indirectly, as 100% direct owner of Sinch Holding AB)

As stated above, Sinch AB (publ) trades publicly on the Nasdaq Stockholm AB (STO: SINCH). No person or entity owns or control a 20% or greater interest in Sinch AB (publ).

Immediately following the Transaction each individual company falling under Onvoy continued to provide high-quality services. Following the closing, Sinch became the ultimate owner while each entity kept its individual operating authorities, customers and representative products and services intact. Since the transaction occurred at the holding company level, the transitions were fully transparent and seamless from the customers' perspective.

POST-CLOSING OWNERSHIP STRUCTURE OF LICENSEES



Only subsidiaries of Onvoy, LLC that hold authorization to provide intrastate, interstate, international or wireless telecommunications in the United States are shown in this chart. The chart excludes subsidiaries of Onvoy, LLC that do not hold an authorization or license to provide intrastate, interstate, international or wireless telecommunications services.

Entities are 100% owned.

All entities are organized in Delaware unless otherwise noted.

Each of the respective 48 "Neutral Tandem [Various States], LLC" entities (including "Neutral Tandem" as defined in the Application/Petition) is a direct subsidiary of Inteliquent, Inc.

DESCRIPTION & INFORMATION ON EACH ENTITY

1. GTCR Onvoy Holdings LLC ("GTCR Holdings")

GTCR Holdings is a Delaware limited liability company with its principal executive office at 300 N. LaSalle Street, Suite 5600, Chicago, Illinois 60654. GTCR Holdings is an investment vehicle created to aggregate the ownership of various investment funds managed by GTCR LLC. Founded in 1980, GTCR LLC is a private equity firm focused on investing in growth companies in the Financial Services & Technology, Healthcare, Technology, Media & Telecommunications and Growth Business Services industries. Currently, GTCR Holdings owns 100 percent of Onvoy Holdings, which in turn indirectly owns 100 percent of all entities including ANPI, LLC. The ownership of GTCR Holdings is provided in Attachment 1.

2. Onvoy, LLC ("Onvoy")

Onvoy, a Minnesota limited liability company, is a direct, wholly-owned subsidiary of Onvoy Intermediate Holdings Inc., itself a direct, wholly-owned subsidiary of Onvoy Holdings. Onvoy provides primarily wholesale local exchange and long distance services, switched access, transit and other services to other carriers and communications providers. Onvoy also provides access to the public switched telephone network, telephone numbers and other functionalities on a wholesale basis to VoIP providers. Onvoy provides these services in all 50 states except Alaska.

3. Minnesota Independent Equal Access Corporation ("MIEAC")

MIEAC, a Minnesota corporation, is a direct, wholly-owned subsidiary of Onvoy. MIEAC provides centralized equal access services in Minnesota and North Dakota.

4. Voyant Communications, LLC ("Voyant")

Voyant, a Delaware limited liability company, is a direct, wholly-owned subsidiary of Onvoy. Voyant provides telecommunications services in Colorado, Idaho, Indiana, Michigan, Minnesota, Ohio, Tennessee and Washington. Voyant also provides VoIP services.

5. Broadvox-CLEC, LLC (“BV-CLEC”)

BV-CLEC, a Delaware limited liability company, is a direct, wholly-owned subsidiary of Onvoy. BV-CLEC offers access to the public switched telephone network, telephone numbers and other functionalities on a wholesale basis to Onvoy.

6. ANPI, LLC (“ANPI”)

ANPI, a Delaware limited liability company, is a wholly-owned subsidiary of ANZ Communications LLC (“ANZ Communications”), a Delaware limited liability company that is the wholly-owned subsidiary of Onvoy. ANPI provides wholesale interexchange service throughout the United States and is authorized to provide competitive local exchange service in a number of states.

7. ANPI Business, LLC (“ANPI Business”)

Like ANPI, ANPI Business is a Delaware limited liability company wholly-owned by AZN Communication. ANPI Business provides wholesale and retail interexchange services throughout the United States and is authorized to provide competitive local exchange service in a number of states.

8. Inteliquent, Inc. (“Inteliquent”)

Inteliquent, a Delaware corporation, is wholly-owned by Onvoy. Inteliquent provides domestic interstate wholesale competitive access and interexchange services in the District of Columbia, Puerto Rico and every state except Alaska. Inteliquent’s “Neutral Tandem” subsidiaries listed provide wholesale intrastate competitive access and local transit services in the District of Columbia, Puerto Rico and in every U.S. state except Alaska.

9. Layered Communications, LLC (“Layered”)

Layered, a Delaware limited liability company, is wholly-owned by Onvoy. Layered offers communications services primarily to other providers in California and New York.

10. Sinch US Holding, Inc. (“Sinch US”)

Sinch US is a Delaware corporation and a wholly-owned direct subsidiary of Sinch Holding AB (“Sinch Holding”), which is in turn a wholly-owned direct subsidiary of Sinch AB (publ) (“Sinch”). Sinch, a publicly-traded company headquartered in Stockholm, Sweden, is a global leader in the markets for communications-platform-as-a-service (CPaaS) and mobile customer engagement. Sinch trades publicly on the Nasdaq Stockholm AB exchange. Through its operating subsidiaries, Sinch is a leading global communications services provider with employees in 30 countries, serving enterprise customers, cloud platforms, application service providers, wholesale communications providers, and mobile operators.

As of February 28, 2021, Sinch has one shareholder with a 10 percent-or-greater interest. Neqst D2 AB, a Swedish investment firm, owns 16.5 percent of the outstanding shares in Sinch. The remaining shares are held by other investors with respective ownership interests under 10 percent. Attachment 2 identifies the direct and indirect owners of 10 percent or greater in Sinch US. Upon consummation of the Proposed Transaction, Sinch US will be the sole shareholder of Onvoy Holdings, the indirect parent company of the Authority Holders.

B. Ownership Structure Defined

Pursuant to the terms of a Stock Purchase Agreement (the “Agreement”) dated February 16, 2021, by and among all entities and Sinch (solely for the limited purposes specified therein), Sinch purchased all of the outstanding shares of Onvoy Holding, as a result of which all entities where no longer to be indirectly owned and controlled by GTCR Holdings. However all entities continued to be 100-percent indirectly owned and controlled by Onvoy Holdings, which is in turn be indirectly owned and controlled by Sinch.

C. Applicant Identification Information

Table 1 below details and defines the ownership structure of the parent entity in relation to the Holding Company and individual Authority Holder. The Authority Holder is designated the company which operates independently as a telecommunications provider and has all requisite approvals, authorities and designations to provide service in an any given state where its consumers are located.

TABLE 1: Ownership Structure of Holding Company and Authority Holders.

Name, Address, and Telephone #	Place of Organization	FRN	Transaction Role
Sinch US Holding Inc. One Alliance Center 3500 Lenox Road NE Suite #1875 Atlanta, GA 30326 (470) 300-8394	Delaware	0030730220	Owner of GTCR Onvoy Holdings, LLC
GTCR Onvoy Holdings, LLC 300 N. LaSalle St., Suite 5600 Chicago, IL 60654 (312) 382-2200	Delaware	0025192261	Owner of Authority Holder
Onvoy, LLC One North Wacker Drive, Suite 2500 Chicago, IL 60606 (855) 404-4768	Minnesota	0004323028	Authority Holder
Minnesota Independent Equal Access Corporation One North Wacker Drive, Suite 2500 Chicago, IL 60606 (855) 404-4768	Minnesota	0004323036	Authority Holder

Name, Address, and Telephone #	Place of Organization	FRN	Transaction Role
Voyant Communications, LLC One North Wacker Drive, Suite 2500 Chicago, IL 60606 (855) 404-4768	Delaware	0015331689	Authority Holder
Broadvox-CLEC, LLC One North Wacker Drive, Suite 2500 Chicago, IL 60606 (855) 404-4768	Delaware	0018774141	Authority Holder
ANPI Business, LLC One North Wacker Drive, Suite 2500 Chicago, IL 60606 (855) 404-4768	Delaware	0020320347	Authority Holder
ANPI, LLC One North Wacker Drive, Suite 2500 Chicago, IL 60606 (855) 404-4768	Delaware	0020321576	Authority Holder
Inteliquent, Inc. One North Wacker Drive, Suite 2500 Chicago, IL 60606 (855) 404-4768	Delaware	0011583671	Authority Holder
Layered Communications, LLC One North Wacker Drive, Suite 2500 Chicago, IL 60606 (855) 404-4768	Delaware	0021005665	Authority Holder

D. Direct and Indirect Ownership of Authority Holders

Upon consummation of the Transaction, certain entities and/or individuals were expected to hold, directly or indirectly, a 10-percent-or-greater equity or voting interest in the Authority Holders. These interests are reflected in the organizational charts provided in Attachment 2, and the related information required by the Commission is provided in the table provided in Attachment 3. These calculations were formatted pursuant to the Federal Communications Commission's ownership attribution rules for wireline and international telecommunications carriers.

Attachment 1.

Ownership of GTCR Onvoy, LLC Holdings

The following entities currently wholly own Onvoy, LLC:

Name:	Onvoy Intermediate Holdings, Inc. ("Onvoy Intermediate")
Address:	One North Wacker Drive, Suite 2500 Chicago, Illinois 60606
Citizenship:	U.S. (Delaware)
Principal Business:	Holding Company
% Interest:	100% (directly in Onvoy)

Name:	Onvoy Holdings, Inc. ("Onvoy Holdings")
Address:	One North Wacker Drive, Suite 2500Chicago, Illinois 60606
Citizenship:	U.S. (Delaware)
Principal Business:	Holding Company
% Interest:	100% (indirectly in Onvoy, as 100% direct owner of Onvoy Intermediate)

Name:	GTCR Onvoy Holdings LLC (served as the "Transferor" to support the Sinch transaction)
Address:	c/o GTCR 300 N. LaSalle Street, Suite 5600 Chicago, IL 60654
Citizenship:	U.S. (Delaware)
Principal Business:	Holding Company
% Interest:	100% (indirectly in Onvoy, as 100% direct owner of Onvoy Holdings)

The following entities currently own or control a ten percent (10%) or greater direct or indirect interest in GTCR Onvoy Holdings, LLC:

Name:	GTCR Fund X/A LP ("Fund X/A")
Address:	300 N. LaSalle Street, Suite 5600 Chicago, IL 60654
Citizenship:	U.S. (Delaware)
Principal Business:	Investments
% Interest:	Approx. 62.4% (directly in Transferor)

Fund X/A has one limited partner with an interest of ten percent (10%) or greater. That limited partner, which owns approximately 12% of Fund X/A, is a U.S. public pension fund that has a purely passive investment, and is insulated from involvement and has no control in partnership affairs. The general partner of Fund X/A is GTCR Partners X/A&C LP.

Name:	GTCR Fund X/C LP ("Fund X/C")
Address:	300 N. LaSalle Street, Suite 5600 Chicago, IL 60654
Citizenship:	U.S. (Delaware)
Principal Business:	Investments
% Interest:	Approx. 17.9% (directly in Transferor)

No limited partner of Fund X/C is attributed a 10% or greater interest in Transferor. The general partner of Fund X/C is GTCR Partners X/A&C LP.

Name:	GTCR Partners X/A&C LP
Address:	300 N. LaSalle Street, Suite 5600 Chicago, IL 60654
Citizenship:	U.S. (Delaware)
Principal Business:	Investments
% Interest:	Approx. 80.3% (indirectly in Transferor as the general partner of (i) Fund X/A and (ii) Fund X/C)

No limited partner of GTCR Partners X/A&C LP is attributed a 10% or greater interest in Transferor. The general partner of GTCR Partners X/A&C LP is GTCR Investment X LLC.

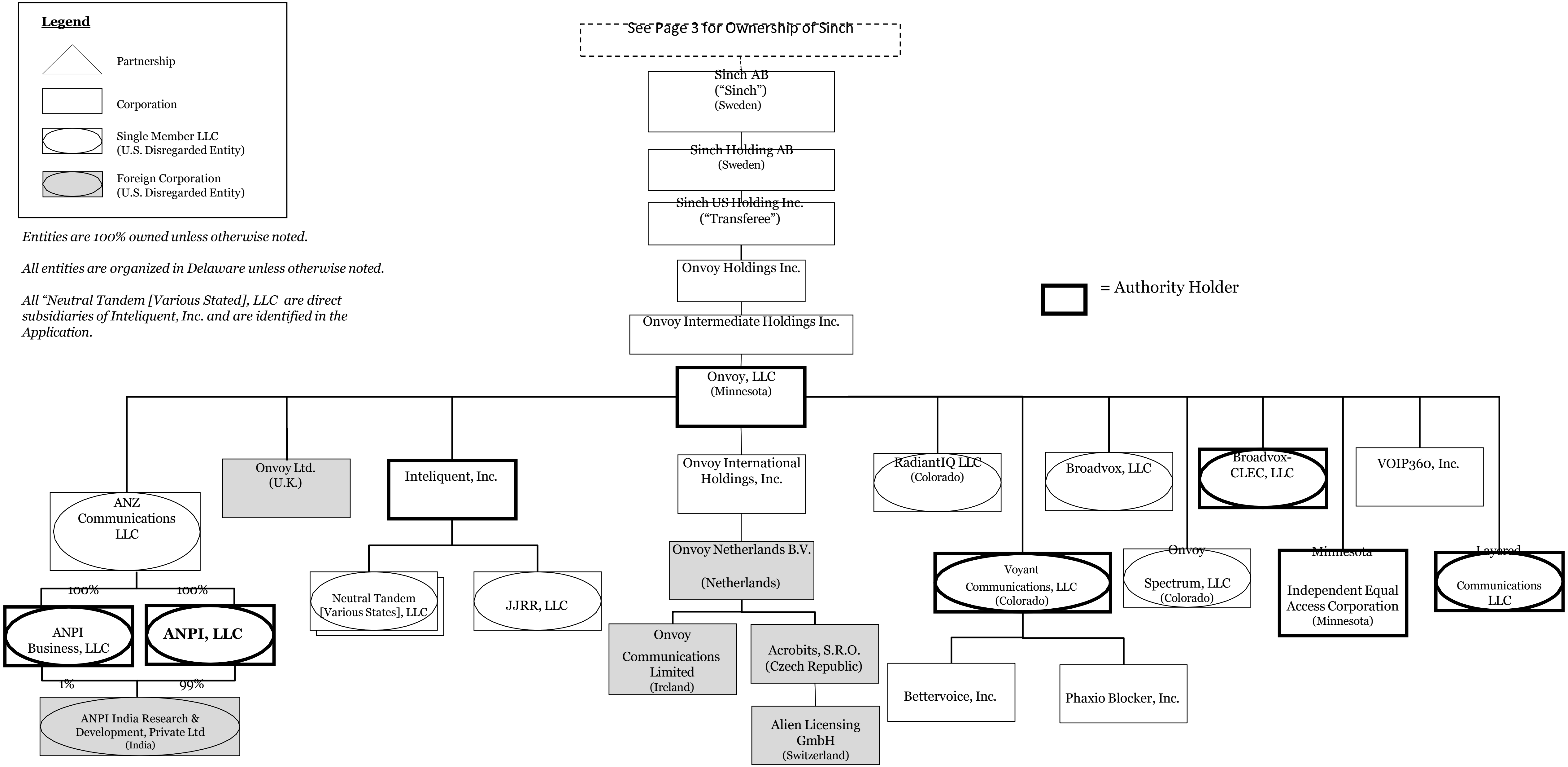
Name:	GTCR Investment X LLC
Address:	300 N. LaSalle Street, Suite 5600 Chicago, IL 60654
Citizenship:	U.S. (Delaware)
Principal Business:	Investments
% Interest:	Approx. 80.9% (indirectly in Transferor as the general partner of (i) GTCR Partners X/A&C LP and (ii) GTCR Co-Invest X LP (which has an approximately 0.6% direct interest in Transferor)

The following individuals are members of the board of managers of GTCR Investment X LLC, are all U.S. citizens and can be reached through GTCR Investment X LLC:

Mark M. Anderson
Craig A. Bondy
Aaron D. Cohen Sean
L. Cunningham David
A. Donnini
Constantine S. Mihas
Collin E. Roche

To the Transferor's knowledge, no other person or entity, directly or indirectly, owns or controls a ten percent (10%) or greater interest in Onvoy, LLC.

OWNERSHIP STRUCTURE OF AUTHORITY HOLDERS



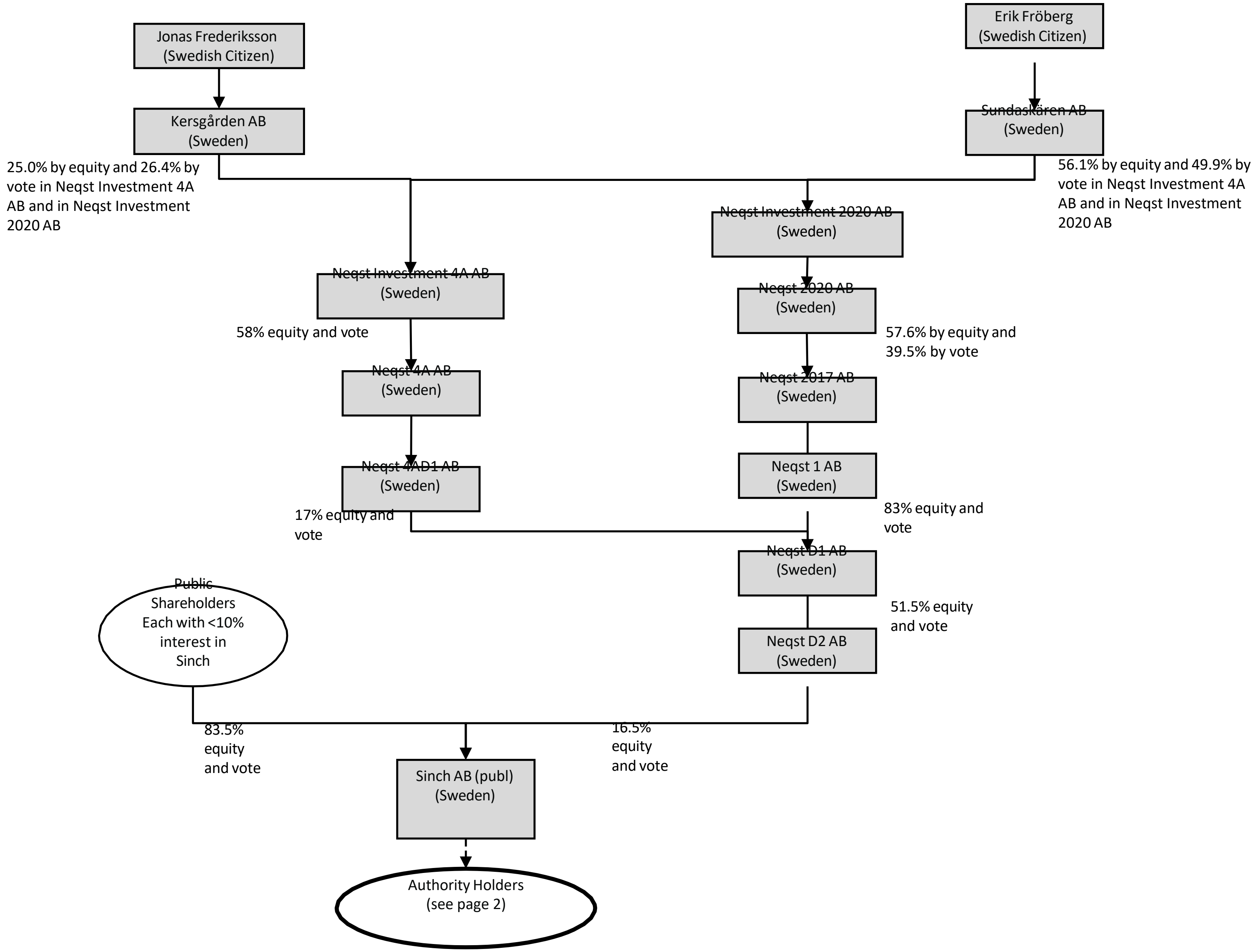
STRUCTURE OF AUTHORITY HOLDERS (OWNERSHIP OF SINCH AB (publ))

Interests are 100% unless otherwise indicated

Dash lines indicate indirect interest.

Entities are organized in the United States unless otherwise indicated

No other person holds a 10% of greater equity or voting interest in Sinch AB (publ).



Attachment 3: Post Sinch Acquisition

Transaction Authority Holders' 10-Percent-or-Greater Interest Holders

Upon consummation of the Transaction, Authority Holders now have the following 10-percent-or-greater voting and economic interest holders:

1.	*Name:*	**Onvoy Intermediate Holding Inc. ("Onvoy Intermediate")**
	Address:	One North Wacker Drive, Suite 2500 Chicago, IL 60606 (855) 404-4768
	Place of Organization:	Delaware
	Type of Organization:	Corporation
	Principal Business:	Holding company
	Interest Held:	Onvoy Intermediate holds a 100-percent voting and economic interest in Onvoy, LLC
	Role:	Onvoy Holding will continue to directly control Onvoy, LLC and indirectly control other Authority Holders
2.	*Name:*	**Onvoy Holdings Inc. ("Onvoy Holdings")**
	Address:	One North Wacker Drive, Suite 2500 Chicago, IL 60606 (855) 404-4768
	Place of Organization:	Delaware
	Type of Organization:	Corporation
	Principal Business:	Holding company
	Interest Held:	Onvoy Holdings holds a 100-percent voting and economic interest in Onvoy Intermediate
	Role:	Onvoy Holdings will indirectly control Authority Holders

3.	*Name:*	**Sinch US Holding Inc. ("Sinch US")**
	Address:	One Alliance Center 3500 Lenox Road NE Suite #1875 Atlanta, GA 30326
	Place of Organization:	Delaware
	Type of Organization:	Corporation
	Principal Business:	Holding company
	Interest Held:	Sinch US will hold a 100-percent voting and economic interest in Onvoy Holdings
	Role:	Sinch US will indirectly control Authority Holders
4.	*Name:*	**Sinch Holding AB ("Sinch Holding")**
	Address:	Lindhagensgatan 74 112 18 Stockholm Sweden
	Place of Organization:	Sweden
	Type of Organization:	Aktiebolag (corporation)
	Principal Business:	Holding company
	Interest Held:	Sinch Holding AB will hold a 100-percent voting and economic interest in Sinch US
	Role:	As the direct parent of Sinch US, Sinch Holding will indirectly control Authority Holders
5.	*Name:*	**Sinch AB (publ) ("Sinch")**
	Address:	Lindhagensgatan 74 112 18 Stockholm Sweden
	Place of Organization:	Sweden
	Type of Organization:	Aktiebolag (corporation)
	Principal Business:	Technology and telecommunications
	Interest Held:	Sinch AB (publ) will continue to hold a 100 percent interest in Sinch Holding AB.
	Role:	As the ultimate parent of Sinch US and the direct parent of Sinch Holding, Sinch will indirectly control Authority Holders

6.	*Name:*	**Neqst D2 AB ("Neqst D2")**
	Address:	c/o Neqst Birger Jarlsgatan 9 111 45 Stockholm Sweden
	Place of Organization:	Sweden
	Type of Organization:	Aktiebolag (corporation)
	Principal Business:	Investments
	Interest Held:	Neqst D2 AB holds a 16.5 percent interest in Sinch AB.
	Role:	Neqst D2 will have no role in the management of Authority Holders
7.	*Name:*	**Neqst D1 AB ("Neqst D1")**
	Address:	c/o Neqst Birger Jarlsgatan 9 111 45 Stockholm Sweden
	Place of Organization:	Sweden
	Type of Organization:	Aktiebolag (corporation)
	Principal Business:	Investments
	Interest Held:	Neqst D1 holds a 51.5-percent voting and economic interest in Neqst D2.
	Role:	Neqst D1 will have no role in the management of Authority Holders
8	*Name:*	**Neqst 1 AB ("Neqst 1")**
	Address:	c/o Neqst Birger Jarlsgatan 9 111 45 Stockholm Sweden
	Place of Organization:	Sweden
	Type of Organization	Aktiebolag (corporation)
	Principal business:	Investments
	Interest Held:	Neqst 1 holds an 83-percent voting and economic interest in Neqst D1
	Role:	Neqst 1 will have no role in the management of Authority Holders

9.	*Name:*	**Neqst 2017 AB ("Neqst 2017")**
	Address:	Birger Jarlsgatan 9 111 45 Stockholm Sweden
	Place of Organization:	Sweden
	Type of Organization:	Aktiebolag (corporation)
	Principal Business:	Investments
	Interest Held:	Neqst 2017 holds a 100-percent voting and economic interest in Neqst 1.
	Role:	Neqst 2017 will have no role in the management of Authority Holders
10.	*Name:*	**Neqst 2020 AB**
	Address:	c/o Neqst Birger Jarlsgatan 9 111 45 Stockholm Sweden
	Place of Organization:	Sweden
	Type of Organization:	Aktiebolag (corporation)
	Principal Business:	Investments
	Interest Held:	Neqst 2020 AB holds a 100-percent voting and economic interest in Neqst 2017
	Role:	Neqst 2020 AB will have no role in the management of Authority Holders
11.	*Name:*	**Neqst Investment 2020 AB ("Neqst Investment 2020")**
	Address:	c/o Neqst Birger Jarlsgatan 9 111 45 Stockholm Sweden
	Place of Organization:	Sweden
	Type of Organization	Aktiebolag (corporation)
	Principal Business:	Investments
	Interest Held:	Neqst Investment 2020 holds a 57.6 percent economic and 39.5% voting interest in Neqst 2020 AB.
	Role:	Neqst Investment 2020 will have no role in the management of Authority Holders

12.	*Name:*	**Neqst 4AD1 AB ("Neqst 4AD1")**
	Address:	c/o Neqst Birger Jarlsgatan 9 111 45 Stockholm Sweden
	Place of Organization:	Sweden
	Type of Organization	Aktiebolag (corporation)
	Principal Business:	Investments
	Interest Held:	Neqst 4AD1 holds a 17 percent economic and voting interest in Neqst D1.
	Role:	Neqst 4AD1 will have no role in the management of Authority Holders
13.	*Name:*	**Neqst 4A AB ("Neqst 4A")**
	Address:	c/o Neqst Birger Jarlsgatan 9 111 45 Stockholm Sweden
	Place of Organization:	Sweden
	Type of Organization	Aktiebolag (corporation)
	Principal Business:	Investments
	Interest Held:	Neqst 4A holds a 100% percent economic and voting interest in Neqst 4AD1.
	Role:	Neqst 4A will have no role in the management of Authority Holders
14.	*Name:*	**Neqst Investment 4A AB ("Neqst Investment 4A")**
	Address:	c/o Neqst Birger Jarlsgatan 9 111 45 Stockholm Sweden
	Place of Organization:	Sweden
	Type of Organization	Aktiebolag (corporation)
	Principal Business:	Investments
	Interest Held:	Neqst Investment 4A holds a 58 percent economic and voting interest in Neqst 4A.
	Role:	Neqst Investment 4A will have no role in the management of Authority Holders
15.	*Name:*	**Kersgården AB ("Kersgården")**
	Address:	c/o Jonas Fredriksson Hermelinstigen 6 167 57 Bromma Sweden
	Place of Organization:	Sweden

	Type of Organization	Aktiebolag (corporation)
	Principal Business:	Investments
	Interest Held:	Kersgården holds a 25 percent economic and 26.4 percent voting interest in each of Neqst Investment 4A and Neqst Investment 2020
	Role:	Kersgården will have no role in the management of Authority Holders
16.	*Name:*	**Jonas Fredriksson**
	Address:	Hermelinstigen 6 167 57 Bromma Sweden
	Citizenship:	Sweden
	Principal Business:	Investments
	Interest Held:	Mr. Fredriksson holds a 100 percent economic and voting interest in Kersgården
	Role:	Mr. Fredriksson will have no role in the management of Authority Holders
17.	*Name:*	**Sundaskären AB (“Sundaskären”)**
	Address:	c/o Erik Fröberg Strandvägen 11 182 60 Djursholm Sweden
	Place of Organization:	Sweden
	Type of Organization:	Aktiebolag (corporation)
	Principal Business:	Investments
	Interest Held:	Sundaskären holds a 56.2 percent economic and 49.9 percent voting interest in Neqst Investment
	Role:	Sundaskären will have no role in the management of Authority Holders
18.	*Name:*	**Erik Fröberg**
	Address:	Strandvägen 11 182 60 Djursholm Sweden
	Citizenship:	Sweden
	Principal Business:	Investments; executive management
	Interest Held:	Mr. Fröberg holds a 100-percent voting and economic interest in Sundaskären
	Role:	Mr. Fröberg currently serves as Chairman of Sinch

EXHIBIT B

Certificate of Authority - Kansas

Business Entity Search

Date: 03/09/2023

Be advised the business information on this page is for summary informational purposes only. It is not an official filing with the Secretary of State's office and should not be relied on as such. Please view actual documents filed by customers with the secretary of State's office to ensure accurate information. When filing a Uniform Commercial Code statement on an entity, consult with your attorney to ensure the correct debtor name.

Business Summary

Current Entity Name	Business Entity ID Number
ANPI, LLC	4515094

Current Mailing Address: 550 W Adams Street, Suite 900, Chicago, IL 60661

Business Entity Type: FOREIGN LTD LIABILITY COMPANY

Date of Formation in Kansas: 05/25/2011

State of Organization: DE

Current Status: ACTIVE AND IN GOOD STANDING

Resident Agent and Registered Office

Resident Agent: COGENCY GLOBAL INC.

Registered Office: 2101 SW 21st St., TOPEKA, KS 66604

Annual Reports

The following annual report information is valid for active and delinquent status entities only.

Tax Closing Month: 12

The Last Annual Report on File: 12/2021

Next Annual Report Due: 04/15/2023

Forfeiture Date: 07/15/2023

EXHIBIT C

Financial Information

Sinch Annual Report

sinch

Annual report

2023

Pioneering the way the world communicates

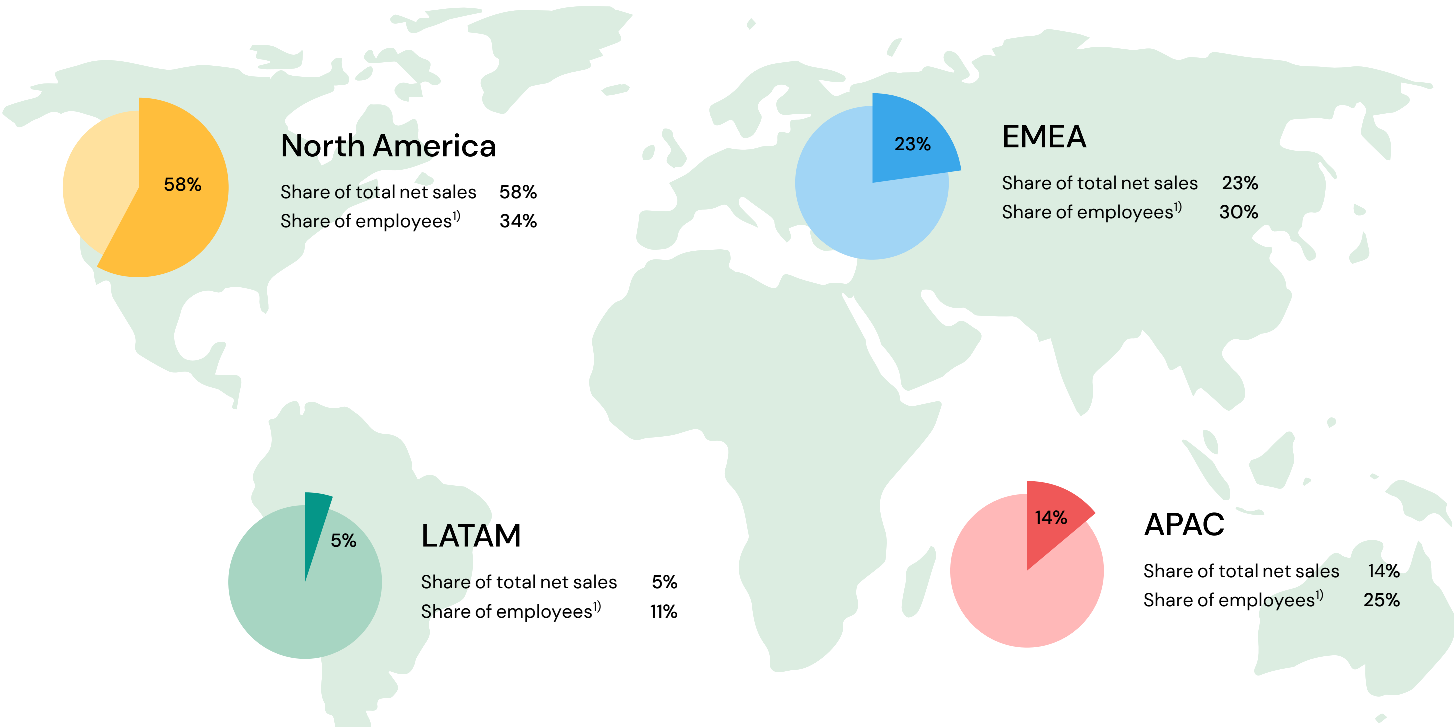
Sinch develops cloud-based digital tools that help businesses engage with their customers and enhance the customer experience.

Contents

While every care has been taken in the translation of this Annual Report, readers are reminded that the original Annual Report, signed by the Board of Directors or in European Single Electronic Format (ESEF), is in Swedish.

About Sinch

Sinch is pioneering the way the world communicates. More than 150,000 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 has been profitable and fast-growing since it was founded in 2008. It is headquartered in Stockholm, Sweden, with shares traded at NASDAQ Stockholm: XSTO:SINCH. Learn more at sinch.com.



1) Employees excluding consultants (FTE) as of 31 December 2023.
) Employees including consultants (FTE) as of 31 December 2023.

150,000+
customers

60+
countries with local presence

4,200+
employees at year-end 2023[2)]

800+
billion customer interactions per year – messages, voice calls and emails

Why invest

Global market

Sinch is a leading provider in the vast and expansive global market for cloud communications services (CPaaS) which is fueled by digitalization and businesses' increasing focus on customer experiences. We enable businesses to interact with their customers in ways that are efficient, immediate, personalized and appreciated.

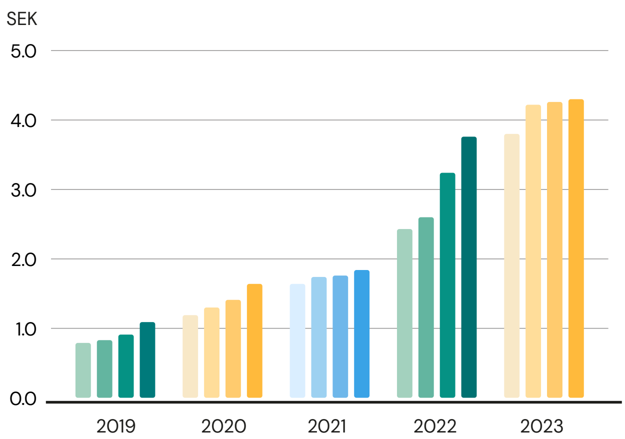
Differentiated offer

More than 150,000 businesses leverage Sinch APIs and software applications to communicate with their customers. We service many of the world's largest and most demanding enterprises and deliver more than 800 billion mobile messages, voice calls and emails each year.

Profitable growth

Sinch has been profitable since we were founded in 2008. We are actively driving the consolidation of our industry and look to grow both organically and through acquisitions. We have active owners and an inclusive company culture with the common goal of having a leading position in our industry.

Adjusted EBITDA per share[1], RTM



1) Sinch has a financial target decided by the board to grow Adjusted EBITDA per share by at least 20 percent per year. Adjusted EBITDA is an Alternative Performance Measure (APM) that is reported to clarify performance in underlying operations. The chart above shows the development of this APM over time. See also Definitions, pages 123–124.

Introducing our Growth Acceleration Plan

A year of solid financial results

We are proud of our strong financial performance in 2023. Sinch delivered close to SEK 29 billion in net sales, SEK 3.6 billion of adjusted EBITDA and SEK 1.8 billion in cash flow from operating activities. Operating leverage reduced further with year-end Net debt/Adjusted EBITDA at 2.0x compared to 2.7x one year prior.

Furthermore, we took an important step forward in our sustainability pursuits when we committed to emission reductions in line with the Science Based Targets initiative (SBTi). Joining SBTi ensures that our climate actions contribute to limit the global temperature rise to 1.5 °C.

2023 also marked the beginning of a new chapter for our company as we launched a comprehensive Growth Acceleration Plan and prepared for a new global organization that went live 1 January 2024.

Unlocking potential from acquisitions

I joined Sinch in April 2023 to improve our operating performance and reaccelerate our growth after a period of focusing explicitly on cost control and cash flow.

The market had changed dramatically in early 2022 after a long period of exceptional organic and acquired growth, which had established Sinch as a global leader in the market for cloud communications services. By mid-2023, it was very clear that measures taken in 2022 were positively affecting profitability and cash flow, but it was also very evident that the business had not yet leveraged the strategic advantages secured through M&A in prior years. Unlocking this potential became our compass and triggered work to adapt our organization and prepare our teams for changes in 2024.

Organizing around our customers

Four key design principles guided our work as we transitioned from business units into a more integrated operating model. We wanted to organize with our customers' needs in mind, to enable distributed decision making, to leverage the scale and efficiency of our global organization, and to allow distributed P&L ownership.

The new organization went live on 1 January 2024. Our customer-facing teams are now organized into three strong regions – the Americas, EMEA and APAC. We have tasked our regional sales teams to sell the entire Sinch portfolio and find the most attractive solution for each unique customer.

We have organized our product, technology and marketing teams into global functions to accelerate product integration and reallocate capital towards high growth areas. We have also created global support functions like Finance and HR, to ensure that we leverage our size and gain economies of scale.
Finally, we are making significant investments to better leverage internal data and harmonize our systems landscape for ERP, CRM and HRIS.

Strong fundamentals

The business we are setting out to transform is built on core values and strong fundamentals.

We task ourselves to Dream Big, Win Together, Keep it Simple, and Make it Happen – core values that define how we interact and meet our customers' needs.

We serve some of the world's largest and most demanding customers. Many of the world's largest tech companies trust and depend on our Customer Communication Cloud for interaction with their customers through mobile messaging, voice calls and email. This is an enviable starting point, especially considering that most customers today only use one of our products.
The products we offer are engineered for scale and handle hundreds of billions of unique customer interactions each year. We are uniquely well placed to serve the global and complex needs of multinational enterprise customers. Also, our online self-service offerings allow us to serve a long tail of software developers and business users – more than 150,000 in total – where we enable new businesses to get started and use our products within a few minutes.

Our long-time commitment to profitable growth makes us financially strong and resourced to adapt our business to evolving market needs.

Dream Big, Win Together, Keep it Simple, and Make it Happen are core values that define how we interact and meet our customers' needs.

I am also very pleased with the breadth of competence in our new global leadership team. Some members bring important perspectives and knowledge from Sinch and our former acquisitions while some are new to Sinch, and bring deep expertise from success in their respective remits.

Executing on strategy

We initiated significant changes in 2023 and the work continues in 2024. We are creating a more integrated business where we can focus more on our customers, and we are identifying efficiencies to fund growth investments. Our plan will secure our market leadership position for the long term.

Finally, I want to take this opportunity to thank our customers for your trust, our employees for your hard work, and our shareholders for your continued support. Sinch is pioneering the way the world communicates. I am encouraged by the progress that we have made thus far, and I am excited about the future .

Laurinda Pang
CEO
Stockholm, April 2024

The year in brief

+4%	+8%	38%	+11%
growth in net sales compared to 2022	growth in gross profit compared to 2022	of gross profit translated into Adjusted EBITDA[1]	growth in EBITDA compared to 2022

1) Adjusted EBITDA is an Alternative Performance Measure (APM) that is reported to clarify performance in underlying operations. See Definitions on pages 123–124 and Note 4 for more information.

First quarter

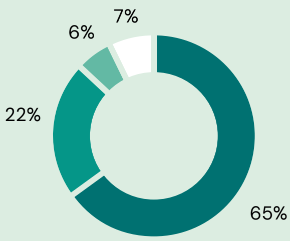
- Credit facilities of SEK 6,500m and USD 110m were extended by one year. The new maturity date is February 2026.
- Sinch launched "Operator Connect for Partners" which makes it possible for service providers and other partners to offer voice calling services via Microsoft Teams.

Second quarter

- Laurinda Pang acceded as the new CEO of Sinch on 17 April.
- Sinch was named a leader in IDC MarketScape for CPaaS.
- Sibito Morley was appointed the new Chief Data and Transformation Officer on 6 June.
- Sinch launched AI-powered Smart Conversations that provides business customers with invaluable insights into customer journeys and customer intent.
- The cost reduction program initiated in July 2022 achieved gross savings of approximately SEK 360m on an annual basis, exceeding the target of SEK 300m.

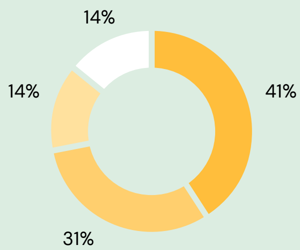
Performance per operating segment 2023

Net sales



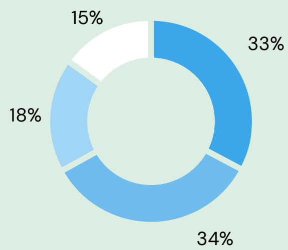
Messaging	65%
Voice	22%
Email	6%
SMB	7%

Gross profit



Messaging	41%
Voice	31%
Email	14%
SMB	14%

Adjusted EBITDA[1]



Messaging	33%
Voice	34%
Email	18%
SMB	15%

1) Excluding a negative contribution of SEK -606m from "Other" segment. See Note 4.

Third quarter

- Sinch was named as a leader in the first-ever Gartner Magic Quadrant for CPaaS.
- Sinch MessageMedia announced that two-way SMS capabilities have been integrated with Zoho Desk and the HubSpot Service Hub.
- Sinch launched a new product for Elastic SIP Trunking, which was made available in an open beta version. The product is a complement to existing voice services and allows business customers to easily buy flexible voice capacity via sinch.com.

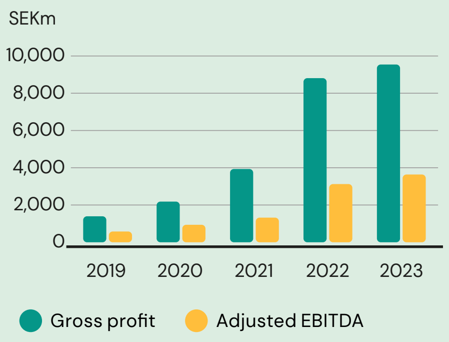
Fourth quarter

- Sinch announced a new operating model to accelerate its organic growth. The new model increases the focus on customers, unlocks cross- and upselling, and leverages the company's global scale in Product and R&D.
- Julia Fraser was recruited as new EVP Americas.
- Research firm Omdia named Sinch a Leader in the Omdia Universe: CPaaS Platform Providers.
- Sinch committed to short- and long-term emission reductions in line with science-based net zero and the Science Based Targets initiative (SBTi). By joining SBTi, Sinch will ensure that its climate action is aligned with the latest science aimed at limiting the global temperature rise to 1.5 °C.
- Credit facilities of SEK 1,500m were extended in December by one year. The new maturity date is February 2025.

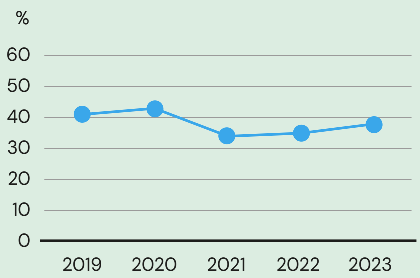
Financial targets and outcomes

Target	Outcome	
20 percent annual growth in Adjusted EBITDA per share	Adjusted EBITDA per share grew by **14 percent** in 2023	+14%
Net debt of **<3.5x** Adjusted EBITDA over time	Net debt/adjusted EBITDA was **2.0x** at year-end	2.0x

Gross profit and Adjusted EBITDA

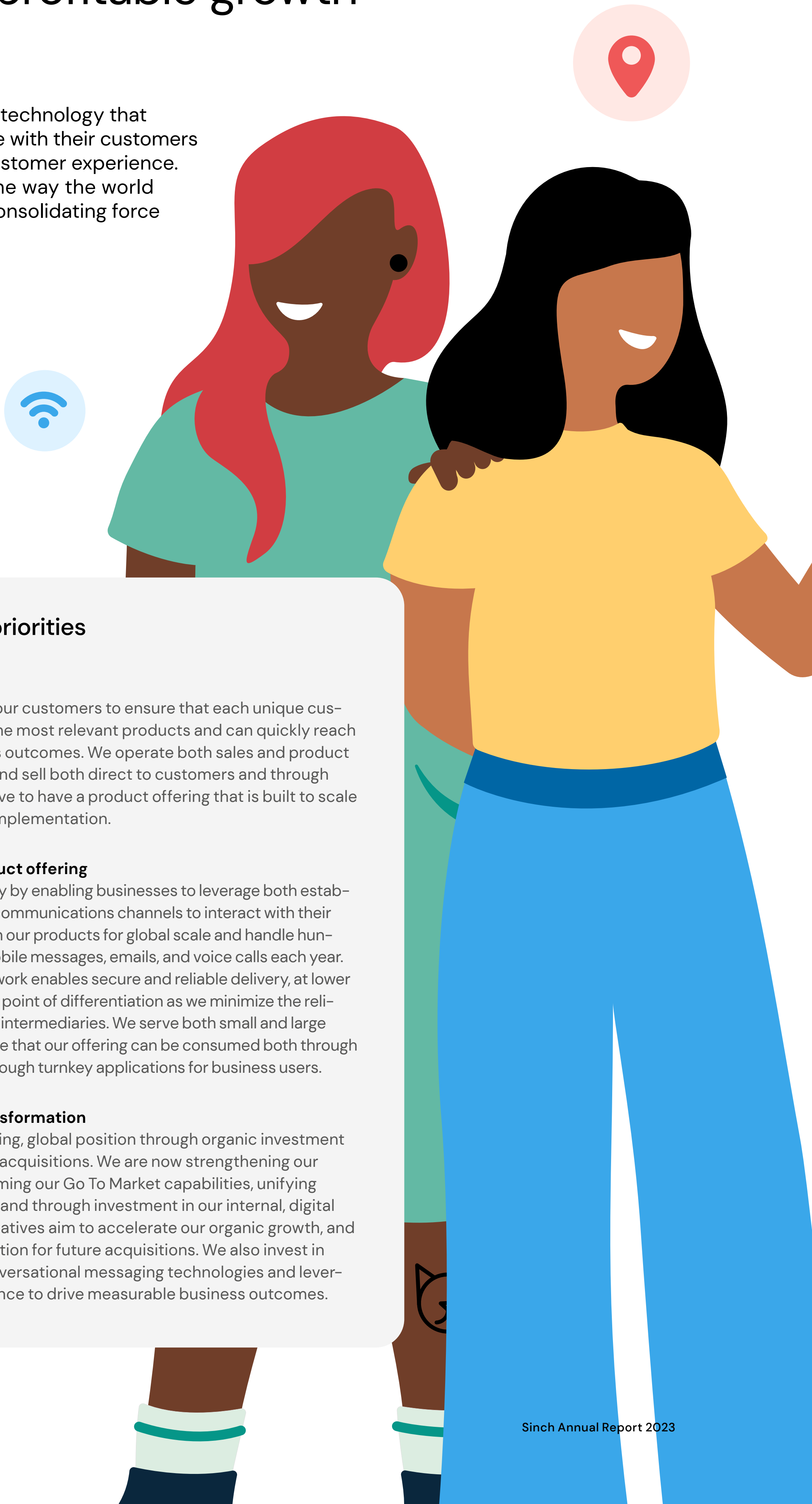


Adjusted EBITDA/gross profit



Strategy for profitable growth

Sinch develops cloud-based technology that enables businesses to engage with their customers and create a better, digital customer experience. Our ambition is to pioneer the way the world communicates and to be a consolidating force in our industry.



Our three strategic priorities

1

Customer first

We organize around our customers to ensure that each unique customer is presented the most relevant products and can quickly reach measurable business outcomes. We operate both sales and product led growth motions and sell both direct to customers and through partnerships. We strive to have a product offering that is built to scale yet adaptable in its implementation.

2

Differentiated product offering

We reduce complexity by enabling businesses to leverage both established and emerging communications channels to interact with their customers. We design our products for global scale and handle hundreds of billions of mobile messages, emails, and voice calls each year. Our global Super Network enables secure and reliable delivery, at lower latency, which is a key point of differentiation as we minimize the reliance on unnecessary intermediaries. We serve both small and large businesses and ensure that our offering can be consumed both through code, via APIs, and through turnkey applications for business users.

3

Integration and transformation

Sinch has built a leading, global position through organic investment and complementary acquisitions. We are now strengthening our business by transforming our Go To Market capabilities, unifying our product offering, and through investment in our internal, digital backbone. These initiatives aim to accelerate our organic growth, and to ready our organization for future acquisitions. We also invest in next-generation, conversational messaging technologies and leverage Artificial Intelligence to drive measurable business outcomes.

Acquisitions as part of our business model

Acquiring and integrating closely related businesses is an important component of Sinch's strategy. Our industry is fragmented and undergoing consolidation, and Sinch plays a driving role with 16 acquisitions since the IPO in 2015. Creating value through consolidation and widening our offering are the main reasons for acquiring other companies.

All companies acquired by Sinch meet a set of important criteria. First and foremost is a sound company culture, which is critical for successful integration. Financial performance must also be solid with products that have proven to create value for customers. There must also be clear cost and revenue synergies.

Completing an acquisition is a team effort and we have a dedicated team who review opportunities and complete transactions. We involve stakeholders from different parts of Sinch, including some of our founders, and the board of directors plays who all play an active role in the process.

Consolidation in existing product segments

We do business in a global but fragmented industry defined by rapid technological advances and a changing regulatory landscape. Effective digital customer engagement is becoming increasingly business critical and a good digital customer experience is essential to business competitiveness. In response to more intense focus on regulations related to GDPR and data storage, companies are selecting suppliers more carefully, while the capacity to offer a broad range of communications channels and a stronger offering worldwide is becoming increasingly important.

Many local and regional enterprise messaging vendors have built successful businesses with strong customer relationships but lack the scale and financial strength required to develop a complete CPaaS offering. They are limited in terms of geography and product set and have less capacity to invest in new technology. By acquiring companies of this type, Sinch reaches customers in new geographies and expands its global presence.

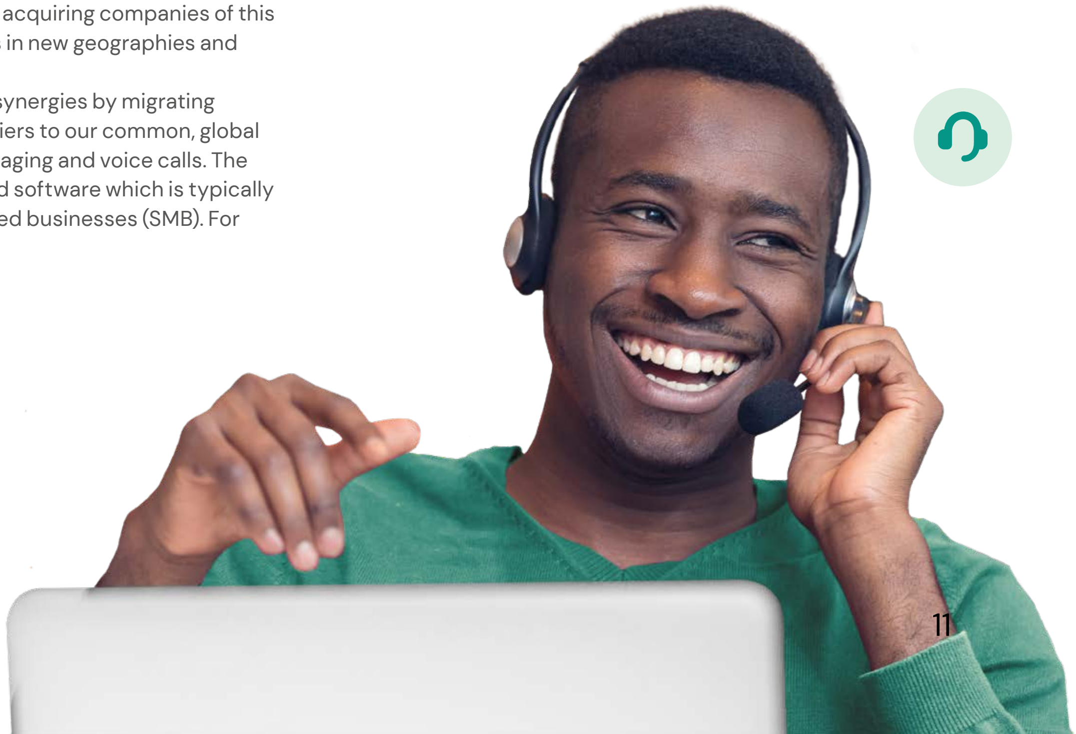
We achieve significant cost synergies by migrating acquired customers and suppliers to our common, global technology platforms for messaging and voice calls. The same applies to our web-based software which is typically used by small and medium-sized businesses (SMB). For this business, we can distribute fixed costs across higher transaction volumes and achieve higher levels of service with competitive pricing and improved profitability. If the acquisition is a company that offers voice or messaging services, we also benefit from the acquired entity's operator relationships. For the customers, this brings higher quality in deliverables and the opportunity to access Sinch's wider product portfolio and global network.

Expansion of our offering

Acquisitions in this area are aimed at expanding Sinch's product portfolio and augmenting our organic product development work. This may involve both minor complementary product acquisitions and larger established businesses.

When we acquire small product companies, the main thrust is to accelerate the pace of innovation at Sinch and bypass the earliest phases of innovation to reduce the risk. A key factor in these contexts is that the acquired entity has successfully commercialized its idea and proven its commercial benefit through sales.

When Sinch acquires larger, established companies, this involves extensive operations that would have been difficult for Sinch to develop. These are businesses that offer leading products in their field and have experience managing customer segments that are new for Sinch. The synergies in these businesses are mainly on the revenue side and contribute to a differentiated and competitive product offering.



The customer journey

Rapid digitalization has fundamentally reshaped how consumers interact with businesses. Sinch's technology lets businesses connect with their customers through the entire customer journey, using the communication channel best suited for each unique situation.

Competing in the digital age is increasingly about delivering a great customer experience. Researching alternatives has never been easier and businesses need to deliver a first-class experience to succeed in the marketplace.

A great digital customer experience centers around communication that is timely, personalized, and relevant. It leverages the communications methods best suited to each individual interaction and takes into consideration how preferences vary between people in different parts of the world.

Marketing

The initial stages of the customer journey are about awareness and consideration. Customers are researching options before they complete the purchase of a product or service.

Sinch offers several products that complement digital advertising with targeted one-to-one communications based on user consent and opt-in. In an era of increased focus on data protection and privacy, this is becoming increasingly relevant to businesses throughout the world.

The communications channels most used for marketing are email and SMS, and Sinch is one of the world's largest providers in both these product categories. Email is well suited for marketing due to its cost-efficient and unobtrusive nature and continues to deliver very high ROI for businesses. SMS is more expensive on per-message basis, but also has unrivaled reach and read rates. Every mobile phone in the world can receive SMS messages, and most consumers read incoming messages immediately.

Businesses across a wide range of industry verticals draw on Sinch's API platform to trigger communications at different stages of their customer journey. Many also leverage best-of-breed marketing platforms from leading vendors like Salesforce, Adobe and Oracle that have Sinch products pre-integrated, or leverage turnkey Sinch products like Mailjet or SimpleTexting for specific marketing uses.

Service delivery

A completed purchase transitions a lead or prospect into a paying customer or subscriber. This initiates a service delivery phase in which a business delivers the goods or services that its customers are paying for.

Use cases range from simple notifications like "your package is ready for pickup!" to more complex scenarios with video messaging and two-way interactivity.

Flying abroad is a concrete example. Once a trip is booked and paid for, you can expect to receive a purchase receipt by email. It is the most efficient option for both the airline and its passengers: cost-efficient for the business and convenient for the end user. The email inbox offers abundant storage that is easily searchable and hence ideal for less time-critical notifications.

A day before departure, when it's time to check in, an SMS or WhatsApp message is more appropriate. Mobile messaging breaks through the noise and does not require end users to download any new apps or change their phone settings to receive notifications. Newer messaging technologies like RCS, Telegram and WhatsApp also offer extended features and functionality that allow a more immersive and interactive customer experience.

The rise of e-commerce also triggers more digital communications as purchases happen online rather than in physical retail stores. Banks can send one-time passwords via SMS so that users can validate purchases or send notifications when credit cards are used in unusual ways. Consumers who shop using mobile apps that they download from Google Play or Apple's App Store will often be asked to submit an email address or phone number, after which CPaaS companies like Sinch are tasked to verify that email address and phone numbers are correct and legitimate.

Customer care

Successful customer care is imperative to retain high customer satisfaction in situations where things do not go according to plan. When a flight is canceled, a package delayed, or a newly bought sweater is the wrong size or color.

Voice calling is often the preferred way to interact with a business when things get complicated. Sinch's voice products give businesses a high degree of flexibility with minimal investment: this is the benefit of a cloud-based communication platform that effortlessly scales to customer needs.

Businesses can either integrate Sinch's voice APIs on their own or leverage Sinch calling via a contact center platform like RingCentral or a UCaaS platform like Microsoft Teams. Sinch also offers its own Contact Pro, a cloud-based contact center solution where Sinch's voice, messaging and email capabilities are natively integrated.

The post-sale phase of the customer journey is also about ensuring customer retention and encouraging customers to speak positively about their experience. Businesses want to leave a positive impression that encourages customers to return and buy more, and proactive follow-up communications can help tie the customer care phase back into marketing. This is an area where mobile messaging is poised to become more relevant in the future. Whereas SMS is mainly used for one-way notifications, newer messaging platforms like WhatsApp, Telegram and RCS allow more options for two-way dialogue and interactivity.

Customer care is also a good example where new technologies such as Artificial Intelligence can make a big difference. AI-powered chatbots can be used to initiate the dialogue in the two-way conversation and answer the most common customer requests, which saves both time and money.

Customer segments

Sinch's Customer Communications Cloud serves more than 150,000 customers across the globe ranging from the world's largest and most demanding brands to individual developers and business owners.

Sinch addresses a diverse customer base with variations in customer needs, use cases and levels of technical maturity. Common to all is the recognized need to place customer experience at the center of every company's strategy. In order to help our customers execute on this, Sinch provides a best-in-class communications network, APIs and applications across every communication channel including messaging, voice, email and new emerging channels. Today's reality is that consumers expect to be able to communicate on the channels they prefer and every brand, however large or small, needs to offer several differnet alternatives to ensure a positive customer experience.

Sinch's extensive global customer base can be segmented in three categories and we reach them through our own sales force and on-line sales based on self-serve.

Business to Consumer (B2C)

This customer segment is focused on customers that use Sinch's products and services directly to serve their end customers or employees. This is Sinch's largest single customer segment and spans a wide variety of industries from financial services, IT & Software, retail, healthcare, logistics and many digital native companies where omni-channel digital communications drive their whole business model. This segment often deploys a wide variety of Sinch's offerings across marketing, operations and service use cases with the ultimate goal of delivering both increased growth and efficiency through a superior customer experience.

Business to Business (B2B)

This customer segment primarily integrates Sinch's solutions into a larger package or platform offering to take advantage of world-class connectivity across all communication channels and combine this with their own proprietary technology that is tailored to a specific use case, industry or geography. Within this segment there are two categories where Sinch has unique offerings.

Partners

Many of the world's leading cloud companies including Salesforce, Adobe and SAP/Emarsys rely on Sinch's global network of communications APIs to power their own applications. Relying on Sinch enables their R&D teams to concentrate on core technology development while embedding best-of-class and consistent global communications in their offering. In addition to the larger cloud platforms there are a plethora of communications and applications service providers that Sinch serves across every geography, industry and use case that offer customized technology to meet a specific need. Sinch offers its technology to these partners through a variety of business models including sell-to, sell-through and sell-with motions.

Wholesale

Our transactional or wholesale customers that buy bulk communications traffic are another important category in the B2B segment. These are often large organizations that take a multi-vendor approach to procurement and whose buying decisions are based on price and quality. Sinch is uniquely positioned to serve this customer base due to the scale of its unparalleled communications Super Network and many of the exclusive relationships Sinch has built with telecom operators across the globe.

Operators

Sinch has a deep and extensive relationship with telecom operators worldwide and they also comprise a customer segment. Sinch provides this group with a wide variety of products and services across all forms of communication. Our voice network for instance offers the most extensive directly connected IP network in North America and serves Verizon and AT&T among others. We also provide 5G operators with SMS firewalls, IP-SMS gateways and data analytics engines. Sinch's product portfolio is a key component and Sinch is a partner in many mobile operator's business and customer experience strategy.

SELECTION OF CUSTOMERS

Self-Serve

An important customer segment consists of customers who chose to sign up for the services on-line without any interaction with Sinch's sales staff. The self-serve segment is madeup of two distinct groups. The first group consists of individual developers and programmers who are often the final decision makers for more technically oriented business customers. They want to be able to test the products independently and they value a good user experience, self-service capabilities and clear documentation, including sample code. The second consists of small business owners or product managers who have a simple job to do, often related to a single communications channel, and want an easy-to-use application with no need to talk to a sales or service representive. Sinch has a large and active worldwide community of developers and business users who are continuing to build and test Sinch's communications API and applications products.

Product offering

Sinch's API Platform, Applications, and Network Connectivity services together form the Customer Communications Cloud. In 2023, the platform powered more than 800 billion unique customer interactions on behalf of more than 150,000 customers.

API Platform

Cloud-based infrastructures let customers draw on the resources they need, exactly when they need them, without costly upfront investments in technology or delivery capabilities. This is a defining characteristic of Sinch's Customer Communications Cloud, which lets businesses trigger mobile messages, send email, and connect voice calls by calling on Sinch's APIs from their own tools and systems.

An API, or Application Programming Interface, is a defined interface that exposes a technical capability and makes it accessible via code. Beyond core APIs for messaging, email, and voice calling, Sinch's complementary management APIs also let customers buy phone numbers, enquire about pricing, and retrieve product analytics through code. This allows customers to integrate Sinch capabilities into their own platforms and processes, and allows Sinch's products to be seamlessly integrated with other cloud platforms like Salesforce, Oracle, Adobe, Zoom and Microsoft Teams.

Many of the world's largest companies rely on Sinch's API platform to communicate with their customers. They recognize Sinch's commitment to quality, track-record of reliability and long-established focus on regulatory compliance. These are areas of differentiation where Sinch has made considerable investments over multiple years.

Underpinning the API offering is Sinch's Super Network, or network-of-networks, which is a key point of differentiation versus the competition. A fundamental role for CPaaS companies is to bridge the gap between telecoms and the internet and make it easy for businesses to draw on telecom capabilities. Where others rely on layers of subcontractors and middlemen, Sinch connects directly to hundreds of telecom operators across the globe to provide the highest attainable quality at the lowest possible cost per unit. End-to-end control of the supply chain also guarantees compliance with increased regulations related to privacy and data sovereignty.

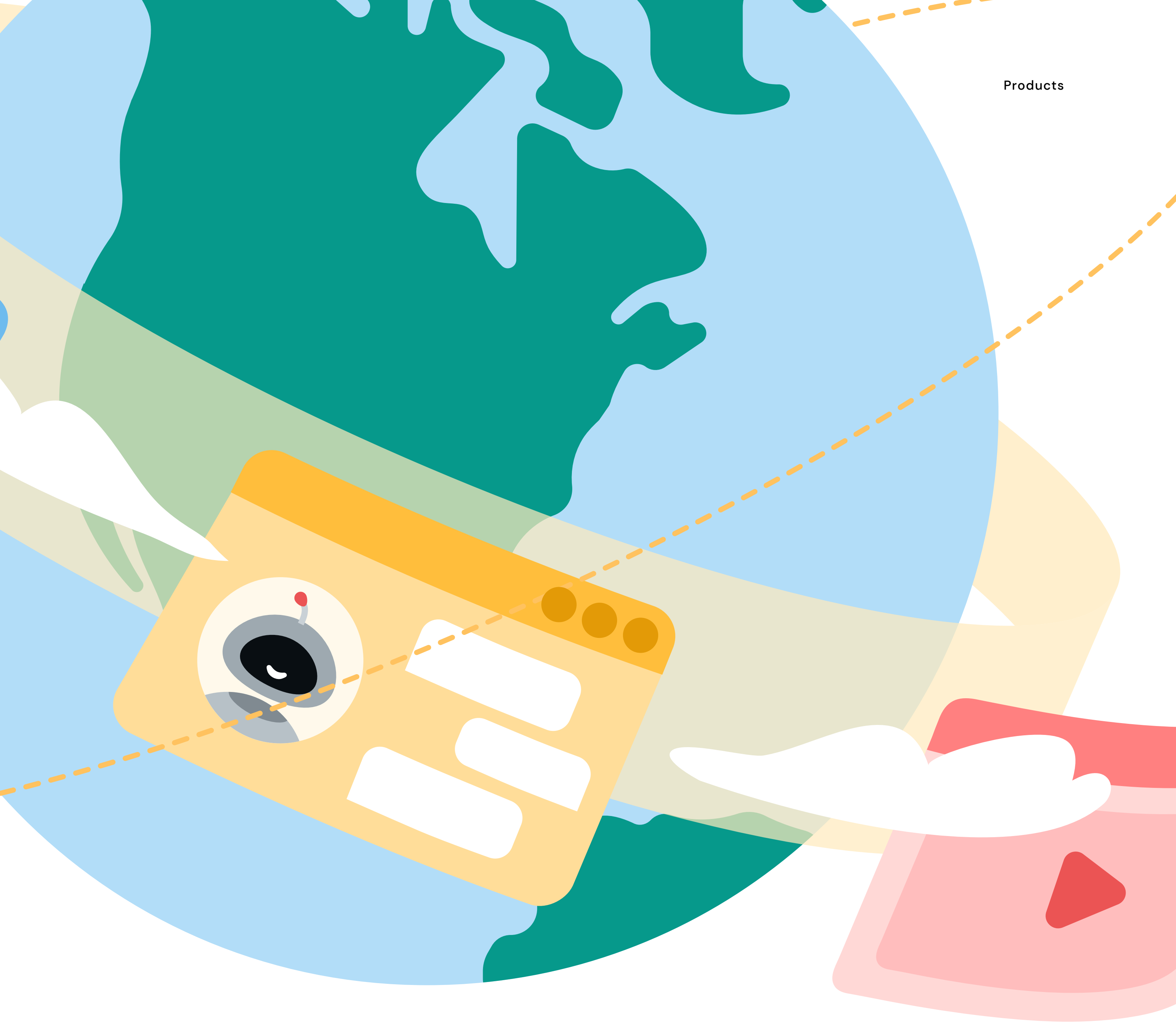
Sinch has also increased investment in self-service capabilities so that individual software developers can sign up online and get started using Sinch's API platform in just a few minutes. Single sign-on also lets customers who use the Mailgun email products use Sinch's messaging products, or vice versa, and prebuilt integrations to third-party cloud platforms offer additional options to leverage the Sinch platform.

Applications

Where the API platform targets developers, Sinch's Applications offering targets business users. This broadens Sinch's addressable market and eliminates the need to engage in-house or third party software developers.

Sinch offers a set of specific applications that address use cases focused on marketing, service delivery and customer care. SimpleTexting offers an easy-to-use, turnkey online tool for SMS marketing and primarily targets small and mid-sized businesses in North America. Mailjet offers easy-to-use applications for email marketing and Sinch Engage enables businesses to interact with consumers through conversational messaging technologies like WhatsApp, Telegram, Line and RCS. Product development in 2023 and 2024 aims to further integrate these offerings to allow easier cross- and upsales.

Mid-sized and larger enterprises can also opt for Contact Pro, Sinch's own cloud-based, omnichannel contact center product with preconfigured integrations to SAP products for marketing and customer care.



To enable two-way conversations at scale, many businesses leverage Chatlayer, Sinch's multi-lingual conversational AI platform. The technology allows incoming customer questions to be handled automatically without human intervention, reducing cost and shortening response times in customer service. It also empowers businesses to turn discrete one-off interactions into continuous customer relationships with valuable interactivity across multiple communications channels.

Network Connectivity

In addition to products for businesses, Sinch also offers a set of services and software for telecom operators and whole-sale voice buyers.

Telecom operators have multiple ways to handle off-net voice calls and messaging traffic. Direct peering agreements make sense for the operators' largest counterparties, but interconnections to hundreds of external networks is better handled through a third-party hub to which multiple networks are connected.

Sinch offers interconnect services for both voice calling and SMS messaging. In North America, Sinch operates the largest independent voice network and carries 300 billion voice minutes per year.

Beyond these services, Sinch offers software including products related to network security, 5G readiness and policy and charging.

Market leadership

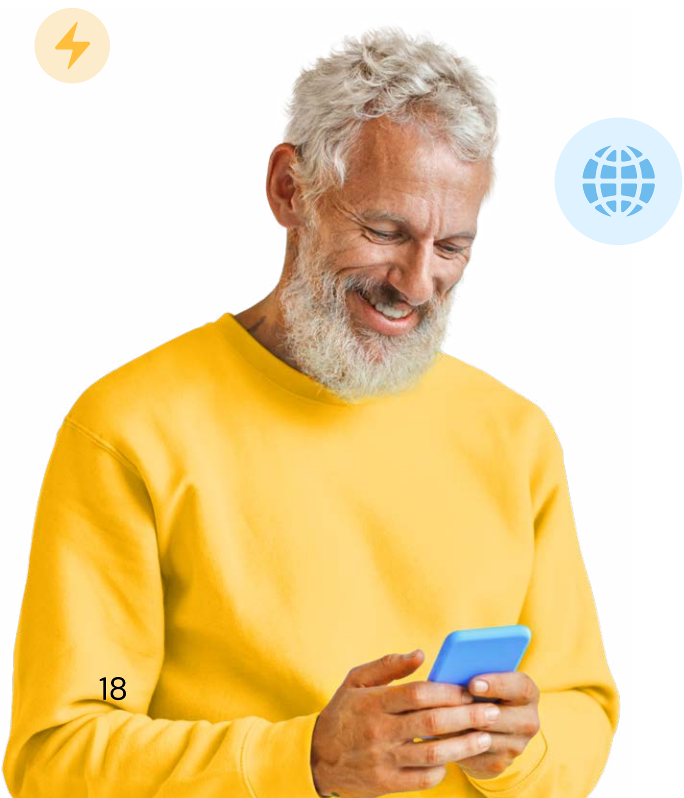
The digital communications market is large, global and growing. Businesses the world over now understand that competitiveness is born of a first-class digital customer experience. They are making customer engagement a priority and are seeking cloud solutions to enhance their marketing, delivery and customer service. They are meeting customer needs and basing their actions on the communications services people like and use.

The market for cloud-based customer communications

Businesses turn to Sinch when they want to communicate digitally with their customers, on a one-to-one basis, through communication channels like mobile messaging, voice calling, or email. The products are cloud-based and offered as a service, which means that businesses can draw on Sinch's capabilities without high upfront investments in software or infrastructure.

Our market is often denoted CPaaS, for Communications-Platform-as-a-Service, and is defined by Gartner as "a cloud-based platform used by developers, the IT team and other nontechnical business roles to build an array of communications-related capabilities using APIs, SDKs, documentation and no-code/low-code visual builders." Although the main use of CPaaS is to enable customer communications, the technology can also be leveraged for other uses such as powering internal business communication tools (UCaaS), facilitating person-to-person communications, or as a technology enabler for IoT (Internet of Things).

The CPaaS business model is primarily transactional, in that revenues relate directly or indirectly to the volume of communications consumed by a business. However, there is also an increasing share of subscription-based invoicing as the scope of CPaaS becomes relevant in adjacent software domains such as marketing automation (CRM), contact center, and digital security.



Structural growth drivers

Demand in the cloud-based customer communications market is affected by structural trends and shifts in how businesses, their customers and people in general communicate and interact with each other. We have identified four trends that affect how our market is being shaped and developed.

- Digitalization
- Customer experience as competitive edge
- Increased usage of cloud services
- New communication channels

Digitalization makes it possible to process and transmit information more efficiently and to communicate in new ways. Businesses benefit from digitalization to cut their costs and satisfy greater demands for accessibility and ease of use.

A good **customer experience** is a clear competitive advantage and can be as important to the decision to buy as the price of the product or even the product itself. Businesses must deliver personalized and relevant communication at the right time while managing more, and more complex, communication channels.

To an increasing extent, businesses are relying on **cloud services** that offer several advantages over conventional local solutions. Some of the most important advantages are lower costs, greater scalability and improved access to data and information from anywhere in the world.

These days, businesses are expected to be accessible through the same **communication channels** that are used in personal contexts. Different channels have different strengths and characteristics and depending on the occasion, text, email, a voice call, video or communication via WhatsApp or RCS may be the most attractive solution.

The market in 2023

The global Covid-19 pandemic changed how people throughout the world lived and worked and contributed to an acceleration of digital communication during 2020 and 2021.

The business environment changed considerably during 2022. Russia's invasion of Ukraine, increased inflation and rising interest rates led to an increased focus on profitability among businesses everywhere. At the end of 2022, Sinch saw the effects of the changing business environment as growth in traffic volumes came to a halt.

The effects were especially visible among larger international customers who began to review their costs and usage of communication services. The market in 2023 has therefore been slow, but stable, which showed especially in the operating segments of Messaging and Voice. At the same time, Sinch's offering towards smaller business customers has continued to grow even in this poorer macroeconomic environment.

This overall trend is also mirrored in the financial performance of Sinch's competitors. Many local, regional and global competitors are not profitable or cash-generative, which drives a need to reduce headcount and contain costs. Sinch's long-time commitment to profitability is therefore a key point of differentiation versus the competition.

Regional competition

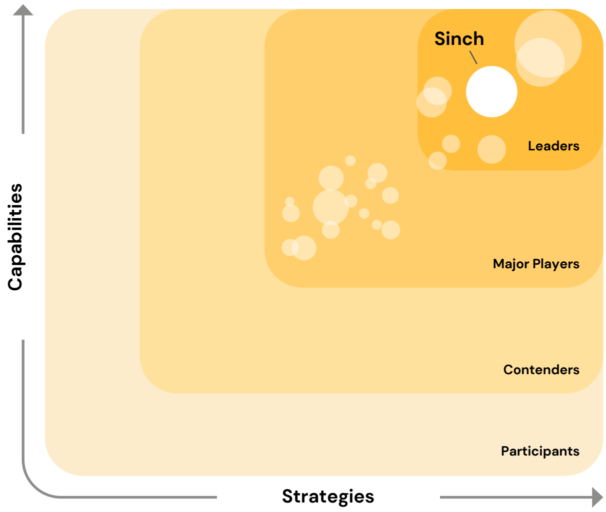
Sinch's product offering enables businesses to communicate with customers throughout the world. Many customers have global operations and Sinch is present in more than 60 countries. Helping businesses adapt to regulatory, technical and commercial differences is a key part of the offering. Whereas Sinch encounters many local and regional competitors whose products compete with parts of Sinch's offering, very few have the global reach or capabilities needed to service complex and global needs.

Recognized leadership

Sinch was recognized as a leader in the sector by several independent research firms in 2023. In May, Sinch was recognized as a leader in the IDC Marketspace Worldwide Communication Platform as a Service (CPaaS) 2023 Vendor Assessment. In their words:

"Consider Sinch when you are a globally operating company and are looking for a CPaaS provider with a deep, global coverage and a robust portfolio spanning basic communications APIs as well as low-no-code and SaaS solutions with profound marketing and customer engagement capabilities.

Gartner® Magic Quadrant™ CPaaS



When you are a smaller sized business, you will want to explore Sinch's customer engagement portfolio that is specifically designed for this market segment and ultra easy to deploy. In addition to the vendor's global coverage, local and regional companies will also benefit from Sinch's expertise around local regulatory environments, especially in Europe, the US, Brazil, and India."

In September, Sinch was positioned as a leader in the first 2023 Gartner® Magic Quadrant™ for Communications Platform as a Service (CPaaS). The evaluation was based on specific criteria that analyzed Sinch's overall Completeness of Vision and Ability to Execute.

In November, Sinch was also positioned as a Leader in the Omdia Universe: CPaaS Platform Providers 2023/24. In Omdia:

"Sinch is classified as a leader in the CPaaS Omdia Universe, with well above average category scores for APIs, value-added services and packaged solutions, innovation, go-to-market strategy, number of customers, non-functional requirements, and implementation services."

Excerpts are available at sinch.com/insights.

Operating segments

In 2023, Sinch's business was structured in four segments; Messaging, Voice, Email and SMB[1].

Messaging

Enterprises typically use APIs to connect to Sinch's cloud communications platform and reach their customers' phones through different types of messages.

Facts

What: Cloud communication platform and software for advanced interactive communication and related services and solutions.

Main markets: Large business customers worldwide.

18,942	3,876	1,079
Net sales, SEKm, 2023	Gross profit, SEKm, 2023	EBITDA SEKm, 2023

54%

Share of employees

41%

Share of gross profit

Enterprises often have a need to send large volumes of messages and possess in-house IT-development capabilities. For these customers, it typically makes sense to use an API (Application Programmable Interface) to initiate an interaction with their customers through SMS and next-generation messaging technologies like WhatsApp and RCS. The adoption of new messaging technologies is growing rapidly but SMS is still a unique communication channel that cuts through the noise since anyone with a mobile phone can receive an SMS, and 98 percent of them are read.

Based on our expertise and our Super Network with more than 600 affiliated mobile network operators, we offer a reliable and secure solution that simplifies business communications. This has been recognized by thousands of large enterprises that combined use Sinch's Communications Cloud to send about 250 billion business messages every year. The customer base includes several of the largest tech companies in the world.

Voice

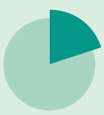
Sinch's Voice communications solutions enable business customers, service providers and telecom carriers to manage massive volumes of phone numbers and voice and emergency calls without costly investments in infrastructure.

Facts

What: Voice communications enabling the handling of large volumes of calls and numbers.

Main market: Enterprises, carriers and communication service providers in the US.

6,339	2,985	1,425
Net sales, SEKm, 2023	Gross profit, SEKm, 2023	EBITDA SEKm, 2023



20%

Share of employees

31%

Share of gross profit

Sinch helps businesses handle voice calls from any and all devices over the public switched telephone network. We help businesses scale their communications and acquire local phone numbers as they expand. The backbone of Voice solutions is the Super Network, which reaches 95 percent of the US population and completes more than 100 billion voice calls per year. The interconnect services we offer to American carriers and service providers are a major component of the business, but we also support a vast array of applications related to voice services.

As a partner to Microsoft Operator Connect, we make it possible for businesses to use Microsoft Teams as their primary phone system. We aggregate calls to public emergency services with our next-generation emergency response service (NG911). We offer number verification via voice call, by which we verify that the phone number a person has given genuinely belongs to them. Our customers are mainly telecom carriers, service providers and enterprises.

1) From January 1, 2024, Sinch reports based on a new business model introduced in October 2023. See press release for more information.

CUSTOMER CASE

AAA

Enabling access to roadside assistance
For over a century, the American Automobile Association (AAA) has been synonymous with safety and reliable roadside assistance for motorists in North America, serving over 63 million members and responding to 30 million calls for roadside assistance annually. Helping drivers in cellular dead zones is howerer challenging, even for North America's largest and most trusted automobile association.

Offering chat capabilities via satellite on iPhones
To allow AAA members to request roadside assistance in areas where cellular coverage is unavailable, AAA partnered with Sinch and Apple to offer drivers a new way to contact them.

With Sinch Engage, our all-in-one messaging platform, AAA agents can be in near-live contact with iPhone 14 and 15 users and localize them using satellite connection, all while enjoying the benefits of a customer support tool.

Incoming messages can be managed and shared from a single inbox, with easy access to all relevant user information and conversation history.

AAA remains synonymous with safety and reliability — and meaningful innovation
Beyond the enhanced user experience, this new contact option gives millions of drivers the peace of mind that comes with knowing that help is only a text message away, wherever they are.

"AAA's top priority is taking care of our members when they need us most," said Marshall Doney, president and CEO, AAA. "Sinch has been an excellent partner in furthering that mission and their innovation has allowed us to take our roadside assistance to the next level."

CUSTOMER CASE

HSBC

Transforming the personal loan experience
When HSBC set out to simplify personal loan application applications and enhance the customer experience for its massive customer base, they turned to Sinch and took a bold step into the realm of conversational banking.

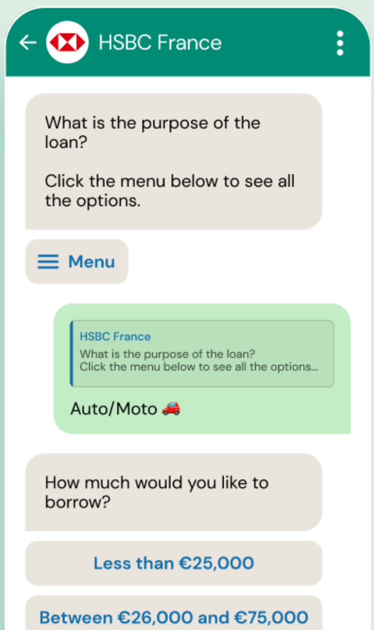
Building a conversational AI experience in WhatsApp
Working closely with Sinch experts, HSBC's CRM team built a personalized credit simulation experience in the form of a WhatsApp chatbot.

At the end of the simulation, customers received a personalized quote for their desired loan amount with all relevant information and legal notices.

"We're delighted with this initiative. WhatsApp is more than a new channel for us. It's a new way of interacting with our customers which allows us to understand their needs and provide ultra-personalized offers in the same discussion thread. The power of WhatsApp lies in the ability it gives us to cross-reference conversation data with customer data to personalize subscription processes," said Sabrina Giry Fernandez, Head of CRM at HSBC.

Improving customer engagement and conversion rates
The solution was launched in just one month with more than 18 variations and was a resounding success. With 91 percent of targeted customers engaging with the campaign and a conversion rate of 1.4 percent, the simulation generated over 20 million euros.

"The Sinch team was great and very professional. Their expertise and advice allowed us to quickly collect opt-ins, find technical solutions to implement sophisticated scenarios, and offer a smooth experience to our customers. The results exceed the objectives we set for ourselves and we're already thinking about next steps," said Sabrina Giry Fernandez.



Email

Within the Email segment, Sinch offers industry-leading email deliverability to more than 100,000 customers worldwide.

Facts

What: Transactional and marketing email.

Main market: Developers and programmers in the US and Europe.

1,773	1,377	709
Net sales, SEKm, 2023	Gross profit, SEKm, 2023	EBITDA SEKm, 2023

12%

Share of employees

14%

Share of gross profit

Through powerful APIs for email and intuitive marketing solutions, Sinch delivers around 450 billion emails per year for companies including DHL, Wikipedia, Lyft and Microsoft. Sinch helps its customers manage the entire email life cycle and control the variables that impact deliverability. We assist marketers in delivering effective campaigns, and provide developers with the tools they need to send automated transactional emails and analyze user behavior. Our product sets are: Mailgun APIs for email, Mailjet email marketing products and Email on Acid test tools. Our infrastructure builds on Google Cloud Platform and can handle extreme capacity demands, for instance on Black Friday.

Since the Sinch system regularly sends large volumes to most of the world's email box providers, we can analyze traffic flows in real-time and generate an email delivery rate of 98 percent, well above the industry average of 83 percent. Sinch's traditional customer base within email is made up of more than 100,000 tech savvy developers and programmers. Large companies where our high delivery rate and cloud solutions offer advantages are a focus area for growth.

SMB, small- and medium-sized businesses

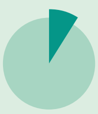
The SMB segment includes web-based, turnkey products that make it easy for businesses to engage with their customers through mobile messaging.

Facts

What: Easy-to-use turnkey applications that make it easy for businesses of any size to engage with their customers via messaging and two-way conversations.

Main market: Businesses in Australia, New Zealand and the US.

2,069	1,303	526
Net sales, SEKm, 2023	Gross profit, SEKm, 2023	EBITDA SEKm, 2023



9%

Share of employees

14%

Share of gross profit

Businesses of all sizes need to communicate with their customers and increasingly look to messaging as an efficient way to acquire, engage, and retain their customers. However, many lack dedicated IT development resources and look for easy-to-use products that work well with other software already used for CRM, eCommerce, ERP, or Marketing Automation.

Sinch's SMB products are easy to use, integrate well with existing technology platforms, offer flexible pricing models, and enable quick set-up online. This makes the offering especially attractive for small and medium-sized businesses. Products are offered under well established brands including MessageMedia, SimpleTexting and ClickSend. The Sinch SMB offering is particularly strong in Australia, New Zealand and the fast-growing US market. More than 70,000 active businesses use Sinch SMB products today with global demand creating clear opportunities for continued consolidation and growth.

CUSTOMER CASE

Harrods

Unifying the customer experience and managing loyalty across touchpoints

Harrods, the world's leading luxury department store, caters to a very diverse audience of shoppers, both at their brick-and-mortar store and online, which poses some challenges when it comes to customer experience and loyalty management.

To unify customer data and communications across touchpoints and create seamless experiences for its multi-faceted audience, Harrods partnered with Sinch and KPS, a leading consulting firm for digital transformation.

Building 360° customer profiles with an agile CX ecosystem

Working closely with KPS implementation experts, Harrods implemented an SAP customer experience solution to create a unified view of its customers and empower its business teams to make more data-driven CX decisions.

Next, the retail giant implemented special applications, including Sinch's SAP-endorsed contact center Contact Pro and Sinch Campaigns to enable more personalized and innovative communication and let customers engage on their preferred channel. This also allowed Harrods' business teams to leverage conversational data across their entire CX ecosystem.

A unified view of the customer — and next-level shopping experiences

This new SaaS-based CX ecosystem offers Harrods' business teams a 360° view of customers, with access to all data and interaction history collected across touchpoints. The retail giant can now better anticipate and meet the expectations of its diverse audience and prioritize its most loyal customers.

The result is reduced complexity and IT costs, and premium, personalized experiences at every step for Harrods' customers, from in-store shopping to marketing communications or support.

Harrods

CUSTOMER CASE

Picard

Placing Picard at the heart of the holiday season

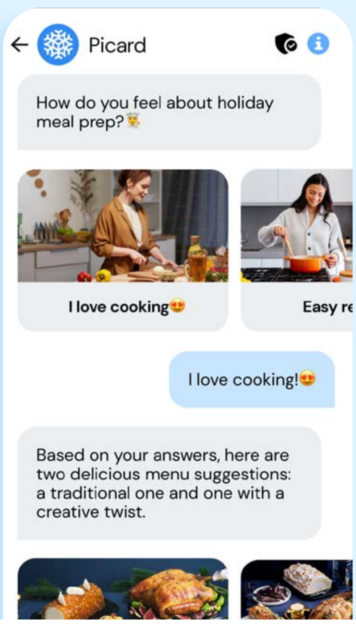
For Picard, a French frozen food retailer, the holiday season is a perfect opportunity to win new consumers and turn them into loyal ones — and innovative communication is a major part of the equation. To strengthen its customer activation strategy during this period, Picard joined forces with Sinch to create an immersive holiday shopping campaign.

Creating a rich conversational experience with RCS and Rich SMS

The goal of the campaign was to facilitate holiday preparations for customers by letting them create and shop for holiday meals quickly and effortlessly.

RCS (Rich Communication Services) was an obvious choice for this project. Richer content, app-like experience, better branding, better security, better insights into delivery and open rates, higher engagement — it's easy to understand what makes RCS such a powerful channel.

Because RCS isn't supported on all mobile devices yet, Picard also used Rich SMS to deliver an enhanced experience for customers with non-compatible devices, directing them to a landing page with a conversational chatbot experience.



Increased engagement over RCS

With RCS, Picard created an end-to-end, immersive experience directly within the messaging channel, encouraging users to engage and convert.

The RCS holiday campaign saw a click-through rate three times higher than that of Rich SMS, a 42 percent increase in customer engagement, and over 10 percent more website redirections.

"RCS is an innovative messaging channel that has allowed us to communicate with our customers in a very playful and interactive way. The conversational nature of RCS allows us to bring more value to customers by using rich content directly within the messaging channel. It helps us understand our customers' preferences and the channel makes it easy for our customers to understand our value proposition and has great marketing activation potential for brands," said Charlotte Lebrun, CRM Manager at Picard.

"In terms of data analytics, RCS allows us to carry out more detailed assessments, particularly thanks to trackable open rates and conversion rates, which are not available on classic SMS campaigns."

picard

Share performance and ownership structure

The information provided by Sinch to shareholders and the rest of the capital market is aimed at providing a clear and fair picture of the company and it's operational and financial progress.

The share

Sinch stock was listed on Nasdaq Stockholm on 8 October 2015 at an opening price of SEK 5.90 (adjusted for the stock split in the summer of 2021). The share is traded under the stock symbol SINCH. Sinch has been traded on Nasdaq Stockholm Large Cap since January 2021.

Share capital

Share capital in Sinch amounts to SEK 8,430,698 (8,386,022), divided among 843,069,811 outstanding shares (838,602,248). All shareholders have equal rights to a share in the company's assets and profit. The quotient value of the shares is 0.01 (0.01). Please refer to Note 22 for further information about the development of share capital.

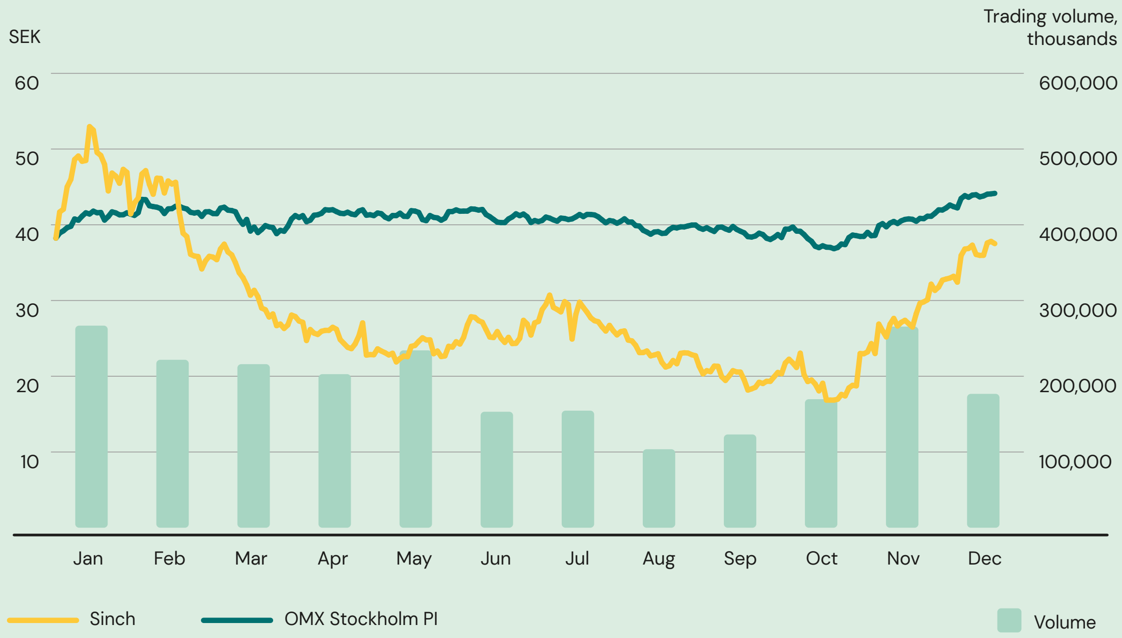
Dividend

The board of directors has decided to propose to the annual general meeting that no dividend be paid for the 2023 financial year (–). It is the opinion of the board that the company is currently in a phase during which financial surpluses should be used to repay the company's debt and be reinvested in continued growth, both organically and through acquisitions.

Shareholders

At year-end, Sinch had about 91,173 shareholders (103,000). The ten largest shareholders combined owned 56.72 percent of equity in Sinch (61.6). The company is not aware of any agreement between shareholders that limits their rights to transfer their shares.

The share, 2023



Source: Modular Finance

Ten largest shareholders as of 31 December 2023:

#	Shareholder	Number of shares	% of equity
1	Neqst D2 AB	155,676,507	18.47%
2	Fourth National Swedish Pension Fund	75,121,141	8.91%
3	AMF Pension & Fonder	53,020,109	6.29%
4	Alecta Tjänstepension	38,718,283	4.59%
5	Swedbank Robur Fonder	35,010,247	4.15%
6	Handelsbanken Fonder	29,359,718	3.48%
7	First National Swedish Pension Fund	27,000,000	3.20%
8	Temasek	22,851,408	2.71%
9	Vanguard	22,810,480	2.71%
10	Kjell Arvidsson (P&CS Invest AB)	18,630,000	2.21%
	Total, 10 largest shareholders	**478,197,893**	**56.72%**
	Other	364,871,918	43.28%
	Total	**843,069,811**	**100.00%**

Prices in 2023 (adjusted), Nasdaq Stockholm, SEK

Volume weighted average price	Highest paid	Highest paid date	Lowest paid	Lowest paid date
29.66	53.8	13 Jan 2023	16.04	30 Oct 2023

Market cap last trading day in 2023, SEKm

Number of shares	Price, SEK	Market cap
843,069,811	37.51	31,624

Turnover of instruments in 2023, Nasdaq Stockholm

Turnover, SEKm	Number of shares traded, Nasdaq	Number of transactions	Average daily turnover, SEKm	Average daily volume	Average daily transactions	Trading days
67,671	2,281,561,029	1,850,622	269	9,089,885	7,373	251

Shareholder distribution by category

Shareholder category	Number of shares	Equity	Voting rights	Number of known shareholders	Share of known shareholders
Swedish institutional	342,467,611	40.62%	40.62%	135	0.15%
Foreign institutional	151,890,042	18.03%	18.03%	103	0.11%
Swedish retail	106,309,651	12.62%	12.62%	87,766	96.26%
Other	232,703,286	27.62%	27.62%	3,169	3.48%
Unknown	9,699,221	1.12%	1.12%	–	0.00%
Total	**843,069,811**	**100.00%**	**100.00%**	**91,173**	**100.00%**

Source: Modular Finance

Analysts

Analysts that cover Sinch:

Company	Analysts	Contact
ABG	Daniel Thorsson	daniel.thorsson@abgsc.se
Bank of America	James Pavey	james.pavey@bofa.com
Carnegie	Predrag Savinovic	predrag.savinovic@carnegie.se
Danske Bank	Viktor Högberg	viktor.hogberg@danskebank.se
DNB	Stefan Gauffin	stefan.gauffin@dnb.se
Goldman Sachs	Mohammed Moawalla	mohammed.moawalla@gs.com
Handelsbanken	Daniel Djurberg	dadj03@handelsbanken.se
J.P. Morgan	Akhil Dattani	akhil.dattani@jpmorgan.com
Morgan Stanley	Laura Metayer	Laura.Metayer@morganstanley.com
SEB	Erik Lindholm-Röjestål	erik.lindholm-rojestal@seb.se

See investor.sinch.com for the most recent shareholder and analyst lists.

Our sustainability work

Responsible and secure business practices are at the core of everything we do at Sinch. We make things happen and make them matter – for our customers and the world. Through our business we empower companies to address their economic, social and environmental challenges and opportunities through innovative information and communication solutions, while minimizing potential negative impacts. Our workplace is characterized by diversity, equity, and inclusion, where all our employees can grow and win together. The foundation of our sustainability work is our focus areas which describe how we work to ensure our corporate responsibility across the value chain contributes to sustainable development.

Our business model makes it possible for businesses, organizations and individuals all over the world to communicate, swiftly and easily. Businesses can rely on our cloud communication solutions to help their customers get the right information in a simple and effective way, at the right time. Sinch creates value through the generation of long-term and profitable growth driven by quality, economies of scale and innovation. These factors collectively make it easier for individuals and companies to connect and collaborate. Our products add value in situations where communication is critical and privacy and information security are of the utmost importance. Sinch is committed to ensuring that our customers, partners, employees and other stakeholders perceive us as a responsible business.

As we grow, we become more mature within the sustainability field and with the upcoming regulations in terms of the EU Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD) the legislative demands are getting stricter. As we updated our material topics during 2022, this year we have taken a step further to align our reporting structure according to the EU European Sustainability Reporting Standard (ESRS).

The focus areas that constitute Sinch's sustainability framework are based on the three pillars: environmental, social and governance. Within these pillars, sustainability topics are categorized and identified as our most material topics. The conducted materiality analysis is inspired by the principle of double materiality, identifying where Sinch has or expects to have the most material impact, risks and opportunities. Read more about the process on page 102 in this report.

Environmental responsibility

Material topics:

- Climate impact

Description of focus area
Our focus is on reducing our greenhouse gas emissions within scope 1, 2 and 3. The climate program includes all of our acquisitions made in past years and when these are integrated the reporting can be more accurate and precise. Sinch reports according to the Greenhouse Gas Protocol, read more about the results on page 103–104.

Events during the year
During 2023 Sinch has committed to Science Based Target initiative (SBTi) to set targets to limit global warming in line with the Paris Agreement.

Long-term goal
Sinch shall set science-based climate targets in accordance with Science Based Targets initiative (SBTi) to limit global warming in line with the 1.5 degree target.

The UN Sustainable Development Goals (SDGs)
Sinch takes responsibility for the organization's environmental impact, while our innovative and energy efficient solutions make it possible for businesses to communicate with their customers with less impact on the environment.

Social responsibility

Material topics:

- Diversity, equity and inclusion
- Health and wellbeing

Description of focus area
Our employees are the very core of our business and we strive to foster a diversified, inclusive working environment where employees feel secure to take on challenges and dare to dream big.

The work-life balance at Sinch is prioritized to ensure that our employees' health is maintained and by hosting various global and local initiatives we aim to enhance the wellbeing of our employees.

Events during the year
Development initiatives during 2023 had a focus on employee development. During the year recruitment processes were refined, focusing on making internal opportunities available to all employees, to foster career growth at Sinch. Furthermore, additional SinchBoost programs were launched, focusing on how to lead change.

Several global diversity initiatives were started to engage employees in maintaining a fair and inclusive workplace. Themes during the year were for example Women's International Day, Pride Month and Ethnicity.

Long-term goal
Sinch will set diversity targets and associated action plans to ensure that we are working effectively with diversity, equity and inclusion throughout the organization. Our long-term ambition is to become an even stronger and more aware employer every year.

The UN Sustainable Development Goals (SDGs)
Sinch's employees are the company's most important asset. Diversity, equity and inclusion are success factors for Sinch and the company is committed to ensuring that all employees have equal opportunities to develop to their full potential with us. Employee health and wellbeing are essential to our success.

Business responsibility

Material topics:

- Privacy and information security
- Business ethics and anti-corruption
- Supply chain management
- Product impact and innovation

Description of focus area
Our business relies on innovative products that ensure secure information management and privacy for all our customers and consumers. We operate worldwide and are committed to being a trustworthy partner, promoting ethical business, regulatory compliance and fair competition. This includes how we operate within our supply chain, and making sure that our suppliers deliver on the same standard across the globe.

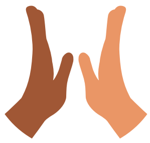
Events during the year
We have continued to develop our programs for privacy compliance and information security, as well as continuously trained our employees in risk management. Improvements have been made to ensure alignment with the Code of Conduct throughout our operations and the value chain. We also initiated a pilot to assess the climate impact of one of our products (SMS/MMS) by performing a life-cycle assessment (LCA).

Long-term goal
Sinch will develop its risk-related processes to ensure responsible business practices across the value chain. We also intend to identify opportunities to take further steps towards promoting sustainable development through our products and services.

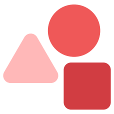
The UN Sustainable Development Goals (SDGs)
As a global market actor, it is imperative that we act responsibly and ethically across the value chain. Our innovative solutions contribute to increasing access to information and communication technology, which enables businesses to manage economic, social and environmental challenges.

Sinch's values

Dream big



Win together



Keep it simple

Make it happen

Sinch's values Dream big, Win together, Keep it simple and Make it happen are embedded throughout the organization and guide our actions and behaviors. They are the foundation of our vision, "Simplifying life by bringing all people and businesses together" and are integrated in our people processes. We believe a strong company culture is a key enabler for success in a business that is growing rapidly, both organically and through acquisitions. At Sinch, everyone shall have equal opportunities to thrive and develop. Working with us means meeting people who choose to dream big and to challenge each other to stay curious and break new ground. We win together and our relationships are built on trust, inclusion and respect, which nurtures both personal and professional development. We work to create a simple, open and honest company culture where customers and employees trust each other. Through this approach, we make things happen and see potential challenges as opportunities to find new paths. At Sinch, ethical standards and accountability are highly valued, which is reflected in how we interact with our communities and stakeholders.

In prime position with the jigsaw complete

Sinch continued to advance its positions in the past year as a leading global provider of cloud solutions for customer engagement. Looking back at the last three years, 2021 was an intense year of acquisitions that ended with the close of three transformative acquisitions that together created a new and wider platform for future growth. Geopolitical unrest, increased inflation and rising interest rates caused a massive change in macroeconomic conditions in early 2022. Demand for communication services ebbed as enterprises focused on cutting costs instead of innovation and revenue growth. For both us and our industry, that meant slower growth and keener focus on profitability and cash flow. As one of the few players in our industry standing on a solid foundation of a cash-generating and profitable business, we did not have to cut back nearly as drastically as the competition. At the same time we were able to use our robust cash flow to reduce our leverage.

We saw the results of our actions in 2023. The cost savings program exceeded its targets, our margins stabilized, and we steadily reduced leverage. We have also seen gradual improvement in the company's margins, driven by the high growth rate in some of our new segments. Following a carefully planned and executed recruitment process, we also had the great pleasure of presenting our new CEO, Laurinda Pang, who took over in April. At that point, we had fitted the jigsaw pieces we needed to take the next step and once again increase our focus on the future. Laurinda's main mission was to develop a long-term plan for the company and execute the changes necessary to realize it. As for the board, much of the year was thus devoted to coaching and supporting to create a well defined operating structure and a winning team. In concrete terms, this involved organizational development, recruitment to the management team and further developing overarching governance systems.

New business model for higher growth

We have made steady progress and towards the end of the year we launched the new operating model and management team, made up of both tried-and-true Sinch leaders and leaders new to Sinch. The main objectives are to accelerate growth and streamline the organization by intensifying customer focus, taking advantage of scale and realizing additional acquisition-related synergies. Our ambitions also shine through in the targets that govern variable compensation to senior management. They are now common and concentrate on growth, profitability and sustainability. The introduction of sustainability among the main targets is a natural consequence of Sinch's growth and maturation. We now have the opportunity to play a more active part in shaping society in a positive direction.

Looking ahead, there is no reason to doubt that our market will return to solid growth, even though it has been more subdued in the last two years. Digitalization and the business benefit of engaging effectively with customers – on their terms – are strong underlying trends. Meanwhile, the market is fragmented with numerous local and regional competitors and three leading global providers, where we are one. We

are convinced that the market will continue to grow and consolidate over the long term. The winners will be those with a broad and leading product portfolio able to address both the large segments and the smaller, fast-growing segments. This is going to take global presence, expertise and structural capital, along with multiple sales channels that reach a wide variety of customer groups. Sinch has all of that, backed up by stable financial performance and a new business plan carried forward by a new management team.

Future focus and growth opportunities

In 2024, the board of directors will therefore concentrate on coaching management through the implementation of the regional structure and monitoring performance. Sinch is now a company with more than 4,000 employees and it will doubtless take time before the change reaches everyone. With that said, I expect to see positive results by the end of 2024. There are also a couple of strategic areas that we will be keeping a closer eye on. It for example looks like the RCS messaging standard can be developed into a good growth opportunity the coming years, while the exciting developments within AI translate into opportunities for both growth and increased efficiency. As the new operating model stabilizes and our leverage decreases even more, our freedom to act will increase and further acquisitions will become a more attractive growth opportunity. As I see it, additional transformative acquisitions are not the first order of business, but rather acquisitions that increase our market shares in areas where we are already active.

When we evaluate the results in regards to our financial targets, the KPI of Net Debt/Adjusted EBITDA decreased during the year from 2.7x to 2.0x. Adjusted EBITDA per share grew by 14 percent, which can be compared to our target of 20 percent per year over time. Our long-term industrial view of Sinch has not changed and nor has the focus on growing profitably and staying a winner as the market consolidates. Sinch is advancing its position year after year and those of us who serve on the board are looking forward to monitoring and supporting the company's further evolution at close range in 2024.

Erik Fröberg, Chairman of the board

Stockholm, April 2024

Corporate governance statement

Introduction
Sinch AB (publ) ("Sinch") is the parent company of the Sinch Group ("the Group") and has been listed on Nasdaq Stockholm since 8 October 2015. The board of directors of Sinch presents herewith the corporate governance statement for the 2023 financial year. This corporate governance statement was adopted by the board of directors on 17 April 2024 and is a report of how corporate governance was pursued at Sinch during the 2023 financial year. The corporate governance statement is not part of the statutory management report.

Principles of corporate governance
In addition to the corporate governance principles based upon law or other statute, Sinch complies with the Swedish Corporate Governance Code ("the Code"). Please refer to the Swedish Corporate Governance Board's website, bolagsstyrning.se. The internal regulations for governance of the company consist of the Articles of Association, the board charter (including instructions for board committees), the instruction to the CEO, instructions for financial reporting, and other policies and guidelines.

Shareholders
The company had approximately 91,000 shareholders as of 31 December 2023. As of 31 December 2023, the following direct or indirect shareholdings represented at least one tenth of voting rights for all shares in the company: Neqst D2 AB, 18.47%

Voting rights
The Articles of Association impose no limits in the matter of how many votes each shareholder may cast at a general meeting.

Articles of association
The current Articles of Association (see the company's website, investors.sinch.com) were adopted by the general meeting held 9 June 2022. The Articles of Association contain no specific provisions concerning the appointment and dismissal of directors or concerning amendments to the Articles of Association.

Annual general meeting

The annual general meeting is the company's supreme governing body. The annual general meeting affords shareholders the opportunity to exert their influence. Under the Swedish Companies Act, several matters of business are under the purview of the annual general meeting, such as adoption of the income statement and balance sheet, allocations of profit or treatment of loss, discharge of liability, election of directors, and election of auditors. At its discretion, the board may also convene an extraordinary general meeting during the year. This occurs, for example, if decisions must be made concerning matters under the sole purview of the general meeting and it would not be appropriate to delay the decisions until the next annual general meeting. Shareholders who wish to participate in a general meeting must be recorded as shareholders in a printout or other presentation of the entire share register representing the state of affairs six banking days prior to the meeting. Nominee-registered shares must have been re-registered for voting at least four days before the meeting. Shareholders must also notify the company that they will be attending by the date specified in the notice to attend. This date may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve, or New Year's Eve and may not fall any earlier than the fifth business day prior to the meeting.

Annual general meeting

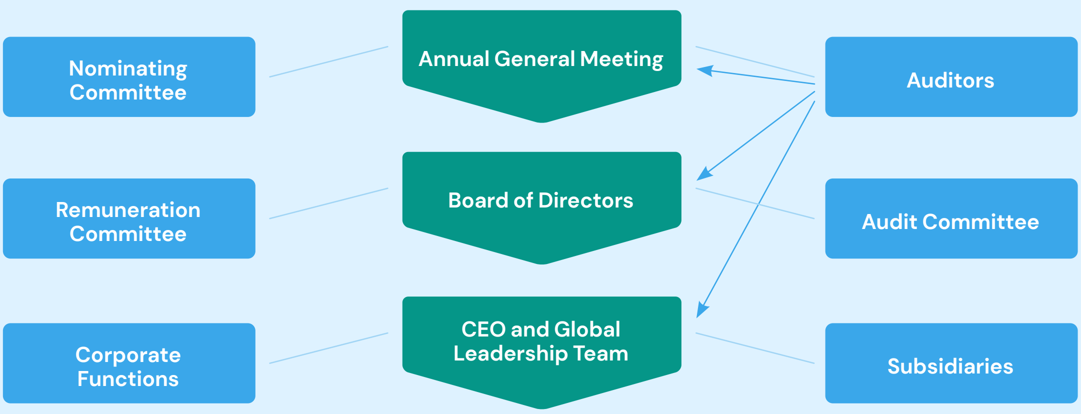
The 2023 annual general meeting of shareholders in Sinch was held 17 May 2023, which shareholders could attend in person or by postal vote. Two hundred and fifty-seven shareholders representing 56.7 percent of votes and share capital attended the meeting. The annual general meeting resolved to adopt the financial statements for 2022, endorse the proposed allocation of profit, and discharge the CEO and board of directors from liability for the past financial year. The annual general meeting elected directors and decided directors' fees.

The annual general meeting also resolved to introduce an incentive program. The 2024 Annual General Meeting will be held on 16 May 2024 at 10:00 CET in Stockholm.

Authorizations

The annual general meeting held 17 May 2023 resolved to authorize the board of directors to decide on one or more occasions prior to the next annual general meeting to increase the company's share capital through issue of new shares in the company. Under this authorization, the company's share capital may be increased by a maximum of ten percent of authorized share capital as of the date when the board of directors exercises the authorization for the first time. The board of directors is authorized to decide to issue shares with a waiver of shareholders' preemptive rights and/or provisions on non-cash consideration, offset or comparable. The issues shall be carried out at a market-based subscription price with a reservation for market-based issue discounts where applicable. The purpose of the authorization and the reason for a possible waiver of shareholders' preemptive rights is to enable issues to finance acquisitions of companies or parts of companies and the company's operations.

Corporate governance model



The chart illustrates Sinch's corporate governance model and how central corporate functions are appointed and cooperate.

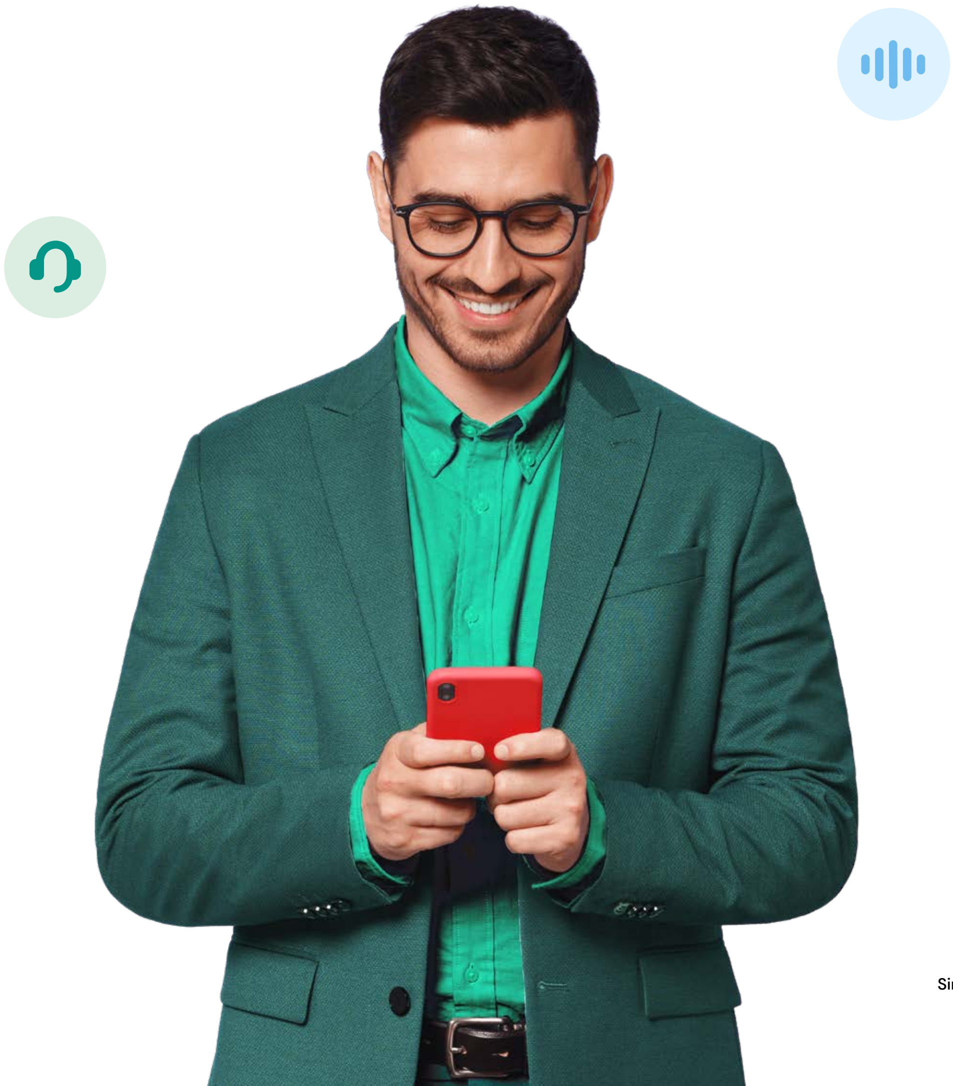
Nominating committee

The annual general meeting determines the guidelines for appointment of the Nominating Committee and decides which tasks the committee must perform before the next annual general meeting. As resolved by the annual general meeting held 17 May 2023, the four largest shareholders or shareholder groups in terms of voting rights (thus referring to directly registered shareholders and nominee-registered shareholders) per the share register printed by Euroclear Sweden AB ("Euroclear") as of 30 September 2023 shall each appoint one representative to constitute the Nominating Committee, in addition to the board chair, for a term of office ending upon the appointment of a new Nominating Committee as mandated by the 2024 annual general meeting. The majority of the members of the Nominating Committee shall be independent in relation to Sinch and executive management. At least one member of the Nominating Committee shall be independent in relation to the largest, in terms of votes, shareholder or group of shareholders in Sinch who act in concert in relation to the management of Sinch. The CEO or any other member of executive management shall not be a member of the Nominating Committee. Directors may be members of the Nominating Committee, but shall not constitute a majority of its members. If more than one director is included in the Nominating Committee, no more than one of those directors may be dependent in relation to major shareholders in Sinch.

The Nominating Committee shall appoint the committee chair. The chair of the board or any other director shall not serve as chair of the Nominating Committee. The composition of the Nominating Committee shall be announced not later than six months before the annual general meeting. If one or more shareholders who appointed representatives to the Nominating Committee is/are no longer among the four largest shareholders in Sinch at a point in time more than two months prior to the annual general meeting, the shareholder representative/s shall step down and a new member or members shall be appointed to represent the new shareholders that are then among the four largest shareholders. If a member of the Nominating Committee resigns before the work of the Nominating Committee is completed, the same shareholder who appointed the resigning member shall, if it is considered necessary, have the right to appoint a new member, or, if that shareholder is no longer among the four largest shareholders, the next largest shareholder in line, as per the principles set out above, but based upon Euroclear's printout of the share register, as soon as possible after the member has stepped down. Changes in the composition of the Nominating Committee shall be immediately publicized.

Leading up to the 2024 annual general meeting, the composition of the Sinch Nominating Committee was therefore as follows:

- Jonas Fredriksson, representing Neqst D2 AB
- Thomas Wuolikainen, representing Fjärde AP-fonden
- Patricia Hedelius, representing AMF Pension & Fonder
- Mikael Wiberg, representing Alecta
- Erik Fröberg, Chairman of the Board, Sinch AB (publ)



Diversity policy
The Nominating Committee applies rule 4.1 of the Swedish Corporate Governance Code concerning a Board Diversity Policy. The aim of the Diversity Policy is to ensure that the board has a composition appropriate to the company's operations, phase of development and other relevant circumstances, which should exhibit diversity and breadth of qualifications, experience and background, as well as gender balance. These principles are considered as an aspect of the Nominating Committee's work to draft its proposals to the AGM. In the opinion of the 2023 Nominating Committee, the board of directors has an acceptable level of diversity with regard to age, experience and gender. Of the directors elected in 2023, two are women and make up 33.3 percent of the board of directors.

Directors' remuneration
The Nominating Committee presents a proposal concerning directors' fees to the annual general meeting for endorsement. The 2023 annual general meeting resolved in favor of the Nominating Committee's proposal. The Nominating Committee's proposal to the annual general meeting concerning directors' remuneration is set out in the notice to attend the meeting.

Board of Directors

Board composition
Since the 2023 annual general meeting, the board of directors has consisted of Erik Fröberg, Bridget Cosgrave, Renée Robinson Strömberg, Johan Stuart, Björn Zethraeus and Hudson Smith. Erik Fröberg served as Chairman of the Board. The chair presides over and allocates board duties, maintains continuous contact with the CEO and CFO, ensures that directors are thoroughly prepared and represents Sinch in acquisition discussions and the like.

Board independence
The positions of dependency of directors in relation to the company, management, and shareholders is shown on the table on page 34. As shown in the table, Sinch complies with applicable rules concerning the independence of directors in relation to the company, management, and the company's major shareholders.

Board duties

The duties of the board of directors are carried out in the manner required by the Swedish Companies Act, the Code and other rules and regulations applicable to the company. The board works according to a charter and yearly plan, which are adopted annually. The company's CEO, CSO and CFO attend board meetings. The company's General Counsel normally acts as the recording secretary. Other Global Leadership Team personnel and group officers participate at board meetings to present reports as required.

In addition to the statutory meeting held after election by the annual general meeting, the board of directors met 13 times in 2023. The primary focus of the board during the year was on strategy, the business plan and budget, reorganizations and integration of acquired entities. The board of directors met with the auditor on one occasion during the year without the presence of the CEO or any other management representative. The work of the CEO and the board of directors is externally evaluated annually. The evaluation was performed in 2023 through a self-assessment of the work of the board by giving directors the opportunity to express their views on working methods, board materials, their own work and that of other directors and the scope of the board assignment. The board of directors also receives reports from the Audit Committee and the Remuneration Committee and evaluates their work. The evaluation has been presented to the Nominating Committee. The board of directors monitors the work of management by means of monthly reports covering financial performance, key figures, progress in prioritized activities, etc.

Board meetings
The board holds ordinary meetings according to the plan below:

- January/February – Year-end report.
- March/April – Corporate governance meeting: agenda and notice to attend the annual general meeting, corporate governance statement, annual report, sustainability report, review of insurance policies and pensions, interim report for the first quarter.
- May/June – The first board meeting after election, decisions on the board charter, CEO instruction, and instructions for financial reporting, the board's yearly plan, authorized signatory, strategy meeting.
- July/August – Interim report for the second quarter.
- September – Budget, financial forecasts.
- October/November - Interim report for the third quarter, strategy meeting, risk report.
- November/December – Budget decision, senior management compensation, pay review, assessment of board of directors and CEO.

The CEO presents an operations report at the ordinary meeting. The board of directors engages in discussions in connection with review of auditor's reports.

Board committee duties
The board of directors has two committees: the Audit Committee and the Remuneration Committee. The work of the committees is governed by the board charter. Board committees deal with the matters within their respective purview and issue reports and recommendations upon which board decisions are based. The committees have defined decision authority within the frameworks of board directives. The minutes of committee meetings are made available to the board of directors.

Audit committee
The members of the Audit Committee are Erik Fröberg and Johan Stuart (chair). The CEO, CFO, General Counsel and Head of Group Accounting attend meetings of the Audit Committee. The Head of Internal Audit also attends at regular intervals. The company's auditor attended six out of six meetings of the Audit Committee during the year.

Internal Audit
At Sinch, it is the employees' responsibility to ensure sound governance and internal control in the operations or processes for which they are responsible. Internal audit is a separate function with the task of evaluating and improving the efficiency of internal control, governance, and risk management. The function reports to the Audit Committee and

the Board in relation to internal audit matters. The function was established in 2020, includes 6 auditors that examines internal processes, information security and IT systems as well as compliance with policies and other governing document.

Remuneration committee
The members of the Remuneration Committee are Erik Fröberg (chair) and Renée Robinson Strömberg. Directors' and committee members' attendance at board meetings during the year is shown on the table below.

Auditors

The audit firm elected for term of one year by the annual general meeting held 17 May 2023 is Deloitte AB. Johan Telander, authorized public accountant, is the auditor in charge. The auditors' remit is to examine the company's annual report and accounting records and management of the company by the board of directors and the CEO, on behalf of the shareholders. The auditors report regularly to the Audit Committee and the board of directors. Auditor's fees are specified in Note 7 to the annual report.

Global Leadership Team

The board of directors appoints the CEO. The CEO oversees Global Leadership Team and makes decisions in consultation with other members of Global Leadership Team. As of 31 December 2023, the Global Leadership Team was comprised of CEO Laurinda Pang, President Sinch Voice Brett Scorza, President Sinch CPaaS Josh Odom, President SMB Sean O'Neal, Executive Vice President International Nicklas Molin, President North America Petter Bengtsson, Chief Financial Officer Roshan Saldanha, Chief Strategy Officer Thomas Heath, Chief Human Resources Officer Christina Raaschou, Chief Marketing Officer Jonathan Bean, Chief Data and Transformation Officer Sibito Morley and Chief Information Officer Cristina David.

Changes to Global Leadership Team were decided on 26 October 2023. Effective 1 January 2024, the Global Leadership Team was composed as follows: CEO Laurinda Pang, Chief Technology Officer Brett Scorza, Chief Human Resources Officer Christina Raaschou, Chief Information Officer Cristina David, Head of APAC (Interim) Damien Tabor, Chief Marketing Officer Jonathan Bean, Executive Vice President Americas Julia Fraser, Executive Vice President EMEA Nicklas Molin, Chief Financial Officer Roshan Saldanha, Chief Product Officer Sean O'Neal, Chief Data and Transformation Officer Sibito Morley and Chief Strategy Officer Thomas Heath.

Chief Legal Officer Ilse van der Haar and Executive Vice President APAC Wendy Johnstone joined the team in the first quarter of 2024.

Work of Global Leadership Team
The CEO meets regularly with all members of the Global Leadership Team for business updates, to receive reports, set objectives, and for general business discussions. In addition, the CEO holds several personal meetings with each member of the leadership team every year for more in-depth discussions and planning. Governance and monitoring of the management team is based on the charter adopted by the board, the instruction for the CEO, and reporting instructions. Global Leadership Team and other managerial personnel

Name	Year elected	Independent of the company	Independent of the owners	Position	Committee	Attendance board meetings	Attendance Audit Committee	Attendance Remuneration Committee	Fee SEK 000s[1]	Number of shares/warrants in Sinch, direct and indirect holdings[2]
Erik Fröberg	2012	Yes	No	Chairman of the Board, Remuneration Committee Chair, Audit Committee Member	Remuneration, Audit	14/14	6/6	5/5	1,700	1,773,970 direct holding – indirect holding through Neqst D2 AB
Bridget Cosgrave	2018	Yes	Yes	Director	–	14/14	0/6	0/5	700	13,500
Renée Robinson Strömberg	2017	Yes	Yes	Director, Remuneration Committee member	Remuneration	14/14	0/6	5/5	750	340
Johan Stuart	2015	Yes	Yes	Director, chairman of the Audit Committee	Audit	14/14	6/6	0/5	950	90,000 direct holding
Björn Zethraeus	2017	No	No	Director	–	14/14	1/6	0/5	0[1]	0 direct holding – indirect holding through Neqst D2 AB
Hudson Smith	2022	Yes	Yes	Director	–	12/14	0/6	0/5	700	0

1) Disclosures concerning directors' fees refer to the board year beginning at the end of the 2023 AGM and ending at the close of the 2024 AGM.

2) Holdings as of 31 December 2023.

3) Fees are not paid to personnel employed by the company.

manage daily operations primarily through instruments such as budgets, performance management and reward systems, regular reporting and monitoring and employee meetings, and via a delegated decision structure with functional hierarchies (development, marketing, support, finance, etc.) from the parent company to subsidiary management teams. The main focus areas during the year were business planning, growth issues, integration of previous acquisitions and implementation of reorganizations to enable other strategies

Internal control over financial reporting

The board of directors' responsibility for internal control is governed by the Companies Act and the Code. In accordance with the Annual Accounts Act, the corporate governance statement includes a description of the key elements of the company's internal control and risk management system. Internal control of financial reporting has two primary aims: to provide reasonable assurance of the reliability of external financial reporting and to ensure that external financial reports have been prepared in compliance with law, applicable accounting standards, and other requirements imposed upon listed companies.

Control environment

The board has overall responsibility for internal control related to financial reporting. The control environment for financial reporting is based on an allocation of roles and responsibilities in the organization, adopted and communicated decision paths, instructions regarding authority and responsibility, and accounting and reporting instructions. Internal Audit reports directly to the Audit Committee. The board has adopted a charter, CEO instruction, instructions for financial reporting and instructions for the work of the Audit and Remuneration committees. In addition, there are operational polices and guidelines in several areas.

Risk assessment

As an integrated component of the management process, the board and work of Global Leadership Team with risk assessment from a broad perspective, including but not limited to financial risks and important business risks. Regular risk reports are presented to the board of directors. During the year, the board regularly discussed various types of risks and the company's risk management process. The company has a risk map that is reviewed by the Audit Committee and is the basis for internal audit and continuous improvement of internal processes and controls.

During the year, an ERM process (Enterprise Risk Management) was created, this process, and the company's operational risks are described on pages 40-43 and financial risks on pages 95-97.

Control activities

The Group's control activities relating to financial core processes are described in the risk map approved by the board as a basis for ongoing efforts to continuously improve internal processes and controls. Controls are performed at both the subsidiary level and the group level. The four business units have appointed chief accountants who are responsible for ensuring that financial figures are verified and reported on a monthly basis. This includes reconciliation of financial figures against sales and cost data from the group's transaction system, reconciliation of intragroup transactions and reconciliation of bank accounts. These figures are then checked at the group level in conjunction with the monthly consolidation of group figures. Efforts are ongoing to continuously improve these processes through, for example, advanced training of relevant employees, greater automation of reconciliations and through the checking of important figures by several individuals in parallel.

Information and communication

Information about internal financial reporting control documents is available to relevant employees on the Sinch intranet. Information and training related to the internal control documents is also provided through activities aimed directly at finance managers and controllers within the group.

Monitoring

The effectiveness of internal control of financial reporting is monitored by the board, the Audit Committee, the CEO, the Global Leadership Team, and group companies. Follow-up includes continuous quality control by the board of directors of the company's monthly financial reports, ongoing monitoring of central financial processes, such as management of potential customer losses and review of internal and external audit reports. Members of the staff of Sinch's corporate functions, for instance Internal Audit, also regularly visit the operating business units to verify that Sinch's financial processes are being correctly implemented and continuously developed to ensure accurate financial reporting.

Stockholm, 17 April 2024

The board of directors of Sinch AB (publ)

Board of directors

1. Erik Fröberg

Born: 1957

Director of Sinch since: 2012, Chairman of the Board since 2015

Shareholding in Sinch (total, private & via companies): 1,773,970 privately held and an indirect holding through Neqst D2 AB

Warrants in Sinch: 0

Education: MSc in Engineering Physics, KTH Stockholm

Principal occupation: Partner and founder of Neqst

Experience: Executive Vice President Cap Gemini Sweden; Executive Vice President LHS Group Inc, CEO Digiquant Inc, Special Advisor General Atlantic LP

Other significant directorships (company and position): Director of Digital Route AB and Varnish AB and Chair of Xlent AB and Netlight AB

Dependency on the company and its major shareholders: No/Yes

2. Björn Zethraeus

Born: 1963

Director of Sinch since: 2017

Shareholding in Sinch (total, private & via companies): indirect holding through Neqst D2 AB

Warrants in Sinch: 0

Education: MSc Engineering, Institute of Technology at Linköping University

Principal occupation: Corporate Development and co-founder of Sinch

Experience: Executive positions with Ericsson, co-founder of Ericsson IPX AB; Co-founder of Sinch; management consultant and acting head of various network operators and mobile marketing companies

Other significant directorships (company and position): None

Dependency on the company and its major shareholders: Yes/Yes

3. Bridget Cosgrave

Born: 1961

Director of Sinch since: 2018

Shareholding in Sinch (total, private & via companies): 13,500

Warrants in Sinch: 0

Education: MBA, London Business School, MSc, World Maritime University, BA Hons, Queen's University Canada

Principal occupation: Independent consultant, CEO of ADIMO sprl

Experience: Founding CEO & Chair of BICS sa; SVP Enterprise Proximus; Deputy Director General ETSI; Director General Digital Europe; former non-executive director of S.E.S., Essilor, Eutelsat, Steria S.A. and Euskaltel

Other significant directorships (company and position): None

Dependency on the company and its major shareholders: No/No

4. Hudson Smith

Born: 1977

Director of Sinch since: 2022

Shareholding in Sinch (total, private & via companies): 0

Warrants in Sinch: 0

Education: MBA, Kellogg Graduate School of Management, Northwestern University, BSc, Business Administration, Washington and Lee University

Principal occupation: Partner, Thoma Bravo, Miami, Florida

Experience: Managing Director of HGGC; consultant with Bain & Company; analyst at Lincoln International

Other significant directorships (company and position): Director of Magnet Forensics, Apryse, Greenphire, Cority, Veriforce, Nintex and Riskonnect

Dependency on the company and its major shareholders: No/No

5. Johan Stuart

Born: 1957

Director of Sinch since: 2015

Shareholding in Sinch (total, private & via companies): 90,000

Warrants in Sinch: 0

Education: MSc Economics, Stockholm School of Economics

Principal occupation: Director

Experience: CFO of Affibody Medical AB, Tradimus AB, XCounter AB, Hi3G Access AB, Utfors AB and companies within the Axel Johnson Group

Other significant directorships (company and position): Director of Digital Route AB and Best Practice Scandinavia AB

Dependency on the company and its major shareholders: No/No

6. Renée Robinson Strömberg

Born: 1970

Director of Sinch since: 2017

Shareholding in Sinch (total, private & via companies): 340

Warrants in Sinch: 0

Education: Degree in Chinese Studies and Economics from Kalamazoo College, MBA Stephen M. Ross School of Business, University of Michigan

Principal occupation: Founder and CEO of Shiny Thing AB

Experience: More than 20 years of experience in the international high-tech industry at companies including Drutt (acquired by Ericsson) and Tail-f Systems (acquired by Cisco)

Other significant directorships (company and position): Director of Funnel AB

Dependency on the company and its major shareholders: No/No

Global Leadership Team

1. Laurinda Pang

Chief Executive Officer

Born: 1970

Employee since: April 2023

Shareholding in Sinch (total, private & via companies): 0

Warrants in Sinch: 1,500,000 stock options corresponding to 1,500,000 shares

Education: BA in Political Science, Pennsylvania State University

Experience: President, Global Customer Success, International and Wholesale Markets, Lumen Technologies 2020-2022. President, International and Global Accounts Management, Centurylink, 2017-2020. Numerous executive roles within Sales, Human Resources, Investor Relations and Product Management with Level 3 Communications and Global Crossing, 1997–2017

2. Brett Scorza

Chief Technology Officer

Born: 1968

Employee since: 2021

Shareholding in Sinch (total, private & via companies): 0

Warrants in Sinch: 633,888 warrants corresponding to 675,000 shares

Education: BSc, Electrical Engineering, University of Illinois

Experience: Over 30 years of executive experience in software, technology and telecommunications; President Sinch Voice, Sinch Voice (previously Inteliquent) since 2004 where he has held several additional roles with responsibility for sales, product and development. Prior to Sinch Voice, he held positions at Focal Communications Inc., MFS Communications and Andersen Consulting

3. Christina Raaschou

Chief Human Resources Officer

Born: 1977

Employee since: January 2022

Shareholding in Sinch (total, private & via companies): 337

Warrants in Sinch: 35,349 warrants and 50,000 employee stock options corresponding to 106,490 shares

Education: MSc Business Administration, Karlstad University

Experience: Head of HR H&M Group Business Tech; senior human resources roles at Ericsson and Unilever

4. Cristina David

Chief Information Officer

Born: 1976

Employee since: 2022

Shareholding in Sinch (total, private & via companies): 0

Warrants in Sinch: 130,000 employee stock options corresponding to 130,000 shares

Education: BSc Mathematics, University of Bucharest; MA Public Relations and Communication

Experience: Head of Enterprise Systems at Ericsson, senior operations, customer success and delivery roles at Ericsson, Oracle and Timken

5. Ilse van der Haar[1)]

Chief Legal Officer

Born: 1978

Employee since: September 2022

Shareholding in Sinch (total, private & via companies): 0

Warrants in Sinch: 0

Education: LLM, Maastricht University, PhD, Law – Tilburg Institute of Law and Economics, Tilburg University

Experience: VP Privacy and Regulatory at Sinch since 2022, Head of Compliance and Privacy at PostNord Group 2019-2022, Director of Regulatory Affairs and Corporate Responsibility at Tele2 Group 2015-2019. Prior to that several enforcement official positions at the Netherlands Authority for Consumer and Markets

1) Ilse van der Haar became part of the Global Leadership Team in 2024.

6. Jonathan Bean

Chief Marketing Officer

Born: 1976

Employee since: April 2019

Shareholding in Sinch (total, private & via companies): 131,000

Warrants in Sinch: 3,333 employee stock options corresponding to 33,330 shares

Education: MBA Henley Business School; Degree in Communications, University of Leeds

Experience: Mynewsdesk since 2009; Sinch Chief Marketing Officer since 2015. Prior to Mynewsdesk, SaaS solutions sales at Cision

7. Julia Fraser[1)]

Executive Vice President Americas

Born: 1975

Employee since: 2023

Shareholding in Sinch (total, private & via companies): 0

Warrants in Sinch: 300,000 employee stock options corresponding to 300,000 shares

Education: Bachelor of Laws, Staffordshire University, United Kingdom

Experience: SVP Customer Success & Specialist Sales, Lumen Technologies, VP Sales UK&I CenturyLink, VP Carrier Management Level 3. Various commercial and product roles at Aircom, Nokia and Symbian

8. Nicklas Molin

Executive Vice President EMEA

Born: 1978

Employee since: 2016

Shareholding in Sinch (total, private & via companies): 210,050

Warrants in Sinch: 143,799 warrants corresponding to 181,990 shares

Education: MSc, Computer Science, BSc Business Administration, Stockholm University

Experience: Executive Vice President International Sinch, Regional Vice President EMEA Sinch, VP Sales & Marketing (original Sinch), VP Sales & Marketing PayEx, Sales Director, Wallit

9. Roshan Saldanha

Chief Financial Officer

Born: 1977

Employee since: 2019

Shareholding in Sinch (total, private & via companies): 4,226

Warrants in Sinch: 374,999 warrants corresponding to 525,002 shares

Education: MSc, University of Mumbai, Chartered Accountant in India

Experience: Multiple assignments within Tele2 Group 2007 – 2018 including as CFO Tele2 Sweden. Prior to then, several international financial assignments for firms including Arthur Andersen, Citibank and the Kinnevik Group

10. Sean O'Neal

Chief Product Officer

Born: 1972

Employee since: 2021

Shareholding in Sinch (total, private & via companies): 0

Warrants in Sinch: 825,000 employee stock options corresponding to 825,000 shares

Education: BA, Northeastern University, Boston, US

Experience: President Sinch SMB since 2021, Previously to Sinch, 30 years in senior positions in technology and cloud services with companies including Nielsen, Onclusive, DMGT and Sony

1) Julia Fraser became part of the Global Leadership Team in 2024.

11. Sibito Morley

Chief Data and Transformation Officer

Born: 1972

Employee since: 2023

Shareholding in Sinch (total, private & via companies): 0

Warrants in Sinch: 250,000 employee stock options corresponding to 250,000 shares

Education: BA, Politics, Princeton University; Juris Doctorate, Brigham Young University; Active Member of Utah State Bar

Experience: Chief Data Officer at Lumen Technologies, Chief Information Officer MEMC Electronics; IT strategy and operations executive at DaVita Healthcare, IBM, Cummins, and NetJets

12. Thomas Heath

Chief Strategy Officer

Born: 1981

Employee since: 2018

Shareholding in Sinch (total, private & via companies): 400,000

Warrants in Sinch: 295,000 warrants corresponding to 295,000 shares

Education: BA, Politics, Philosophy and Economics, University of Oxford, MSc, Stockholm School of Economics with a concentration in finance

Experience: Equity analyst at Danske Bank, Handelsbanken Capital Markets and Öhman Fondkommission

13. Wendy Johnstone[1)]

Executive Vice President APAC

Born: 1970

Employee since: 2024

Shareholding in Sinch (total, private & via companies): 0

Warrants in Sinch: 0

Education: BA (Hons), Business from Glasgow Caledonian University, Postgraduate in Marketing from Chartered Institute of Marketing UK

Experience: 25 years of experience from technology and SaaS including SVP APAC & Japan at Zendesk, General Manager APAC at Microsoft, VP Marketing APAC at Salesforce

1) Wendy Johnstone became part of the Global Leadership Team in 2024.

Note that holdings of shares and warrants by directors and executive management are reported as of 1 Januari 2024. The number of warrants/stock options and shares may differ since a warrant/stock option relating to LTI programs that were issued before the 1:10 share split in June 2021 carries the right to 10 shares. In later programs, one warrant/stock option gives the right to one share . Also see investors.sinch.com.

Auditor’s Report on the corporate governance statement

To the general meeting of the shareholders in Sinch Ab (publ), corporate identity number 556882-8908.

Engagement and responsibility
It is the board of directors who is responsible for the corporate governance statement for the financial year 2023-01-01–2023-12-31 on pages 30-38 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR’s auditing standard RevR 16 The auditor’s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm April 18, 2024
Deloitte AB

Johan Telander
Authorized Public Accountant

Risks and risk management

Introduction

Risk management is a crucial part of an effective management practice. Growth and rapid and continuous changes in the business environment have made it necessary for management to increase focus on risks and risk management.

Sinch has created the Enterprise Risk Management (ERM) process to identify and control risks, and to ensure that required controls and procedures are established to safeguard the assets and interest of Sinch.

The Board of Directors and the Audit Committee provide oversight with regard to the ERM process and review the adequacy and effectiveness of business risk management as undertaken by the organization.

In this section you will find the risks that have been identified as Sinch's prioritized risks to mitigate in the short term. In addition to these prioritized risks, you will find information on risk assessment in the Corporate Governance Report on page 35 and a more detailed description of Sinch's financial risks in Note 31.

The Enterprise Risk Management framework

- Establish context
- Identify risk
- Assess risk
- Evaluate risk
- Risk response
- Risk monitoring, reviewing, and reporting

Sinch has defined five types of risks

Strategic
Risks related to the organization's mission, strategic direction, and fulfilment of our strategic goals.

Operational
Risks related to effectiveness and efficiency of the organization's operations, including performance and profitability risks that are likely to arise from lack of or inadequate internal business processes and procedures, products, people, and systems, or from external events.

Legal & Compliance
Risks related to non-compliance with applicable laws, stakeholder requirements, internal rules, procedures and internal control practices, local and global laws and regulations, standards, and best practices to which we have committed.

Financial
Risks related to the organization's ability to generate adequate cash flows to meet financial obligations and support business objectives. Examples are risks relating to fluctuations in the company's earnings and cash flow because of inflation, changes in exchange rates and interest rates. It also includes risks related to liquidity, credits and refinancing.

External
Risks related to the organization's ability to mitigate external risks that could impact Sinch negatively, such as macroeconomic, geopolitical and environmental risks.

Risk identification – prioritized risks

Strategic

Risk	Risk mitigation
Integration • The risk of not realizing the full value of acquired companies through, for example, insufficient integration of systems, personnel, business culture and ethics, and data transfer.	Sinch addresses these risks by applying a systematic approach to the entire acquisition and integration process.
Product strategy • The risk of failing to meet customer needs and respond to changes that could affect the organization's products' value and relevance and ability to maintain competitive edge in the market.	Sinch is using a product feedback process to understand how we can better meet the needs of our customers. We analyze the financial performance of our products and we monitor the regulatory and competitive landscapes as well as market trends.
Technology • The risk of lost opportunities due to the rapid speed of technology changes (e.g., artificial intelligence, automation, hyper-scalable platforms, blockchain, digital currencies and competing technologies) and the ability to manage these changes proactively.	To mitigate technology risks, Sinch is investing in technology that will optimize communication capabilities as well as enhance ease of use. We analyze market and technology trends and collaborate closely with industry-leading software developers.

Operational

Risk	Risk mitigation
Enterprise security and resilience • The risk that services and the infrastructure are exposed to cyberattacks such as malware, DDoS events, phishing, compromised identities, compromised credentials, and supply chain attacks. All of these can affect the performance of our systems, which could lead to downtime and increase the organization's exposure to reputational, litigation, and regulatory risks. • The risk of service disruption to customers and data breaches leading to customer data loss resulting from attacks on product platforms due to inadequate product security. • The risk of not being sufficiently resilient and/or agile to manage an unexpected crisis significantly impacting one or more of the physical structures, facilities, networks, systems and other assets which are essential to the organization's operations and reputation.	To mitigate the risk of impact, information and IT security is a prioritized area of investment in Sinch. This involves, among other things, certifying the business in accordance with ISO27001, investments in equipment, further development of security processes and tools as well as our Security Operations Center (SOC). We have also updated our security training for employees and added additional resources to manage the security of our physical assets.

Risk	Risk mitigation
Fraud/scams • The risk of gray market and black market traffic, which causes revenue leaks for the operators and other varieties of scams such as artificially inflated traffic or communications aimed at cheating individuals of their money.	Sinch offers services in which operators' networks are ringfenced, and gray- and black-market traffic is blocked using solutions including firewalls and spam filters. Sinch also sells these solutions to operators, tracks network traffic flows, and is working closely with industry organizations and regulators to reduce scams.
Supplier price increases • The risk that mobile operators will raise their traffic tariffs resulting in lower volumes and/or lower margins if we are unable to pass along price increases to our customers.	To reduce the risk of being impacted by price increases on the supply side, Sinch ensures its capacity to offer communication across alternative channels, such as SMS and conversational messaging. As Sinch has widened and differentiated its offering through new acquisitions, it is less affected by price changes within individual channels.
Human capital and talent retention • The risk of losing talent due to organizational changes or lack of opportunities for professional growth and development. • The risk of disruption and adverse effects on the organization's operations due to absence of or sudden departure of key leaders and talent without sufficient business continuity plans. • The risk of employees lacking the necessary skills and knowledge to meet evolving demands due to insufficient skills development. • The risk of not finding qualified candidates for specific roles due to a lack of talent in the market or rapidly changing skills after requirements.	Sinch is working actively with the order of succession and skills development, and offers flexible workplaces to attract and retain key competencies. As the company grows, the business will also become less dependent on the skills and contributions of specific individuals.

Legal & compliance

Risk	Risk mitigation
Legal and regulatory compliance • The risk of non-compliance with applicable regulations and contractual conditions in the territories where the organization operates could lead to customer losses and financial and reputational consequences. • The risk of non-compliance with our ethical values as laid out in our Code of Conduct as well as other governing documents. These principles cover, for example, privacy, bribery and corruption, discrimination and human rights. • The risk of non-compliance with tax regulations, resulting in possible fines, interest and penalties, with adverse effects on financial condition, operating results, and cash flows. Sinch operates globally, and is subject to many different types of taxes. Each jurisdiction has its own tax laws, rules, and regulations, which are subject to interpretation. Local tax authorities may interpret tax laws differently than Sinch in certain instances.	By collaborating with industry organizations, regulators, and experts, Sinch is facilitating capacity to comply with relevant contractual and legal obligations. Sinch is working to continuously improve our company culture and internal compliance programs to meet the expectations of our stakeholders. Sinch closely monitors the legal, regulatory and tax landscape together with external advisors in the applicable jurisdictions to enhance tax processes that comply with all tax obligations.

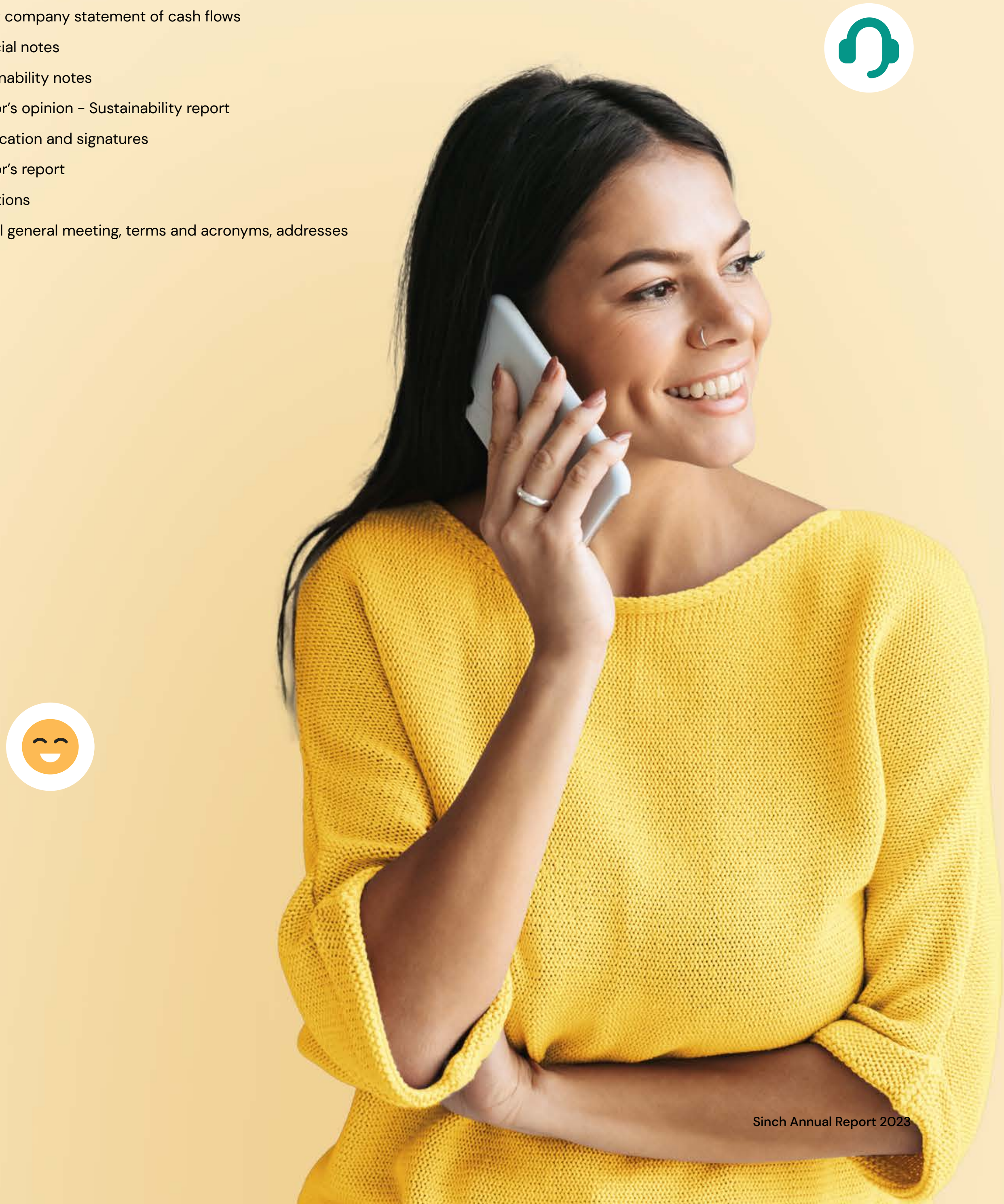
Financial

Risk	Risk mitigation
Liquidity and financing • The risk that refinancing of maturing loans becomes expensive, difficult, or even impossible due to worsening financial markets or investors perception of Sinch as a credit risk. • The risk of not having liquidity to comply with payment obligations as they fall due.	Sinch Board of Directors has established a Financial Policy providing guidelines for the management of financial risks. Sinch Group Treasury manages financial risks in accordance with the Financial Policy. The financial risks are managed centrally whereby reduced refinancing, liquidity and currency risk is achieved. Strong cash flow and deleveraging capacity further reduces financing risk. Also see Note 31 for additional information.

External

Risk	Risk mitigation
Environmental impact • The risk of negative impact due to increasing temperatures, rising sea levels and more frequent extreme weather events that can cause damage to important infrastructure in the value chain, which can lead to insufficient capacity to deliver our products and services. • The risk that Sinch will be negatively impacted if customers and investors deem Sinch to have insufficient capabilities to address challenges relating to climate change.	Sinch is stepping up efforts to manage climate-related risks and opportunities in the value chain. We plan to reduce our CO_2 emissions as well as ensure resilience towards extreme weather events. In the end of 2023, Sinch committed to SBTi.

Financial information



Management report

Sinch was founded with a cost-conscious ethos and scalability as a fundamental principle. Sinch has always had sharp focus on growing the organic business while delivering good profitability. In parallel, the company has successfully executed several strategic acquisitions to widen our offering, add new sales channels and generate economies of scale.

Business and organization

Sinch is a leading vendor of cloud communications services and digital customer engagement. Powered by the Sinch cloud communications platform, enterprises can reach every person on the planet – within a second or two – via messaging, voice calls and email.

Sinch's operations were structured in 2023 in four operating segments: Messaging, Voice, Email and SMB.

In the **Messaging,** operating segment, Sinch provided a cloud communications platform that businesses use to reach their customers directly on their phones via SMS and next-generation messaging technologies like WhatsApp and RCS.

The **Voice** operating segment offered Sinch APIs for voice communications, making it possible for business customers, service providers and telecom carriers to handle large volumes of voice calls, phone numbers and emergency calls with no need for costly investments in infrastructure.

Within the **Email** operating segment, Sinch offered industry-leading deliverability of transactional and marketing emails to more than 100,000 customers worldwide.

The **SMB** operating segment offered a set of easy-to-use turnkey solutions that make it easy for small and medium-sized businesses to use messaging services.

The company announced in October 2023 that it would be implementing a new operating model to accelerate growth. The new model is intended to increase customer focus, unlock cross- and upselling, and leverage the company's global scale in Product and R&D. Implementation of the new model implies integration of multiple acquired entities into joint organizations so that efficiency gains and cost synergies can be reinvested in initiatives that drive growth.

The new operating model groups Sinch's customer-facing functions in three strong geographical regions: Americas, EMEA and APAC. This creates a more effective sales organization that can represent the company's entire product set to customers in key markets worldwide.

In conjunction, product management and R&D were centralized to leverage Sinch's scale advantage and facilitate innovation.

The new organization took effect on 1 January 2024 and Sinch's financial reports will be updated to reflect these changes in H1 2024.

Corporate governance statement and sustainability report

In accordance with the Swedish Annual Accounts Act, ch 6, §8 and §11, Sinch has elected to prepare the statutory corporate governance statement and the sustainability report as separate reports. The corporate governance statement is presented on pages 30-35, the sustainability report on pages 26-28 and the sustainability notes on pages 100-116 of this document.

Significant events during the financial year

Net sales grew by 4 percent in 2023 to SEK 28,745m, gross profit rose by 8 percent to SEK 9,542m and EBITDA increased by 11 percent to SEK 3,074m. Organic gross profit growth, in local currency and adjusted for acquisitions, was 3 percent. Sinch is reporting a profit of SEK 42m in 2023, as compared to the loss of SEK 4,943 in 2022, which included a goodwill impairment of SEK 5,000m. Cash flow from operating activities was SEK 1,788m, as compared to SEK 2,508m in 2022. Net debt amounted to SEK 7,987m (9,162) and the debt/equity ratio, measured as net debt in relation to Adjusted EBITDA R12M, was 2.0.

In addition, Sinch has communicated corporate events including the following:

In January 2023, credit facilities of SEK 6,500m and USD 110m were extended by one year and will mature in February 2026. Sinch launched "Operator Connect for Partners" on 23 March, which makes it possible for service providers and other partners to offer voice calling services via Microsoft Teams. Laurinda Pang took the helm as the new CEO on 17 April. Sinch was positioned as a leading CPaaS provider during the year in the IDC MarketScape report and in Gartner's first Magic Quadrant report for CPaaS. The cost reduction program announced in mid-2022 achieved the stated savings targets in Q2 2023 and was completed in Q3.

Sinch announced a new operating model to accelerate organic growth. Research firm Omdia named Sinch a Leader in the Omdia Universe: CPaaS Platform Providers. Sinch has committed to short-term and long-term emission reductions in line with science-based net zero and the Science Based Targets initiative (SBTi). By joining SBTi, Sinch will ensure that its climate action is aligned with the latest science aimed at limiting the global temperature rise to 1.5 °C.

Credit facilities of SEK 1,500m were extended in December by one year. The new maturity date is February 2025.

Significant events after the end of the financial year

The new organization and Global Leadership Team went operational on 1 January 2024. On 1 January, Julia Fraser also became a new member of the Global Leadership Team.

In January, credit facilities that amounted to SEK 6,500m and USD 110m at year-end were extended by one year. The new maturity date is February 2027.

The company announced on 21 February that Wendy Johnstone has been appointed Executive Vice Preseident for the APAC region and as a new member of the Global Leadership Team.

The company also announced on 27 March that Ilse van der Haar has been appointed Chief Legal Officer and as a new member of the Global Leadership Team.

Sinch Group overview

SEKm	2023	2022	Change
Net sales	28,745	27,722	4%
Gross profit	9,542	8,810	8%
Gross margin	33%	32%	–
EBITDA	3,074	2,774	11%
EBITDA margin	11%	10%	–
Adjusted EBITDA	3,637	3,124	16%
Adjusted EBITDA margin	13%	11%	–
Adjusted EBITDA/gross profit	38%	35%	–
EBIT	494	-4,703	–
EBIT margin	2%	-17%	–
Adjusted EBIT	3,122	2,731	14%
Adjusted EBIT margin	11%	10%	–
Profit for the year	42	-4,943	–
Cash flow from operating activities	1,788	2,508	-29%
Cash and cash equivalents	1,012	2,173	-53%

For a list and definitions of financial measurements defined or not defined under IFRS and for operational measurements, please refer to pages 123-124.

Net sales

Consolidated net sales grew during the financial year by 4 percent to SEK 28,745m (27,722). The positive currency effect on consolidated net sales was 6 percent. Organic growth, in local currency and excluding acquisitions, was -2 percent.

Gross profit

Gross profit increased by 8 percent and amounted to SEK 9,542m (8,810). Organic growth, in local currency and adjusted for acquisitions and currency effects, was 3 percent. The positive effect of exchange rate changes was SEK 448m, corresponding to 5 percent.

The gross margin was 33 percent (32).

EBITDA

Consolidated EBITDA increased by 11 percent to SEK 3,074m (2,774). Adjusted EBITDA amounted to SEK 3,637m (3,124). Consolidated EBIT increased to SEK 494m (- 4,703). Adjusted EBIT was SEK 3,122m (2,731). Adjusted EBITDA and Adjusted EBIT are reported to clarify performance in underlying operations. See also Note 4.

EBITDA adjustments, SEKm	2023	2022
Acquisition costs	-8	-45
Restructuring costs	-47	-62
Adjusted earnout	-18	-
Integration costs	-148	-252
Costs of share-based incentive programs	-136	-124
Operational foreign exchange gains/losses	-161	135
Other adjustments	-45	-1
Total EBITDA adjustments	**-563**	**-350**
Amortization of acquisition-related assets	-2,063	-1,987
Impairment of goodwill	–	-5,097
Total EBIT adjustment	**-2,627**	**-7,434**

Net finance income

Net financial expenses were SEK -646m (-72), with interest costs amounting to SEK -592m (-308) and foreign exchange differences to SEK -35m (269).

Tax

Tax on profit for the year amounted to SEK 194m (-168) resulting in an effective tax rate of 128 percent (-4). Excluding acquisition-related amortization, related deferred tax and reversed provisions related to 2021 and 2022, the Group's effective tax rate for the period was 25 percent The comparison period was affected by the impairment loss recognized in Q3 2022. See Note 12 for further information about items that affected tax on profit for the year.

Profit for the year

Profit for the year increased to SEK 42m (-4,943) compared with the preceding financial year.

Cash flow

Cash flow from operating activities amounted to SEK 1,788m (2,508).

Net investments in intangible assets and property, plant and equipment amounted to SEK -629m (-643). The investments refer mainly to capitalized development expenditure of SEK 383m (374), and investments in hardware and software. Investments in subsidiaries amounted to SEK -24m (-45). See Note 33. Share issues and warrants amounted to SEK 48m (91).

Liquidity and financial position

At the end of the year, the Group had cash and cash equivalents of SEK 1,012m (2,173).

Net debt amounted to SEK 7,987m (9,162) and the debt/equity ratio, measured as net debt in relation to Adjusted EBITDA R12M excluding IFRS 16-related lease liabilities, was 2.0x.

As of 31 December, Sinch had total available credit facilities of SEK 12,610m and the company had utilized loans and credit facilities totaling SEK 7,363m (9,740), distributed as follows:

- Utilized loan of SEK 1,500m that matures in May 2024
- Utilized loan of SEK 1,500m that matures in February 2025
- Utilized loan of USD 110m that matures in February 2025
- Credit facilities of SEK 7,605m that mature in February 2026, of which SEK 3,258m had been utilized as of 31 December 2023.

In addition, senior unsecured bonds have been issued in the amount of SEK 750m (750) that will mature in November 2024. Available bank overdraft facilities amounted to SEK 901m (913m) as of 31 December 2023, of which SEK 0m (0) had been utilized.

Amortization of loans within the credit facilities amounted to SEK 2,250m in 2023.

Equity as of 31 December 2023 amounted to SEK 33,663m (34,432), corresponding to an equity ratio of 63 percent (60).

Messaging

Businesses use the Sinch cloud communications platform to reach their customers directly on their phones via SMS and next-generation messaging technologies like WhatsApp and RCS. The Messaging operating segment also includes advanced interactive communication software and solutions for mobile network operators. Operations are oriented primarily towards large businesses and channel partners.

SEKm	2023	2022
Net sales	18,942	18,255
Gross profit	3,876	3,615
Gross margin	20%	20%
EBITDA	1,079	954
Adjusted EBITDA	1,405	1,015

Net sales

Net sales for the Messaging operating segment amounted to SEK 18,942m (18,255), an increase by 4 percent compared with the preceding year. Organic growth in local currency was -2 percent.

Profit

Gross profit increased by 7 percent to SEK 3,876m (3,615). Organic growth in local currency was 1 percent. The gross margin was 20 percent (20).

EBITDA increased by 13 percent to SEK 1,079m (954) and the EBITDA margin was 6 percent (5). Adjusted EBITDA increased by 38 percent to SEK 1,405m (1,015) and the Adjusted EBITDA margin was 7 percent (6).

Voice

Sinch services for voice communications make it possible for business customers, service providers and telecom carriers to handle large volumes of voice calls, phone numbers and emergency calls with no need for costly investments in infrastructure. The backbone of the offering is the Sinch Super Network for voice calls, which reaches 95 percent of the US population and handled more than 250 billion voice minutes in 2023.

SEKm	2023	2022
Net sales	6,339	6,134
Gross profit	2,985	2,915
Gross margin	47%	48%
EBITDA	1,425	1,399
Adjusted EBITDA	1,449	1,432

Net sales

Net sales for the Voice operating segment amounted to SEK 6,339m (6,134), an increase by 3 percent compared with the preceding year. Organic growth in local currency was -1 percent.

Profit

Gross profit amounted to SEK 2,985 million (2,915) and the gross margin was 47 percent (48). EBITDA was SEK 1,425m (1,399) and the EBITDA margin was 22 percent (23). Adjusted EBITDA was SEK 1,449m (1,432) and the Adjusted EBITDA margin was 23 percent (23). Organic growth in local currency was -2 percent.

Email

The operating segment includes Sinch's email business, which offers industry-leading deliverability of transactional and marketing emails to more than 100,000 customers worldwide. Corporate developers of communication services are a prioritized customer group and the product set includes market-leading products including Mailgun, Mailjet and Email on Acid.

SEKm	2023	2022
Net sales	1,773	1,511
Gross profit	1,377	1,117
Gross margin	78%	74%
EBITDA	709	547
Adjusted EBITDA	766	581

Net sales

Net sales for the Email operating segment amounted to SEK 1,773m (1,511), an increase by 17 percent compared with the preceding year. Organic growth in local currency was 12 percent.

Profit

Gross profit was SEK 1,377m (1,117) EBITDA was SEK 709m (547) and the EBITDA margin was 40 percent (36).

Adjusted EBITDA was SEK 766m (581) and the Adjusted EBITDA margin was 43 percent (38). Organic growth in local currency was 18 percent.

SMB

The operating segment includes easy-to-use turnkey solutions that make it a sinch for small and medium-sized businesses to use messaging services provided by well-established brands including MessageMedia, SimpleTexting and ClickSend.

SEKm	2023	2022
Net sales	2,069	1,852
Gross profit	1,303	1,162
Gross margin	63%	63%
EBITDA	526	490
Adjusted EBITDA	623	566

Net sales

Net sales for the SMB operating segment amounted to SEK 2,069m (1,852), an increase by 12 percent compared with the preceding year. Organic growth in local currency was 10 percent.

Profit

Gross profit was SEK 1,303m (1,162) EBITDA was SEK 526m (490) and the EBITDA margin was 25 percent (26).

Adjusted EBITDA was SEK 623m (566) and the Adjusted EBITDA margin was 30 percent (31). Organic growth in local currency was 10 percent.

Other and eliminations

Eliminations, the costs of central functions and group-wide costs are reported within Other and eliminations. Eliminations affect only net sales and arise from internal sales between operating segments.

SEKm	2023	2022
Net sales	-378	-
EBITDA	-665	-615
Adjusted EBITDA	-606	-469

Net sales

Net sales in the Other and eliminations operating segment amounted to SEK -378 million (-).

Profit

EBITDA amounted to SEK -665m (-615) and consisted mainly of employee benefits expenses in Finance, HR and IT, R&D and rental costs. Adjusted EBITDA was SEK -606 million (-469).

Research and development

Sinch has a large staff of software developers and other technical personnel and several parts of the company are involved in product development. The cloud platform was further developed in 2023 to enable even more efficient scaling and management of increased traffic volume. Investments have also been made in systems for regulatory compliance, such as spam filter systems.

Further development of next-generation conversational messaging systems enabled the addition of new channels in the Messaging operating segment, such as Instagram and Apple Messages for Business. The technology projects to migrate customers of the acquired businesses Wavy, TWW and SDI to global shared platforms have continued during the year and are expected to be completed in 2024. Continued integration of products related to earlier acquisitions, including ClickSend, is also ongoing in the SMB operating segment.

Development expenses are capitalized as specified in Note 3. Total expenditures for research and development were SEK 1,289m (1,230) before capitalization of internal hours spent, which amounted to SEK 383m (374).

The environment

Sinch's core business is software development and management of digital transactions and has limited environmental impact. Sinch has impact on the environment primarily through travel, hardware operation and disassembly and emissions in the value chain related to data centers, cloud and messaging services. Sinch is working to minimize these impacts by measuring and reducing our emissions. This includes replacing travel with online communications and travel by modes such as train that have less impact on the environment. Sinch also aspires to send outmoded hardware for recycling. The Sinch Group's environmental work is described in more detail in the *Climate impact* section of the Sustainability notes on pages 100-116.

Employees

At the end of the year, the Group employed 4,231 (4,205) people, including consultants. The average number of employees during the year was 3,643 (3,565), 31 percent (30) of whom were women. The average age of the workforce was 39 (39). Employee turnover in 2023 was 14 percent (23).

We are continually refining and improving our recruitment process to ensure that we take a structured, data-driven approach and apply unbiased evaluation processes. We are proud that some of the best and most experienced people in the business have chosen to work with us. Aimed at attracting and retaining skills in the company, Sinch offers internal career development opportunities that help our employees grow and win together.

For Sinch to remain an industry leader, a culture of diversity, equity and inclusion is a success factor. Sinch has employees in more than 60 countries with diverse backgrounds. Having a diversified organization that celebrates their unique backgrounds, skills, experience, talents, qualifications, and personalities helps us understand the needs of the market.

The company will continue to grow and recruit within our growth areas and expand support functions as needed.

Proposed resolution on executive compensation policy

The board of directors of Sinch AB (publ) proposes the following executive compensation policy. Policy guidelines do not apply to compensation decided by the general meeting. The 2023 policy guidelines are presented in Note 9.

For the purposes of these policy guidelines, "executives" comprise the company's inside directors, the CEO, the Deputy CEO (if applicable) and senior management personnel who report to the CEO. As of April 1 2024, the company has thirteen executives, including the CEO.

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain skilled and qualified employees. Compensation to the CEO and other executives should therefore reflect Sinch's need to recruit and motivate qualified employees by means of a compensation package that is perceived as fair and competitive. The board of directors is empowered to depart from the guidelines for cause in individual cases when the departure is necessary to serve the company's long-term interests, including sustainability, or assure the company's financial viability.

In the preparation of the board of directors' proposal for these guidelines, salary and employment conditions for employees of the company have been considered by including information about employees' total compensation, the components of compensation and its increase and growth rate over time in the decision input provided to the board. Compensation consists of the following components:

- Fixed base pay
- Short- and long-term variable pay
- Special compensation
- Pension benefits
- Other benefits
- Pay during period of notice of termination/resignation

Market-based compensation

The company has acquired high quality benchmark data from third-party sources to ensure that compensation to the CEO and other executives reflects what generally applies to executives in comparable positions in other companies. Compensation based on market conditions is also ensured through recruitment processes when executives are recruited externally.

Fixed base pay

Fixed pay must be market-based and reflect the employee's position, qualifications, experience, and individual performance.

Short-term variable pay

Short-term variable pay must be measured against predefined financial performance targets. Non-financial targets may also be used to sharpen focus on achieving the Group's strategic plans. Targets must be specific, clear, measurable, subject to deadlines, and adopted by the board of directors. They should also be designed to promote the company's business strategy, long-term interests and sustainability. The extent to which the criteria have been met shall be assessed/determined at the end of the relevant measurement period.

The board of directors has delegated the responsibility for assessment regarding variable pay to the CEO and other executives to the Remuneration Committee.

Levels and targets for variable pay are proposed each year by the CEO with regard to other executives and are subject to Board approval. Levels and targets for the CEO are defined by the board of directors. Short-term variable pay shall not exceed 50 percent of fixed base pay, as executive compensation should be primarily based on long-term incentives.

Long-term variable pay

Long-term variable pay may encompass share-related incentive programs. These policy guidelines do not cover compensation decided by the annual general meeting and thus do not apply to existing or proposed share-related incentive programs.

Each year, the board of directors will evaluate whether a long-term share-related incentive program should be proposed to the annual general meeting. The purpose of offering a share-related incentive program is to ensure that the interests of executives coincide with those of the company's shareholders. Individual, long-term ownership among key individuals can be expected to stimulate keener interest in the business and its profitability, increase motivation, and enhance the sense of belonging with the company, thereby promoting the company's business strategy, long-term interests and sustainability. Long-term share-related incentive programs also enhance the company's potential to retain current executives and attract and recruit new candidates.

Special compensation

Additional variable cash compensation can be offered to key individuals who remain employees of Sinch in connection with business combinations, disposals of operations or other measures of an occasional nature, or who deliver other extraordinary performance. Such special compensation shall not exceed 50 percent of the employee's contracted annual fixed base pay. Special compensation shall be paid only in special cases and shall not be included in any ordinary compensation system. Decisions to distribute special compensation are under the purview of the board of directors.

Pensions

Pension benefits for the CEO and other executives must reflect customary market terms, compared with that which generally applies to executives in comparable positions with other companies, and should normally be based upon defined contribution pension plans. Executives retire at the relevant/appropriate age of retirement. Pension benefits shall not exceed 35 percent of fixed base pay to the extent higher contributions are not required under an applicable collectively agreed pension plan.

Other benefits
Other benefits of employment may include health insurance and fitness/wellness benefits. The costs of such benefits shall not exceed 10 percent of fixed base pay.

Period of notice and severance pay
As a main rule, all employment contracts made between the company and senior management personnel must be indefinite term contracts. If the company terminates the CEO's employment, the period of notice shall be a maximum of six months. If the CEO resigns, the period of notice shall be six months. A period of notice applies between the company and other executives of up to six months, whether the employee resigns or is terminated. In addition to compensation paid during the applicable period of notice, any severance pay after the applicable period of notice shall not exceed an amount equal to fixed base pay for twelve months for the CEO and six months for other senior management personnel. The foregoing constitutes a framework within which individual terms shall be decided by the board of directors.

Compensation to company founders
Compensation to the founders of Sinch is subject to approval by the board of directors. Founders are exempt from the requirement of market-based pay, i.e. their fixed base pay and other compensation may be lower than the market rate, as they are compensated through their shareholdings in the company.

Compensation to founders consists of the following components:

- Fixed base pay
- Pension benefits
- Additional vacation entitlement
- Pay during period of notice

If a founder is temporarily covering another management position, the founder will be compensated during this period with fixed base pay equal to that of the individual on the executive management team with the lowest salary at the time, excluding other founders.

Approval
Changes in terms, conditions and compensation to the CEO are subject to approval by the chairman of the board. Daily costs such as travel expenses for the CEO are subject to approval by the CFO, and quarterly summaries shall be sent to the chairman of the board. New recruitments, changes in pay and other significant changes regarding executives other than the CEO are subject to approval by the chairman of the board. Minor adjustments and daily costs are, however, subject to approval by the CEO. Payment of fixed base pay is managed by local payroll departments and is subject to prior approval by the local HR representative. Payment of short-term variable pay is subject to approval by the CEO (as regards other executives) and by the chairman of the board (as regards the CEO). Eligibility for share-related incentive programs is determined by the board of directors and is based on the proposal approved by the general meeting.

Controls and decision process
The company has a Remuneration Committee which consists of two directors. The chairman of the board is also chair of the Remuneration Committee.

The Remuneration Committee shall, in relation to the board of directors, have a preparatory function in respect of compensation policies and executive compensation and other terms of employment.

The Remuneration Committee shall thus draft a proposed executive compensation policy, which shall be presented to the board of directors. The proposal must thereafter be presented to the annual general meeting for approval. The Remuneration Committee shall also evaluate adherence to the policy guidelines approved by the annual general meeting.

The board of directors shall present a policy proposal to the annual general meeting for resolution at least every fourth year or whenever a need for material changes to the policy arises.

Policy guidelines shall be applied in relation to every commitment pertaining to executive compensation and every change of such a commitment that is decided subsequent to the annual general meeting at which the policy guidelines were adopted. Thus, the policy guidelines have no impact on preexisting contractual obligations. The adopted policy guidelines may also be amended by means of a resolution by any other general meeting.

The Remuneration Committee shall also prepare proposals regarding compensation to the CEO and other executives within the scope of the policy guidelines endorsed by the annual general meeting. The board of directors shall annually evaluate the CEO's performance.

The Remuneration Committee shall also monitor and evaluate ongoing and ended programs for variable pay to senior management personnel as well as the current structure and levels of compensation in the company.

Furthermore, the Remuneration Committee shall annually prepare a report detailing executive compensation paid during the financial year. The Remuneration Report shall be made available to the shareholders on the Company's website no later than three weeks before the annual general meeting. Within the scope of and based on the policy guidelines, the board of directors shall annually decide on the specific revised terms of compensation for each executive and make any other necessary decisions concerning executive compensation. The CEO or any other senior executive shall not be present when the Remuneration Committee discusses and decides on matters related to compensation insofar as the individuals are affected by such matters.

The following measures are taken annually to verify and assure compliance with the guidelines

- Collection of documented annual targets for short-term variable pay
- Checking of a random sample of approved salary payments
- Review of sample reports generated by payroll systems to identify any unusual payments

The result of the checks are summarized and reported to the Remuneration Committee.

Outlook

The impacts of geopolitical uncertainty and a changed macroeconomic environment, including increasing inflation, rising interest rates and subdued demand, are expected to persist in 2024. Sinch has nevertheless remained an industry leader with good underlying profitability and robust cash flows. Aimed at accelerating growth, Sinch launched a growth program in 2023. In the first stage, the program resulted in the regional operating model that went live on 1 January 2024. By putting the customer at the heart of the business, creating a common product organization and investing in the company's IT infrastructure, Sinch expects to realize further growth and cost synergies. As regards Ukraine and Russia, exposure is limited to less than 1 percent of annualized gross profit. Although Sinch does not publish forecasts, the company recognizes that the effects of the prevailing macroeconomic situation will persist.

Parent company

The parent company's operations consist only of certain global leadership functions. At the end of the period, the parent company had 5 (5) employees. The average number of employees during the period was 5 (7).

- Net sales were SEK 588m (356).
- Operating profit (-loss) was SEK 221m (-16)
- The profit (-loss) for the year was SEK 54m (-4,145).
- Equity amounted to SEK 30,221m (30,119)

Please refer to the Group Management Report for further information concerning the parent company's operations, financial position, and performance.

Proposed allocation of profit or loss

The board of directors will propose to the annual general meeting that no dividend is distributed for the 2023 financial year.

The following non-restricted equity in the parent company is at the disposal of the annual general meeting, SEK:

Share premium reserve	34,176,049,885
Retained earnings	-4,017,583,633
Profit for the year	54,448,728
Total	**30,212,914,980**

The Board of Directors proposes that profit or loss be allocated as follows, SEK:

Carried forward to retained earnings	30,212,914,980
Total	**30,212,914,980**

Multi-year review
Consolidated

Income statement data

	2023	2022	2021	2020	2019	2018
Net sales	28,745	27,722	16,177	8,023	5,036	3,987
Gross profit	9,542	8,810	3,933	2,183	1,394	1,008
EBITDA	3,074	2,774	831	715	556	373
Adjusted EBITDA	3,637	3,124	1,322	989	582	381
Profit or loss for the year	42	-4,943	908	446	275	180

Balance sheet data

	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018
Non-current assets	46,269	49,375	49,912	5,827	3,147	2,371
Current assets	6,866	7,909	7,169	5,807	1,844	1,255
Total assets	**53,134**	**57,284**	**57,081**	**11,634**	**4,991**	**3,626**
Equity	33,663	34,432	34,053	7,513	1,999	1,664
Non-current liabilities	11,467	16,722	7,318	1,587	1,777	842
Current liabilities	8,004	6,130	15,709	2,535	1,215	1,121
Total equity and liabilities	**53,134**	**57,284**	**57,081**	**11,634**	**4,991**	**3,626**

Cash flow statement

	2023	2022	2021	2020	2019	2018
Cash flow from operating activities	1,788	2,508	329	454	327	305
Cash flow from (-used in) investing activities	-649	-691	-29,059	-2,973	-712	-370
Cash flow from (-used in) financing activities	-2,342	-1,508	26,454	5,231	673	76
Cash flow for the year	**-1,203**	**309**	**-2,276**	**2,713**	**288**	**10**
Cash and cash equivalents at the beginning of the financial year	2,173	1,871	3,123	466	181	165
Exchange rate differences in cash and cash equivalents	42	-7	1,024	-56	-2	6
Cash and cash equivalents at the end of the financial year	**1,012**	**2,173**	**1,871**	**3,123**	**466**	**181**

Key data

	2023	2022	2021	2020	2019	2018
Return on equity, %	0.1	–14.4	4.4	9.4	15.0	11.4
Gross margin, %	33.2	31.8	24.3	27.2	27.7	25.3
EBITDA margin, %	10.7	10.0	5.1	8.9	11.0	9.4
EBIT margin, %	1.7	–17.0	1.0	5.6	7.4	5.5
Net margin, %	0.1	–17.8	5.6	5.6	5.4	4.5
Equity/assets ratio, %	63.4	60.1	59.7	64.6	40.0	45.9
EBITDA, SEKm	3,074	2,774	831	715	556	373
EBITDA adjustments, SEKm	–563	–350	–491	–274	–27	–8
Adjusted EBITDA, SEKm	3,637	3,124	1,322	989	582	381
Adjusted EBITDA/gross profit, %	38.1	35.5	33.6	45.3	41.8	37.8
Net debt, SEKm	7,987	9,162	10,640	–1,989	959	406
Net debt/pro forma Adjusted EBITDA, multiple[1]	2.0	2.7	2.9	–2.2	1.7	1.1
Interest coverage ratio, multiple	0.9	–13.2	3.2	12.9	14.0	9.9

1) In the calculation of this APM, Net debt and Adjusted EBITDA are both measured excluding IFRS 16-related lease liabilities. For further information, see the reconciliation of alternative performance measures on investors.sinch.com.

Share data

	2023	2022	2021	2020	2019	2018
Total shares outstanding at the end of the year	843,069,811	838,602,248	768,568,748	631,736,700	536,020,890	536,020,890
Weighted average number of shares before dilution[1]	841,130,408	819,116,557	700,923,800	584,945,860	536,020,890	536,020,890
Weighted average number of shares after dilution[2]	845,416,837	819,116,557	716,527,452	604,135,000	542,342,750	536,020,890
Basic earnings per share, SEK	0.05	–6.03	1.29	0.76	0.51	0.33
Diluted earnings per share[2], SEK	0.05	–6.03	1.26	0.74	0.51	0.33
Dividend per share, SEK	–	–	–	–	–	–

1) Historical average number of shares restated after split and new issues for comparison.

2) The negative results in 2022 do not give rise to any dilutive effect. If results had been positive, the weighted number of dilutive warrants would have been 11,773,922.

Income statement
Consolidated

SEKm	Note	2023	2022
Net sales	5	**28,745**	**27,722**
Other operating income	6	479	611
Work performed by the entity and capitalized	15	383	374
Cost of services sold		–19,204	–18,912
Other external expenses	7, 8	–2,310	–2,400
Employee benefits expenses	9	–4,371	–4,157
Other operating expenses	6	–648	–464
Operating profit, EBITDA		**3,074**	**2,774**
Depreciation, amortization and impairments	14, 15, 16, 17	–2,580	–7,478
Operating profit, EBIT		**494**	**–4,703**
Financial income	10	3,280	3,702
Financial expenses	10	–3,926	–3,774
Profit or loss before tax		**–152**	**–4,775**
Current tax	12	–319	–583
Deferred tax	12	513	414
Profit or loss for the year		**42**	**–4,943**
Attributable to:			
Owners of the parent		42	–4,943
Non-controlling interests		0	0
Earnings per share, SEK			
Basic	13	0.05	–6.03
Diluted	13	0.05	–6.03

Statement of comprehensive income
Consolidated

SEKm	Note	2023	2022
Profit or loss for the year		42	–4,943
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss for the period			
Translation differences		–863	4,593
Exchange rate changes on increased net investments		–138	604
Tax effect of items in other comprehensive income		28	–107
Other comprehensive income for the year		**–973**	**5,090**
Comprehensive income for the year		**–931**	**147**
Attributable to:			
Owners of the parent		–931	147
Non-controlling interests		0	0

Statement of financial position
Consolidated

SEKm	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Goodwill	14	25,160	25,838
Customer relationships	15	13,058	14,719
Operator relationships	15	177	246
Proprietary software	15	4,706	5,315
Other intangible assets	15	394	488
Property, plant and equipment	16	928	874
Right-of-use assets	17	818	859
Financial assets	18	72	74
Deferred tax assets	12	957	962
Total non-current assets		**46,269**	**49,375**
Current assets			
Accounts receivable	19	4,669	4,247
Tax assets		238	317
Other current receivables	20	265	340
Prepaid expenses and accrued income	21	681	833
Cash and cash equivalents	32	1,012	2,173
Total current assets		**6,866**	**7,909**
Total assets		**53,134**	**57,284**
EQUITY AND LIABILITIES			
Equity	22		
Share capital		8	8
Other capital contributions		32,382	32,219
Reserves		4,294	5,268
Retained earnings or accumulated losses including profit for the year		–3,022	–3,064
Equity attributable to owners of the parent		**33,663**	**34,431**
Non-controlling interests		1	1
Total equity		**33,663**	**34,432**
Non-current liabilities			
Deferred tax liabilities	12	4,750	5,403
Provisions	25	55	49
Interest bearing non-current liabilities	23	6,637	11,236
Non interest bearing non-current liabilities	24	25	34
Total non-current liabilities		**11,467**	**16,722**
Current liabilities			
Contract liabilities/Advance payments from customers	19	262	260
Accounts payable		1,849	1,561
Tax liability		64	466
Other interest bearing current liabilities	23	2,362	99
Other non interest bearing current liabilities	24	231	344
Accrued expenses and prepaid income	26	3,235	3,401
Total current liabilities		**8,004**	**6,130**
Total equity and liabilities		**53,134**	**57,284**

Statement of changes in equity
Consolidated

SEKm	Share capital	Other capital contribu-tions	Reserves	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Opening balance at 1 January 2022	**8**	**31,988**	**178**	**1,879**	**34,053**	**1**	**34,053**
Profit or loss for the year				–4,943	–4,943	0	–4,943
Other comprehensive income			5,090		5,090	0	5,090
Issued warrants		6			6		6
Share-based payments		140			140		140
Issued shares for warrants	0	93			93		93
Non-cash issue	1	–2[1)]			–1		–1
Set-off issue	0				0		0
Issue expenses, net of tax		–6			–6		–6
Closing balance at 31 December 2022	**8**	**32,219**	**5,268**	**–3,064**	**34,431**	**1**	**34,432**
Profit for the year				42	42	0	42
Other comprehensive income			–973		–973	0	–973
Warrants issue		4			4		4
Share-based payments		115			115		115
Shares issued for warrants	0	46			46		46
Issue expenses, net of tax		–2			–2		–2
Closing balance at 31 December 2023	**8**	**32,382**	**4,294**	**–3,022**	**33,663**	**1**	**33,663**

1) Refers to adjustments related to acquisitions in 2021.

Statement of cash flows

Consolidated

SEKm	Note	2023	2022
Cash flow from (-used in) operating activities			
Profit or loss before tax		-152	-4,775
Adjustment for non-cash items	32	2,859	7,167
Income tax paid		-600	-560
Cash flow from operating activities before changes in working capital		**2,107**	**1,832**
Change in inventories		0	-
Change in accounts receivable		-544	99
Change in other current receivables		229	-123
Change in accounts payable		228	54
Change in other current liabilities		-234	646
Cash flow from operating activities		**1,788**	**2,508**
Investing activities			
Acquisition of intangible assets	14, 15	-418	-399
Acquisition of property, plant and equipment	16	-211	-244
Decrease in financial receivables		8	7
Increase in financial receivables		-4	-10
Acquisition of Group companies, net effect on cash and cash equivalents	33	-24	-45
Cash flow from (-used in) investing activities		**-649**	**-691**
Financing activities			
New borrowing		13,661	9,492
Amortization of bank loan		-15,915	-10,947
Amortization of lease liability		-136	-144
New share issue/warrants		48	91
Cash flow from (-used in) financing activities	32	**-2,342**	**-1,508**
Cash flow for the year		**-1,203**	**309**
Cash and cash equivalents at the beginning of the financial year		2,173	1,871
Exchange rate differences in cash and cash equivalents		42	-7
Cash and cash equivalents at the end of the financial year		**1,012**	**2,173**

Income statement
Parent company

SEKm	Note	2023	2022
Net sales		**588**	**356**
Other operating income	6	7	6
Operating expenses			
Other external expenses	7, 8	–336	–345
Employee benefits expenses	9	–22	–21
Operating profit before other operating expenses, depreciation, amortization and impairments		**237**	**–4**
Other operating expenses	6	–14	–8
Depreciation and amortization	15, 16	–3	–5
Operating profit or loss		**221**	**–16**
Impairment of shares in subsidiaries		–	–4,340
Interest income and similar profit items	10	3,445	3,923
Interest expenses and similar loss items	10	–3,477	–3,435
Profit after net financial income/expenses		**189**	**–3,868**
Appropriations	11	–120	–252
Profit or loss before tax		**69**	**–4,120**
Tax on profit for the year	12	–15	–25
Profit or loss for the year[1)]		**54**	**–4,145**

1) Profit or loss for the year coincides with comprehensive income for the year.

Balance sheet
Parent company

SEKm	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets	15	3	5
Property, plant and equipment	16	1	3
Financial assets			
Investments in Group companies	18	16,173	15,764
Non-current receivables, Group companies	18	5,348	2,278
Total financial assets		**21,521**	**18,041**
Total non-current assets		**21,525**	**18,049**
Current assets			
Receivables from Group companies		21,767	22,276
Tax assets		31	33
Other current receivables	20	13	–
Prepaid expenses and accrued income	21	86	82
Cash and bank balances	32	20	765
Total current assets		**21,917**	**23,155**
TOTAL ASSETS		**43,442**	**41,204**
EQUITY AND LIABILITIES			
Equity			
Share capital	22	8	8
Total restricted equity		**8**	**8**
Share premium reserve		34,176	34,126
Retained earnings		–4,018	130
Profit or loss for the year		54	–4,145
Total non-restricted equity		**30,213**	**30,111**
Total equity		**30,221**	**30,119**
Untaxed reserves	27	94	95
Deferred tax liability		3	–
Total untaxed reserves		**97**	**95**
Non-current liabilities			
Liabilities to credit institutions	23	5,841	10,449
Total non-current liabilities		**5,841**	**10,449**
Current liabilities			
Accounts payable		9	3
Liabilities to Group companies		4,973	469
Liabilities to credit institutions	23	2,248	–
Other current liabilities	24	2	17
Accrued expenses and prepaid income	26	51	52
Total current liabilities		**7,283**	**541**
TOTAL EQUITY AND LIABILITIES		**43,442**	**41,204**

Statement of changes in equity
Parent company

SEKm	Share capital	Share premium reserve	Retained earnings	Total equity
Opening balance at 1 January 2022	**8**	**34,029**	**136**	**34,172**
Profit or loss for the year			−4,145	−4,145
Issued warrants		6		6
Shares issued for warrants	0	93		93
Rights issue	1	−2[1)]		−1
Issue expenses, net of tax			−6	−6
Closing balance at 31 December 2022	**8**	**34,126**	**−4,015**	**30,119**
Profit or loss for the year			54	54
Warrants issue		4		4
Issued shares for warrants	0	46		46
Rights issue				–
Issue expenses, net of tax			−2	−2
Closing balance at 31 December 2023	**8**	**34,176**	**−3,963**	**30,221**

1) Refers to adjustments related to acquisitions in 2021.

Cash flow statement
Parent company

SEKm	Note	2023	2022
Cash flow from operating activities			
Profit after net financial income/expenses		189	–3,868
Adjustment for non-cash items	32	28	3,604
Income tax paid		–2	–15
Cash flow from operating activities before changes in working capital		**215**	**–279**
Change in other current receivables		1,063	–27
Change in accounts payable		5	–100
Change in other current liabilities		–88	14
Cash flow from (–used in) operating activities		**1,195**	**–392**
Investing activities			
Acquisition of intangible assets		–	0
Decrease in financial receivables		–	491
Increase in financial receivables		–	–123
Change in financial receivables, Group companies		479	1,984
Group contribution received/provided		–200	–435
Cash flow from investing activities[1]		**279**	**1,917**
Financing activities			
Borrowings, bank and bond loans		13,664	9,492
Amortization of bank loan		–15,915	–10,947
New issue/warrants		48	86
Derivatives		–15	–
Cash flow from (–used in) financing activities	32	**–2,218**	**–1,369**
Cash flow for the year		**–745**	**155**
Cash and cash equivalents at the beginning of the financial year		765	610
Cash and cash equivalents at the end of the financial year	32	**20**	**765**

1) Acquisitions of shares in subsidiaries in 2022 took place through an issue in kind and capital contribution, which reduced intragroup transactions.

Notes

Note 1 General information

Sinch AB (publ), corporate registration number 556882-8908, is a public limited liability company incorporated in Sweden and domiciled in Stockholm. The address of the company's headquarters is Lindhagensgatan 112, 112 51 Stockholm, Sweden. The company and its subsidiaries ("Sinch" or "the Group") provide cloud communications services and digital customer engagement channels to the enterprise sector, including email, messaging and voice.

Compliance with standards and law

The annual report and consolidated financial statements were approved for issuance by the Board of Directors on Wednesday, 17 April 2024. The parent company income statement and balance sheet and the consolidated statement of comprehensive income and statement of financial position will be subject to adoption by the annual general meeting on 16 May 2024.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR1 Supplementary Accounting Rules for Groups have also been applied. The parent company and the Group apply the same accounting policies, except where specified below under "Parent company accounting policies."

Functional currency and presentation currency

The parent company's functional currency is the Swedish krona (SEK), which is also the presentation currency for the parent and the Group. Accordingly, the financial statements are presented in SEK. Unless otherwise stated, all amounts are rounded to the nearest million.

Impact of external factors on consolidated accounting policies

The risks and uncertainties faced by the Group are analyzed regarding sector- and business-related conditions and based on the current macroeconomic situation. Macroeconomic trends including the weaker SEK, rising inflation, increased interest rates and slower economic growth have affected the company's performance in terms of revenues, costs and valuation. Consolidated accounting policies have not been altered in response to macroeconomic changes, but the models used have been affected. Impairment testing of goodwill, for which the discount rate is a material component, is one example (see Note 14). In addition to impairment testing of intangible assets, the effects include the impact of risks and uncertainty factors on expected credit losses, which is presented in greater detail in Note 19, as well as associated deferred taxes. See also Note 31.

Increased climate-related impacts due to climbing temperatures, rising sea levels and more frequent extreme weather events could damage important infrastructure in the value chain, which could lead to insufficient capacity to deliver our products and services. Consequently, transition risks related to technological advances, altered geopolitical conditions and higher energy prices could affect operational and capital expenditures and the company's financial performance. The Group has determined that there has been no material impact on the financial statements for 2023 and believes there will be no significant effects in the future as a consequence of these impacts. The Sinch Sustainability Report 2023 describes the Group's sustainability program in greater detail.

Note 2 Judgments and estimations in the financial statements

Key accounting judgments and estimations

Preparation of the financial statements and application of accounting policies are often based on management's judgments and estimations as well as assumptions deemed reasonable and carefully considered when the judgment is made. However, if other judgments, assumptions or estimations were used, the outcome might differ and events might occur that could require significant adjustment of the carrying amount of the relevant asset or liability. This could occur, for example, in connection with a change of strategy or a restructuring. This could affect judgments based on the choice of accounting policies and estimations.

The most material accounting policies whose application is based on key judgments are specified below, along with the sources of estimation uncertainty that the Group has determined could have the most material impact on the Group's reported financial performance and position.

The information provided in this note is categorized as follows:

- Key sources of estimation uncertainty
- Management's judgments related to application of consolidated accounting policies.

Revenue recognition

Key sources of estimation uncertainty

The Group uses estimates and judgments to determine the amounts and dates of revenue recognition, particularly in order to determine the transaction price and its allocation among identified contractual performance obligations. The transaction price, including variable consideration, e.g., income derived from volume discounts, is estimated at contract inception and periodically thereafter. Judgments are used in the estimation process based on past experiences with the type of business or the customer class. This includes possible price adjustments based on the most recent available information on contract negotiations, which could have retrospective effect on the prices of previously ordered or delivered services. Expected credit losses for accounts receivable and contract assets are regularly analyzed. Total confirmed/realized customer losses as of 31 December 2023 amounted to SEK 42m (47) or 1 percent (1%) of the gross value of accounts receivable and contract assets.

Judgments related to application of consolidated accounting policies

Revenue for services is recognized when control of the service has been transferred to the customer. This evaluation should be made from a customer perspective, taking into account indicators such as the transfer of the significant risks and rewards of ownership, the customer's acceptance of the asset, access and the right to invoice. Judgments may be required to evaluate whether risks and rights have been transferred to the customer and whether the customer has accepted the services. All indicators of control transfer are often considered as a whole to determine whether the transfer of control has occurred in a customer contract. Management regularly evaluates the customer's ability and intention to pay according to contract. The evaluation is based on the customer's latest credit report and payment history. The evaluation may change during fulfillment of the contract, and if there is evidence that the customer's ability or intention to pay has deteriorated, there should be no further recognition of revenue until the payment criteria have been satisfied.

Valuation of cost of services sold

Key sources of estimation uncertainty

Accrual of the costs of services sold requires estimations to minimize the risk of future differences. The cost of services sold in Sinch's Messaging operating segment is incurred when mobile network operators charge a fee per message. The subsequent billing from MNOs often occurs many months after the traffic was generated. As a result, costs are accumulated as accrued costs until billing has occurred.

Key judgments and estimates of reserves related to accrued traffic costs are part of the monthly process to account for traffic costs in a manner that provides a fair picture. These estimations are based on past experience and several other assumptions deemed reasonable under the circumstances. Conclusions drawn by this means constitute the basis for the carrying amounts of traffic costs.

Business combinations, intangible assets including goodwill

Key sources of estimation uncertainty

Future cash flows are estimated at initial recognition to ensure that carrying amounts do not exceed the estimated discounted cash flows for this type of asset. Subsequent to initial recognition, impairment tests are performed when there is an indication that the asset has decreased in value. Goodwill is also tested for impairment annually in connection with updated business plans. One indication of impairment may be significant differences in actual cash flows compared to the business plan, as well as new estimations that indicate lower future cash flows. Estimations related to acquired intangible assets are based on similar assumptions and risks as for goodwill. Allocation in connection with an acquisition analysis requires management's judgment, for example in connection with determination of the fair value of acquired intangible assets. See Note 14 for more information.

Judgments related to application of consolidated accounting policies

Upon initial recognition and subsequent remeasurements, management assesses both fundamental assumptions and indications of impairment. Judgment is also required to define cash-generating units for impairment testing.

Leases

Key sources of estimation uncertainty

There is estimation uncertainty related to potential future changes in the organization, which may affect the actual lease term for a contract if for example, a restructuring program is

Note 2 cont.

initiated that could entail the termination of existing leases. The determination of interest rates by which lease liabilities are discounted is another uncertainty that affects the amounts of the lease liability and interest expense. An incremental borrowing rate is used to discount lease liabilities and requires judgment to reflect the interest rate that Sinch would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment. As of 31 December 2023, lease liabilities amounted to SEK 898m (872). See Note 17 for more information.

Judgments related to application of consolidated accounting policies

Management makes judgments regarding the lease term upon initial recognition and subsequent remeasurement of leases. The outcome of these judgments may differ from the actual outcome for the lease and may have adverse impact on rights-of-use.

Deferred tax

Key sources of estimation uncertainty

Valuation of deferred tax assets entails judgment concerning the tax deductibility of costs that are not yet taxable and estimations regarding sufficient future taxable income to allow the use of loss carryforwards (LCFW) and/or unused tax credits in various jurisdictions. All deferred tax assets are subject to annual review of probable use. Valuation of temporary differences, LCFW and tax credits are based on management's estimations of future taxable income in various jurisdictions against which temporary differences and LCFW can be used. These judgments are based primarily on business plans for the Group's assessed outcomes regarding future taxable profit. More detailed information is provided in Note 12.

Accounting for income tax, value added tax and other taxes

Key sources of estimation uncertainty

Accounting for income tax is based on evaluation of income tax in all jurisdictions where profits are generated. According to the rules set down in IFRIC 23, uncertainty over income tax treatment is considered only if and in connection with accounting for and valuation of income tax items in the financial statements. Assets related to value added tax and other taxes are considered separately for use in each jurisdiction in accordance with local regulations. The total complexity of the rules that concern taxes and accounting for taxes require management's involvement in judgments of the classification of transactions and in estimations of the probable outcomes of claimed deductions and/or disputes.

New standards and interpretations in 2023

The following new or revised standards and interpretations are effective for reporting periods beginning on or after 1 January 2023 and have been applied to the consolidated financial statements for 2023. The amendments have had no material impact on the consolidated or parent company financial statements.

- Amendment to IAS 1 Presentation of Financial Statements (Disclosures and Accounting Policies)
- Amendment to IAS 12 Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)
- Amendment to IAS 12 Income Taxes)International Tax Reform - Pillar Two Model Rules)
- Amendments to IAS 8 Accounting Policies (Changes in Accounting Estimates and Errors: Definition of Disclosures)
- IFRS 17 Insurance Contracts

Application of the amendments to IAS 1 has reduced standardized and immaterial disclosures concerning accounting policies and has provided additional company-specific disclosures. Application of amendments to IAS 12 has resulted in gross reporting of deferred tax attributable to right-of-use assets and lease liabilities in Note 12. The amounts have been offset in the statement of financial position, whereupon the amendment has had no material effect on the financial statements.

The Group applies the exception implemented in IAS 12, which means Sinch does not recognize or provide disclosures concerning deferred tax assets and liabilities related to Pillar Two income taxes.

New and amended IFRS and interpretations not yet effective

IASB has published the following new or revised standards:

- IAS 1 Presentation of Financial Statements, regarding classification of liabilities as current or non-current, particularly when the liabilities are subject to covenants.
- IFRS 16 Leases, on accounting for lease liability in a sale and leaseback transaction.
- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures regarding disclosure requirements concerning supplier finance arrangements.

The amendments have thus been determined to have no material impact on the consolidated financial statements in the period of initial application. None of the new or revised standards have been early applied by the Group.

Note 3 Accounting Policies

Consolidation policies and business combinations

Subsidiaries

Subsidiaries are entities that the parent company, Sinch AB (publ), controls. Potential voting rights and whether contractual control exists are taken into account when assessing whether control exists.

Subsidiaries are reported using the acquisition method of accounting. Transaction costs that arise, except for transaction costs attributable to the issue of equity instruments or debt instruments, are recognized immediately as other external expenses.

Contingent consideration is recognized at acquisition-date fair value. If the contingent consideration is classified as an equity instrument, the original amount is not remeasured and is settled in equity. For other contingent consideration, the items are remeasured at every reporting date and the change is recognized in profit or loss for the year as other income or expense.

Foreign currency

Transactions in foreign currency

Items included in the financial statements of subsidiaries of the Group are measured in each subsidiary's functional currency. In general, the local currency of the country in which the company operates is the functional currency, other than in isolated cases where EUR or USD is used as the functional currency instead of the local currency. Exchange rate differences arising upon translation of operating receivables and operating liabilities are recognized as other operating income or other operating expense Exchange rate differences related to financial assets and liabilities are recognized as financial income or financial expense.

Translation differences arising in foreign operations are recognized in other comprehensive income and are accumulated in the translation reserve in equity. Upon disposal of part or all of a foreign operation, the accumulated translation differences attributable to the operation are realized in profit or loss and recognized as financial income or financial expense.

Revenue

Introduction

The Group's sales of services are made up mainly of transaction fees for sending messages, connecting calls and subscription services for sending emails. Revenues are generated from the sale of services that are sold separately and from the sale of services in package deals. Revenue is recognized based on the contract with the customer and is measured based on the consideration Sinch expects to be entitled to in exchange for transferring the promised services. Revenues are allocated across performance obligations and are recognized at a point in time, or over time, as the performance obligation is satisfied, which is determined based on how control is passed to the customer. The promised consideration in a contract with a customer may include fixed and/or variable amounts and is recognized only to the extent that it is highly probable that a reversal of recognized revenue will not occur. The Group's revenue streams are described below under each operating segment.

Consolidated accounts receivable comprise billed and unbilled receivables that carry an unconditional right to payment, while contract assets that refer to accrued income have a conditional right to payment. A conditional right to payment means that a final obligation in the contract must be performed before an unconditional right to payment exists. Revenues based on an unconditional right to payment must be presented 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, which are presented in Note 19.

Messaging

Messaging comprises services delivered to users through various software platforms. These platforms can both process messages sent as SMS or MMS as well as messages sent to various apps such as WhatsApp. The service provided consists of Sinch ensuring that the message is sent to the relevant mobile operator, which in turn ensures that the message is delivered to it's subscriber in a quality-assured and cost-effective manner. Revenue from sales of services on open charge accounts is recognized in the accounting period when the service is rendered; that is, both revenues and costs are recognized in the period when they are earned and incurred, respectively. Each delivered transaction is considered a distinct service because the customer benefits from each individual message. The service of directing traffic according to a contract consists of an obligation for Sinch to deliver a series of substantially similar distinct services, which have similar transfer patterns. These are accounted for as a single performance obligation. Performance obligations referring to delivering a message are recognized at the point in time when the message has been delivered, while services transferred over a specific period of time are recognized straight-line across the period in which the service is performed.

Services are billed monthly, normally after services are rendered, based on traffic volumes, the channel used, and the mobile network.

Email

Sinch's email business offers delivery of transactional and marketing emails. By means of APIs and applications, emails are delivered to recipients mainly via Transactional Email, which is email ordered by the recipient, including confirmations of reservations. The Email Services revenue stream includes SaaS subscriptions that provide access to various software-managed email services, validation services and comparable, as well as email that end users access by registering a user account or managing passwords. The remainder of the market refers to marketing by email, where businesses send special offers and carry out promotional campaigns. Subscription services constitute a separate performance obligation. The subscription charge is either a monthly, quarterly or annual charge. Revenues are recognized on a current basis across the subscription period. Subscription services are billed in advance and excess consumption is billed in arrears.

Note 3 cont.

Voice
Programmable voice services refer to voice calls initiated by software or where the software is used to process or manage voice calls and these revenues are recognized over the period in which the service is delivered to the customer. Services consist of inbound voice, outbound voice, local and long-distance calls, toll-free, neutral tandem, messaging and E911 services. Customers can bundle the above services according to their needs, and these may represent standalone or compound performance obligations that are substantially similar and have the same patterns of transfer to the customer. Traffic that is billed monthly is based on usage, which means that there is a fixed tariff per destination at which calls are terminated/received, which is subsequently billed to the customers. The amount billed is normally based on the number of minutes used according to the price list in effect. The charges for each component of the services are priced separately in the contract with the customer. Billing for variable charges is based on actual volumes and billing is in arrears.

Revenue from separate upgrades of software licenses
Separate contracts with customers for upgrading software licenses: a contract with a customer that includes a defined license means that the license is provided either as a "right to access" or a "right to use" intellectual property owned by Sinch. When the promise to provide a license is categorized as a "right to access," the revenue is recognized over time. When the promise to provide a license is categorized as a "right to use," the revenue is recognized when control is passed to the customer. Revenue from separate upgrades of software licenses is recognized when the software is delivered. When modifications to the software are to be performed, revenue is recognized as sales of services at fixed prices. Successive revenue recognition is applied to sales of services based on the percentage of completion. The percentage of completion is determined by calculating the ratio to contract costs incurred for work performed at the reporting date and the estimated total contract costs. An anticipated loss on a service contract is immediately recognized as an expense. When the outcome of a service contract cannot be reliable estimated, revenue is recognized only in the amount that corresponds to contract costs incurred that are likely to be recovered from the customer. Contract costs are recognized as an expense in the period in which they are incurred.

Revenue from separate support contracts
Revenue from separate support contracts is recognized on a straight-line basis over the term of the contract.

Leases

At the date the lease begins or upon remeasurement of a lease that contains several components, lease or non-lease components, the Group allocates the consideration payable under the contract based on the relative standalone price of each component. When the components cannot be separated, they are accounted for as a single lease component.

Leases in which the Group is the lessee
The Group recognizes a right-of-use (ROU) asset and a lease liability when the lease commences. The ROU asset is initially recognized at cost, which consists of the initial value of the lease liability plus payments at or prior to commencement plus any initial direct costs. The ROU asset is depreciated straight-line over the useful life of the asset, which for the Group normally coincides with the lease term. When the cost of the ROU asset reflects the fact that the Group will exercise the option to purchase the underlying asset, the asset is depreciated to the end of the period of use.

Estimated useful lives:

- Premises 3-10 years
- Rented connection capacity 2-15 years
- Other 1-3 years

The lease liability, which is divided into current and non-current components, is initially measured at the present value of remaining lease payments during the estimated lease term. The lease term is the non-cancellable period plus extension periods in the contract if it is considered reasonably certain at the commencement date that these periods will be used. The majority of the extension options related to leasing of offices and other leases have not been included in the lease liability because the Group cannot reliably determine that they will be extended. Extension options are assessed initially when the new lease is arranged, but may be updated regularly during the lease term.

Lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, which is normally the case for the Group's leases, the Group's incremental borrowing rate must be used, which reflects the Group's credit risk.

The Group determines the incremental borrowing rate as follows:

- When possible, financing recently obtained from an external party is used as the starting point, which is then adjusted to reflect changes in financing conditions since the financing was obtained.
- Adjustments are made for the specific terms and conditions of the lease, e.g., duration of the lease term, country, currency and security.
- The incremental borrowing rate is allocated to various terms depending on the duration of the leases.

The exception provided in IFRS 16 is applied to short-term leases and leases in which the underlying asset is of low value. Accordingly, no ROU assets or lease liabilities are recognized for these leases. Payments for these leases are recognized as an expense on a straight-line basis over the lease term. This also applies to variable lease payments.

Financial income and expenses

Financial income consists of interest income on invested funds, dividend income, exchange gains and gains upon changes in value of financial assets or liabilities measured at fair value through profit or loss, and such gains on hedging instruments recognized in profit or loss for the year. Financial expenses consist of interest expenses, exchange losses and losses upon change in value of financial assets and liabilities at fair value through profit or loss, and such losses on hedge instruments recognized in profit or loss for the year.

Note 3 cont.

Intangible assets

Goodwill
Goodwill is measured at cost less accumulated impairments. Goodwill is tested for impairment at least annually or when there are indications that the carrying amount of the asset has decreased. Goodwill is allocated to the smallest cash generating unit, which has been determined as of 31 December 2023 to the Group's operating segment for the impairment test.

Proprietary software
Expenditures for developing new and existing services and processes are capitalized on an ongoing basis if they satisfy the criteria. Expenditures that do not satisfy the criteria, such as maintenance and training costs, are immediately expensed. Capitalized expenditures refer to both direct external costs and internal costs, e.g., materials and services and compensation to employees. Amortization begins when the service is available for use. Development costs recognized in the statement of financial position are carried at cost less accumulated amortization and impairment losses.

Costs incurred subsequently for proprietary software are recognized in the statement of financial position as an asset only if they increase the future economic benefits of the specific asset to which they relate. All other costs are recognized as an expense when they are incurred.

Other intangible assets
Other intangible assets comprise licenses, customer relationships, operator relationships, trademarks and proprietary software and are carried at cost less accumulated amortization and impairments.

Amortization of intangible assets
Amortization of intangible assets is based on the estimated useful life of the asset. Amortization is taken straight-line over the estimated useful life of the asset, unless the asset has an indefinite useful life. Intangible assets with finite useful lives are amortized as of the date they are ready to be used. Estimated useful lives are reassessed annually.

Estimated useful lives:
- Licenses, 3-5 years
- Customer relationships, 5-15 years
- Operator relationships, 5-10 years
- Trademarks 1-10 years
- Proprietary software 3-10 years

Measurement of intangible assets
The Group tests intangible assets for impairment at each reporting date to determine whether there is indication of impairment. If there is indication of impairment, the recoverable amount of the asset is estimated. The recoverable amount of goodwill is also estimated at least annually, in Q3. A detailed description of impairment testing is provided in Note 14. Impairment losses are charged to depreciation, amortization and impairments in profit or loss.

Property, plant and equipment

Owned assets
Items of property, plant and equipment are carried at cost less accumulated depreciation and impairments. The gain or loss on disposal or withdrawal from use of an asset is the difference between the selling price and the carrying amount of the asset less direct costs to sell and is recognized as other operating income or other operating expense.

Assets are depreciated on a straight-line basis across the estimated useful life of the asset.

Estimated useful lives:
- Fixed facilities – fiber networks, 10 years
- Computers, 3 years
- Equipment, 5 years

The useful lives for leasehold improvements are based on the remaining term of the underlying lease. Depreciation methods applied and the estimated useful lives of assets are reviewed at the end of each year.

Impairment of property, plant and equipment
The Group tests items of property, plant and equipment for impairment at each reporting date to determine whether there is any indication of impairment. If there is indication of impairment, the recoverable amount of the asset is estimated. Impairment losses are charged to depreciation, amortization and impairments in profit or loss.

Financial instruments

Classification and measurement
The Group's financial instruments are recognized at amortized cost except for liabilities for conditional consideration and derivative instruments, which are measured at fair value. Changes in fair value are recognized in operating profit or loss as other operating income or other operating expenses for conditional consideration (earnouts) and as financial income or financial expense for derivative instruments. See Note 30 considering financial liabilities identified as hedging instruments.

ECL impairments
Sinch recognizes an allowance for expected credit losses (ECL) on financial assets measured at amortized cost. Simplified rules apply to accounts receivable and contract assets, according to which the Group must report ECL for the asset's remaining time to maturity, which is expected to be less than one year for all receivables. For all other financial assets, the Group must measure the ECL allowance at an amount equal to 12 months' ECL. For financial instruments for which there has been a significant increase in credit risk, an allowance is recognized based on ECL over the lifetime of the asset.

The simplified approach is used to estimate credit losses on accounts receivable and contract assets using a provision matrix based on historical events, current conditions and forecasts of future economic conditions.

Note 3 cont.

The Group’s exposure to credit risk is primarily attributable to accounts receivable and cash and cash equivalents.

Impairments of accounts receivable and contract assets are recognized in operating profit or loss as other operating expenses. Cash and cash equivalents are covered by the general model. ECL allowances on cash and cash equivalents are based on the institution's credit rating. Large individual receivables for which there is indication of increased credit risk are individually assessed for ECL allowances. Other items are assessed collectively. Impairments of cash and cash equivalents and non-current receivables are recognized in profit or loss as financial expenses.

Financial derivative instruments and hedge accounting
Currency forward contracts are used to hedge receivables or liabilities against foreign currency risk. Hedge accounting is not applied against foreign currency risk because financial hedges are reflected in the financial statements in that both the underlying receivable or liability and the hedging instrument are recognized at the closing rate, and exchange rate changes are recognized in profit or loss for the year. Exchange rate changes relating to operating receivables and liabilities are recognized in operating profit or loss while exchange rate changes relating to financial receivables and liabilities are recognized in net financial income and expense. Derivatives with positive fair value are recognized as current receivables and derivatives with negative fair value are recognized as current liabilities. Currency swaps and forward contracts are classified as non interest bearing. Changes in the fair value of economic hedges are recognized as exchange differences in profit or loss for the year and correspond to exchange differences on monetary assets and liabilities. The Sinch Group holds derivative contracts that are covered by master netting agreements. Under these agreements, Sinch has a conditional right to set off assets and liabilities against the same counterparty, which is not reflected in the financial statements when gross accounting is applied.

Currency risk in foreign net investments
Net investments in foreign subsidiaries comprise long-term loans for which settlement is not planned within the foreseeable future, and such monetary items are translated at the closing rate. Exchange rate differences that arise are recognized in other comprehensive income and accumulated in the translation reserve. Upon disposal of the net investment, the item is reclassified from equity to profit or loss.

Employee benefits

Defined contribution pension plans
All pension solutions in the Group consist of defined contribution pension plans. The company’s obligations regarding payments to defined contribution plans are charged to profit or loss under employee benefits expenses, as the employees render services.

Share-based payments
Sinch has share-related incentive programs consisting of warrants and employee stock options (ESO) that have been offered to senior management personnel and key individuals. See Note 9 for detailed information. The cost of share-based payments is based on the fair value of the subscription rights the employee is granted. The fair value of granted warrants/ESO is estimated using the Black & Scholes model and takes the terms, conditions and circumstances in effect at grant date into account. The amount recognized as an expense over the vesting period is adjusted to reflect the actual number of warrants/ESO vested. In subsequent periods, this expense is adjusted to reflect the actual number of warrants/ESO vested. Social insurance fees attributable to the employee benefits expense that arises upon vesting are expensed over the vesting period. The provision for social insurance fees is based on the fair value of the warrants/ESO at the reporting date. Fair value is measured using the same model that was used when the warrants/ESO were issued. Upon exercise within the framework of equity-settled programs, treasury shares are delivered to the employee. Upon exercise, the payment of the exercise price received from the employee is recognized as an increase in share capital (quotient value) and other capital contributions.

Parent company accounting policies

The parent company’s financial statements were prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and recommendation RFR 2 Accounting of Legal Entities issued by the Swedish Financial Accounting Standards Council. Opinions issued by the Swedish FASC applicable to listed companies were also applied. RFR 2 requires the parent to apply all IFRS and interpretations endorsed by the EU to its annual accounts for the legal entity to the extent possible within the framework of the Annual Accounts Act and the Swedish Pension Obligations Vesting Act, while observing the relationship between accounting and taxation. RFR2 specifies the exceptions and additions to IFRS that must be made. Differences between consolidated and parent company accounting policies are disclosed below.

Changed accounting policies
If not otherwise stated below, the parent company's accounting policies have changed in accordance with that stated concerning the Group.

Classification and presentation
An income statement and a statement of comprehensive income is presented for the parent company. For the Group, these two reports together constitute the statement of comprehensive income and other comprehensive income. The parent company uses the designations “balance sheet” and “statement of cash flows” for the reports that the Group refers to as the “consolidated statement of financial position” and the “consolidated statement of cash flows.”

Note 3 cont.

The parent company income statement and balance sheet are presented as required by the Swedish Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity and the cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows, respectively. The differences against the consolidated financial statements found in the parent company income statement and balance sheet comprise mainly equity reporting and the use of provisions as a separate line item in the balance sheet.

Subsidiaries
The parent company accounts for investments in subsidiaries using the cost method and include transaction costs directly attributable to the acquisition. Contingent consideration is recognized when a probable and reliable amount can be estimated and any remeasurements of the value are adjusted against acquisition cost. The consolidated financial statements recognize contingent consideration at fair value with changes in value through profit or loss.

Financial instruments
By reason of the relationship between accounting and taxation, the rules in IFRS 9 are not applied to the parent company as a legal entity. Non-current financial assets are measured at cost less any impairment losses and current financial assets are measured at the lower of cost and net realizable value.

Financial guarantees
The parent company's financial guarantee contracts consist primarily of guarantee commitments to the benefit of subsidiaries. Under financial guarantees, the company has an obligation to compensate the holder of a debt instrument for losses the holder incurs because a specified debtor does not remit payment as due under contractual terms. In relation to reporting of financial guarantees, the parent company applies a relief rule permitted by the Swedish Financial Reporting Board compared with the rules in IFRS 9. The relief rule refers to financial guarantees issued to the benefit of subsidiaries. In these cases, the rules in IAS 37.14 and 37.36 are applied instead, according to which financial guarantees are recognized as a provision in the balance sheet when the parent company has a legal or constructive obligation that has arisen as a result of a past event and when it is probable that an outflow of resources will be required to settle the obligation. It must also be possible to reliably estimate the amount. If it is not probable that the financial guarantees will lead to outflows, they are recognized as contingent liabilities. See Note 28.

Anticipated dividends
Anticipated dividends from subsidiaries are recognized when the parent company has the unilateral right to determine the amount of the dividend and the parent company has decided the amount of the dividend before publishing its financial statements.

Revenue
Parent company revenues consist primarily of internal Group services, which are recognized when the counterparty obtains the service.

Leases
The Group applies the exemption permitted under RFR 2 and all leases are accounted for as operating leases and thus on a straight line basis over the lease term.

Taxes
Untaxed reserves are reported in the parent company with no division between equity and deferred tax liabilities. Correspondingly, there is no allocation of a portion of appropriations to deferred tax expense in the parent company income statement.

Group contributions and shareholder contributions
The parent company reports received and issued Group contributions according to the alternative rule as appropriations. Shareholder contributions are recognized by the recipient directly in equity and are capitalized in shares and participating interests by the issuer to the extent that impairment is not required.

Receivables from Group companies
The parent company applies corresponding impairment losses as the Group for expected credit losses on current and non-current receivables due from Group companies. No significant increase of credit risk had been determined to exist for any claim against a Group company as of the reporting date. It has been assessed that expected credit losses are insignificant and therefore no ECL allowance has been recognized.

Note 4 Operating segment reporting

2023, SEKm	Messaging	Voice	Email	SMB	Other and eliminations	Group
Net sales	**18,942**	**6,339**	**1,773**	**2,069**	**-378**	**28,745**
Gross profit	**3,876**	**2,985**	**1,377**	**1,303**	**–**	**9,542**
EBITDA	**1,079**	**1,425**	**709**	**526**	**-665**	**3,074**
EBITDA adjustments	-326	-25	-57	-97	-59	-563
Adjusted EBITDA	1,405	1,449	766	623	-606	3,637
Depreciation, amortization and impairments						-2,580
EBIT						**494**
Financial income and expenses						-646
Profit or loss before tax						**-152**
Non-current assets[1)]						**45,240**

1) Non-current assets excluding financial assets and deferred tax assets, of which Australia SEK 6,642m; Belgium SEK 66m; Brazil SEK 2,381m; Denmark SEK 174m; Finland SEK 991m; France SEK 2,387m; Germany SEK 555m; India SEK 576m; Mexico SEK 152m; Netherlands SEK 824m; Sweden SEK 356m; United Kingdom SEK 803m; United States SEK 29,219m; and rest of the world SEK 114m.

2022, SEKm	Messaging	Voice	Email	SMB	Other and eliminations	Group
Net sales	**18,225**	**6,134**	**1,511**	**1,852**	**–**	**27,722**
Gross profit	**3,615**	**2,915**	**1,117**	**1,162**	**–**	**8,810**
EBITDA	**954**	**1,399**	**547**	**490**	**-615**	**2,774**
EBITDA adjustments	-61	-32	-34	-76	-146	-350
Adjusted EBITDA	1,015	1,432	581	566	-469	3,124
Depreciation, amortization and impairments						-7,478
EBIT						**-4,703**
Financial income and expenses						-72
Profit or loss before tax						**-4,775**
Non-current assets[1)]						**48,339**

1) Non-current assets excluding financial assets and deferred tax assets, of which Australia SEK 7,123m; Belgium SEK 79m; Brazil SEK 2,336m; Denmark SEK 181m; Finland SEK 1,010m; France SEK 2,495m; Germany SEK 576m; India SEK 614m; Mexico SEK 145m; Netherlands SEK 856m; Sweden SEK 307m; United Kingdom SEK 844m; United States SEK 31,677m; and rest of the world SEK 96m.

Note 4 cont.

2023, EBITDA adjustments, SEKm	Messaging	Voice	Email	SMB	Other and eliminations	Group
EBITDA	**1,079**	**1,425**	**709**	**526**	**-665**	3,074
Acquisition costs	0	–	–	0	-8	-8
Restructuring costs	-32	–	–	-9	-7	-47
Adjusted earnout	–	–	–	–	-18	-18
Integration costs	-64	-5	0	-64	-15	-148
Costs of share-based incentive programs	-58	-19	-24	-25	-10	-136
Operational foreign exchange gains/losses	-163	0	0	1	0	-161
Other adjustments	-9	-1	-34	0	-1	-45
EBITDA adjustments	**-326**	**-25**	**-57**	**-97**	**-59**	**-563**
Adjusted EBITDA	**1,405**	**1,449**	**766**	**623**	**-606**	**3,637**

2022, EBITDA adjustments, SEKm	Messaging	Voice	Email	SMB	Other and eliminations	Group
EBITDA	**954**	**1,399**	**547**	**490**	**-615**	2,774
Acquisition costs	–	3	–	0	-48	-45
Restructuring costs	-61	–	–	–	-2	-62
Adjusted earnout	0	–	–	–	–	0
Integration costs	-110	-12	-13	-54	-63	-252
Costs of share-based incentive programs	-52	-22	-25	-21	-4	-124
Operational foreign exchange gains/losses	161	0	5	-1	-30	135
Other adjustments	1	0	-2	–	0	-1
EBITDA adjustments	**-61**	**-32**	**-34**	**-76**	**-146**	**-350**
Adjusted EBITDA	**1,015**	**1,432**	**581**	**566**	**-469**	**3,124**

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses and for which financial information is available. An operating segment's results are subsequently reviewed by the entity's chief operating decision maker (CODM) in order to assess the performance of and allocate resources to the operating segment. The CEO has been identified as the CODM. Sinch's CODM monitors EBITDA, Adjusted EBITDA, and gross profit generated by the operating segment. Each operating segment has a president who is responsible for day-to-day operations and who regularly reports the outcomes of the operating segment's performance to the CODM.

Directly attributable items and EBITDA adjustments have been included in operating profit for each operating segment to clarify performance in underlying operations. Adjusted EBITDA is EBITDA excluding acquisition costs, integration costs, restructuring costs, operational foreign exchange gains/losses, costs of share-based incentive programs and non-recurring adjustments. Assets and liabilities are not monitored by the CODM broken down by operating segment. Non-current assets include intangible assets, property, plant and equipment and right-of-use assets.

Note 5 Net sales

Net sales, particularly in the Messaging operating segment, originate from customers with regional or global traffic patterns. The business has thus reached the size where it is more relevant to regard it as aggregated, including from a geographical perspective, and the company has therefore chosen to switch to net sales distributed by region.

Net sales by customer region are based on the customer's domicile and not necessarily where traffic is generated or terminated. This means, for example, that a customer reported below within North America may generate net sales related to traffic sent from a European subsidiary to end customers in other parts of the world. Of total net sales, SEK 3,351m (3,272) refers to a single customer, which is attributable to the Messaging operating segment.

Sinch uses the exception (under IFRS 15.121) relating to unsatisfied performance obligations referring to contracts that will be realized within 12 months. See Notes 18, 19 and 21 for disclosures of contract balances.

Note 5 cont.

2023, SEKm	Messaging	Voice	Email	SMB	Other and eliminations	Group
Net sales by customer region						
North America	8,890	6,163	854	773	–127	16,554
Europe	5,779	113	681	182	–28	6,727
Asia Pacific	3,011	59	170	1,112	–222	4,131
Latin America	1,261	3	68	2	–	1,333
Total	**18,942**	**6,339**	**1,773**	**2,069**	**–378**	**28,745**
Net sales by product/service						
Communication services	18,660	6,339	1,773	2,035	–378	28,429
Initial software licenses and upgrades	129	–	–	–	–	129
Support	106	–	–	–	–	106
Other	47	–	–	34	–	81
Total	**18,942**	**6,339**	**1,773**	**2,069**	**–378**	**28,745**
Net sales allocation per point in time[1]						
Over time	2,976	5,773	1,470	146	–1	10,365
At one point in time	15,966	566	302	1,923	–377	18,380
Total	**18,942**	**6,339**	**1,773**	**2,069**	**–378**	**28,745**

1) In the one point in time category, the customer has the option on each occasion to use/buy our service or not. In the over time category, the customer pays for a subscription or buys messages in advance.

2022, SEKm	Messaging	Voice	Email	SMB	Group
Net sales by customer region					
North America	7,646	5,919	730	575	14,869
Europe	5,679	126	536	155	6,496
Asia Pacific	2,550	77	151	1,115	3,892
Latin America	1,519	2	56	2	1,580
Rest of the world	831	9	38	6	885
Total	**18,225**	**6,134**	**1,511**	**1,852**	**27,722**
Net sales by product/service					
Communication services	17,886	6,134	1,511	1,852	27,383
Initial software licenses and upgrades	97	–	–	–	97
Support	105	–	–	–	105
Other	136	–	–	–	136
Total	**18,225**	**6,134**	**1,511**	**1,852**	**27,722**
Net sales allocation per point in time[1]					
Over time	2,631	5,707	1,228	126	9,691
At one point in time	15,595	427	283	1,726	18,031
Total	**18,225**	**6,134**	**1,511**	**1,852**	**27,722**

1) In the one point in time category, the customer has the option on each occasion to use/buy our service or not. In the over time category, the customer pays for a subscription or buys messages in advance.

Note 5 cont.

Significant countries' net sales, SEKm	Region	2023	2022
USA	North America	16,352	14,692
United Kingdom	Europe	2,006	2,187
India	Asia Pacific	1,598	1,234
Australia	Asia Pacific	1,170	1,150
France	Europe	932	841
Brazil	Latin America	767	866
Sweden	Europe	518	573
Germany	Europe	479	459
Netherlands	Europe	445	450
Singapore	Asia Pacific	416	562
Mexico	Latin America	401	387

Note 6 Other operating income and other operating expenses

Other operating income, SEKm	Group		Parent company	
	2023	2022	2023	2022
Exchange rate gains	461	491	7	6
Adjustment of earnout liability	–	0	–	–
Other	18	119	–	0
Total	**479**	**611**	**7**	**6**

Other operating expenses	Group		Parent company	
	2023	2022	2023	2022
Exchange rate losses	-622	-357	-14	-8
Confirmed/realized customer losses	-42	-47	–	–
Change in expected credit losses	17	-57	–	–
Other	-1	-4	0	–
Total	**-648**	**-464**	**-14**	**-8**

Note 7 Auditor's fees

SEKm	Group		Parent company	
	2023	2022	2023	2022
Deloitte				
Statutory audit services	26	20	7	3
Audit-related services	0	4	–	4
Other services	–	4	–	4
Total Deloitte	**26**	**28**	**7**	**11**
Other audit firms				
Statutory audit services	3	3	–	–
Audit-related services	0	0	–	–
Tax services	0	0	–	–
Other services	0	0	–	–
Total other audit firms	**3**	**3**	**–**	**–**

Note 8 Other external expenses

Other external expenses, SEKm	Group 2023	Group 2022	Parent company 2023	Parent company 2022
Acquisition costs	–8	–45	0	0
Restructuring costs	–47	–62	–1	–1
Integration costs	–148	–252	–	–12
Consultancy costs	–539	–573	–2	–14
Advice	–248	–319	–12	–14
Telecommunications	–268	–307	–2	–6
Supplies and licensing costs	–388	–297	–38	–38
Marketing costs	–199	–48	0	–1
Other external expenses	–466	–497	–281	–258
Total	**–2,310**	**–2,400**	**–336**	**–345**

Note 9 Employees, employee benefits expense and compensation to senior management personnel

Salaries and other compensation – Group, SEKm	2023 Senior management personnel	2023 Other employees	2023 Total	2022 Senior management personnel	2022 Other employees	2022 Total
Salaries and other compensation	60	3,440	3,500	45	3,279	3,324
(Of which variable pay)	10	393	403	6	451	457
Other benefits	1	236	237	0	215	215
Share-based payments	19	96	115	38	102	140
Pension expenses	4	153	157	4	131	135
Other social security expenses	10	453	463	9	380	389
Total[1]	**95**	**4,377**	**4,472**	**96**	**4,107**	**4,203**

1) Employee benefits expenses of SEK 126m (110) are classified on the consolidated income statement as cost of services sold. Other personnel expenses of SEK 25m (64), not related to compensation, is not included in above table..

Salaries and other compensation – Parent company, SEKm	2023 Senior management personnel	2023 Other employees	2023 Total	2022 Senior management personnel	2022 Other employees	2022 Total
Salaries and other compensation	13	4	17	7	6	13
(Of which variable pay)	1	–	1	1	1	2
Other benefits	0	0	0	0	0	0
Pension expenses	1	1	2	1	0	2
Other social security expenses	4	–	4	3	2	5
Total	**18**	**5**	**23**	**11**	**9**	**20**

Note 9 cont.

Compensation to senior management personnel – Group, SEKk	2023 Base pay, fee	Variable pay	Other benefits	Share-based payments	Pension expenses	Other social security expenses	Total
Erik Fröberg, Chairman of the Board[1]	1,700	–	–	–	–	534	**2,234**
Bridget Cosgrave, director[1]	700	–	–	–	–	220	**920**
Renée Robinson Strömberg, director[1]	750	–	–	–	–	236	**986**
Johan Stuart, director[1]	950	–	–	–	–	298	**1,248**
Björn Zethraeus, director[1]	803	–	4	–	82	272	**1,161**
Hudson Smith, director[1]	700	–	–	–	–	220	**920**
CEO Laurinda Pang[1] (Apr-Dec)	7,711	4,050	179	4,518	102	445	**17,005**
Interim CEO Johan Hedberg (Jan-Apr)	1,148	–	13	–	–	66	**1,226**
Other senior management personnel (3)[1]	6,337	651	23	–	1,293	2,516	**10,819**
Other senior management personnel (10 individuals, of whom 6 for part of the year)	28,695	5,546	1,017	14,380	2,832	4,393	**56,862**
Total senior management personnel	**49,493**	**10,247**	**1,236**	**18,898**	**4,309**	**9,201**	**93,383**

1) Parent company

Compensation to senior management personnel – Group, SEKk	2022 Base pay, fee	Variable pay	Other benefits	Share-based payments	Pension expenses	Other social security expenses	Total
Erik Fröberg, Chairman of the Board[1]	1,700	–	–	–	–	534	**2,234**
Luciana Carvalho, director (Jan-May)[1]	292	–	–	–	–	92	**383**
Bridget Cosgrave, director[1]	700	–	–	–	–	220	**920**
Renée Robinson Strömberg, director[1]	750	–	–	–	–	236	**986**
Johan Stuart, director[1]	950	–	–	–	–	298	**1,248**
Björn Zethraeus, director[1]	913	–	7	–	84	307	**1,311**
Hudson Smith, director (Jun-Dec)[1]	408	–	–	–	–	128	**537**
Interim CEO Johan Hedberg (Aug-Dec)	1,325	–	14	–	–	69	**1,408**
CEO Oscar Werner (Jan-Jul)	3,043	–	81	–	–	92	**3,217**
Other senior management personnel (3)[1]	6,184	927	21	–	1,366	2,566	**11,063**
Other senior management personnel (13 individuals, of whom 9 for part of the year)	22,936	5,009	358	37,654	2,133	4,280	**72,370**
Total senior management personnel	**39,200**	**5,937**	**481**	**37,654**	**3,582**	**8,821**	**95,676**

1) Parent company

Compensation to senior management personnel – Group

Board of Directors

As resolved by the 2023 annual general meeting, directors' fees are paid as follows: SEK 700k to external directors; SEK 1,500k to the Chairman of the Board; SEK 100k to members of the Audit Committee and SEK 250k to the Chair of the Audit Committee; SEK 50k to members of the Remuneration Committee and SEK 100k to the Chair of the Audit Committee. Inside (executive) directors receive base pay in their capacity as senior management personnel.

Chief Executive Officer

In accordance with the policy guidelines adopted for 2023, the CEO is entitled to fixed pay, variable pay, special compensation, and other compensation. Under the adopted guidelines, variable pay and special compensation are each limited to a maximum of 50 percent of fixed pay. A six-months' period of notice of termination or resignation applies between the company and the CEO. Upon resignation by the employee or in the event of a breach of contract no severance is paid. Other benefits consist of health insurance and benefits linked to temporary placement in Sweden, such as a housing allowance and general moving costs.

Other senior management personnel

In addition to CEO Laurinda Pang (from April 2023) and Interim CEO Johan Hedberg (through April 2023) executive management in 2023 included Anders Olin (through March 2023), Brett Scorza, Christina Raaschou, Cristina David (from March 2023), Jonathan Bean, Josh Odom (through Dec 2023), Julie Rassat (through June 2023), Nicklas Molin (from March 2023), Petter Bengtsson (March-December 2023), Roshan Saldanha, Sean O'Neal, Sibito Morley (from June 2023) and Thomas Heath.

In addition to Interim CEO Johan Hedberg (from August 2022) and CEO Oscar Werner (through July 2022), executive

Note 9 cont.

management in 2022 included Anders Olin, Christina Raaschou, Jonas Lindeborg, Jonathan Bean, Julie Rassat, Roshan Saldanha, Thomas Heath, Will Conway (February-December 2022), Brett Scorza (from December 2022), Ed O'Hara (February-November 2022), Paul Perrett (February-November 2022), Sean O'Neal (from December 2022), Eduardo Henrique (February-October 2022), Robert Gerstmann (through January 2022), Russ Green (through January 2022), and Sanjay Goyal (through January 2022).

Other senior management personnel are entitled to fixed pay, variable pay and other benefits. Variable pay is based on business targets and, in accordance with adopted policy guidelines, is limited to a maximum of 50 percent of fixed pay. Other benefits consist of health insurance, housing allowance and fitness/wellness benefits.

Pensions

The age of retirement for the CEO and other senior management personnel is ordinarily 65, but may vary due to regulatory requirements. Pension premiums for the CEO and other senior management personnel reflect customary conditions generally applicable to executives in comparable positions with other companies and are based on defined contribution pension plans. Pension benefits are calculated upon base pay only. There are no commitments to pension benefits for external directors.

Long-term share-related incentive programs

All programs except LTIP 2023, LTIP 2022 and LTIP II 2021 were adopted before the ten-for-one stock split executed on 18 June 2021. In all of these programs, one warrant/employee stock option thus carries a right to ten shares. As LTIP 2023, LTIP 2022 and LTIP 11 2021 were adopted after the stock split, one warrant/ESO carries a right to one share in these programs.

Outstanding share-related incentive programs

The annual general meetings of shareholders in the company in 2018-2023 resolved to endorse the Board of Directors' proposals regarding incentive programs directed at senior management personnel and key employees, issues of warrants as shown on the table below, and approval of the transfer of warrants. The incentive programs are comprised of warrants and employee stock options (ESO). Participants purchase warrants at market price while ESO are granted against no monetary consideration. When warrants and ESO are exercised, participants pay a premium (the exercise price) to obtain shares.

There are no vesting conditions attached to warrants, but there are for ESO, whereby the participant must still be employed by the company and the financial performance conditions, which vary among the programs, must be satisfied. For the performance condition to be considered satisfied, the following applies to ESO in:

- LTIP 2018 and 2019: The company's earnings growth per share during a measurement period of three (3) years, calculated during the three (3) final years of the term of each ESO series, must have been at least ten (10) percent per year on average.
- LTIP 2020 series 4-6: The company's Adjusted EBITDA per share during a measurement period of three (3) years, calculated during the three (3) final years of the term of each ESO series, must have been at least ten (10) percent per year on average.
- LTIP 2020 series 7 and LTIP II 2020: The company's Adjusted EBITDA per share during a measurement period of the three (3) most recently ended calendar years immediately before the applicable vesting date must increase by at least ten (10) percent per year on average.
- LTIP 2021, LTIP II 2021, LTIP 2022 and LTIP 2023: The company's Adjusted EBITDA per share during a measurement period of between four (4) and twelve (12) calendar quarters, as below, must have increased by at least ten (10) percent on average, where the change is measured as the relative change in Adjusted EBITDA per share compared with the corresponding quarter in the preceding year.

No warrants were repurchased in 2023.

Note 9 cont.

Overview of share-related incentive programs

Program	Type of instrument	No. of instruments approved by AGM	No. of instruments granted	Maximum no. of shares issued in the company if all granted instruments are exercised	Exercise price in SEK (adjusted for stock split in affected programs)[8]	Total no. of instruments exercised as of 31 December 2023	Remaining unexercised instruments	Grant date (if more than one date is shown, grants have taken place on more than one occasion)
LTI 2023		**8,385,000**	**6,848,099**	**6,848,099**		**–**	**6,718,249**	
– Series 1–3[1]	Warrants	1,400,000	493,300		29.7; 31.9; 34.2			June 2023[5]
– Series 4[2]	ESO	5,985,000	5,551,299		27.13; 29,815			June & Dec 2023[6]
– Series 5[3]	ESO	1,000,000	803,500		27.13			June 2023[6]
LTI 2022		**25,000,000**	**21,488,206**	**21,488,206**		**428,360**	**18,313,012**	
– Series 1–3[1]	Warrants	1,500,000	843,832		58.3; 62.8; 67.3			June 2022[5]
– Series 4[2]	ESO	21,600,000	18,747,274		37,525; 14,654; 39.15; 25.33; 22.66			June, Sep & Dec 2022; April & May 2023[6]
– Series 5[3]	ESO	1,900,000	1,897,100		37.525; 14.654			June & Sep 2022[6]
LTI II 2021		**3,210,000**	**3,049,919**	**3,049,919**		**–**	**2,045,573**	
– Series 1[4]	ESO	3,210,000	3,049,919		102.15; 94.10			Dec 2021; Feb 2022[7]
LTI 2021		**323,000**	**311,855**	**3,118,550**		**–**	**2,258,500**	
– Series 1–3[1]	Warrants	33,000	22,857		140.07; 152.80; 165.53			June & Dec 2021[5]
– Series 4[4]	ESO	290,000	288,998		153.85; 158.65; 102.15			June & Dec 2021[7]
LTI II 2020		**470,260**	**422,889**	**4,228,890**		**–**	**3,639,420**	
– Series 1–3[1]	Warrants	55,260	20,900		136.10			Dec 2020[5]
– Series 4[4]	ESO	415,000	401,989		104.00; 142.20; 120.60			Nov 2020; Feb 2021[7]
LTI 2020		**580,000**	**328,100**	**3,281,000**		**179,400**	**1,480,330**	
– Series 1–3[1]	Warrants	255,000	21,950		60.20			June 2020[5]
– Series 4–6[1]	ESO	7,000	2,800		60.20			June 2020[5]
– Series 7[4]	ESO	318,000	303,350		142.20; 62.40; 104.00			June & Nov 2020, Feb 2021[7]
LTI 2019		**510,000**	**326,000**	**3,260,000**		**1,243,290**	**710,060**	
– Series 1–3[1]	Warrants	360,000	176,000		17.41			June & Nov 2019[5]
– Series 4–6[1]	ESO	150,000	150,000		17.41			Oct 2019[5]
LTI 2018		**1,500,000**	**1,380,920**	**13,809,200**		**12,438,620**	**–**	
– Series 1–3[1]	Warrants	1,200,000	1,170,920		9.13			July 2018[5]
– Series 4–6[1]	ESO	300,000	210,000		9.13			July 2018[5]
				59,083,864			**35,165,144**	

1) Participants will be granted one third in each series.

2) ESO vest at 25 percent of the total number of granted ESO on the first anniversary of the grant date and at an additional 6.25 percent on the last day of each of the subsequent 12 calendar quarters. The total vesting period after which all granted ESO have vested is approximately four years after the grant date.

3) ESO vest at 50 percent of the total number of granted ESO on the third anniversary of the grant date and at an additional 50 percent on fourth anniversary of the grant date. The total vesting period after which all granted ESO have vested is approximately four years after the grant date.

4) ESO vest at 20 percent of the total number of granted ESO on the first anniversary of the grant date and at an additional 5 percent on the last day of each of the subsequent 16 calendar quarters. The total vesting period after which all granted ESO have vested is five years after the grant date.

5) The exercise periods for each series are shown on a separate table below.

6) Vested ESO are callable during a period of five years after the grant date.

7) Vested ESO are callable during a period of six years after the grant date.

8) The exercise price for warrants has been determined in accordance with the Board proposal to the AGM. When more than one exercise price is stated for a series of warrants, the price for each series is specified. The exercise price for ESO must correspond to the reasonable market value of the share calculated based on the closing price for the company's stock on Nasdaq Stockholm on the last trading day immediately before the grant date for each ESO.

Note 9 cont.

Exercise periods

Warrants and ESO with defined exercise periods are shown on the table below. For ESO in LTI 2020-2023, which are callable after the options have vested, information about the vesting period and exercise period is provided in the table above.

Program	Exercise period, date for each series		
LTI 2023			
– Series 1–3	30 June–30 Sep 2026	30 March–30 June 2027	30 March–30 June 2028
LTI 2022			
– Series 1–3	30 June–20 Sep 2025	30 March–30 June 2026	30 March–30 June 2027
LTI 2021			
– Series 1–3	17 June–17 Sep 2024	17 March–18 June 2025	16 March–16 June 2026
LTI II 2020			
– Series 1–3	15 Dec 2023–15 March 2024	15 Sep–15 Dec 2024	15 Sep–15 Dec 2025
LTI 2020			
– Series 1-3	15 June–15 Sep 2023	15 March–17 June 2024	17 March–18 June 2025
– Series 4–6	15 June–15 Sep 2023	15 March–17 June 2024	17 March–18 June 2025
LTI 2019			
– Series 1–3	–	22 March–22 June 2023	21 March–21 June 2024
– Series 4–6	–	22 March – 22 June 2023	21 March – 21 June 2024
LTI 2018			
– Series 1–3	–	–	22 March–22 June 2023
– Series 4-6	–	–	22 March–22 June 2023

Grants to senior management personnel

The following grants were made in 2023

During the year, Laurinda Pang was granted 700,000 ESO from the LTI 2023 incentive program and 800,000 ESO from the LTI 2022 incentive program. Other senior management personnel have been granted/subscribed for 1,185,000 ESO/warrants from LTI 2023 and 346,640 ESO from LTI 2022. The ESO/warrants were granted/subscribed for in April, June and December 2023.

Historic grants of ongoing programs in 2023

	LTI 2018	LTI 2019	LTI 2020	LTI II 2020	LTI 2021	LTI II 2021	LTI 2022	LTI 2023
Total instruments received by senior management personnel (warrants and ESO)	8,123,200	1,735,000	2,565,000	1,208,000	330,920	350,000	4,422,292	1,885,000
Total number of warrants/ESO granted	13,809,200	3,260,000	3,281,000	4,228,890	3,118,550	3,049,919	21,488,206	6,848,099
% granted to senior management personnel	59%	53%	78%	29%	11%	11%	21%	28%

Calculation of fair value per IFRS 2 at grant date is based on the following conditions:

	2023[2)]		2022[3)]	
	ESO	Warrants	ESO	Warrants
Number (instrument)	8,469,895	493,300	19,386,919	843,832
Number (shares)	8,469,895	493,300	19,386,919	843,832
Expected term (years)[1)]	4.45	3.58	5.05	4.12
Volatility[1)]	40%	40%	38%	38%
Risk-free rate[1)]	2.61%	2.83%	2.08%	1.70%
Share price[1)]	26.65	27.13	30.37	39.75
Exercise price[1)]	26.65	31.93	30.37	62.80
Fair value per instrument[1)]	8.89	6.68	9.36	7.07

1) Weighted average.

2) New grants from LTI 2023 and LTI 2022.

3) New grants from LTI 2022 and LTI II 2021.

Note 9 cont.

Payroll costs for vested ESO in all programs were included in profit or loss in 2023 in the amount of SEK -115m (-140) with a corresponding increase in equity. Social insurance expenses are included in the amount of SEK -21m (16) recognized as a provision in the statement of financial position. The potential dilutive effect upon exercise of all warrants/ESO in all programs is 4.2 percent (4.1).

	31 Dec 2023		31 Dec 2022	
	Right to number of future shares	**Average exercise price per share, SEK**	**Right to number of future shares**	**Average exercise price per share, SEK**
At the beginning of the year	**35,552,683**	**50.59**	**25,994,248**	**56.06**
Granted	8,961,695	26.94	20,251,551	31.70
Forfeit	-4,520,604	51.50	-2,518,986	81.79
Exercised[2]	-4,713,880	10.59	-7,963,180	11.24
Expired	-114,750	47.77	-210,950	23.96
Outstanding as of 31 December[1]	**35,165,144**	**49.82**	**35,552,683**	**50.59**

1) Including 8,916,374 (3,329,423) exercisable warrants/ESO.

2) Weighted average share price at exercise date SEK 26.07 (50.4).

Average FTEs, excluding consultants	**2023**	**Of whom men**	**2022**	**Of whom men**
SE Sweden	501	356	478	340
AU Australia	207	130	182	116
BE Belgium	34	20	35	22
BG Bulgaria	34	8	27	5
BR Brazil	353	206	367	208
CA Canada	14	7	13	6
CO Colombia	10	4	14	5
CZ Czech Republic	27	14	21	13
DE Germany	68	36	68	34
DK Denmark	17	13	18	14
ES Spain	49	31	37	24
FI Finland	66	55	75	64
FR France	76	39	99	47
GB United Kingdom	117	77	123	83
IN India	572	440	515	404
IT Italy	12	9	10	7
MX Mexico	43	25	43	25
MY Malaysia	14	6	12	6
NZ New Zealand	29	21	27	21
PL Polen	10	5	20	18
SG Singapore	47	20	53	28
UA Ukraine	17	4	13	3
UAE United Arab Emirates	21	18	26	22
US United States	1,240	785	1,223	771
Rest of the world	66	42	67	41
Total	**3,643**	**2,370**	**3,565**	**2,327**
Of which, parent company (Sweden)	5	4	7	6

	31 Dec 2023		31 Dec 2022	
Senior management personnel	**Number on reporting date**	**Of whom, men**	**Number on reporting date**	**Of whom, men**
Group				
Directors	6	4	6	4
Other senior management personnel	12	9	11	9
Parent company				
Directors	6	4	6	4
Other senior management personnel	4	3	3	3

Note 10 Financial income and expenses

Group 2023, SEKm	2023	2022
Interest income	82	84
Exchange rate gains	3,188	3,611
Other financial income	10	7
Financial income	**3,280**	**3,702**
Interest expenses, leases	-46	-41
Other interest expenses	-627	-351
Exchange rate losses	-3,223	-3,341
Other financial expenses	-29	-41
Financial expenses	**-3,926**	**-3,774**
Net financial income and expense	**-646**	**-72**

Parent company, SEKm	2023	2022
Interest income	5	44
Interest income, group companies	705	401
Exchange rate gains	2,735	3,478
Other financial income	0	1
Interest income and similar profit items	**3,445**	**3,923**
Interest expenses, Group companies	-93	-17
Other interest expenses	-563	-329
Exchange rate losses	-2,796	-3,046
Other financial expenses	-26	-44
Interest expenses and similar loss items	**-3,477**	**-3,435**
Net financial income and expense	**-32**	**488**

Note 11 Appropriations

Parent company, SEKm	2023	2022
Provision to tax allocation reserve	–	-55
Accelerated depreciation/amortization	0	3
Group contribution provided	-120	-200
Total	**-120**	**-252**

Note 12 Taxes

On 13 December 2023, the government of Sweden, where the parent company is incorporated, enacted the pillar 2 income taxes legislation effective from 1 January 2024. Under the legislation, the parent company will be required to pay, in Sweden, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 percent unless this is due and payable locally. The Group does not believe that there will be any material impact on the results of the Group's operations for the year ending 31 December 2024 in any of the jurisdictions in which Sinch currently operates. The Group is continuing to assess the impact of pillar 2 income taxes legislation on its future financial performance, however, based on the analysis performed management does not expect the legislation effective in 2024 will have a material impact on the results of operations or cash flows for the year ending 31 December 2024 or the financial position as at that date.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognizes nor discloses information about any deferred tax assets or liabilities related to pillar 2 income taxes.

	Group		Parent company	
Tax in profit or loss, SEKm	**2023**	**2022**	**2023**	**2022**
Current tax	-319	-583	-12	-18
Deferred tax	513	414	-3	-7
Total	**194**	**-168**	**-15**	**-25**

Current tax recognized directly against equity amounts to SEK 28m (0) and refers to tax on net investments. Current tax reported directly against equity amounts to SEK 0m (2) and refers to tax on issue costs.

	Group		Parent company	
Reconciliation of tax expense for the year, SEKm	**2023**	**2022**	**2023**	**2022**
Profit or loss before tax	-152	-4,775	69	-4,120
Tax calculated according to the Swedish tax rate, 20.6%	31	984	-14	849
Current tax regarding previous years	158	16	–	17
Revaluation deferred tax	33	–	–	–
Effect of changed tax rates	–	-3	–	–
Tax effect of non-deductible expenses	-40	-1,052	–	-891
Tax effect of non-taxable revenue	8	37	–	–
Increase/decrease of non-capitalized LCFW	20	-61	–	–
Tax effect of income/expenses not included in reported profit or loss	-4	–	0	–
Effect of foreign withholding taxes	-14	-4	–	–
Difference in foreign subsidiaries' tax rates	-1	-84	–	–
Other	1	–	–	–
Tax on profit for the year according to income statement	**194**	**-168**	**-15**	**-25**

Tax rate

The parent company's current tax rate is 20.6 percent (20.6). The Group's effective tax rate was 127.6 percent (-3.5). Excluding acquisition-related amortization, related deferred tax and reversed provisions related to 2021 and 2022, the Group's effective tax rate for the period was 25 percent The comparison period was affected by the impairment loss recognized in Q3 2022.

Note 12 cont.

Tax effects of temporary differences and LCFW

2023, SEKm	Deferred tax assets	Deferred tax liabilities	Net balance
Intangible assets	63	-4,419	
Right-of-use assets/ liabilities	160	-156	
Property, plant and equipment	30	-222	
Accounts receivable	38	–	
Provisions	116	-1	
Untaxed reserves	–	-109	
Interest deduction	264	–	
Share-related incentive programs	31	–	
Other	110	-9	
LCFW	309	–	
Deferred tax assets/ liabilities	**1,120**	**-4,914**	**-3,794**
Netting	-163	163	
Deferred tax assets/ liabilities after netting	**957**	**-4,750**	**-3,794**

2022, SEKm	Deferred tax assets	Deferred tax liabilities	Net balance
Intangible assets	–	-4,995	
Right-of-use assets/ liabilities	176	-171	
Property, plant and equipment	29	–	
Accounts receivable	68	–	
Provisions	197	–	
Untaxed reserves	–	-101	
Share-related incentive programs	58	–	
Other	115	-136	
LCFW	319	–	
Deferred tax assets/ liabilities	**962**	**-5,403**	**-4,441**

Change in deferred tax, SEKm	2023	2022
Balance at opening date	-4,441	-4,749
Recognized in profit or loss	513	414
Recognized in other comprehensive income	0	-107
Translation difference	135	–
Balance on the closing date	**-3,794**	**-4,441**

LCFW

	31 Dec 2023		31 Dec 2022	
Expiration year, LCFW, Group, SEKm	**LCFW**	**Tax effect**	**LCFW**	**Tax effect**
2023	–	–	0	0
2024	–	–	–	–
2025	0	0	0	0
2026	1	0	1	0
2027	1	0	5	1
2028	16	4	–	–
2029	–	–	–	–
2030	–	–	–	–
2031	–	–	4	1
2032	–	–	–	–
2033	–	–	–	–
Expires after 2033	1	0	1	0
Unlimited utilization period	1,200	368	1,185	316
Total	**1,219**	**372**	**1,196**	**319**

	31 Dec 2023		31 Dec 2022	
LCFW by country, SEKm	**LCFW**	**Tax effect**	**LCFW**	**Tax effect**
Belgium	98	24	80	20
Brazil	594	202	464	158
France	–	–	78	19
United Kingdom	290	72	358	68
Sweden	–	–	86	18
Germany	172	58	85	27
USA	13	3	1	0
Rest of the world	52	12	44	8
Total	**1,219**	**372**	**1,196**	**319**

	31 Dec 2023		31 Dec 2022	
Non-capitalized LCFW, Group, SEKm	**LCFW**	**Tax effect**	**LCFW**	**Tax effect**
Belgium	98	24	80	20
Finland	–	–	4	1
France	–	–	29	7
Spain	–	–	7	2
United Kingdom	–	–	12	2
Germany	115	39	73	23
Total	**213**	**64**	**204**	**55**

The LCFW above with an unlimited useful life have not been capitalized because uncertainty prevails as to whether sufficient future taxable profits will be generated.

Note 13 Earnings per share

Basic earnings per share	2023	2022
Profit for the year attributable to owners of the parent, SEKm	42	-4,943
Weighted average number of ordinary shares outstanding, before dilution	841,130,408	819,116,557
Basic earnings per share, SEK	**0.05**	**-6.03**

Diluted earnings per share	2023	2022
Profit for the year attributable to owners of the parent, SEKm	42	-4,943
Weighted average number of ordinary shares outstanding, before dilution	841,130,408	819,116,557
Weighted average warrants outstanding	4,286,429	-
Weighted average shares outstanding, after dilution	845,416,837	819,116,557
Diluted earnings per share[1], SEK	**0.05**	**-6.03**

1) The negative results in 2022 do not give rise to any dilutive effect. If results had been positive, the weighted number of dilutive warrants would have been 11,773,922.

Note 14 Goodwill

Group, SEKm	2023	2022
Cost on the opening date	31,114	27,155
Reclassifications	0	246
Translation differences	-859	3,713
Accumulated cost on the closing date	**30,255**	**31,114**
Impairments on the opening date	-5,276	-13
Impairments for the year	-	-5,097
Translation differences	181	-166
Accumulated impairments on the closing date	**-5,095**	**-5,276**
Carrying amount	**25,160**	**25,838**

Goodwill per cash-generating unit, SEKm	31 Dec 2023	31 Dec 2022
Messaging	6,541	6,525
Voice	6,498	6,755
Email	4,635	4,778
SMB	7,486	7,780
Total	**25,160**	**25,838**

Impairment testing of goodwill

Goodwill is tested for impairment annually or when there are indications that an impairment loss has occurred. The recoverable amount for a cash-generating unit is determined based on estimated value in use. These estimates are based on cash flow projections, which are based on financial budgets approved by the management covering a five-year period. In the assessment of future cash flows assumptions are made, primarily concerning sales growth, gross profit or loss and the operating margin, based on the current year and discount rate (WACC). Climate-related risks have been indirectly observed in the assumptions but these impacts have been assessed as limited for Sinch over the short and medium terms. The estimated growth rate and the forecast operating margin are based on the company's budgets and forecasts for each unit.

The growth rate after the forecast period coincides with the Group's long-term assumptions about inflation and long-term market growth. The discount rate reflects the risk-free rate in the cash-generating units' functional currencies, the country-specific market risk premiums, the business risk represented by en estimated beta, and the cost of borrowing. The company has determined that all cash-generating units can mainly be categorized as companies in a growth phase but with strong and stable cash flows based on existing business relationships. All cash-generating units are characterized by their continuous development of new services that complement the current business.

	Discount rate before tax		Long-term growth rate	
Cash-generating unit	2023	2022	2023	2022
Messaging	12.4%	12.1%	2.0%	2.0%
Voice	10.0%	10.1%	2.0%	2.0%
Email	11.7%	11.8%	2.0%	2.0%
SMB	12.3%	11.5%	2.0%	2.0%

	Annual gross profit growth over the five-year forecast period	
Cash-generating unit	2023	2022
Messaging	1 - 7%	11 - 17%
Voice	0 - 10%	0 - 10%
Email	18 - 19%	17 - 23%
SMB	12 - 17%	19 - 21%

Sensitivity analysis

As of 31 December 2023, the recoverable amount exceeded the carrying amount for all cash generating units (CGU). Impairment testing for the CGUs Messaging, Voice, and Email has shown that there is a healthy margin before changes in the discount rate and long-term growth rate would result in an indication of impairment. The margin before an impairment test would be required has increased in the Email operating segment and is mainly attributable to an improved forecast on future cash flows compared to the impairment test performed in the preceding year. If the discount rate were to increase by one percentage point and the long-term growth rate simultaneously decrease by one percentage point, an impairment of AUD 230m would, ceteris paribus, be required in the SMB operating segment. For the recoverable amount to equal the carrying amount, the discount rate would have to increase by 50 points, ceteris paribus.

Note 15 Other intangible assets

Group 2023, SEKm	Proprietary software	Licenses	Customer relationships	Operator relationships	Trademarks	Total other non-current intangible assets
Cost on the opening date	**6,355**	**30**	**16,804**	**439**	**610**	**24,238**
Capitalized expenditure for the year	383	15	20	–	–	418
Reclassifications	3	20	–	–	–	23
Disposals/retirements	-14	19	–	–	–	5
Translation differences	-208	-3	-545	-4	-21	-781
Accumulated cost on the closing date	**6,520**	**81**	**16,279**	**435**	**589**	**23,903**
Amortization on the opening date	**-1,040**	**4**	**-2,084**	**-194**	**-156**	**-3,470**
Amortization for the year	-844	-20	-1,255	-70	-68	-2,257
Reclassifications	-2	-30	–	–	–	-32
Disposals/retirements	14	-19	–	–	–	-6
Translation differences	58	2	120	6	10	196
Accumulated amortization on the closing date	**-1,814**	**-62**	**-3,220**	**-258**	**-214**	**-5,569**
Carrying amount	**4,706**	**19**	**13,058**	**177**	**375**	**18,335**

Group 2022 SEKm	Proprietary software	Licenses	Customer relationships	Operator relationships	Trademarks	Total other non-current intangible assets
Cost on the opening date	**5,577**	**80**	**14,744**	**392**	**947**	**21,740**
Capitalized expenditure for the year	374	20	–	–	–	395
Through acquisitions of group companies	-276	5	71	–	-414	-614
Reclassifications	67	-56	-25	3	0	-11
Disposals/retirements	-55	-26	–	–	-8	-89
Translation differences	668	7	2,014	44	85	2,818
Accumulated cost on the closing date	**6,355**	**30**	**16,804**	**439**	**610**	**24,238**
Amortization on the opening date	**-498**	**-55**	**-778**	**-107**	**-28**	**-1,466**
Amortization for the year	-655	-9	-1,200	-72	-121	-2,056
Reclassifications	132	47	27	-3	-6	197
Disposals/retirements	10	25	–	–	7	42
Translation differences	-30	-4	-134	-12	-8	-187
Accumulated amortization on the closing date	**-1,040**	**4**	**-2,084**	**-194**	**-156**	**-3,470**
Carrying amount	**5,315**	**34**	**14,719**	**246**	**454**	**20,768**

	Parent company	
Licenses, SEKm	2023	2022
Cost on the opening date	**9**	**9**
Accumulated cost on the closing date	**9**	**9**
Amortization on the opening date	**-5**	**-3**
Amortization for the year	-2	-2
Accumulated amortization on the closing date	**-6**	**-5**
Carrying amount	**3**	**5**

Note 16 Property, plant and equipment

	Group		Parent company	
Computers and equipment, SEKm	**2023**	**2022**	**2023**	**2022**
Cost on the opening date	**1,619**	**2,005**	**14**	**14**
Purchases for the year	211	244	–	0
Reclassifications	16	-904	–	–
Disposals/retirements	-32	-19	-1	–
Translation differences	-62	294	–	–
Accumulated cost on the closing date	**1,752**	**1,619**	**13**	**14**
Depreciation on the opening date	**-745**	**-1,297**	**-12**	**-9**
Depreciation for the year	-174	-181	-1	-3
Reclassifications	0	909	–	–
Disposals/retirements	30	18	1	–
Translation differences	65	-193	–	–
Accumulated depreciation on the closing date	**-824**	**-745**	**-12**	**-12**
Carrying amount	**928**	**874**	**1**	**3**

Note 17 Leases

Agreements where the Group is a lessee mainly relate to the lease of office space. The leases do not contain any special terms or restrictions. The majority of the extension options related to leasing of offices and other leases have not been included in the lease liability because the Group cannot reliably determine that they will be extended. Extension options are assessed initially when the new lease is arranged, but may be updated regularly during the lease term.

	Group			
2023, SEKm	**Premises**	**Rented connection capacity**	**Other**	**Total right-of-use assets**
Cost on the opening date	**908**	**148**	**38**	**1,094**
Additional ROU	192	14	0	205
Reclassifications	-3	-7	9	0
Terminated contracts	-164	0	-29	-194
Translation differences	-29	-6	0	-35
Accumulated cost on the closing date	**904**	**149**	**17**	**1,069**
Depreciation on the opening date	**-205**	**-15**	**-14**	**-234**
Depreciation for the year	-126	-17	-6	-149
Reclassifications	-6	13	-7	0
Disposals/retirements	117	-13	19	123
Translation differences	7	2	0	8
Accumulated depreciation on the closing date	**-214**	**-30**	**-8**	**-252**
Carrying amount	**690**	**119**	**9**	**818**

Note 17 cont.

2022, SEKm	Group			
	Premises	Rented connection capacity	Other	Total right-of-use assets
Cost on the opening date	**819**	**151**	**20**	**991**
Additional ROU	2	2	17	21
Reclassifications	1	–	–	1
Terminated contracts	-50	-5	0	-55
Translation differences	136	0	0	136
Accumulated cost on the closing date	**908**	**148**	**38**	**1,094**
Depreciation on the opening date	**-78**	**-1**	**-10**	**-90**
Depreciation for the year	-126	-14	-3	-143
Disposals/retirements	9	–	0	9
Translation differences	-10	0	0	-10
Accumulated depreciation on the closing date	**-205**	**-15**	**-14**	**-234**
Carrying amount	**703**	**133**	**24**	**859**

Lease liabilities

Lease liabilities at year-end amounted to SEK 898m (872).

Aging report, lease payments

Group, SEKm	31 Dec 2023	31 Dec 2022
Less than 1 year	114	98
1-2 years	83	87
2-3 years	82	77
3-4 years	75	76
4-5 years	70	72
5+ years	474	461
Total	**898**	**872**

Leasing expenses

Group, SEKm	2023	2022
Depreciation on ROU assets	-149	-143
Interest expenses, lease liabilities	-46	-41
Cost of short-term and low-value leases	-24	-24
Total	**-219**	**-208**

Cash outflow

The total cash flow attributable to leases in 2023 was SEK 136m (144).

Note 18 Financial assets

Non-current receivables, SEKm	Group		Parent company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Deposits	23	25	–	–
Non-current receivables, Group companies	–	–	5,348	2,278
Deferred contract costs	36	31	–	–
Other non-current receivables	12	19	–	–
Total	**72**	**74**	**5,348**	**2,278**

Investments in Group companies, SEKm	Parent company	
	31 Dec 2023	31 Dec 2022
Cost on the opening date	15,764	2,973
Capital contributions	409	17,041
Subsequent costs	–	90
Impairment of shares in Group companies	–	-4,340
Accumulated cost on the closing date	**16,173**	**15,764**

Note 18 cont.

Sinch Group	Corporate ID	Registered office	% of equity and votes 31 Dec 2023	31 Dec 2022	Carrying amount 31 Dec 2023	31 Dec 2022
Sinch Sweden AB	**556747-5495**	**Stockholm**	**100**	**100**	**250**	**250**
CLX Networks South Africa	2013/128948/07	South Africa	100	100	–	–
PT Sinch Technology Indonesia	1265000552082	Indonesia	0.4	0.4	–	–
Sinch Communications Canada Inc.	9294-4933	Canada	100	100	–	–
Sinch Turkey Ltd	866349	Turkey	51	51	–	–
Sinch Italy S.R.L.	4491540961	Italy	100	100	–	–
Sinch France S.A.R.L.[2)]	448324285	France	–	100	–	–
Sinch Operator Software AB	**556353-1333**	**Stockholm**	**100**	**100**	**100**	**100**
Sinch Poland Sp z.o.o.	643951	Poland	100	100	–	–
Sinch Holding AB	**559061-2791**	**Stockholm**	**100**	**100**	**3,718**	**3,718**
Sinch Australia Pty Ltd	ACN 108 364 854	Australia	100	100	–	–
Sinch Germany GmbH	HRB 202010	Germany	100	100	–	–
Sinch Communications Pty Ltd	ACN 112 676 132	Australia	100	100	–	–
Sinch Australia Holding Pty Ltd	ACN 650 744 479	Australia	100	100	–	–
Message4U Pty Ltd	ACN 095 453 062	Australia	100	100	–	–
MessageMedia Australia Pty Ltd	ACN 125 542 403	Australia	100	100	–	–
WholesaleSMS Pty Ltd	ACN 169 517 202	Australia	100	100	–	–
SMS Broadcast Pty Ltd	ACN 127 334 785	Australia	100	100	–	–
SMS Central Australia Pty Ltd	ACN 141 611 645	Australia	100	100	–	–
Streetdata Pty Ltd	ACN 092 709 030	Australia	100	100	–	–
Streetdata Unit Trust	ABN 14 314 375 905	Australia	100	100	–	–
Text Messaging Technologies (Holdings) Pty Ltd	ACN 140 425 332	Australia	100	100	–	–
Text Messaging Technologies Pty Ltd	ACN 140 426 204	Australia	100	100	–	–
Mobipost Pty Ltd	ACN 087 914 930	Australia	100	100	–	–
DirectSMS Pty Ltd	ACN 114 992 880	Australia	100	100	–	–
MessageMedia ESOP Pty Ltd[2)]	ACN 603 146 336	Australia	–	100	–	–
MessageNet Pty Ltd	ACN 082 712 589	Australia	100	100	–	–
ClickSend Pty Ltd	ACN 165 918 525	Australia	100	100	–	–
Bulletin.net Pty Ltd	ACN 119 955 805	Australia	100	100	–	–
MessageMedia Europe Limited	3771735	United Kingdom	100	100	–	–
Bulletin.net (NZ) Pty Ltd	847056	New Zealand	100	100	–	–
Sinch Philippines Inc	2023030090540-11	Philippines	100	–	–	–
MessageMedia U.S.A. Inc	27-2034769	USA	100	100	–	–
SimpleTexting LLC	85-3394518	USA	100	100	–	–
Sinch Belgium B.V	0691.917.430	Belgium	100	100	–	–
Sinch Communications Spain SL	B82966078	Spain	100	100	–	–
Sinch Finland OY	1549817-1	Finland	100	100	–	–
Sinch Finland Systems OY[2)]	0736045-5	Finland	–	100	–	–
myElefant SAS	524,353,299	France	100	100	–	–
Mblox Sdn Bhd[1)]	870260-U	Malaysia	–	100	–	–
Sinch UK Ltd	3049312	United Kingdom	100	100	–	–
Sinch South Africa (PTY) Ltd	2012/217923/07	South Africa	100	100	–	–
Sinch U.S. Holding Inc.	82-5136971	USA	100	100	–	–
Sinch America, Inc.	77-0505044	USA	100	100	–	–
Sinch Engage LLC	46-0553309	USA	100	100	–	–
Sinch Interconnect LLC	3166804	USA	100	100	–	–
Onvoy Holdings, Inc.	32-0482384	USA	100	100	–	–

Note 18 cont.

Sinch Group	Corporate ID	Registered office	% of equity and votes 31 Dec 2023	31 Dec 2022	Carrying amount 31 Dec 2023	31 Dec 2022
Onvoy Intermediate Holdings Inc.	38-3987416	USA	100	100	–	–
Onvoy, LLC	41-1624131	USA	100	100	–	–
Onvoy Ltd	84-1797016	USA	100	100	–	–
RadiantIQ LLC	47-1806351	USA	100	100	–	–
Onvoy International Holdings, Inc.	11386989	United Kingdom	100	100	–	–
Onvoy Netherlands, B.V.	RSIN 860260367	Netherlands	100	100	–	–
Acrobits, S.R.O.	CZ28487923	Czech Republic	100	100	–	–
Alien Licensing, GmbH	CHE-116.371.684	Switzerland	100	100	–	–
Onvoy Communications Limited	377195IOH	Ireland	100	100	–	–
ANZ Communications LLC	27-4606513	USA	100	100	–	–
ANPI Business, LLC	04-3520968	USA	100	100	–	–
ANPI India Research & Development Pvt. Ltd.	U73100D-L2014FTC266307	India	99	99	–	–
ANPI, LLC	37-1348433	USA	100	100	–	–
ANPI India Research & Development Pvt. Ltd.	U73100D-L2014FTC266307	India	1	1	–	–
Broadvox, LLC	31-1795439	USA	100	100	–	–
Onvoy Spectrum, LLC	47-3389357	USA	100	100	–	–
Inteliquent, Inc.	31-1786871	USA	100	100	–	–
Neutral Tandem – Alabama, LLC	20-8056239	USA	100	100	–	–
Neutral Tandem – Arizona, LLC	20-8042937	USA	100	100	–	–
Neutral Tandem – Arkansas, LLC	20-2254616	USA	100	100	–	–
Neutral Tandem – California, LLC	20-0724701	USA	100	100	–	–
Neutral Tandem – Colorado, LLC	20-1673913	USA	100	100	–	–
Neutral Tandem – Delaware, LLC	4335804	USA	100	100	–	–
Neutral Tandem – Florida, LLC	20-1355255	USA	100	100	–	–
Neutral Tandem – Georgia, LLC	20-2658360	USA	100	100	–	–
Neutral Tandem – GVT, LLC	81-1407859	USA	100	100	–	–
Neutral Tandem – Hawaii, LLC	46-3601056	USA	100	100	–	–
Neutral Tandem – Idaho, LLC	27-1280206	USA	100	100	–	–
Neutral Tandem – Illinois, LLC	31-1034591	USA	100	100	–	–
Neutral Tandem – Indiana, LLC	20-1357955	USA	100	100	–	–
Neutral Tandem – Iowa, LLC	26-2913116	USA	100	100	–	–
Neutral Tandem – Kansas, LLC	26-1767344	USA	100	100	–	–
Neutral Tandem – Kentucky, LLC	20-8998152	USA	100	100	–	–
Neutral Tandem – Louisiana, LLC	26-1856140	USA	100	100	–	–
Neutral Tandem – Maine, LLC	45-3187343	USA	100	100	–	–
Neutral Tandem – Maryland, LLC	20-2658279	USA	100	100	–	–
Neutral Tandem – Massachusetts, LLC	20-0722634	USA	100	100	–	–
Neutral Tandem – Michigan, LLC	20-0724852	USA	100	100	–	–
Neutral Tandem – Minnesota, LLC	20-1358018	USA	100	100	–	–
Neutral Tandem – Mississippi, LLC	26-0580716	USA	100	100	–	–
Neutral Tandem – Missouri, LLC	26-2483205	USA	100	100	–	–
Neutral Tandem – Montana, LLC	87-1034193	USA	100	100	–	–
Neutral Tandem – Nebraska, LLC	20-8433872	USA	100	100	–	–
Neutral Tandem – Nevada, LLC	20-2305022	USA	100	100	–	–
Neutral Tandem – New Hampshire, LLC	20-8519365	USA	100	100	–	–
Neutral Tandem – New Jersey, LLC	20-0724799	USA	100	100	–	–
Neutral Tandem – New Mexico, LLC	20-8632267	USA	100	100	–	–

Note 18 cont.

Sinch Group	Corporate ID	Registered office	% of equity and votes 31 Dec 2023	% of equity and votes 31 Dec 2022	Carrying amount 31 Dec 2023	Carrying amount 31 Dec 2022
Neutral Tandem - New York, LLC	20-0724764	USA	100	100	–	–
Neutral Tandem - North Carolina, LLC	20-8519951	USA	100	100	–	–
Neutral Tandem - North Dakota, LLC	26-3528771	USA	100	100	–	–
Neutral Tandem - Oklahoma, LLC	26-2484331	USA	100	100	–	–
Neutral Tandem - Oregon, LLC	21-1265348	USA	100	100	–	–
Neutral Tandem - Pennsylvania, LLC	20-5873056	USA	100	100	–	–
Neutral Tandem - Puerto Rico, LLC	26-4280147	Puerto Rico	100	100	–	–
Neutral Tandem - Rhode Island, LLC	20-2305087	USA	100	100	–	–
Neutral Tandem - South Carolina, LLC	20-8754082	USA	100	100	–	–
Neutral Tandem - South Dakota, LLC	26-3916483	USA	100	100	–	–
Neutral Tandem - Tennessee, LLC	20-8433955	USA	100	100	–	–
Neutral Tandem - Texas, LLC	20-1357927	USA	100	100	–	–
Neutral Tandem - Utah, LLC	26-1496620	USA	100	100	–	–
Neutral Tandem - Vermont, LLC	45-3187243	USA	100	100	–	–
Neutral Tandem - Virginia, LLC	20-4889208	USA	100	100	–	–
Neutral Tandem - Washington DC, LLC	20-4428003	USA	100	100	–	–
Neutral Tandem - Washington, LLC	20-1674163	USA	100	100	–	–
Neutral Tandem - West Virgina, LLC	46-5559757	USA	100	100	–	–
Neutral Tandem - Wyoming, LLC	45-0886699	USA	100	100	–	–
JJRR, LLC	20-2378763	USA	100	100	–	–
Broadvox-CELEC, LLC	38-3792612	USA	100	100	–	–
Minnesota Independent Equal Access Corporation	41-1653110	USA	100	100	–	–
VOIP360, Inc.	20-3088335	USA	100	100	–	–
Voyant Communications, LLC	26-1360206	USA	100	100	–	–
Bettervoice, Inc.	81-2626122	USA	100	100	–	–
Phaxio Blocker, Inc.	83-4283961	USA	100	100	–	–
Layered Communications, LLC	45-0705161	USA	100	100	–	–
MessengerPeople Inc.	5124591	USA	100	100	–	–
MessengerPeople GmbH	HRB 238421	Germany	100	100	–	–
Dialogue Group Ltd	06766972	United Kingdom	100	100	–	–
Dialogue Communications Ltd	3042634	United Kingdom	100	100	–	–
Dialogue Malta Ltd	C66149	Malta	100	100	–	–
Sinch Singapore Pte Ltd	2013-14618-E	Singapore	100	100	–	–
Sinch Technology (Beijing) Co. Ltd	91110108MA01UQP87U	China	100	100	–	–
Beijing Zhang Zohng Hu Dong Information Technology Co. Ltd	91110108802106771E	China	100	100	–	–
Sinch Hong Kong Ltd	72211247	Hong Kong	100	100	–	–
Sinch Denmark ApS	26361710	Denmark	100	100	–	–
Sinch Denmark AB	556484-7918	Stockholm	100	100	–	–
PT Sinch Technology Indonesia	1265000552082	Indonesia	99.6	99.6	–	–
Sinch Korea Co., Ltd	110111-7692878	Korea	100	100	–	–
Sinch Communications LLC[3)]	1207700431410	Russia	100	100	–	–

Note 18 cont.

Sinch Group	Corporate ID	Registered office	% of equity and votes 31 Dec 2023	% of equity and votes 31 Dec 2022	Carrying amount 31 Dec 2023	Carrying amount 31 Dec 2022
Taiwan Sinch Limited	90771936	Taiwan	100	100	–	–
Sinch Latin America Holding AB	**559212-5487**	**Stockholm**	**100**	**100**	**446**	**446**
Sinch BR S.A.	01.126.946/0001-61	Brazil	100	100	–	–
Cyclelogic do Brasil Mobile Solutions Ltda	CNPJ: 02.554.300/0001-48	Brazil	100	100	–	–
BR Tech Des. De Websites e. Softwares S.A	CNPJ n.º 13.735.132/0001-03	Brazil	16.3	16.3	–	–
Sinch Netherlands BV	RSIN: 859656937	Netherlands	100	100	–	–
Cyclelogic Argentina S.R.L.	CUIT: 33-69561065-9	Argentina	100	100	–	–
Cyclelogic Chile Telecomunicaciones SPA.	RUT: 76.115.115-0	Chile	100	100	–	–
Sinch Colombia S.A.S.	NIT: 8300484255	Colombia	100	100	–	–
Cyclelogic Ecuador S.A.	RUC: 0992456809001	Ecuador	100	100	–	–
Cyclelogic de México, S. de R.L.de CV.	RFC: CME030325CPA	Mexico	100	100	–	–
Compertime S.A. de C.V.	RFC: COM080812831	Mexico	100	100	–	–
Sinch Panamá S.A.	RUC: 2618804-1-836421	Panama	100	100	–	–
Sinch de Peru S.A.C	RUC: 20516964414	Peru	100	100	–	–
Nedimix S.A.	RUT: 215095650017	Uruguay	100	100	–	–
Sinch Mobile AB	**556969-5397**	**Stockholm**	**100**	**100**	**152**	**152**
Sinch Cloud Communication Services India Pvt. Ltd.	U74999MH-2017FTC29470	India	100	100	–	–
ACL Mobile Private Limited	U00000D-L2000PLC105516	India	100	100	–	–
Sinch DMCC	JLT 5040	United Arab Emirates	100	100	–	–
ACL Technologies Pte Ltd Sdn	U72900D-L2000PTC105180	India	100	100	–	–
Sinch Malaysia Sdn Bhd	832473-T	Malaysia	100	100	–	–
Pegasus Corp Two	**88-0711777**	**USA**	**100**	**100**	**11,507**	**11,097**
Deliver Intermediate Holdco Inc.	83-4016249	USA	100	100	–	–
Mailgun Technologies, Inc.	81-5151296	USA	100	100	–	–
Email on Acid, LLC	27-1659446	USA	100	100	–	–
Mailgun Technologies SAS	877523639	France	100	100	–	–
Mailjet SAS	524536992	France	100	100	–	–
Mailjet Bulgaria[1)]	UIC 204787523	Bulgaria	–	100	–	–
Mailjet GmbH	HRB 156505	Germany	100	100	–	–
Mailjet Emailing SL	NIF 0B87790879	Spain	100	100	–	–
Mailjet SAAS Ltd	9801918	United Kingdom	100	100	–	–
Mailjet, Inc.	46-5566257	USA	100	100	–	–
Carrying amount in the parent company					**16,173**	**15,764**

1) The company was liquidated in 2023.
2) The company was merged in 2023.
3) The company was liquidated in 2024.

Note 19 Accounts receivable

Accounts receivable, SEKm	Group 31 Dec 2023	Group 31 Dec 2022
Unbilled receivables	1,921	1,958
Accounts receivable	2,897	2,465
Total accounts receivable	**4,818**	**4,423**
Expected credit loss allowance		
Balance at opening date	-176	-136
Reversals of previous provisions	71	73
Confirmed customer losses	48	56
Provisions for the year	-94	-154
Translation differences	1	-16
Balance on the closing date	**-149**	**-176**
Net trade receivables	**4,669**	**4,247**

The carrying amount for accounts receivable, net after ECL allowance has been assessed as equal to fair value. The ECL allowance has decreased compared with the preceding year.

Aging report Trade receivables, SEKm	Group 31 Dec 2023	Group 31 Dec 2022
Not due	3,854	3,379
Past due 1–30 days	454	544
Past due 31–60 days	122	140
Past due 61–90 days	100	68
Past due >90 days	289	292
Total	**4,818**	**4,423**

Aging report, expected credit loss allowance, SEKm	Group 31 Dec 2023	Group 31 Dec 2022
Not due	-5	-16
Past due 1–30 days	-4	-11
Past due 31–60 days	-6	-10
Past due 61–90 days	-6	-9
Past due >90 days	-129	-130
Total	**-149**	**-176**

Accounts receivable past due for more than 90 days are considered to be in default.

Contract liabilities/Advance payments from customers, SEKm	Group 31 Dec 2023	Group 31 Dec 2022
Balance at opening date	260	208
Revenue reported as derived from contract liabilities that existed at the beginning of the year	-218	-203
Payment from customers for performance obligations not satisfied at the end of the year	223	236
Translation differences	-2	19
Closing balance[1]	**262**	**260**

1) A majority is expected to be recognized in revenue during the next financial year.

Note 20 Other current receivables

Other current receivables, SEKm	Group 31 Dec 2023	Group 31 Dec 2022	Parent company 31 Dec 2023	Parent company 31 Dec 2022
VAT receivable	166	240	0	–
Derivatives	13	–	13	–
Other current receivables	87	100	–	–
Total	**265**	**340**	**13**	**–**

Note 21 Prepaid expenses and accrued income

Prepaid expenses and accrued income, SEKm	Group 31 Dec 2023	Group 31 Dec 2022	Parent company 31 Dec 2023	Parent company 31 Dec 2022
Prepaid insurance premiums	39	45	0	0
Prepaid traffic costs	374	447	–	–
Accrued revenue from contracts with customers	36	112	–	–
Other	232	229	86	81
Total	**681**	**833**	**86**	**82**

Revenue-related contract assets, SEKm	Group 31 Dec 2023	Group 31 Dec 2022
Accrued revenues	36	112
Impairment reserve	–	0
Net contract assets	**36**	**112**

Note 22 Equity

Shares and share capital, SEK	Ordinary shares	Share capital
Opening balance at 1 January 2022	**768,568,748**	**7,685,687**
Warrants	8,230,490	82,305
Non-cash issue	51,000,000	510,000
Set-off issue	10,803,010	108,030
Closing balance at 31 December 2022	**838,602,248**	**8,386,022**
Warrants	4,467,563	44,676
Closing balance at 31 December 2023	**843,069,811**	**8,430,698**

At 31 December 2023, authorized share capital comprised 843,069,811 shares. The quotient value of the shares is SEK 0.01 (0.01). All shares are fully paid.

Reserves, SEKm	Translation reserve
Opening balance at 1 January 2022	**178**
Translation differences	4,593
Exchange rate changes on increased net investments	604
Deferred tax	-107
Closing balance at 31 December 2022	**5,268**
Translation differences	-863
Exchange rate changes on increased net investments	-138
Deferred tax	28
Closing balance at 31 December 2023	**4,294**

The translation reserve 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. The translation reserve also includes exchange rate differences that arise upon revaluation of liabilities accounted for as hedging instruments for a net investment in a foreign operation.

Note 23 Other interest bearing current and non-current liabilities

	Group		Parent company	
IB non-current liabilities, SEKm	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Bank loan	5,841	9,701	5,841	9,701
Senior unsecured bond	–	748	–	748
Lease liability	784	774	–	–
Other non-current liabilities	13	13	–	–
Total	**6,637**	**11,236**	**5,841**	**10,449**

	Group		Parent company	
Other IB current liabilities, SEKm	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Bank loan	1,499	1	1,499	–
Senior unsecured bond	749	–	749	–
Lease liability	114	98	–	–
Total	**2,362**	**99**	**2,248**	**-**

As of 31 December, Sinch had total available credit facilities of SEK 12,610m and the company had used loans and credit facilities totaling SEK 7,363m (9,740). Breakdown of used loans and facilities:

- Loan of SEK 1,500m that matures in May 2024
- Loan of SEK 1,500m that matures in February 2025
- Loan of USD 110m that matures in February 2025
- Credit facilities of SEK 7,605m, of which SEK 3,258m had been used as of 31 December 2023. On the reporting date, the facilities had a maturity date of February 2026, which was extended after the reporting date by one year to 2027. The facilities can be used in most currencies and the interest base is the relevant IBOR or overnight rate in each currency. The Group's loan agreements contain adequate contingency procedures to manage a potential termination of a used reference rate that could arise as an effect of the reference rate reform. See Note 31 for more information about unused loan frameworks of SEK 4,347m as of the reporting date.

In addition, senior unsecured bonds have been issued in the amount of SEK 750m (750), which were issued in 2019 and will mature in November 2024. The bond loan accrues interest at a variable rate based on 3m STIBOR plus 250 bps.

Available bank overdraft facilities amounted to SEK 901m (913m) as of 31 December 2023, of which SEK 0m (0) had been used.

Amortization of loans within the credit facilities amounted to SEK 2,250m in 2023.

Note 24 Other non interest bearing current and non-current liabilities

	Group		Parent company	
Other NIB non-current liabilities, SEKm	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Earnout, TWW	–	6	–	–
Other non-current liabilities	25	28	–	–
Total	**25**	**34**	**-**	**-**

See Note 33 for further disclosures concerning liabilities related to acquisitions.

	Group		Parent company	
Other NIB current liabilities, SEKm	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
VAT, tax withheld at source	208	289	2	2
Derivatives	–	15	–	15
Funds belonging to a third party	3	4	–	–
Other current liabilities	19	36	0	0
Total	**231**	**344**	**2**	**17**

Note 25 Provisions

Other provisions, SEKm	Group	
	31 Dec 2023	31 Dec 2022
Provision for social security expenses, ESOP	37	16
Provision for restructuring costs[2]	3	16
Other provisions	16	18
Total	**55**	**49**

1) The increase in the provision for social security expenses related to employee share ownership plans is due to the increase in the stock value during the year.

2) The restructuring program announced in Q2 2022 was completed in 2023.

Note 26 Accrued expenses and prepaid income

Accrued expenses and prepaid income. SEKm	Group		Parent company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Accrued salaries	209	204	1	3
Accrued annual leave pay	175	149	2	2
Accrued social security contributions, including pension	63	62	1	1
Accrued interest expenses	42	38	43	39
Accrued external services	349	413	4	8
Accrued traffic costs	2,397	2,535	–	–
Other items	1	1	0	0
Total	**3,235**	**3,401**	**51**	**52**

Note 27 Untaxed reserves

Untaxed reserves, SEKm	Parent company	
	31 Dec 2023	31 Dec 2022
Tax allocation reserves	90	90
Accelerated depreciation/amortization	4	4
Total	**94**	**95**

Note 28 Pledged assets and contingent liabilities

As pledged assets for own debt and provisions, SEKm	Group		Parent company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Guarantees	109	128	–	–
Contingent liabilities[1]	112	119	–	–
Total	**221**	**247**	**–**	**0**

1) Contingent liabilities refer primarily to obligations to perform ordered and contracted services that cannot be canceled without financial impact.

Note 29 Related-party transactions

Group

Intragroup transactions between the parent company and its subsidiaries, which are related parties to the company, have been eliminated on consolidation and disclosures concerning the Group are therefore not provided.

Parent company

Sales to Group companies comprise 100 percent of net sales in the parent company. Receivables and liabilities to other Group companies are presented in the parent company balance sheet.

Disclosures concerning compensation to senior management personnel are provided in Note 9.

Note 30 Financial assets and liabilities

The table below presents the Group's financial assets and liabilities, recognized at carrying amount and fair value, classified in the categories in accordance with IFRS 9. No financial instruments have been set off in the accounts.

Group 31 Dec 2023, SEKm	Financial assets and liabilities measured at amortized cost	Obligatory measurement at fair value through profit or loss	Fair value hedge i nstruments	Carrying amount	Fair value
Financial assets at fair value					
Derivatives, Level 2, Note 20	–	–	13	13	13
Financial assets not recognized at fair value					
Deposits paid, Note 18	23	–	–	23	23
Accounts receivable, Note 19	4,669	–	–	4,669	4,669
Accrued revenue from contracts with customers, Note 21	36	–	–	36	36
Cash and cash equivalents	1,012	–	–	1,012	1,012
Total financial assets	**5,740**	**–**	**13**	**5,753**	**5,753**
Financial liabilities at fair value					
Derivatives, Level 2, Note 24	–	–	–	–	–
Earnout, Level 3, Note 24	–	–	–	–	–
Financial liabilities not recognized at fair value					
Long-term loans payable, Note 23	5,841	–	–	5,841	5,841
Short-term loans payable, Note 23	2,248	–	–	2,248	2,248
Lease liabilities, Note 17	898	–	–	898	898
Funds belonging to a third party, Note 24	3	–	–	3	3
Accrued interest expense, Note 26	42	–	–	42	42
Accounts payable	1,849	–	–	1,849	1,849
Total financial liabilities	**10,881**	**–**	**–**	**10,881**	**10,881**

The Group's maximum credit risk is consists of the amounts in the table above. As in the preceding year, the "cash and cash equivalents" item on the statement of financial position consists entirely of bank deposits.

Group 31 Dec 2022, SEKm	Financial assets and liabilities measured at amortized cost	Obligatory measurement at fair value through profit or loss	Fair value hedge instruments	Carrying amount	Fair value
Financial assets at fair value					
Derivatives, Level 2, Note 20	–	–	–	–	–
Financial assets not recognized at fair value					
Deposits paid, Note 18	25	–	–	25	25
Accounts receivable, Note 19	4,247	–	–	4,247	4,247
Accrued revenue from contracts with customers, Note 21	112	–	–	112	112
Cash and cash equivalents	2,173	–	–	2,173	2,173
Total financial assets	**6,556**	**–**	**–**	**6,556**	**6,556**
Financial liabilities at fair value					
Derivatives, Level 2, Note 24	–	–	15	15	15
Earnout, Level 3, Note 24	–	6	–	6	6
Financial liabilities not recognized at fair value					
Long-term loans payable, Note 23	10,449	–	–	10,449	10,449
Short-term loans payable, Note 23	1	–	–	1	1
Lease liabilities, Note 17	872	–	–	872	872
Funds belonging to a third party, Note 24	4	–	–	4	4
Accrued interest expense, Note 26	38	–	–	38	38
Accounts payable	1,561	–	–	1,561	1,561
Total financial liabilities	**12,925**	**6**	**15**	**12,946**	**12,946**

Note 30 cont.

Determination of fair value
Financial assets and liabilities measured at fair value in the balance sheet, or where the fair value is disclosed, are classified in one of three levels based on the information used to measure fair value.

Sinch uses the following methods and assumptions to determine the fair value of financial instruments recognized.

Derivatives – Foreign currency forward contracts are measured according to Level 2, i.e., fair value is determined using measurement models based on observable market data, such as quoted prices for similar assets and liabilities, market interest rates and yield curves, for the asset or liability other than quoted prices included in Level 1, either directly (i.e., such as quoted prices) or indirectly (i.e., derived from quoted prices).

The measurement is performed by discounting future cash flows based on the difference between the contractual forward rate and spot rate on the reporting date.

Earnout – Earnouts (conditional consideration) related to the acquisition of shares in subsidiaries are measured according to Level 3, i.e., financial instruments for which fair value is determined based on measurement models where significant inputs are based on unobservable market data, at the present value of future cash flows that are based on forecasts of the companies' future performance. Material assumptions in this estimate are future growth rate and earnings capacity, and are based on forecasts of the companies' future performance. A percentage increase in cash flow leads to the corresponding percentage increase in earnout at the unchanged discount rate. Nominal amounts paid are shown in Note 33.

The carrying amounts of other financial assets and liabilities are considered a good approximation of the fair values due to short maturity or short fixed-interest periods and because the credit margin has not changed.

Profit or loss from financial assets and liabilities
The effects of financial assets and liabilities on profit or loss are accounted for in net financial income or expenses, except for foreign exchange differences attributable to operating items accounted for in operating profit or loss. The effects on profit or loss are specified in the table below, distributed by measurement category.

Profit or loss from financial assets and liabilities by measurement category

Group 2023, SEKm	Financial assets and liabilities are measured at amortized cost.	Obligatory measurement at fair value through profit or loss	Fair value hedge instruments	Total
Exchange rate differences in operating profit	–161	–	–	**–161**
Interest income/interest expenses	–546	–	–	**–546**
Exchange rate differences in net financial income/expenses	–63	–	28	**–35**
Total	**–768**	**–**	**28**	**–740**

Group 2022, SEKm	Financial assets and liabilities are measured at amortized cost.	Obligatory measurement at fair value through profit or loss	Fair value hedge instruments	Total
Exchange rate differences in operating profit	66	–	69	**135**
Interest income/interest expenses	–267	–	–	**–267**
Exchange rate differences in net financial income/expenses	305	–	–36	**269**
Total	**105**	**–**	**33**	**137**

Note 31 Financial risk management

In the course of its operations, Sinch is exposed to various types of financial risk. Financial risk refers to fluctuations in the company's earnings and cash flow consequent upon changes in exchange rates, interest rates, refinancing risks and credit risks. The frameworks for exposure, management and monitoring of financial risks are set by the board of directors in the finance policy which is revised annually. Within the Group, the Treasury Department has operational responsibility for securing the Group's financing and managing cash liquidity, financial assets and financial liabilities. The Group takes advantage of economies of scale and synergies by means of a centralized Treasury Department. Group Treasury reviews compliance with policies and exposure on a monthly basis and report regularly to the Board of Directors. The Group does not engage in speculative trading in financial instruments.

Liquidity risk and financing risk

Liquidity risk is the risk that the Group might have difficulty performing its obligations associated with financial liabilities. Liquidity planning is used to manage liquidity risk and minimize the cost of financing the Group. The Group policy is to minimize the borrowing requirement by centralizing surplus liquidity in the Group through cash pools and intra-group transactions. Liquidity risks for the Group are managed centrally within the parent company. Sinch has a granted bank overdraft facility of SEK 901 million (913) to manage fluctuations in cash flow, none of which had been drawn as of 31 December 2023 (–). The Group's loan financing is subject to covenants, i.e., certain performance indicators must be met. The performance indicators are calculated based on Sinch's EBITDA, interest expenses and net debt. The Group regularly analyzes the performance indicators, which had been met as of 31 December 2023. The change should thus have no impact on the consolidated financial statements in the period of initial application. The Group will regularly consider and evaluate the changes in connection with any new credit agreements.

The Group's liquidity reserve, which comprises unused loan limits and available bank balances as of the reporting date, is specified below.

Group, SEKm	31 Dec 2023	31 Dec 2022
Granted loan limits		
Revolving line of credit	5,500	5,500
Total granted loan limits	**5,500**	**5,500**
Used loan limits	1,154	3,444
Unused loan limits	**4,346**	**2,056**
Available bank balances	1,012	2,173
Bank overdraft facility	901	913
Liquidity reserve	**6,259**	**5,142**

At year-end, Sinch's financial liabilities amounted to SEK 10,881m (12,946), see Note 30, and the maturity structure is shown on the table below. See also Note 23 for more information concerning bank and bond loans.

Maturity structure, financial liabilities

	31 Dec 2023				31 Dec 2022			
SEKm	**< 1 year**	**> 1 < 2 years**	**> 2 < 3 years**	**> 3 years**	**< 1 year**	**> 1 < 2 years**	**> 2 < 3 years**	**> 3 years**
Bank loans[1) 2)]	1,500	2,605	3,258			3,000	6,740	
Bond loan[2)]	750					750		
Derivatives (liability					15			
Lease liabilities	114	83	82	619	98	87	77	609
Accounts payable	1,849				1,561			
Funds belonging to a third party	3				4			
Earnouts					6			

1) On 17 January 2024, credit facilities of SEK 6,500m and USD 110m were extended by one year. The new maturity date is February 2027.

2) The comparative figures for 31 December 2022 have been remeasured at undiscounted amounts.

SEKm	Original currency	31 Dec 2023	31 Dec 2022
Bank loan	SEK	4,300	6,400
Bank loan	USD	3,063	3,340
Bank loan	EUR	–	0
Bank loan	INR	1	1
Senior unsecured bond	SEK	750	750

Note 31 cont.

Market risk
Market risk is the risk that the fair value of cash flows or future cash flows from a financial instrument will vary due to changes in the market price. Market risk are categorized by IFRS into three types: interest rate risk, currency risk and other price risks. The market risks that primarily affect the Group are interest rate risk and currency risk.

Interest rate risk
The Group's primary interest rate risk arises through long-term borrowing at variable rates, which exposes the Group to interest rate risk relating to cash flows. Interest rate risk is the risk that the fair value of cash flows or future cash flows from a financial instrument will vary due to changes in market rates. The fixed interest term is a significant factor affecting the interest rate risk. The majority of Sinch's loan financing is carried at a three-month rate. An interest rate change of 100 points based on credit facilities and bond loans at the reporting date would affect the Group's future profit before tax by +/- SEK 81m (+/– 105). The sensitivity analysis assumes that all other factors, such as exchange rates, remain constant. As of 31 December 2023, the average remaining term to maturity for the Group's external loan financing was 1.7 years and the average interest rate on external loan financing was 5.86 percent. See also Note 23 for more information concerning bank and bond loans.

Currency risk
Transaction exposure is the risk that currency movements in connection with sales and purchases in foreign currency could affect consolidated cash flows and profit or loss. The Group's sales are transacted mainly in foreign currencies, primarily EUR, USD and GBP. The Group's costs are incurred in foreign currencies, primarily EUR, USD and GBP, as well as SEK. Exchange rate changes have greater impact on revenues than on costs. The Group has significant net currency exposure. See the table below. Hedging instruments were not used to currency-hedge the Group's commercial transaction exposure in 2023.

Currency risk also arises in the translation of the assets and liabilities of foreign subsidiaries to the parent company's functional currency, i.e., translation exposure.

Exchange rate differences are included in the consolidated income statement at SEK -161m (135) in operating profit or loss and at SEK -35m (269) in financial income/expense, se also Note 30 Financial assets and liabilities for more information. As of the reporting date, the Group had financial liabilities of SEK 0m (15) arising from currency derivatives. Currency derivatives are used as a financial hedge for financial liabilities and assets, which may be intragroup, in foreign currency with a reverse profit effect upon exchange rate movements. As the underlying hedged asset or liability has the opposite effect on profit or loss as the derivative, the total effect on consolidated net profit or loss in connection with a change in the value of currency derivatives is limited. Hedge accounting is not applied to these derivatives.

Transaction exposure
Sinch's transaction exposure is mainly distributed among the following currencies, amounts in SEKm translated to the closing day rate. The table shows the Group's net exposure of monetary items in each currency.

Currency, SEKm	2023	2022
AUD	203	19
BRL	358	-1
CAD	117	-1
EUR	381	-190
GBP	834	-272
SGD	125	-37
USD	1,761	802
Other currencies	292	-288
Total foreign currency	**4,070**	**32**

Sensitivity to transaction exposure
Based on transaction exposure as of 31 December 2023 above, Sinch's profit before tax would have been affected by +/– SEK 407m (3) if exchange rates against the Swedish krona were to change by 10 percent. The largest exposures are against AUD, BRL, EUR, GBP and USD.

Translation exposure
Foreign net assets in the Group are distributed among the following currencies:

	31 Dec 2023			31 Dec 2022		
Currency, SEKm	Net investment	Extended net investment	Net exposure	Net investment	Extended net investment	Net exposure
AUD	6,959	–	6,959	7,549	–	7,549
BRL	3,540	528	4,067	3,679	504	4,182
DKK	137	–	137	286	–	286
EUR	4,409	–	4,409	6,176	–	6,176
GBP	1,240	–	1,240	1,219	–	1,219
INR	440	292	732	481	329	810
MXN	259	–	259	206	–	206
USD	22,581	3,002	25,582	23,899	3,320	27,219
Other currencies	139	–	139	87	–	87
Total	**39,705**	**3,822**	**43,527**	**43,581**	**4,153**	**47,734**

Note 31 cont.

Sensitivity to translation exposure
Consolidated equity would be affected by SEK +/– 4,353m (4,773) if the Swedish krona were to change by 10 percent against all the currencies against which Sinch has translation exposure, based on the exposure as of 31 December 2023 as above. See Note 3 Accounting policies with regard to hedge accounting.

Credit risk
Credit risk describes the Group's risks in financial assets and arises if a counterparty fails to perform its contractual payment obligation towards Sinch. Credit risk is divided between financial credit risk, which refers to the risk in interest-bearing assets and derivatives, and customer credit risk, which refers to the risk in accounts payable and contract assets. At year-end 2023, total financial credit exposure including accounts receivable and contract assets was SEK 5,753m (6,556) including cash and cash equivalents of SEK 1,012m (2,173).

Financial credit risk
Financial credit risk is the risk the Group runs in relation to financial counterparties in connection with placements of surplus funds, balances in bank accounts and investments in financial assets. The Group's policy is to minimize the potential credit risk for surplus liquidity by using cash flows from subsidiaries to amortize the Group's external loans. Credit risk in the form of counterparty risk also arises upon use of derivatives and consists of the risk that a potential profit will not be realized if the counterparty fails to perform its part of the contract. The Group's maximum financial credit risk corresponds to the fair values of financial assets. See Note 30.

Sinch will limit its exposure to financial counterparties by using banks and financial institutions with high credit ratings. The Group's financial interest-bearing assets consist mainly of bank deposits. There is some concentration of credit risk in cash and cash equivalents where deposits are placed with banks with high credit ratings. Financial counterparty risk has been assessed as limited and is evaluated on an ongoing basis.

At year-end, surplus funds were placed mainly in larger banks with global presence, primarily in the Nordics, the US, Australia and Brazil.

Loss allowances for cash and cash equivalents are covered by the general model and based on the credit institution's rating.

As of year-end, there was no significant exposure related to the assets covered by the ECL allowance.

Customer credit risk
The risk that Sinch's customers will not meet their obligations, i.e., that payment is not obtained from customers, is a customer credit risk. The Group's exposure to credit risk is primarily attributable to accounts receivable and to a lesser extent to contract assets. Credit exposure in accounts receivable amounted to SEK 4,669m (4,247) at year-end. Sinch has historically had low credit losses. Sinch's credit risk related to accounts receivable has a high degree of risk diversification through a wide variety of customer categories in numerous geographical markets and that many of the Group's customers are highly reputable companies with high credit ratings. Sinch has concentration of credit risk among certain large customers. The five largest customers account for about 23 percent of accounts receivable. The largest customers operate primarily in the telecom and financial sectors and generally have public investment grade ratings from credit rating institutions.

Sinch also applies a policy of credit checking its customers, whereupon information about customers' financial position is obtained from credit rating firms. Credit classifications are done to a certain extent; for example, the customer may be required to pay in advance. For those customers who pay in arrears, individual credit limits are set in the transaction system. The simplified approach is used to estimate expected credit losses on accounts receivable and contract assets where a loss allowance has been made for the lifetime of the receivables. The loss allowance is based on information from previous events, current circumstances and forecasts of future economic circumstances. Management's expectations for changes in external risks and future customer payment behavior are taken into account Loss allowances are made according to individual assessments for most of the Group's accounts receivable and for major customers. In addition, individual loss allowances are made for accounts receivable assessed as problematic. A provision matrix is also applied to accounts receivable that are not individually assessed. Provision matrices state increased loss allowance percentages based on the number of days the receivables are past due. Regional distribution and customer groupings are taken into account when individual allowances and group allowances according to the provision matrix are determined.

See Note 19 and 21 for disclosures on ECL allowances for accounts receivable and contract assets and the aging structure of accounts receivable.

Capital management
Sinch defines its managed capital as consolidated equity. Sinch must have a robust financial position and good liquidity. This provides the financial scope for action and independence required to run the business and manage variations in the need for capital employed and to benefit from business opportunities. The board of directors of Sinch decides the company's capital structure, leverage and dividend policy.

The capital structure is intended to create balance among equity, loan financing and liquidity so that Sinch assures the financing of the business at a reasonable cost of capital. Sinch endeavors to finance growth, normal investments and dividends to shareholders by generating sufficient positive cash flow for operating activities.

Debt policy
Sinch's capital structure should enable a high degree of financial flexibility and enable acquisitions. Sinch's target is for net debt over time, excluding IFRS 16-related lease liabilities, to be lower than 3.5 times Adjusted EBITDA measured on a rolling twelve months' basis. "Over time" means that the company's debt is permitted to temporarily exceed the set target during a period immediately after a business combination. As of 31 December 2023, net debt/Adjusted EBITDA was 2.0 (2.7).

Dividend policy
As the board of directors believes there will be good opportunities for growth through acquisitions in the next few years, the board is therefore proposing that the company's profits should primarily be reinvested.

Note 32 Cash flow

	Group		Parent company	
Cash and cash equivalents, SEKm	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Cash and bank balances	1,012	2,173	20	765

	Group		Parent company	
Interest, SEKm	**2023**	**2022**	**2023**	**2022**
Interest received	82	84	705	394
Interest paid	–669	–363	–652	–316
Net interest	**–588**	**–279**	**53**	**78**

	Group		Parent company	
Adjustment for non-cash items in cash flow from operating activities, SEKm	**2023**	**2022**	**2023**	**2022**
Depreciation and amortization	2,580	7,478	3	4,345
Profit or loss from sale of equipment	14	10	0	–
Change in provision for doubtful receivables	26	103	–	–
Unrealized exchange rate differences	108	–575	39	–735
Fair value derivatives	–13	15	–13	15
Not paid/received interest	4	29	–1	–22
Warrants vesting	136	124	–	–
Other	4	–17	–	–
Total	**2,859**	**7,167**	**28**	**3,604**

			Non-cash items				
Reconciliation of liabilities attributable to financing activities – Group, SEKm	**Opening balance 1 Jan 2023**	**Cash flow**	**Transaction costs**	**New and amended leases**	**Change in fair value**	**Exchange rate changes**	**Closing balance 31 Dec 2023**
Bank loan	9,701	–2,251	16	–	–	–127	7,339
Senior unsecured bond	748	0	1	–	–	–	749
Lease liability	872	–136	–	189	–	–27	898
Other non-current liabilities	40	–3	–	–	–	0	37
Total	**11,362**	**–2,390**	**17**	**189**	**–**	**–153**	**9,024**

			Non-cash items				
Reconciliation of liabilities attributable to financing activities – Group, SEKm	**Opening balance 1 Jan 2022**	**Cash flow**	**Transaction costs**	**New and amended leases**	**Change in fair value**	**Exchange rate changes**	**Closing balance 31 Dec 2022**
Bank loan	10,852	–1,455	–39	–	0	343	9,701
Senior unsecured bond	750	0	–2	–	0	–	748
Lease liability	902	–144	–	–39	–	153	872
Other non-current liabilities	40	0	–	0	–	0	40
Total	**12,544**	**–1,599**	**–41**	**–39**	**0**	**495**	**11,362**

			Non-cash items			
Reconciliation of liabilities attributable to financing activities – Parent, SEKm	**Opening balance 1 Jan 2023**	**Cash flow**	**Transaction costs**	**Change in fair value**	**Exchange rate changes**	**Closing balance 31 Dec 2023**
Bank loan	9,701	–2,251	16	–	–127	7,339
Senior unsecured bond	748	0	1	–	0	749
Total	**10,449**	**–2,251**	**17**	**–**	**–127**	**8,088**

			Non-cash items			
Reconciliation of liabilities attributable to financing activities – Parent, SEKm	**Opening balance 1 Jan 2022**	**Cash flow**	**Transaction costs**	**Change in fair value**	**Exchange rate changes**	**Closing balance 31 Dec 2022**
Bank loans[1)]	10,839	–1,455	–39	–	356	9,701
Bond loan[1)]	750	0	–2	0	–	748
Total	**11,589**	**–1,455**	**–41**	**0**	**356**	**10,449**

1) Closing balances have been adjusted in accordance with the statement of financial position dated 31 December 2022 and information on transaction costs has been specified.

Note 33 Acquisition of Group companies

Acquisitions in 2023
There have been no acquisitions in 2023, but a contingent earnout of SEK 24m was paid in Q1 in relation to the acquisition of TWW.

Acquisitions in 2022
A minor acquisition worth SEK 5m was carried out in 2022. A contingent earnout of EUR 750k, corresponding to SEK 7m, was paid in Q3 in relation to the 2019 acquisition of MyElefant. The earnout was paid in accordance with contract and has no impact on consolidated financial results. An additional SEK 33m is related to adjustments of consideration for the acquisitions from 2021, MessageMedia, MessengerPeople, and Inteliquent.

Note 34 Events after the end of the financial year

Sinch organization and management team
The new organization and Global Leadership Team went operational on 1 January 2024. On 1 January, Julia Fraser also became a new member of the Global Leadership Team.

The company announced on 21 February that Wendy Johnstone has been appointed Executive Vice President for the APAC region and as a new member of the Global Leadership Team.

The company also announced on 27 March that Ilse van der Haar has been appointed Chief Legal Officer and as a new member of the Global Leadership Team.

New credit agreement
On 17 January 2024, credit facilities of SEK 6,500m and USD 110m were extended by one year. The new maturity date is February 2027.

Year-end report
Sinch published the year-end report for 2023 on 15 February 2024.

Note 35 Allocation of profit

The board of directors will propose to the annual general meeting that no dividend is distributed for the 2023 financial year.

The following non-restricted equity in the parent company is at the disposal of the annual general meeting, SEK:

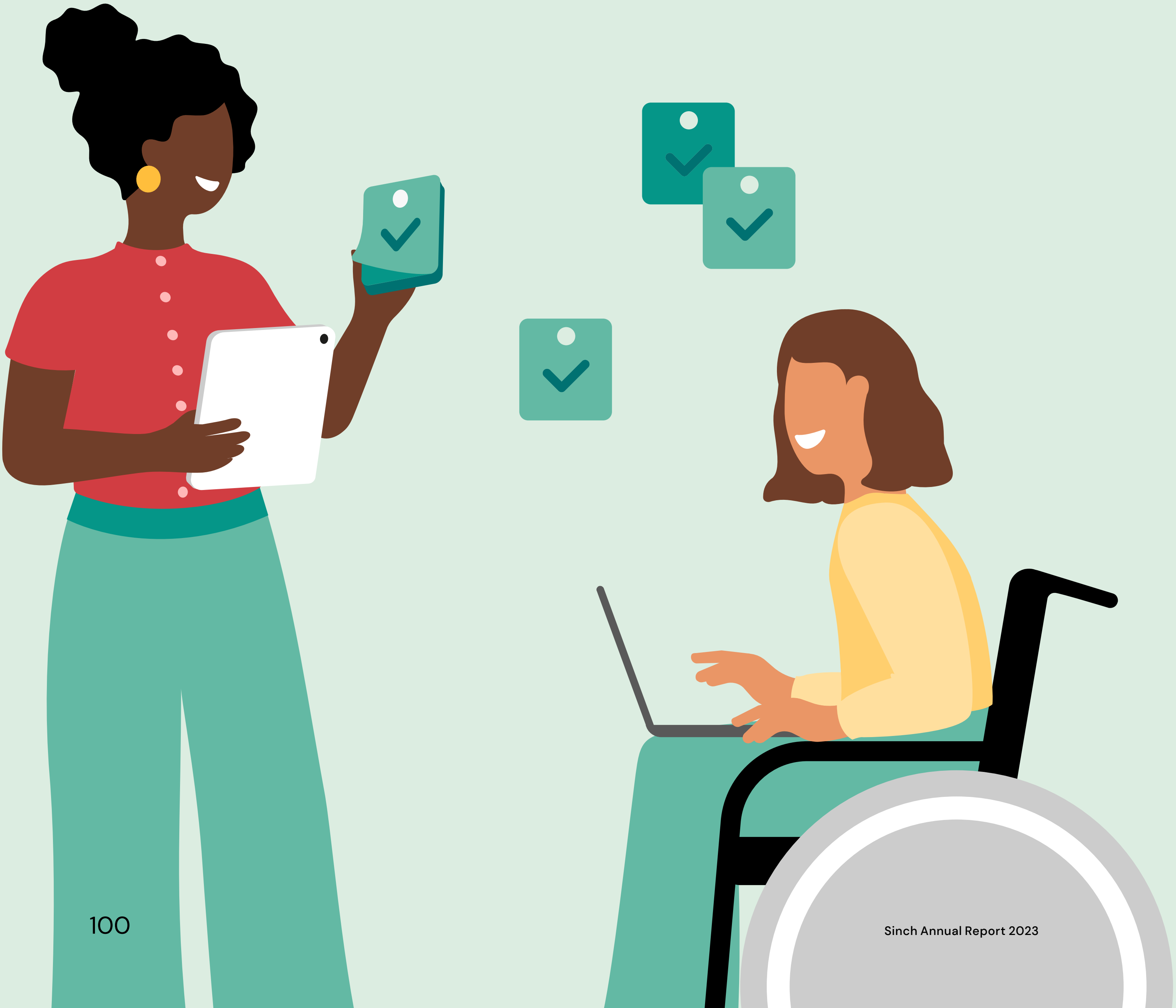
Share premium reserve	34,176,049,885
Retained earnings	-4,017,583,633
Profit for the year	54,448,728
Total	**30,212,914,980**

The board of directors proposes that profit be allocated as follows, SEK:

Retained	30,212,914,980
Total	**30,212,914,980**

Sustainability notes

The sustainability report covers the topics that have been determined as material for Sinch in the materiality analysis conducted in 2022. The materiality analysis is also the basis for preparing our reporting for the forthcoming EU Corporate Sustainability Reporting Directive and the mandatory disclosures according to the European Sustainability Reporting Standard (ESRS). The sustainability report continue to be prepared with reference to the Global Reporting Initiative 2021 (GRI), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD). Relevant indices for these disclosures are provided on our Investor Relations website under the “Sustainability” section.



Sustainability governance

Board of Directors

The Board of Directors is responsible for the management of Sinch, corporate governance and sustainability topics, including the sustainability report. At the end of each financial year, the Board of Directors performs a self-assessment of its work during the year.

CEO and executive management

Supported by Global Leadership Team, the CEO is responsible for executing board decisions and strategies. The leadership team plays a crucial role in overseeing that designated individuals within the organization provide input for decision-making, conduct analyses, and monitor business performance. Sinch's General Counsel holds operational responsibility for sustainability efforts and regularly updates the CEO and executive management on ongoing activities, initiatives, tracking, and progress. Sinch's Sustainability Manager is responsible for the Group's sustainability strategy and reporting, in cooperation with the functions that are responsible for each focus area.

Code of Conduct and governing documents

All governing documents, including our Code of Conduct, are applicable to the entire Group and are available to all employees on our intranet. Our Code of Conduct applies to all employees, consultants and the Board of Directors. The Code of Conduct is appended to all new employment contracts and all employees are required to sign it when joining Sinch. Our Code of Conduct is based on the Ten Principles of the UN Global Compact and clarifies Sinch's stance on the importance of sound business relationships. Corresponding Codes of Conduct for suppliers and partners are appended to significant contracts. All Codes of Conduct are available on our external website.

Memberships and certifications

As a member of the UN Global Compact Sinch supports the Ten Principles for responsible business with regard to human rights, labor, environment and anti-corruption. As a member of the UN Global Compact, we publish an annual Communication on Progress (CoP) that describes our work to implement the Ten Principles and how we are working to contribute to the UN Sustainable Development Goals (SDGs).

Sinch's sustainability work is annually evaluated via EcoVadis, which assesses the quality of corporate policies, actions and outcomes in the areas of the environment, labor and human rights, ethics and sustainable procurement. In 2023, we received a "commitment" badge.

During 2023, Sinch continued to certify the business in accordance with the ISO 27001 information security management standard. Parts of Sinch's operations were certified in 2019 and efforts are ongoing to include acquired operations.

Policy Documents

- Code of Conduct
- Code of Conduct for Suppliers and Partners
- Anti-corruption Policy
- Privacy Policy
- Information Security Policy
- Procurement Policy
- Employee handbooks covering matters including work environment, discrimination and health and wellbeing
- Modern Slavery Statements

Material sustainability topics

Our materiality analysis is the basis for our focus areas, which describe the environmental, social and governance topics ("sustainability topics") that are material to our business. The analysis was updated during 2022. The updated areas were further developed and integrated into our sustainability work in 2023. The materiality analysis is inspired by the principle of "double materiality" and the guidelines published for the forthcoming EU Corporate Sustainability Reporting Directive (CSRD). This means that sustainability topics have been assessed based on our impact on environmental, social and governance related topics ("impact materiality") and sustainability-related risks and opportunities and their impact on our financial performance and value creation ("financial materiality"). The sustainability topics that have been assessed in the materiality analysis with limited materiality or higher are disclosed. Sustainability topics with low materiality are therefore not disclosed in the sustainability report.
In addition to continuous engagement with our stakeholders, an integral part of updating the materiality analysis has been formalized stakeholder dialogues with customers, investors and employees to capture their expectations concerning prioritized sustainability topics. The materiality analysis has been approved by Global Leadership Team.

Materiality analysis

Environmental responsibility

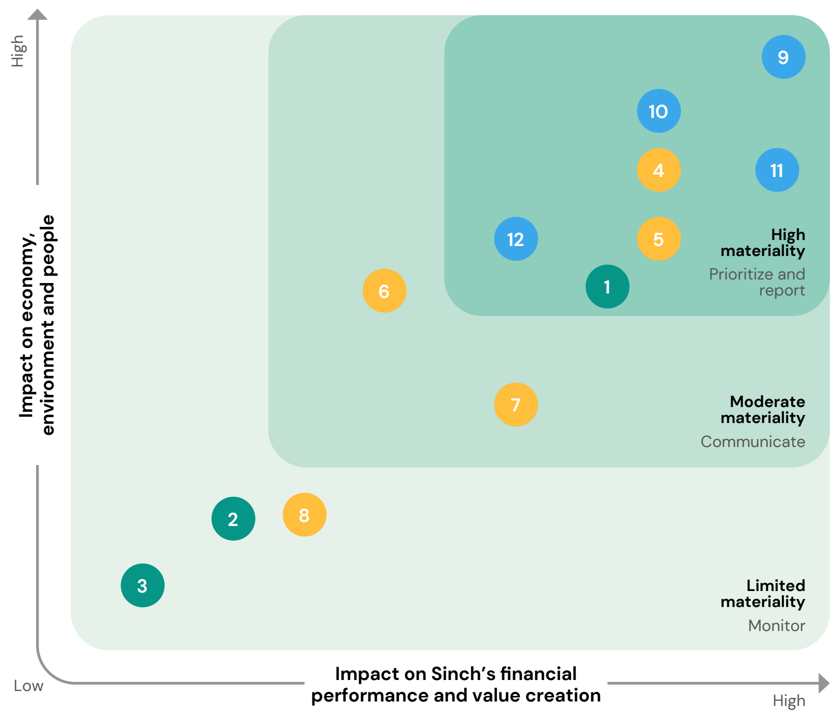
1 Climate impact
2 Resource circularity
3 Water management

Social responsibility

4 Diversity, equity and inclusion
5 Health and wellbeing
6 Learning and development
7 Human and labor rights
8 Community engagement

Business responsibility

9 Privacy and information security
10 Business ethics and anti-corruption
11 Product impact and innovation
12 Supply chain management



Environmental responsibility

Policy documents:

- Code of Conduct
- Travel Policy

Material topics:

- Climate impact

Climate impact

Sinch is dedicated to measuring and mitigating greenhouse gas emissions in line with the 1.5 degree target under the Paris Agreement. We aim to contribute to the transition necessary to counteracting the impacts of climate change by means of energy efficient and innovative solutions. Our Code of Conduct outlines principles that guide us in minimizing our environmental footprint, emphasizing improvements in energy efficiency. As a complement to the Code of Conduct, our Travel Policy encourages the use of transport modes with less environmental impact when business travel is necessary.

The growing expectations of our stakeholders and the rapidly evolving regulatory landscape have contributed to the evolution of our climate program in recent years. This evolution, coupled with our commitment to sustainable development, resulted in the inclusion of climate impact as a prioritized focus area in 2021.

Actions 2023

During 2023, we have committed to Science Based Targets Initiative (SBTi) and we aim to reach net-zero GHG emissions across the value chain.

Scope 1: Direct emissions

Direct emissions amounted to 540 (284) tCO_2 in 2023, corresponding to 0.4 (0.2) percent of our total emissions. Direct emissions have increased in comparison to 2022, primarily due to higher quantity of purchased refrigerants in 2023.

Company cars: At year-end, emissions from company cars amounted to approximately 145 (175) tCO_2e, including the vehicle leases that ended during the year. Emissions are based on the quantity of fuel consumed and mileage driven.

Refrigerants: Purchased and acquired refrigerants in owned and leased data centers amounted to 394 (108) tCO_2e at year-end.

Scope 2: Indirect emissions from energy consumption

Emissions from energy consumed in our own premises amounted to 7,462 (7,397) tCO_2e at year-end, corresponding to 5.2 (4.5) percent of total emissions. Emissions have increased by 0.9 percent, partially due to increased use of own premises after the pandemic.

Own premises: Energy consumption in our own offices and data centers amounted to 20,974 (20,853) MWh in 2023, of which approximately 6 percent verified renewable energy. Data centers account for almost 87 (87) percent of the total energy consumption. Energy consumption in own premises is measured based on metered consumption of relevant sources of energy for each location, and default values for kilowatt hours consumed per square meter for locations where metered consumption is unavailable.

Scope 3: Indirect value chain emissions

As a supplier of cloud services that enable communication through messaging services, voice calls and email, indirect emissions in Scope 3 make up our largest footprint, nearly 134,124 (155,310) tCO_2e, corresponding to 94.4 (95.3) percent of total emissions.

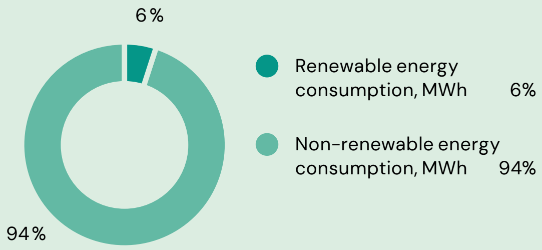
Purchased goods and services: Material emissions from cloud-related services correspond to about 125,343 (144,555) tCO_2e. Emissions are based on data centers, cloud and messaging services according to the spend-based approach, as well as supplier-specific data where available.

Capital goods: Emissions from material purchases and acquisitions of IT infrastructure amounted to approximately 2,150 (4,192) tCO_2e at year-end.

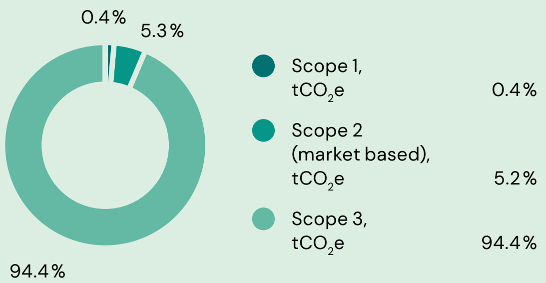
Business travel: Emissions from business travel have increased slightly from 5,763 tCO_2e in 2022 to 5,893 tCO_2e in 2023. The emissions are based on data obtained from travel agencies and costs for air, train andground transport and hotel accommodation where supplier-specific data is unavailable.

Commuting: Commuting including work from home is estimated based on official commuting data and the distribution of the average number of employees who commute to offices or work from home. The emissions amounted to 739 (799) tCO_2e.

Share of renewable energy



GHG-emissions split into scope, 2023



Energy consumption	Metric	2023	2022	2021	2020	2019
Total energy consumption	**MWh**	**20,974**	**20,853**	**20,605**	**21,680**	**20,560**
Non-renewable energy consumption	MWh	19,787	19,640	19,567	20,641	19,459
Renewable energy consumption	MWh	1,186	1,213	1,038	1,039	1,100
Electricity consumption	MWh	20,696	20,536	20,249	21,418	20,218
Heating consumption	MWh	249	245	269	201	303
Cooling consumption	MWh	29	73	86	61	39
Grid electricity	%	≈ 100	≈ 100	≈ 100	≈ 100	≈ 100
Energy intensity	MWh/SEKm net sales	0.7	0.8	1.3	2.7	4. 1

GHG emissions[1]	Metric	2023	2022	2021	2020	2019
Total Scope 1 and 2 GHG emissions[2]	**tCO_2e**	**8,001**	**7,680**	**8,211**	**7,812**	**7,329**
Scope 1 emissions	tCO_2e	540	284	1,207	427	340
Scope 2 emissions (market based)	tCO_2e	7,462	7,397	7,005	7,385	6,989
Scope 2 emissions (location based)	tCO_2e	7,688	7,588	7,155	7,537	7,138
Scope 3 emissions	**tCO_2e**	**134,124**	**155,310**	**123,642**	**63,242**	**42,541**
Category 1: Purchased goods and services[3]	tCO_2e	125,343	144,555	118,924	57,355	34,794
Category 2: Capital goods	tCO_2e	2,150	4,192	3,267	4,078	1,353
Category 6: Business travel	tCO_2e	5,893	5,763	1,195	1,711	6,203
Category 7: Commuting	tCO_2e	739	799	256	98	191
Emissions intensity Scope 1	tCO_2e/SEKm net sales	0.02	0.01	-	-	-
Emissions intensity Scope 2 (market based)	tCO_2e/SEKm net sales	0.26	0.27	-	-	-

1) Limited assurance of GHG emissions according to Greenhouse Gas Protocol has been conducted for the years 2019, 2022 and 2023.

2) Total Scope 1 and 2 GHG emissions are based on Scope 2 emissons (market based).

3) GHG emissions from cloud and data center services are not included for 2019 and 2020 due to incomplete data.

Accounting policies

Reporting standard: GHG Protocol Corporate Standard and Corporate Value Chain (Scope 3) Standard.

Organizational boundaries: Sinch and its subsidiaries ("the Group").

Consolidation approach: Operational control.

Operational boundaries: Scope 1: Owned or leased cars and refrigerants. Scope 2: Energy used for relevant energy sources in own premises and data centers. Scope 3: Purchased goods and services, capital goods, business travel and commuting (including teleworking).

Emissions factors: Scope 1: DEFRA, Swedish Environmental Protection Agency, Swedish Energy Agency. Scope 2: Supplier-specific data, DEFRA, IEA, AIB, Swedenergy. Scope 3: Supplier-specific data, EPA, NTM, Quantis. Emissions factors include the gases CO_2, CH4 and N2O.

Reporting period: 1 Jan 2023 – 31 Dec 2023.

Changes since preceding period: The total energy consumption, electricity consumption and Scope 2 emissions for 2022 has been restated due to a correction of identified calculation errors.

Climate-related risks and opportunities

To further understand and manage the climate-related risks and opportunities of the company, Sinch has since 2022 reported according to the recommendations from the Taskforce on Climate-related Financial Disclosure (TCFD). The TCFD recommendations facilitate the disclosure of information to our investors and prepares us for forthcoming disclosure requirements, including those based on the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD). The recommendations also give us an established framework for further developing our work towards structured management of climate-related risks and opportunities.

Governance

Sinch's governance related to climate-related risks and opportunities

Read more about the board's and the Global Leadership Team's governance in the section Our sustainability governance.

Strategy

Actual and potential impact of climate-related risks and opportunities on Sinch's business, strategy and financial planning

Climate-related risks

Physical risks

Acute climate risks: Increased frequency and intensity of extreme weather events could lead to damage to important infrastructure and energy supply in the value chain. A potential impact of this could entail lost revenues due to insufficient capacity to deliver our products and services to our customers.

Chronic climate risks: Long-term effects of rising temperatures could, for example, have impact on energy use and cooling of infrastructure in our data centers and offices. Rising sea levels could result in impact on data centers located in high-risk areas near bodies of water. The potential impact of these risks could entail increased operational and capital expenditures for maintenance of infrastructure, data centers and offices.

Transition risks

Policy and legal risks: Regulatory changes are occurring rapidly, not least in the EU, where the already applicable EU Taxonomy and the forthcoming CSRD and CSDDD impose stricter requirements for disclosures and active measures to mitigate climate impact in the value chain. This could for example affect the availability of green financing. The pricing of emissions from products and services could also lead to potentially higher costs.

Technology risks: Technological improvements combined with circular business models are driving the transition to solutions that involve lower GHG emissions, which could have impact on investments in underlying infrastructure and data centers.

Market risks: Increased energy costs and geopolitical events that affect the energy supply could have potential impact on costs related to company-owned assets. Indirect impacts on our suppliers could have potential impact on their prices, for example suppliers of data centers that are affected by higher energy costs.

Reputation risk: Changed customer preferences and higher expectations from partners and employees are indications of increased demands to contribute to the transition to a more sustainable society. Inadequate response to these expectations could result in losses of customers and partners as well as challenges related to attracting and retaining employees.

Climate-related opportunities

Products and services: The need for energy-efficient solutions is fundamental to the transition to a more sustainable society. Ensuring energy-efficient and innovative products and services that make it possible to reach every phone on the planet provides an opportunity to reduce our own and our customers' GHG emissions in various sectors.

Energy sources: Renewable and fossil-free energy sources are an opportunity for us to operate an energy-efficient business to reduce exposure to fossil-based sources. There may be opportunities to switch to climate-neutral alternatives through engagement with suppliers, stricter requirements and partnerships.

Sinch has not yet performed a climate-related scenario analysis.

Read more about assessment of climate-related impacts on financial reporting in Note 1.

Risk management

Identifying, assessing and managing climate-related risks

We updated our materiality analysis in 2022 based on our impact on environmental, social and governance factors, as well as sustainability risks and opportunities from a financial perspective. TCFD is based on assessing the actual and potential impact of climate-related risks and opportunities. In connection with the updated materiality analysis, an overall qualitative assessment of the financial impact of all sustainability topics was performed, including climate-related risks and opportunities.

Sinch plans to continue improving its processes to identify, assess and manage climate-related risks and opportunities based on the TCFD recommendations and to integrate this work with general risk management within the organization.

Read more about how we are managing climate-related risks in the section Risks.

Metrics and targets

Metrics and targets to assess and manage climate-related risks and opportunities

Sinch reports on group-wide emissions for Scope 1, Scope 2 and material categories in Scope 3. We have committed to Science Based Target initiative (SBTi) and targets will be set for validation. Annually, our climate program is externally assessed by CDP, which facilitates disclosures of climate-related information to our stakeholders. Potential metrics regarding physical and transition risks will be evaluated.

Read more about metrics and targets in the section Climate impact.

Reporting according to the Taxonomy

Sinch reports the Group's eligibility and alignment with the Taxonomy Regulation's ("Taxonomy") economic activities that are described in the delegated act on the six environmental objectives: Climate change mitigation, Climate change adaptation, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, and Protection and restoration of biodiversity and ecosystems.

Assessment of Taxonomy-alignment

Sinch has assessed the eligibility and alignment of each economic activity in the Taxonomy Delegated Act. The assessment was based on the applicability of the economic activity and its technical screening criteria for our business that generates external turnover. The following economic activities relating to climate change mitigation within the Information and communication sector have been identified and assessed for eligibility and alignment with the Taxonomy.

Climate change mitigation:

- Data processing, hosting and related activities
- Data-driven solutions for GHG emissions reductions
- Computer programming, consultancy and related activities

Currently, the economic activities and their technical screening criteria have been assessed as not applicable to our business that generates external turnover. Zero percent of the Group's turnover, operational expenditures and capital expenditures linked to our business that generate external turnover is thus assessed as eligible and aligned with the Taxonomy delegated Act related to the six environmental objectives. Sinch has identified operational and capital expenditures related to purchases of Taxonomy-eligible products and services. These refer to renegotiated agreements of own premises and colocation agreements of own IT equipment. No assessment has been carried regarding the Taxonomy-alignment of the economic activities.

Sinch recognizes the opportunities in contributing to sustainable development by promoting the transition of other sectors through innovative and energy-efficient solutions. We monitor regulatory developments and will reassess our alignment with the Taxonomy when new interpretations of the regulation emerge.

Accounting policies

For the purposes of disclosures in compliance with Article 8 of the Taxonomy, turnover, capital expenditures (Capex) and operational expenditures (Opex) are defined as below. Note that the definitions differ from how Capex and Opex are defined in Sinch's financial reports.

Turnover: Total turnover corresponds to net turnover ("net sales") in the consolidated income statement provided in the annual report. See Note 5.

Capex: Capex refers to costs recognized as intangible assets and property, plant and equipment during the year, including assets arising from business combinations, but excluding goodwill. See Notes 15, 16 and 17.

Opex: Opex refers to direct costs arising from expenditures associated with maintenance of assets for their ongoing function related to costs for research and development, short-term leases, maintenance and repair, and other costs related to the day-to-day servicing of property, plant and equipment.

Nuclear and fossil gas related activities

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Key Performance Indicators

Turnover

Economic activities	Code	Turnover	Proportion of turnover, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover 2022	Category enabling activity	Category transitional activity
		2023		Substantial contribution criteria						DNSH criteria ("Do No Significant Harm")									
Text		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (Taxonomy-aligned)																			
–		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	E	
Of which transitional		–	–							–	–	–	–	–	–	–	–		T
A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
–																	–		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		–	–	–	–	–	–	–	–								–		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		–	–	–	–	–	–	–	–								–		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES (B)																			
Turnover of Taxonomy-non-eligible activities (B)		28,745	100																
Total (A+B)		**28,745**	100																

Proportion of turnover/Total turnover

	Taxonomy-aligned per objective, %	Taxonomy-eligible per objective, %
CCM	0	0
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

CCM: Climate Change Mitigation - CCA: Climate Change Adaptation - WTR:Water and Marine Resource - CE: Circular Economy - PPC: Pollution Prevention and Control - BIO: Biodiversity and ecosystems

Capex

Economic activities	Code	Capex (2023)	Proportion of Capex, 2023 (2023)	Climate change mitigation (Substantial contribution criteria)	Climate change adaptation (Substantial contribution criteria)	Water (Substantial contribution criteria)	Pollution (Substantial contribution criteria)	Circular economy (Substantial contribution criteria)	Biodiversity (Substantial contribution criteria)	Climate change mitigation (DNSH criteria ("Do No Significant Harm"))	Climate change adaptation (DNSH)	Water (DNSH)	Pollution (DNSH)	Circular economy (DNSH)	Biodiversity (DNSH)	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx 2022	Category enabling activity	Category transitional activity
Text		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (Taxonomy-aligned)																			
–		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	E	
Of wich transitional		–	–							–	–	–	–	–	–	–	–		T
A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM7.7	192	23	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.3		
Data processing, hosting and related activities	CCM 8.1	0	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7		
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		192	23	23	–	–	–	–	–								2		
A. Capex of Taxonomy-eligible activities (A.1+A.2)		192	23	23	–	–	–	–	–								2		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES (B)																			
Capex of Taxonomy-non-eligible activities (B)		643	77																
Total (A+B)		**835**	**100**																

Proportion of Capex/Total Capex

	Taxonomy-aligned per objective, %	Taxonomy-eligible per objective, %
CCM	0	23
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

CCM: Climate Change Mitigation - CCA: Climate Change Adaptation - WTR:Water and Marine Resource - CE: Circular Economy - PPC: Pollution Prevention and Control - BIO: Biodiversity and ecosystems

Opex

Economic activities	Code	Opex	Proportion of Opex, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx 2022	Category enabling activity	Category transitional activity
	2023			Substantial contribution criteria						DNSH criteria ("Do No Significant Harm")									
Text		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (Taxonomy-aligned)																			
–		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	E	
Of wich transitional		–	–							–	–	–	–	–	–	–	–		T
A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data processing, hosting and related activities	CCM 8.1	11	1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		11	1	1													0		
A. Opex of Taxonomy-eligible activities (A.1+A.2)		11	1	1													0		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES (B)																			
Opex of Taxonomy-non-eligible activities (B)		1,319	99																
Total (A+B)		**1,330**	**100**																

Proportion of Opex/Total Opex

	Taxonomy-aligned per objective, %	Taxonomy-eligible per objective, %
CCM	0	1
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

CCM: Climate Change Mitigation - CCA: Climate Change Adaptation - WTR:Water and Marine Resource - CE: Circular Economy - PPC: Pollution Prevention and Control - BIO: Biodiversity and ecosystems

Social responsibility

Policy documents:

- Employee handbooks covering matters including work environment, discrimination and health and wellbeing
- Code of Conduct

Material topics:

- Diversity, equity and inclusion
- Health and wellbeing

Diversity, equity and inclusion

At Sinch, we embrace diversity. We aim to create an inclusive workplace where all employees feel that they can bring their authentic selves to work and where they can thrive. Building an inclusive culture where everyone feels like they belong is a key element in our Sinch culture, and thus an enabler of our strategy and success. That is why we focus on offering equal opportunities and building diverse teams. No matter who you are, we believe that having diversity of talent is key for us to win together.

Action 2023

As change is a constant at Sinch we look for people who are agile, customer-focused, results-oriented, comfortable with the unknown and those who are willing to help make Sinch the best it can be. To that end, we aim to attract and engage talents at a global level. Our company facilitates flexible work arrangements, allowing employees to contribute both from the office and remotely. We are present in more than 60 countries, speak more than 89 different languages, and we believe that this makes us stronger. From an employee perspective establish meaningful relationships with colleagues from across the globe. From a customer perspective, we can support their needs by having regional experts that not only speak their language but also have in-depth knowledge of the market.

At the end of the year, we had a workforce of 4,231 (4,205). 32 percent of our employees were women. There were 12 members of our Global Leadership Team, including 3 (2) women. The board was composed of 6 (6) directors, including 2 (2) women.

Offering a good candidate experience is key for our success. We consistently enhance our recruitment process, striving for a structured, data-driven approach and implementing impartial evaluation. This commitment leads to higher quality and an inclusive, professionally executed recruitment process. 33.8 (33.5) percent of our new hires in 2023 were women. Fostering career growth and enabling internal mobility are pivotal elements in retaining talent within the organization. As part of this strategy, we actively promote internal job opportunities to encourage our employees' professional development. About 16 percent of vacant positions were filled through internal recruitment in 2023. Employee turnover was 14.2 percent in 2023 compared to 23 percent in 2022.

Sinch Diversity Talks

In 2023 we started global diversity initiatives with the aim of raising awareness and engaging our people on the topics of Diversity, Equity and Inclusion. With this in mind, we chose 3 significant dates to highlight during the year, which were: International Women's Day, LGBTQIAPN+ Pride Month and a special date in November to celebrate Ethnic Diversity at Sinch. We invited employees from all around the globe to share their stories and experiences as a way of learning from each other. We also highlighted the importance of being an ally and how we all, as one Sinch, can be more inclusive. Furthermore, with the events we took the opportunity to raise awareness about the importance of ethnic diversity at Sinch and how we can use this diversity to our advantage. All of the events were powerful agents for bringing people together.

Sinch ERG

The implementation of Employee Resource Groups (ERGs) at Sinch is an initiative that promotes the idea of bringing your authentic self into the workplace, stimulating creativity to achieve greater things and strengthening the power of winning together as a team. We encourage our employees to come together to discuss topics that represent them and which they are passionate about. These groups play an essential role in cultivating a sense of belonging, where employees feel that their ideas matter and that they have the real power to make things happen. During the year we have launched the Women's Empowerment ERG.

Learning and development

We are committed to giving our employees good conditions to develop their full potential with us. Sinch promotes personal and career development through learning in the performance of our roles and from each other, as well as various training initiatives. We have scaled out leadership program "In the Lead" in four cohorts with a diverse group of participants from all functions, departments and geographies. Thanks to the 360° feedback tool that we use to measure development, both at the start of the program and at the end of the program, we can see successful change in leadership behaviors. We have also launched additional SinchBoost development initiatives. SinchBoost is a virtual learning sessions where employees connect in order to learn and share experiences with each other. The theme this year was related to leadership in times of change.

To better share our strategy, increase cross-collaboration and build a senior leader community, we have launched a leadership forum for our approximately 100 most senior leaders. This is a monthly forum where there is a combination of two-way information sharing, discussion and feedback, offering our Global Leadership Team direct input, diversity of thought and perspective from the forum.

Sinch strives to create a talent journey characterized by clear expectations, continuous feedback and opportunities for both personal and professional growth. Employees have individual objectives and development plans that they pursue with support from their managers. Employees and managers annually evaluate the outcome of objectives and behaviors in accordance with our values, which is also the basis for our merit process. Sinch has established guidelines to ensure fair and equitable compensation. The fundamental precepts are equal pay for equal work and zero tolerance for all forms of discrimination.

Employees	Metric	2023	2022
Total number of employees, including consultants (FTE)	#	4,231	4,205
Total number of employees, excluding consultants (FTE)[1]	#	3,703	3,510
Average number of employees, excluding consultants (FTE)	#	3,643	3 ,565
Number of countries with local presence[2]	#	67	69
Languages spoken	#	89	83

1) Employee diversity by employment type, region and gender is based on Total number of employees, excluding consultants (FTE)

2) Number of countries with local presence is based on total number of employees, including consultants (FTE)

Employee hires and employee turnover	Metric	2023	2022
Total number of new employee hires	#	620	830
New employee hires rate	%	16.6	23.5
Total number of employee turnover	#	519	808
Employee turnover rate	%	14	23
Vacant position filled through internal recruitment	%	16	11

Employee diversity, by employment type	Metric	2023	2022
Permanent employees	#	3,671	3,492
Temporary employees	#	32	18
Non-guaranteed hours employees	#	0	0
Full-time employees	#	3,656	3,471
Part-time employees	#	47	39

Employee diversity, by region	Metric	2023	2022
Asia-Pacific (APAC)	%	25	24
Europe, Middle East, and Africa (EMEA)	%	30	29
North America	%	34	35
Latin America (LATAM)	%	11	12

Employee diversity, by gender	Metric	2023	2022
Women	%	32	32
Men	%	66	65
Non-binary	%	< 1	< 1
Not specified	%	> 1	> 1

Management diversity, by gender	Metric	2023	2022
Total number in management	#	12	11
Women	%	25	18
Men	%	75	82

Board diversity, by gender	Metric	2023	2022
Total number in the board	#	6	6
Women	%	33	33
Men	%	67	67

Health and wellbeing

Sinch promotes work-life balance, as the wellbeing of employees benefits both the individual and our company performance. Our employees are our key asset and therefore crucial for the company's performance and success. We regularly review our work environment and aim to design modern offices and working methods based on current and future needs. We have chosen to continue offering flexibility in our ways of working, where employees and their managers jointly determine where and when the work is best performed. We also believe in the importance of coming together to build a community, an inclusive culture and promote creativity, for which reason we encourage our employees to meet in our physical workspaces.

We are working to prevent absenteeism by identifying signs at an early stage if an employee is feeling unwell. We have established processes for providing support and offer counseling as needed. We offer various benefits across Sinch to meet employee needs, including fitness and wellness benefits, medical insurance, flu shots and other health-promoting activities.

Employee survey

We are committed to transparency and to continuously evolving our employee experience. Therefore, structured feedback is a great way for us to get insight and have every employee feel responsible for making Sinch the best it can be.

We conducted our first global engagement survey in June 2023 and measured 10 factors including: engagement, company confidence, leadership, learning and development, diversity and inclusion. Through the engagagement survey, we gained insights into the needs and expectations of our employees, helping us to better understand their perspectives.

The employee engagement score resulting from this year's employee survey was 72 percent, based on the participation of 83 percent of our workforce. These results are in line with external benchmarks for our industry. We are unable to compare this year's engagement score with previous years as this was the first time we conducted a survey with all business units in a single engagement survey process with the same platform, timeline and methodology. Action plans are in place from the company-wide, business unit and team level perspectives, in order to foster a positive work environment for all.

Business responsibility

Policy documents:

- Code of Conduct
- Code of Conduct for Suppliers and Partners
- Anti-corruption Policy
- Privacy Policy
- Information Security Policy
- Procurement Policy
- Modern Slavery Statement

Material topics:

- Privacy and information security
- Business ethics and anti-corruption
- Product impact and innovation
- Supply chain management

Privacy and information security

Privacy

As we connect businesses with their end-customers across the world, data privacy is a vital part of everything we do. Therefore, respecting data privacy means more to Sinch than complying with a legal requirement. It also means understanding and catering to our customers' demands and respecting the privacy of data subjects. On a product level, Sinch has processes to ensure that privacy principles are respected in the development and improvement of our products. Suppliers and partners are screened in our Privacy Compliance Program to ensure that they deliver on the same level of data protection as Sinch does. On a detailed level, these processes ensure that privacy principles are respected when we develop and improve our products. To ensure employees are acquainted with their responsibilities on privacy matters, they receive regular training on data privacy through an internal data privacy knowledge center.

Actions 2023

During 2023, Sinch continued the work to renew the Privacy Compliance Program, an initiative that serves to ensure our privacy governance is scalable and adapted to our updated operating model, with clear direction across all Sinch entities.

As part of the renewal of our Privacy Compliance Program, Sinch has updated the Group Privacy Policy, which outlines the roles and responsibilities that ensure that privacy laws are respected and followed. Sinch has also updated our dedicated processes for product development and vendor onboarding, and reviewed and improved its privacy trainings. The renewed Privacy Compliance Program ensures that governance structures and processes are in place to manage privacy and ensure regular risk assessments on Sinch technologies and practices related to the processing of personal data. It also allows, in close coordination with Sinch Group Data Protection Officer (DPO), for timely response to requests from data protection authorities and data subjects, and to adequately respond in case of suspected data breaches.

The Group Privacy Function conducted a maturity assessment to evaluate the overall level of maturity of the Sinch privacy program. It also developed standardized metrics for regular reporting to the Global Leadership Team about data protection performance.

Information security

Information and IT security are crucial to sustaining the long-term success of our business by protecting the confidentiality, integrity, and availability of our information and systems. This is critical in maintaining trust with our customers, suppliers, employees, and the public. Sinch is certified within the ISO/IEC 27001:2022 information security standard, which is the origin of the Information Security Policy and the Information Security Management System (ISMS) on Group level. The Group also holds labels from TISAX[1], Cyber Essentials[2] and Cyber Vadis[3].

Sinch operates to industry best practice in terms of compliance with standards such as NIST 800–53 and CIS Benchmarks. Sinch also applies other management systems and certifications for products and services on the product line level to meet business-specific needs, for example according to ISO/IEC 9001, HIPAA, PCI-DSS and SOC Type 2.

The Information Security function is responsible for implementing our Information Security Policy and Information Security Program. Sinch has an Information Security Board that meets monthly to discuss and progress information and IT security matters. All business units report on key performance indicators to the Group function on a quarterly basis to ensure commonality and adequate prioritization across the group.

Our Security Operations Center (SOC) is a centralized unit that, together with our business units, is responsible for monitoring and defending Sinch's computer systems and network systems from cyber threats on a continuous basis. The Sinch SOC is staffed by information security professionals who use a combination of specialized software, tools, and processes to monitor and protect our systems and data from unauthorized access, attacks, or other security breaches. Sinch's incident management process ensures quick, effective, consistent,

1) TISAX: Trusted Information Security Assessment Exchange (TISAX) is an assessment and exchange mechanism for information security in the automotive industry. The TISAX label confirms that a company's information security management system complies with defined security levels and allows sharing of assessment results across a designated platform.

2) Cyber Essentials: Cyber Essentials helps you to guard against the most common cyber threats and demonstrate your commitment to cyber security.

3) Cyber Vadis: The CyberVadis platform is based on a methodology that maps to all major international compliance standards.

and orderly response to information security incidents. Incidents are identified through monitoring, automated detection tools and reporting channels available on our website and intranet. All incidents are followed by a root cause analysis to reduce the likelihood or consequences of future incidents.

Sinch performs weekly vulnerability assessments of internal and external assets. The results of the assessments reveal deficiencies in the system, which are evaluated internally to take effective action and minimize risks. Sinch uses Cloud Security Posture Management to scan and configure our environments and assets for compliance against NIST 800-53 & CIS Benchmarks.

Business continuity is an integral part of our Information Security Program. Many of our employees are working from home and we have ensured full coverage of our Information Security Program, regardless of where our employees are physically located. Our systems have redundancy between multiple data centers to ensure resilience and continuous operations upon potential system failures.

Sinch employees undergo information security training, both when starting at Sinch and recurring annual training. Some of the areas included in the training are malware, phishing, social media conduct, and the importance of secure passwords and data processing. We also run regular campaigns related to social engineering to ensure that our employees are aware of methods and tactics that potential hackers might use.

Sinch works continuously to improve the maturity level concerning information security through increased focus and Group-wide projects to strengthen awareness and sophistication when it comes to protection against cyber threats.

Actions 2023

As a result of improvements made in the Cyber Security Maturity process, we reduced our cyber insurance costs by around 30 percent. Furthermore, during 2023 we improved our cyber resilience with more advanced incident response & testing. We are externally audited on an annual basis and in 2023 we achieved a 0.5 point increase in the maturity level of our systems.

Business ethics and anti-corruption

Sinch operates worldwide and is committed to being a trusted business partner that promotes ethical business, regulatory compliance and fair competition. Our Code of Conduct establishes principles of business ethics that apply to all employees and everyone acting on behalf of Sinch. Our Supplier and Partner Codes of Conduct ensure we put the same high standards on our business partners. The Code of Conduct must be signed by all employees, of which 98 (98) percent signed in 2023. We regularly communicate about business ethics and compliance in corporate communications to employees.

Complying with laws and regulations in the countries where we operate is a fundamental prerequisite for our business. This is managed by our internal legal department that works with legal risk assessments and regulatory compliance supported by external legal advisors in the countries where we operate.

Actions 2023

We conducted a compliance survey during the year with generally very good results. Almost 40 percent of all employees responded, and 92 percent agree that ethics and integrity are embedded in our business practices, 98 percent agree that their manager always act with integrity and 98 percent are comfortable reporting corruption or other unethical matter.

As a global business that operates in certain countries with a higher risk of corruption, it is important that we work actively to prevent corruption. Sinch has zero tolerance for all forms of corruption, as expressed in our Code of Conduct and Anti-corruption Policy. During the year, we have focused on training of key personnel and the implementation of a robust third-party risk assessment process. We had by the end of 2023 trained around 20 percent of our workforce in anti-corruption, focusing on the parts of the organization deemed to have the most exposure to such risks. These efforts will be intensified in the coming years, for example by launching online anti-corruption trainings for all employees. We are also implementing a robust process with system support for third-party due diligence. This is an important project that will run until the entire organization is covered. No cases of corruption were confirmed in 2023.

SpeakUp

We introduced "SpeakUp" in 2022 for reporting of whistleblower concerns and have during 2023 made it our global reporting tool for all employees. We have worked actively to raise awareness about whistleblowing, how the process works and how employees can use SpeakUp, something that has resulted in an increase of reported issues. SpeakUp enables anonymous reporting and handling of incoming issues, communication with whistleblowers and classification and filing of issues. Sinch has zero tolerance for retaliation against individuals who report in good faith and works to ensure that everyone feels comfortable speaking up and reporting non-compliance with our Code of Conduct and other internal governing documents. Confidentiality is ensured in the process through established procedures for protecting the identity of the reporter and other involved individuals. Whistleblower concerns are reported to the Audit Committee on a quarterly basis. 26 (11) issues were reported in 2023, of which 8 (4) were substantiated concerns that were actioned. See the table on page 115.

Human rights in the value chain

Sinch is committed to upholding internationally recognized human rights and shall not, under any circumstances, be involved in any activities that violate such rights. Our Code of Conduct, our membership in the UN Global Compact and adherence to the Ten Principles are integral to our commitment to safeguard human rights throughout our value chain. Additionally, our products and services play a role in advancing the right to communicate, a fundamental human right outlined in the UN Universal Declaration of Human Rights.

As a global player within the field of cloud communication services, Sinch acknowledges the potential risks that are associated with human rights in our industry. Given the vast amount of business critical data and personal data that Sinch handles, privacy and information security are examples of key issues in our business. Other potential risks, including working conditions, equality, and health and safety, are also considered, both within our own operations and in collaboration with our suppliers and partners, particularly in regions where the risk of human rights violations is heightened. These potential risks are systematically addressed through established methods.

Actions 2023

Sinch is committed to preventing modern slavery and trafficking throughout our business operations and value chain. In compliance with the UK Modern Slavery Act and the Australian Modern Slavery Act, we have released Modern Slavery Statements, accessible on both Sinch's and our Australian subsidiary Message Media's websites. Currently, the risk of human rights violations and modern slavery within our operations are evaluated as low, and we are dedicated to minimizing any potential risks that may arise. We are continuously improving our skills and processes to strengthen the conditions for working systematically with human rights. During the year we have continued to align our human rights risk assessment according to the UN Guiding Principles on Business and Human Rights (UNGP). The project will continue over the next few years. There were no confirmed violations of human rights in 2023.

Code of Conduct	Metric	2023	2022	2021
Employees that have signed the Code of Conduct	%	98	98	94

Critical concerns, by number and nature	Metric	2023	2022	2021
Total number of concerns raised through grievence mechanisms	#	26	11	–
Of which related to Insider Information	%	0	9	–
Of which related to Fraud	%	31	9	–
Of which related to Bribery and Corruption	%	4	9	–
Of which related to Conflicts of Interest	%	0	18	–
Of which related to Harassment	%	46	55	
Of which related to Retaliation	%	4	–	
Of which related to Discrimination	%	4	–	
Of which related to Other	%	12	–	–
Total number of substantiated concerns raised through grievence mechanisms	#	8	4	0

Incidents of corruption, by number and actions taken	Metric	2023	2022	2021
Total number and nature of confirmed incidents of corruption	#	0	0	0
of which employees were dismissed or disciplined for corruption	#	0	0	0
of which contracts with business partners were terminated or not renewed due to violations related to corruption	#	0	0	0
Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases	#	0	0	0

Product impact and innovation

Last year product impact and innovation was included as one of our focus areas, based on the updated materiality analysis. The Sinch cloud communication platform increases access to information and communications technology and makes it possible for businesses and people to manage economic, social and environmental challenges and opportunities. We recognize that digitalization and new innovative technology are contributing to making safe, secure and effective information and communication accessible.

Actions 2023

We see great potential in actively contributing to a more sustainable society and are striving to take the next step in developing our business in a responsible manner. During the year Sinch performed a pilot based on a Life Cycle Assessment (LCA) to calculate the carbon footprint of a message (SMS/MMS) sent through Sinch's cloud communications platform. The LCA guides us to better understand our product-related emissions, and set actions necessary to reduce the carbon footprint from our products and services, and to support our customers in reaching their climate ambitions. In the coming years, Sinch aims to take a broader approach and calculate the carbon footprint of other Sinch products and services.

During the year, the organization has undergone structural changes where focus has been on establishing the correct responsibilities for each focus area. As this was finalized during the year, we now have the right conditions to further develop our work and enhance the positive impact that our products have on both consumers and society. The responsibility of the role includes ensuring that we can measure product impact and innovation from a sustainability perspective in order to continue promoting sustainable development within Sinch, among our customers and in our value chain.

Supply chain management

Sinch's procurement function has overall responsibility for the company's supply chain management and for maintaining ongoing dialogue with our suppliers. Our supply chain is global and our largest suppliers are operators and other suppliers of services such as Infrastructure as a Service (IaaS) and Software as a Service (SaaS).

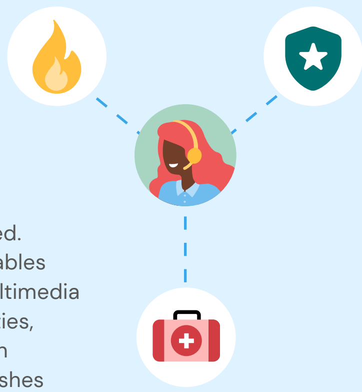
We continuously develop our processes for evaluating and selecting the suppliers with which we do business. Our Procurement Policy was updated during the year to align with our operating model and describes how we should manage supplier relationships depending on the type and value of procurement. When new suppliers are contracted, they are reviewed regarding aspects including IT and information security, privacy and financial stability. New suppliers that are expected to supply products or services exceeding a specified value must accept our Suppliers Code of Conduct or have an equivalent Code of Conduct that complies with our requirements.

Actions 2023

Sinch intends to further develop and reinforce supply chain management in forthcoming years. We are currently evaluating which criteria we should measure and assess for new and current suppliers, for example regarding climate impact, to take action and reduce our supply chain emissions. We have also identified a need to develop appropriate criteria related to human rights in response to regulatory changes that are occurring in certain countries in which we operate.

PRODUCT IMPACT AND INNOVATION CASE

Sinch transforms 911 communications for safer communities



Sinch's 911 public safety grade solutions, currently services over 40 percent of the U.S. population in Next Generation 911 (NG911) markets, solidifying our commitment to implementing NG911 and transforming emergency communications nationwide.

Challenge

During an emergency, seamless communication between those needing assistance and first responders is crucial. Despite the necessity, the ease of connecting these parties is often flawed due to accessibility barriers for those with hearing or speech impairments.

Solution

With an estimated 240 million annual 911 calls in the United States, where over 80 percent originate from wireless devices, the inclusion of real-time text (RTT), a feature that transmits text as it is being typed on a character-by-character basis, becomes pivotal for the nation's 48 million individuals with hearing or speech impairments. It enables emergency call centers (ECCs) to make informed dispatch decisions swiftly. When using Sinch's NG911 national digital infrastructure, a new standard for modernizing traditional 911 services is created.

Our platform enables integration of multimedia and RTT capabilities, improves location accuracy, establishes interconnected communications systems, enhances reliability, improves accessibility, embraces emerging technologies and prioritizes robust data security.

Result

Recognizing the escalating demands of public safety, Sinch has achieved significant milestones in expanding NG911, including enhanced i3 location delivery capabilities through the country's first statewide deployment, covering seven wireless ECCs in Massachusetts and one each in West Virginia and Louisiana. Collaborating with a leading mobile network operator (MNO), Sinch extended NextGen RTT technology to seven ECCs in Illinois, Florida, West Virginia, Texas and Louisiana. This advancement allows the MNO's customers to engage with 911 through instantaneous, bi-directional text and voice.

Auditor’s opinion on the statutory sustainability report

To the general meeting of the shareholders in Sinch AB (publ), corporate identity number 556882-8908.

Engagement and Responsibility
It is the board of directors who is responsible for the statutory sustainability report for the financial year 2023-01-01–2023-12-31 on pages 26–28 and 100-116 and that it has been prepared in accordance with the Annual Accounts Act. .

The scope of the audit
Our examination has been conducted in accordance with FAR’s auditing standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion
A statutory sustainability report has been prepared.

Stockholm April 18, 2024
Deloitte AB

Johan Telander
Authorized Public Accountant

Auditor’s Limited Assurance Report on Sinch’s reporting of Greenhouse Gas emissions

To Sinch AB (publ), corporate identity number 556882-8908

Introduction
We have been engaged by the Executive Management of Sinch AB (publ) to undertake a limited assurance engagement of Sinch’s reporting of Greenhouse Gas emissions in Scope 1, 2, and Scope 3 categories purchased goods and services, capital goods, business travel, and commuting for the years 2023 (“Reporting”) which are presented on page 104 in the Annual Report.

Responsibilities of the Executive Management
The Executive Management are responsible for the preparation of the Reporting in accordance with the applicable criteria, as explained on page 104 in the Annual Report, and are the parts of the Greenhouse Gas Protocol which are applicable to the Reporting, Scope 1, Scope 2 and Scope 3 categories 1 purchased goods and services, 2 capital goods, 6 business travel, 7 commuting, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of the Reporting that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor
Our responsibility is to express a conclusion on the Reporting based on the limited assurance procedures we have performed. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Reporting, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Sinch AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, the conclusion of the procedures performed do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Reporting.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Reporting, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

Stockholm, April 18, 2024

Deloitte AB

Johan Telander
Authorized Public Accountant

Adrian Fintling
Specialist Member of FAR

Certification and signatures

The board of directors and the CEO certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, IFRS, and that the annual report has been prepared in accordance with generally accepted accounting principles in Sweden. The annual report and the consolidated financial statements present fairly, in all material respects, the financial position and financial performance of the parent company and the Group.

The management report for the parent company and the Group presents a fair overview of the development of the parent company's and the Group's operations, financial position and financial performance and describes significant risks and uncertainties faced by the parent company and the companies included in the Group The consolidated financial statements and the parent company financial statements will be presented to the annual general meeting for adoption on 16 May 2024.

Stockholm, 17 April 2024

Erik Fröberg
Chairman of the Board

Bridget Cosgrave
Director

Renée Robinson Strömberg
Director

Johan Stuart
Director

Björn Zethraeus
Director

Hudson Smith
Director

Laurinda Pang
Chief Executive Officer

Our audit report was submitted
18 April 2024
Deloitte AB

Johan Telander
Authorized Public Accountant

Auditor's Report

To the general meeting of the shareholders of Sinch AB (publ) corporate identity number 556882-8908

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Sinch AB (publ) for the financial year 2023-01-01 - 2023-12-31. The annual accounts and consolidated accounts of the company are included on pages 44-101 and 120 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of intangible assets

Sinch reports intangible assets of MSEK 43 495 as of 31 December 2023. For cash generating units ("CGUs") which contain intangible assets, the determination of recoverable amount, being the higher of fair value less costs to sell and value in use, requires judgement on behalf of management in both identifying and valuing the CGUs. Management prepares impairment assessments by CGUs, as required under accounting standards. Such assessments are based on management's estimates of variables such as sales growth, EBITDA margin, terminal growth rate of free cash flow, and discount rate. Changes in judgements and estimates made by management may have a material effect on the financial statements and consequently Valuation of intangible assets is considered a key audit matter.

Disclosures regarding intangible assets are included in note 1 Accounting principles, note 14 Goodwill and note 15 Other non-current intangible assets.

Audit procedures

Our audit procedures included, but were not limited to:

- evaluate the design of relevant internal controls over the impairment assessment process;
- evaluate and challenge key assumptions in management's valuation model, including assumptions of sales growth, EBITDA margin, terminal growth rate, and discount rate;
- assess the appropriateness of the discount rates applied with the involvement of our internal valuations specialists;
- test the arithmetic accuracy of the valuation model used by management, and
- evaluate the appropriateness of disclosures in the financial statements.

Cost of services sold recognition

The group´s cost of services sold arises mainly from messaging and voice services and amounts to MSEK 19 204 for the period 2023-01-01 – 2023-12-31. The cost of services sold contains of many transactions individually priced based on supplier specific agreements. Accurate cost of services sold recognition requires adequate accounting principles, systems and internal controls. There is a risk that the cost of services sold is not complete, that transactions are not accurately recorded and that the cost of services sold is not estimated and reported in the correct period since the supplier invoices are often obtained several months after the transactions are recorded. A change in estimates made by management may have a material effect on the financial statements and consequently Cost of services sold recognition is considered a key audit matter.

Audit procedures

Our audit procedures included, but were not limited to:

- evaluate the design of relevant internal controls over the cost of services sold process;
- obtain external supplier confirmations of cost of services sold transactions;
- test recorded cost of services sold accruals as of December 31, 2023, and
- test the completeness and accuracy of cost of services sold transactions

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-38, 40-43, 102-118 and 125-129. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

OpinionsIn addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Sinch AB (publ) for the financial year 2023-01-01 - 2023-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Sinch AB (publ) for the financial year 2023-01-01 - 2023-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Sinch AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of The Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Deloitte AB, was appointed auditor of Sinch AB by the general meeting of the shareholders on the 2023-05-17 and has been the company's auditor since 2012-02-01.

Stockholm, April 18 2024
Deloitte AB

Johan Telander
Authorized Public Accountant

Definitions

Financial measurements defined under IFRS:

Earnings per share, basic and diluted
Definition: Net profit for the period attributable to owners of the parent divided by the volume-weighted average number of shares outstanding in the period before/after dilution.

Financial measurements not defined under IFRS:

The company presents certain financial measurements that are not defined under IFRS. The company believes that these measurements provide useful supplemental information to investors and the company's management for reasons including that they enable evaluation of the company's performance. Because not all companies calculate financial measurements in the same way, these are not always comparable to measurements used by other companies. These financial measurements should therefore not be considered a substitute for measurements defined under IFRS. Please refer to investors.sinch.com for a reconciliation of these financial measurements and organic growth.

Return on equity
Definition: Profit or loss for the year divided by average equity.

Purpose: Return on equity is a measurement of profitability in relation to the carrying amount of equity. Return on equity is a measurement of how investments are used to generate higher earnings and return on shareholders' capital.

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
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.

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.

Net investments in property, plant and equipment and intangible assets
Definition: Investments in property, plant and equipment and intangible assets during the period less divested property, plant and equipment and intangible assets.

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.

Gross profit growth
Definition: Gross profit for the year divided by gross profit in the preceding year.

Purpose: Gross profit growth is more relevant than net sales growth because the cost of services sold varies widely among geographical markets.

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

Purpose: Used to calculate net debt.

Interest coverage ratio
Definition: EBIT plus interest income divided by interest expenses excluding IFRS 16-related lease liabilities.

Purpose: Indicates the company's ability to cover its interest expenses.

Net debt/Adjusted EBITDA RTM
Definition: Net debt divided by adjusted EBITDA, past 12 months. Net debt and Adjusted EBITDA are both measured excluding IFRS 16-related lease liabilities.

Purpose: Shows how many years it would take to pay off the company's debts presuming that net debt and Adjusted EBITDA are constant and with no consideration of other cash flows.

OPEX
Definition: Other external expenses and employee benefits expenses

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.

EBIT
Definition: Profit for the period before finance income, finance expenses and tax.

EBITDA
Definition: Profit for the period before finance income, finance expenses, tax and depreciation, amortization and impairment of intangible assets and property, plant and equipment.

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.

Operating expenses
Definitions: Operating expenses are defined as the difference between gross profit and EBITDA and consist of the following items: Other operating income, Work performed by the entity and capitalized, Other external services, Employee benefits expenses and Other operating expenses.

Adjusted operating expenses
Definitions: Adjusted operating expenses are defined as the difference between gross profit and Adjusted EBITDA and consist of the following items: Other operating income, Work performed by the entity and capitalized, Other external services, Employee benefits expenses, Other operating expenses and EBITDA adjustments.

Integration costs
Definition: Integration costs arise mainly in connection with business combinations. The nature of the costs concists 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.

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 per share
Definition: Adjusted EBITDA divided by the volume-weighted average number of shares outstanding for the period after dilution.

Purpose: Measures the earnings per share generated by the business adjusted for acquisition costs, integration costs and other adjustment items. Sinch's financial targets, which have been set by the board of directors, are based on growth in Adjusted EBITDA per share.

Adjusted EBITDA/gross profit
Definition: The measure shows the company's Adjusted EBITDA margin as a percentage of gross profit. In addition to net sales, the cost of services is included in gross profit.

Adjusted EBIT
Definition: EBIT after the same adjustments as for Adjusted EBITDA and excluding non-cash acquisition-related depreciation, amortization and impairment.

Purpose: Enables comparison of profitability over time, regardless of amortization and impairment of acquisition-related intangible assets and independent of financing structure and the corporation tax rate.

EBIT margin/Adjusted EBIT margin
Definition: EBIT/Adjusted EBIT in relation to net sales.

EBITDA margin /Adjusted EBITDA margin
Definition: EBITDA/Adjusted EBITDA in relation to net sales,

Amortization 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 and depreciation, as this is a measure of the use of resources necessary to generate profit.

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.

Number of ordinary shares at the end of the period
Definition: Number of ordinary shares at the end of the period.

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.

Total shares outstanding
Definition: Total number of ordinary shares and preference shares at the end of the period.

Annual general meeting, terms and acronyms, addresses

Annual General Meeting

The annual general meeting of shareholders in Sinch AB (publ) will be held on Wednesday, 16 May 2024. In accordance with the provisions set down in chapter 7, §4(a) of the Swedish Companies Act and the company's Articles of Association, the board of directors has decided that shareholders shall have the option to vote by post prior to the meeting. Shareholders thus may choose whether to attend the meeting in person, by proxy, or by postal vote.

Right to attend the annual general meeting

Shareholders who wish to attend the annual general meeting must:

- be registered in the share register kept by Euroclear Sweden AB on Tuesday, 7 May 2024 or, if the shares are nominee-registered, request the nominee to register the shares in the shareholder's own name ("voting rights registration") by Friday, 10 May 2024, and
- provide notice of intent to attend as instructed under "Attendance in person or by proxy" below no later than Friday, 10 May 2024 or cast a postal vote as instructed under "Voting by post" below. Postal votes must be received by Computershare AB no later than Friday, 10 May 2024.

Shareholders with nominee-registered shares held via a bank or other nominee must request the nominee to register the shares in the shareholder's own name in the share register kept by Euroclear Sweden AB in order to participate at the annual general meeting (voting rights registration). As set out above, the nominee must have performed such registration with Euroclear Sweden AB by Friday 10 May 2024. Shareholders must therefore contact the nominee well in advance of this date and re-register the shares as instructed by the nominee.

Attendance in person or by proxy

Shareholders who wish to attend the annual general meeting in person or by proxy must notify the company thereto by Friday, 10 May 2024. The notice may be submitted:

- Electronically on the company's website (https://investors.sinch.com)
- By postal letter to Computer Share AB, "Sinch AB (publ) Annual General Meeting", Box 5267, 102 46 Stockholm, Sweden
- By phone at +46 771 24 6400, or
- By email to proxy@computershare.se.

The notice shall specify the shareholder's full name, personal identity/social security number or company registration number, address, phone number and, where applicable, the number of assistants (limited to two) who will be accompanying the shareholder to the general meeting.

Shareholders who do not wish to attend in person or exercise their voting rights through postal voting may exercise their voting rights at the annual general meeting by proxy, who must present a written, signed and dated proxy form. If the proxy form was issued by a legal person, a copy of the company registration document or equivalent authorization document for the legal person must be appended to the proxy form.

Voting by post

Shareholders who wish to exercise their voting rights through voting by post must use the postal voting form and follow the instructions posted on the company's website (https://investors.sinch.com), which are also available at company headquarters (Lindhagensgatan 112, 112 51 Stockholm, Sweden). The completed and signed postal voting form must be sent by postal letter to Computer Share AB, Attn: Sinch AB (publ) Annual General Meeting, Box 5267, 102 46 Stockholm, Sweden. Completed postal voting forms must be received by Computershare AB by Friday, 10 May 2024. The completed and signed postal voting form may alternatively be submitted electronically and sent by email to info@computershare.se. Shareholders may also submit their postal votes electronically using BankID through the Company's website (https://investors.sinch.com). If the shareholder cast their postal votes by proxy, a written and dated proxy form shall be enclosed with the voting form. Proxy forms are available upon request and on the Company's website (https://investors.sinch.com). If the shareholder is a legal entity, a certificate of incorporation or other authorization document shall be enclosed with the voting form.

Shareholders are not allowed to include special instructions or conditions in the postal vote. If special instructions or conditions are included, the postal vote will be invalid. Further information and conditions are provided on the voting form.

Forthcoming reporting dates

Interim report, January–March 2024	**7 May 2024**
Half-yearly report, January–June 2024	**19 July 2024**
Interim report, January–September 2024	**6 November 2024**

Sinch explains the terms and acronyms

A2P	Acronym for Application-to-Person, which describes communication from an enterprise application (or system) to a person's mobile phone. This is as opposed to Person-to-Person (P2P) communication.
API	Application Programming Interface, refers to a defined interface that exposes a capability and makes it accessible through software. As an example, the Sinch SMS API lets a developer reach any mobile phone in the world using a few lines of code that call upon the API, submit the phone number, and specify the message to send.
Burst Capability	With reference to our SLAs for deliverability, which guarantee that messages will be accepted within a specified timeframe or attempted delivery of these messages to the inbox provider.
Chatbot	Software that responds to user input in a chat conversation.
CNAM (Caller NAME)	The name displayed on the caller ID for an incoming call.
CPaaS	Acronym for Communications Platform-as-a-Service, a type of cloud service that provides programs and applications over the internet.
Direct Routing	A way to provide a public switched telephone network connection so that users can make and receive outside calls on any device.
Email Deliverability	The ability to deliver emails to inboxes, which is affected by the sender's sending behavior, infrastructure and authentication protocol.
Email Delivery Rate	The share of the total number of sent emails, expressed as a percentage, that are delivered to the mailbox
Email verifications	An API that verifies the existence, syntax and risk factors for a specific recipient's email address.
E911 (Enhanced 911)	Calls to emergency services that automatically provide the phone number and location of the 911 call.
Grey Traffic	Routing a message to a mobile subscriber in a fraudulent or unapproved way by which the sender avoids paying fees to the subscriber's mobile operator.
Landing Page	A personalized web page that is reached by clicking a link in an SMS or in an email.
MMS	Acronym for Multimedia Messaging Service, a further development of SMS that enables sending of multimedia, such as pictures and video clips between mobile phones.
Cloud Services	ITC services provided over the internet on an external resource instead of the user's own computers; i.e., the option to manage programs, data storage, capacity and processing power via the internet.
MVNO	Acronym for Mobile Virtual Network Operator.
OTP	An abbreviation for One-Time-Password, and is one of the most common use cases for businesses to send Application-to-Person SMS.
PSTN — Public Switched Telephone Network	Provides an interconnected center for communications providers to switch calls from one device to another.
P2A	Application-to-Person messaging refers to messages sent from a person to a software application, i.e., inbound messages from an end user to a business.
P2P	Person-to-Person messaging refers to messages sent between people to one another. These days, P2P messaging is typically bundled into a mobile subscription without any marginal cost per message.
RespOrg	Short for "responsible organization," a RespOrg is a carrier that owns and manages toll-free numbers.
REST (RESTful) APIs	A RESTful API is an Application Programming Interface (API) that follows the Representational State Transfer (REST) digital architecture philosophy that allows developers to choose the coding language they wish to use when they implement APIs in their applications.
RCS	Acronym for Rich Communication Services, a further development of SMS and MMS that enables the sending of more advanced communications, such as text, pictures and video, between individuals or groups.
Routing APIs	Also called inbound routing and email receiving. Routing APIs allow an email sender to point inbound emails to different inboxes, applications and recipient addresses while the message is simultaneously analyzed within JSON and UTF-8.
SaaS	Acronym for Software-as-a-Service, a type of cloud service that provides programs and applications over the internet.
SDK	Acronym for Software Development Kits, SDK are a set of development tools that make it possible for software developers to build applications for a specific program bundle, hardware platform, game console, operating system or comparable.
Session	A time-based billing window for messaging, such as 24 hours, that is priced as a unit. Session pricing complements per-message pricing and is is more suitable for conversational use cases.
Sinch	The word Sinch is an informal American synonym for easy. We build cloud-based technology that is easy to deploy, easy to scale and easy for end users to like.
SIP Trunking	SIP (Session Initiation Protocol) allows voice communications to be carried over an internet connection.
SMS	Acronym for Short Message Service, a service for short text messages sent to and from mobile phones.
STIR/ SHAKEN	A suite of protocols and procedures intended to combat illegal caller ID spoofing.

Super Network The Sinch Super Network consists of more than 600 direct commercial relationships and technical connections with the largest mobile operators in the world, local American carriers and email nodes. The network creates direct access to a very large share of all people who own a mobile device or have access to a computer and gives Sinch a competitive advantage.

White Traffic Traffic that primarily goes directly through mobile operators and is fully compliant with applicable regulations.

2FA Two-factor authentication is a security method that requires two distinct forms of identification to access information.

Largest Sinch offices

	Country	Address	Telephone
Stockholm – Headquarters	Sweden	Lindhagensgatan 112 112 51 Stockholm, Sweden.	+46 (0) 8 566 166 00
Atlanta	USA	One Alliance Center 3500 Lenox Road Ne Ste 1875, Atlanta, GA, 30326	
Chicago	USA	One North Wacker Drive, Chicago, IL 60606	
Noida	India	Tower 4 Express Trade Tower 2. 7th Floor Noida 201301	
Melbourne	Australia	Level 24 367 Collins Street, Melbourne – VIC 3000	
San Antonio	USA	112 E. Pecan St #1135, San Antonio, TX 78205	
São Paulo	Brazil	Avenida Brigadeiro Faira Lima, 1663, 10º e 13º andares - Jd. Paulistano, São Paulo - S.P., CEP 01452-001	

Production: Sinch in collaboration with Vero Kommunikation and Öhrberg Design
Photos: Jenny Lagerqvist, Sinch archive images
Illustrations: Sinch brand guidelines

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EXHIBIT D

Leadership & Management Biographies

Biographies of Key Management Personnel

Brett Scorza, *President*
Brett joined Inteliquent in 2004 and is responsible for product, development and information technology supporting Inteliquent's broad portfolio of solutions. Brett has a passion for working with customers to understand their use of communications products, as well as a deep understanding of technology and support systems. Leveraging these, Brett leads Inteliquent's efforts to provide customer focused, scalable, software-based solutions, which seamlessly integrate with Inteliquent's communications infrastructure.

Brett has more than thirty years of software, information technology and telecommunications experience. Prior to Inteliquent, he held positions at Focal Communications, Inc., MFS Communications and Andersen Consulting.

Brett received a B.S. in electrical engineering from the University of Illinois at Champaign-Urbana.

Richard Monto, *General Counsel & Secretary*
Richard has over two decades of telecommunications law experience and has been involved in all aspects of Inteliquent's legal and regulatory matters since 2007. In addition to managing the entire legal team, Richard's responsibilities include negotiating the agreements under which we provide services to our customers, litigation, regulatory affairs at the FCC, and mergers and acquisitions. Richard also serves as our corporate secretary. Prior to Inteliquent,

Richard held senior legal positions at various companies, including serving as the chief legal officer for Universal Access Global Holdings, Inc. (a Chicago-based wholesale telecommunications carrier) and at MCI, where he was responsible for the provision of legal support to MCI's largest enterprise users in the Midwest region. Richard began his legal career at Sonnenschein, Nath and Rosenthal (now known as Dentons).

Richard has an undergraduate degree in Russian and Eastern European studies from the University of Michigan and a J.D. from the Boston University School of Law.

Brian West, *Chief Financial Officer*
Brian West serves as chief financial officer where he oversees the finance, tax and accounting functions of the organization. Prior to this position, Brian led the financial planning and analysis function of the company. Brian brings over 10 years of financial management experience in communications, having started his career at Verizon.

He received an MBA from Northern Illinois University, a bachelor's degree from the University of Iowa, and holds an active CMA certification.

Laurinda Pang, *Chief Executive Officer, Sinch US*
Laurinda Pang is the Chief Executive Officer of Sinch US and has been the CEO of Sinch AB since April 2023. Ms. Pang has over 25 years of executive leadership experience, most recently serving as president of global customer success at Lumen Technologies. Prior to this, she held leadership roles across Sales, operations, strategy, human resources and investor relations at CenturyLink, Level 3 Communications and Global Crossing. During her tenure, she designed and implemented several enterprise-wide transformational change initiatives and has played a pivotal role in the successful integration of multiple acquired businesses.

Roshan Saldanha, *Chief Financial Officer, Sinch US*
Roshan Saldanha is the Chief Financial Officer of Sinch US and has been the CFO of Sinch AB since 2019. Mr. Saldanha has more than a decade's experience in the cloud tech and communications industry as well as a broad background in multiple financial disciplines. Prior to joining Sinch AB, Mr. Saldanha was the CFO of Tele2, a publicly traded Swedish communications net- works company. Mr. Saldanha holds bachelor's and master's degrees in accounting from the University of Mumbai and is a chartered accountant with the Institute of Charters Accounts of India.

Robert Gerstmann, *Co-Founder, Sinch AB*
Robert Gerstmann is a co-founder and the Chief Evangelist of Sinch AB, and has over 15 years' experience working in mobile enterprise communications. Before co-founding Sinch in 2008, Mr. Gerstman held management positions with companies that provided mobile messaging and payments services. Mr. Gerstmann holds master's degrees in industrial engineering and management from the Technical University of Munich and Linköping University in Sweden.

EXHIBIT E

Jurisdictional Operations

States in which ANPI, LLC Provides Service & Typical Filing Type(s)

State	Return Name	Return Type	Frequency
Alaska	AK Regulatory Cost Charge Return	PUC	Annual
Alaska	AK USF Filing	PUC	Monthly
Alabama	Alabama Annual Financial Reporting Reminder	PUC	Annual
Alabama	Alabama Inspection Supervisions Fees Report	PUC	Annual
Alabama	AL Dual Party Fund Statement	Telecom Relay S	Monthly
Arizona	AZ Annual Report on Access Lines	PUC	Annual
Arizona	Arizona Annual Report	PUC	Annual
Arizona	AZ Annual Gross Operating Revenues Report	PUC	Annual
California	California Annual Report CLEC & IXC - Affiliate Attachment B	PUC	Annual
California	CASF Payment	PUC	Monthly
California	CHCFA Payment	PUC	Monthly
California	CA Combined Surcharge Report	PUC	Monthly
California	CTF Payment	PUC	Monthly
California	DDTP Payment	PUC	Monthly
California	California Annual Report IXC, CLEC, GRC/URF-LEC	PUC	Annual
California	ULTS Payment	PUC	Monthly
California	California User Fee Statement	PUC	Quarterly
Colorado	CO PUC Administration Fee	PUC	Annual
Colorado	Colorado PUC SOI for Certificated Carriers	PUC	Biennial
Colorado	CO TRS	Telecom Relay S	Monthly
Colorado	Colorado Universal Service Fund	USF	Semi Annual
Connecticut	Connecticut Annual PUC Report	PUC	Annual
Connecticut	CT Report of Intrastate Gross Revenues	PUC	Annual
Connecticut	CT Semi-Annual QOS Report	PUC	Semi Annual
Connecticut	CT TRS Fund Assessment	Telecomm Relay	Annual
Federal	Annual Regulatory Fees	FCC Fee	Annual
Florida	FL Regulatory Assessment Fee Filing	PUC	Monthly
Georgia	GA PSC Family Violence Shelter Confidentiality Act	PUC	Biennial
Georgia	Georgia Annual Financial Reporting	PUC	Annual
Georgia	Georgia Annual PSC Gross Revenue Report	PUC	Annual
Georgia	GA PSC Slamming Compliant Report	PUC	Quarterly
Georgia	GEORGIA TELECOMMUNICATIONS RELAY SERVICE	Telecom Relay S	Monthly
Georgia	GA Universal Access Fund	USF	Quarterly
Hawaii	HI Annual Financial Report to the PUC	PUC	Annual
Hawaii	HI Bi-Annual Fee Statement	PUC	Semi Annual
Hawaii	HONOLULU COUNTY PUBLIC SERVICE COMPANY TAX	PUC	Annual
Hawaii	HAWAII PUBLIC SERVICE COMPANY TAX U-6	PUC	Annual
Iowa	Iowa Telephone Annual IXC/VoIP Report	PUC	Annual
Iowa	Iowa Telecom Relay Surcharge	Telecom Relay S	Annual
Idaho	Idaho Annual Report	PUC	Annual
Idaho	Idaho PUC Assessment Invoice	PUC	Annual
Idaho	Idaho Gross Operating Revenues Stmt.	PUC	Annual
Idaho	ID PUC Annual Notice Update	PUC	Annual
Idaho	Idaho USF Annual Report	USF	Annual
Illinois	Illinois Annual PUC Report (AR-13)	PUC	Annual

Illinois	IL Annual Designated Agent Update Filing	PUC	Annual
Illinois	IL ITAC Filing	PUC	Monthly
Illinois	IL PUC Annual Gross Revenue Return	PUC	Annual
Illinois	Illinois USF Assessment-Staff Data Request (JUNE)	PUC	Annual
Illinois	ISCEA - IL USF - Invoice Payment	USF	Monthly
Illinois	IL USF Staff Data Request	USF	Annual
Indiana	IN PUC Fee Report	PUC	Annual
Kentucky	Kentucky PUC Annual Report - CLEC	PUC	Monthly
Louisiana	Louisiana Annual Financial Reporting	PUC	Annual
Louisiana	Louisiana Quarterly Report of Inspection and Supervision Fee	PUC	Quarterly
Louisiana	LA TRS/TTD Filing	Telecomm Relay	Quarterly
Massachusetts	MA PUC Annual Report & Revenue Stmt	PUC	Annual
Massachusetts	ME TEAF/ConnectME Fund	PUC	Quarterly
Massachusetts	MAINE USF	USF	Quarterly
Maryland	MD Universal Service Trust Fund	USF	Monthly
Maine	Maine Annual Report	PUC	Annual
Maine	Maine Universal Service Fund Invoice	USF	Quarterly
Maine	Maine Utility Contact Information Sheet	PUC	Annual
Michigan	MI Access Restructuring Mechanism Filing	PUC	Monthly
Michigan	Michigan Annual Intrastate TSP Registration	PUC	Annual
Michigan	MI Annual Public Utility Assessment Report	PUC	Annual
Missouri	MO Annual Reports	PUC	Annual
Missouri	MO Annual PSC Statement of Revenue	PUC	Annual
Missouri	MO Relay Statement	Telecomm Relay	Annual
Missouri	MO USF Filing	USF	Annual
Mississippi	MS Public Utility Regulatory Tax Gross Revenue Report	PUC	Monthly
Mississippi	MS TRS Statement of Revenues	Telecomm Relay	Monthly
Montana	MONTANA CONSUMER COUNSEL FEE	PUC	Monthly
Montana	MT TDD Surcharge Filing	PUC	Quarterly
North Carolina	North Carolina PUC Reg Fee Rpt.	PUC	Quarterly
North Dakota	ND Telecommunications Retail Gross Receipts Assessment Report	PUC	Annual
North Dakota	ND TRS Filing	Telecomm Relay	Quarterly
Nebraska	Nebraska Annual IXC Report	PUC	Annual
Nebraska	Nebraska Annual NTIPS Contact Update & Affidavit	PUC	Annual
Nebraska	NE USF Filing	USF	Monthly
New Jersey	New Jersey Annual Report	PUC	Annual
New Jersey	NJ Annual Statement of Gross Operating Revenues Report	PUC	Annual
Nevada	Nevada Annual Reports	PUC	Annual
Nevada	NV Annual Revenue & Assessment Report	PUC	Annual
Nevada	NV TDD Surcharge Report	PUC	Quarterly
New York	New York Stmt of Gross Intrastate Revenue Report	PUC	Annual
New York	NY Targeted Accessibility Fund	PUC	Monthly
New York	New York Annual TCCI Information Update Form	PUC	Annual
New York	NY USF Invoice Payment	PUC	Monthly
Ohio	OH Regulatory Assessment - Annual Report	PUC	Annual
Ohio	OH TRS Annual Filing	Telecomm Relay	Annual
Oklahoma	Oklahoma Annual Report	PUC	Annual

Oklahoma	Oklahoma PUD Annual Fee Assessment Data Request	PUC	Annual
Oklahoma	OK USF Filing	USF	Monthly
Oregon	OR PUC Annual Fee Statement	PUC	Annual
Oregon	Oregon Annual IXC Report	PUC	Annual
Oregon	Oregon USF OUS 1 Form	USF	Annual
Oregon	OR Universal Service Contribution Worksheet	PUC	Quarterly
Pennsylvania	*AZ Universal Service Fund*	*USF*	*Monthly*
Pennsylvania	*HI Annual TRS Remittance Worksheet*	*Telecom Relay S*	*Annual*
Pennsylvania	*IN USF Filing*	*USF*	*Monthly*
Pennsylvania	*NV USF Filing*	*USF*	*Quarterly*
Pennsylvania	PA Annual Report to PUC	PUC	Annual
Pennsylvania	PA Annual Statement of Operating Revenue	PUC	Annual
Pennsylvania	PA PUC Security Planning & Readiness Self-Certification	PUC	Annual
Pennsylvania	PA USF Annual Development Assessment	USF	Annual
Pennsylvania	VT USF Filing	USF	Annual
Rhode Island	Rhode Island Annual Gross Intrastate Revenue Report	PUC	Annual
South Carolina	South Carolina Annual Report - PUC	PUC	Annual
South Carolina	South Carolina USF Contribution Worksheet	USF	Annual
South Carolina	SC PSC Statement of Gross Receipts	PUC	Annual
South Carolina	South Carolina PUC Qtrly Service Quality Report	PUC	Quarterly
South Carolina	SC Annual Gross Income Report	PUC	Annual
South Dakota	SD Annual Reports	PUC	Annual
South Dakota	SD Annual Gross Receipts Fee	PUC	Annual
South Dakota	SD TRS Filing	Telecomm Relay	Bi-Monthly
Tennessee	Tenn Annual Stmt. of Gross Earnings and Insp. Fee & Business Plan	PUC	Annual
Texas	OK HCF Annual Filing	PUC	Annual
Texas	TX Gross Receipts Assessment Report	PUC	Annual
Utah	ID USF Filing	PUC	Quarterly
Virginia	VA PUC Annual Statement of Gross Receipts	PUC	Monthly
Vermont	VT Annual Gross Operating Revenue Tax & Annual Report	PUC	Annual
Washington	ID TRS Fund Filing	Telecom Relay S	Quarterly
Washington	Washington Contact Info Compliance Filing	PUC	Annual
Washington	Washington Telecom Regulatory Fee Sheet	PUC	Annual
Wisconsin	WI Annual PUC Questionnaire	PUC	Annual
West Virginia	West Virginia PSC Annual IXC Report	PUC	Annual
West Virginia	WV Annual Gross Intrastate Revenue Report	PUC	Annual
Wyoming	Wyoming Annual IXC PUC Report	PUC	Annual
Wyoming	Wyoming USF Annual Report	USF	Annual
Wyoming	WY Annual Gross Intrastate Retail Revenues Assessment Report	PUC	Annual
Wyoming	WY Gross Revenue Assessment Invoice	PUC	Annual
Wyoming	WY USF Filing	USF	Quarterly

1.Service types fall under CLEC, IXC, VoIP and/or any combination thereof and some funds fall under PA as remittance address;

2. Additional states may not be included with this representation of approvals/filings; and,

3. Company is a going concern and will continue to see approval, once garnered service customers and provide all filings in a timely fashion.

Exhibit F

Company Proposed Tariff

INTEREXCHANGE SERVICES TARIFF FOR BUSINESS CUSTOMERS

WITHIN THE STATE OF KANSAS

PROVIDED BY ANPI, LLC

Issued by:

Richard Monto
General Counsel and Secretary
ANPI, LLC
One North Wacker; Suite 2500
Chicago, Illinois 60606

KANSAS TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service or facilities for Telecommunications Services furnished by ANPI, LLC with its principal offices at One North Wacker Drive, Suite 2500, Chicago, IL 60606. This tariff applies to services furnished within the State of Kansas. This tariff is on file with the Kansas Public Service Commission, and copies may be inspected, during normal business hours, at the company's principal place of business.

CONCURRING, CONNECTING OR

OTHER PARTICIPATING CARRIERS

1. Concurring Carriers – None

2. Connecting Carriers – None

3. Other Participating Carriers – None

CHECK SHEET

The Sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

SHEET	REVISION	SHEET	REVISION
1	Original	32	Original
2	Original	33	Original
3	Original	34	Original
4	Original	35	Original
5	Original	36	Original
6	Original	37	Original
7	Original	38	Original
8	Original	39	Original
9	Original	40	Original
10	Original	41	Original
11	Original	42	Original
12	Original	43	Original
13	Original	44	Original
14	Original	45	Original
15	Original	46	Original
16	Original	47	Original
17	Original	48	Original
18	Original	49	Original
19	Original	50	Original
20	Original	51	Original
21	Original	52	Original
22	Original	53	Original
23	Original	54	Original
24	Original	55	Original
25	Original	56	Original
26	Original	57	Original
27	Original	58	Original
28	Original	59	Original
29	Original		
30	Original		
31	Original		

* New or Revised Sheet

Issued by:
Richard Monto
General Counsel and Secretary
ANPI, LLC
One North Wacker; Suite 2500
Chicago, Illinois 60606

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Issued by:

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General Counsel and Secretary
ANPI, LLC
One North Wacker; Suite 2500
Chicago, Illinois 60606

TARIFF FORMAT

A. Sheet Numbering: Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between pages 11 and 12 would be page 11.1.

B. Sheet Revision Numbers: Revision numbers also appear in the upper right corner of each sheet where applicable. These numbers are used to indicate the most current page version on file with the Commission. For example, 4th Revised Sheet 13 cancels 3rd Revised Sheet 13. Consult the Check Sheet for the sheets currently in effect.

C. Paragraph Numbering Sequence: There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

2.
2.1
2.1.1
2.1.1. A
2.1.1. A.1
2.1.1. A.1. (a)
2.1.1. A.1. (A).I
2.1.1. A.1. (a) I. (I)
2.1.1. A.1. (A).I. (I). (1)

D. Check Sheets: When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff, with a cross-reference to the current Revision Number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current on Commission file.

SYMBOLS

The following are the only symbols used for the purposes indicated below:

C – to signify change in regulation
D – to signify a deletion
I – to signify a rate increase
L – to signify material relocated in the tariff
N – to signify a new rate or regulation
R – to signify a rate deduction
T – to signify a change in text, but no change in rate or regulation

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SECTION 1 – DEFINITIONS & TECHNICAL TERMS

Certain terms used generally throughout this Tariff are defined below.

Access Line: An arrangement from an exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Customer's location to the Company's location or switching center.

Authorization Code: A numerical code, one or more of which may be assigned to a Customer, to enable the Company to identify the origin of the Customer so it may rate and bill the call. Automatic number identification (ANI) is used as the authorization code wherever possible.

Advance Payment: Part or all of a payment required before the start of service.

Authorized User: A person, firm, corporation, or any other entity authorized by the Customer to communicate utilizing the Company’s service.

Business or Commercial Customer: In general, Business Customers are those who have access lines that terminate at offices, mills, stores or a business location. Business rates apply if the service is used primarily or substantially for business purposes even if the access line does not terminate at a business location, or if the access line has a business directory listing.

Call: A completed connection established between a calling station and one or more called stations.

Casual Calling: A dialing method that enables a Customer to reach the interexchange carrier of the Customer's choice even if the Customer is not a regular Customer of that carrier. The Customer utilizes a 10XXX or 101XXXX Access Code to make calls, and the Customer does not change its Primary Interexchange Carrier.

Collect Billing: A billing arrangement whereby the originating caller may bill the charges for a call to the called party, provided the called party agrees to accept the charges.

Commission: Kansas Public Service Commission.

Company: ANPI, LLC, the issuer of this Tariff.

Customer or Subscriber: The person, firm or corporation that orders service and is responsible for the payment of charges and compliance with the Company’s regulations.

Direct Inward Dial (or “DID”): A service attribute that routes incoming calls directly to stations, by-passing a central answering point.

Hunting: Routes a call to an idle station line in a prearranged group when the called station line is busy.

SECTION 1 – DEFINITIONS & TECHNICAL TERMS, (continued)

ILEC: Incumbent Local Exchange Company.

Joint User: A person, firm or corporation that is designated by the Customer as a user of services furnished to the Customer by Company and to whom a portion of the charges for the service will be billed under a joint user arrangement as specified herein.

LATA: A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc.

Local Exchange Carrier or (LEC): Denotes any individual, partnership, association, joint-stock company, trust or corporation engaged in providing switched communication within an exchange.

Nonrecurring Charges or NRCs: One-time charges most often associated with installation, ordering, or account establishment.

Person-to-Person Call: A service whereby the person originating the call specifies a particular person to be reached, or a particular station, room number, department, or office to be reached through a PBX attendant.

Private Line Services: A service whereby the Company is able to connect a Business Customers enterprise network directly to one site or multiple sites, based upon the specific needs of the Customers applications and locations.

Recurring Charges (MRCs): The monthly charges to the Customer for services, facilities and equipment, that continue for the agreed upon duration of the service.

Service(s): The Company's Products and Services, without limitation, Interexchange Services offered on the Company's Network.

Service Commencement Date: The first day following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service that does not conform to standards set forth in the Service Order or this Tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and Customer may mutually agree on a substitute Service Commencement Date.

Service Order: The written request for Services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this Tariff, but the duration of the service is calculated from the Service Commencement Date.

Shared: A facility or equipment system that can be used simultaneously by several Customers.

SECTION 1 – DEFINITIONS & TECHNICAL TERMS, (continued)

Presubscribed Service: A service whereby the Customer can make long distance calls and the Customer must change its Primary Interexchange Carrier to the Company.

Resp. Org.: Responsible Organization or entity identified by Toll-Free service Customer that manages and administers records in the toll-free number database and management system.

Telecom Unit: A measurement of telecommunications service equivalent to one minute of usage between any two points within the State of Kansas.

Telecommunications: The transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

Trunk: A communications path connecting two switching systems in a network, used in the establishment of an end-to-end connection.

Two Way: A service attribute that includes outward dial capabilities for outbound calls and can also be used to carry inbound calls to a central point for further processing.

User or End User: A Customer, Joint User, or any other person authorized by a Customer to use service provided under this Tariff.

Underlying Carrier: The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of Customer telecommunications traffic.

FUSF: FUSF stands for Federal Universal Service Fund.

SECTION 2 – RULES AND REGULATIONS

2.1 Undertaking of the Company

This tariff contains the regulations and rates applicable to interexchange telecommunications services provided by the Company for telecommunications between points within the State of Kansas. Services are furnished subject to the availability of necessary facilities, equipment and/or billing arrangements with the underlying carriers and/or LEC, and subject to the terms and conditions of this tariff in compliance with limitations set forth in the Commission's rules. Necessary facilities and equipment may include, but are not limited to, facilities or equipment to be provided by the Company, connecting carriers, underlying carriers, owners and operators of transmission capacity leased to the Company or the LEC. The Company's services are provided to Business Customers on a statewide basis and are not intended to be limited geographically. The selection of the underlying carriers is made solely in the discretion of the Company. The Company offers service to all those who desire to purchase service from the Company consistent with all of the provisions of this tariff. Business Customers interested in the Company's services shall complete and sign off on a Service Order Form (SOF) (or multiple SOF's based on service selection) with the Company, which fully identifies the Customer, the services requested and other information requested by the Company. The Business Customer will also be required to affirm its acceptance of service by acknowledging all End User Terms and Conditions as set forth by the Company when applicable. The Company reserves the right to examine the credit record and check the references of all applicants and Customers prior to accepting the SOF. The SOF shall not in itself obligate the Company to provide services or to continue to provide service if a later check of applicant's credit record is, in the opinion of the Company, contrary to the best interest of the Company. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer, to allow connection of a Customer's location to a service provided by the Company. The Customer shall be responsible for all charges due for such SOF.

SECTION 2 – RULES AND REGULATIONS, (continued)

2.1.1 The services provided by the Company are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services, but will involve the resale of products and services of underlying carriers, common carriers and alternative carriers subject to the jurisdiction of this Commission.

2.1.2 The rates and regulations contained in this tariff apply only to the services furnished by the Company and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carriers for use in accessing the services of the Company.

2.1.3 The Company reserves the right to limit the length of communications, to discontinue furnishing services, or limit the use of service necessitated by conditions beyond its control, including, without limitation: lack of satellite or other transmission medium capacity; the revision, alteration or re-pricing of the Underlying Carrier's tariff offerings; or when the use of service becomes or is in violation of the law or the provisions of this tariff.

2.2 Use of Services

2.2.1 The Company's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services, subject to any limitations set forth in this Section 2.2.

2.2.2 The use of the Company's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.

SECTION 2 – RULES AND REGULATIONS, (continued)

2.2.3 The use of the Company's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.

2.2.4 The Company's services are available for use twenty-four hours per day, seven days per week.

2.2.5 The Company does not transmit messages, but the services may be used for that purpose.

2.2.6 The Company's services may be denied for nonpayment of charges or for other tariff violations.

2.2.7 Customers shall not use the service provided under this tariff for any unlawful purpose.

2.2.8 The Customer is responsible for notifying the Company immediately of any unauthorized use of services.

2.3 **Liability of the Company**

2.3.1 The Company shall not be liable for any claim, loss, expense or damage for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by the Underlying Carrier, an act of God, fire, war, civil disturbance, act of government, or due to any other causes beyond the Company's control.

2.3.2 The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim, loss, expense, or damage for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data or information transmitted.

SECTION 2 – RULES AND REGULATIONS, (continued)

2.3.3 No agent or employee of any other carrier or entity shall be deemed to be an agent or employee of the Company.

2.3.4 The Company's liability for damages, resulting in whole or in part from or arising in connection with the furnishing of service under this tariff, including but not limited to mistakes, omissions, interruptions, delays, errors, or other defects or misrepresentations shall not exceed an amount equal to the charges provided for under this tariff for the long distance call for the period during which the call was affected. No other liability in any event shall attach to the Company.

2.3.5 The Company shall not be liable for and shall be indemnified and saved harmless by any Customer or by any other entity from any and all loss, claims, demands, suits, or other action or any liability whatsoever, whether suffered, made, instituted, or asserted by any Customer or any other entity for any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any Customer or any other entity or any other property whether owned or controlled by the Customer or others.

2.3.6 The Company shall not be liable for any indirect, special, incidental, or consequential damages under this tariff including, but not limited to, loss of revenue or profits, for any reason whatsoever, including the breakdown of facilities associated with the service, or for any mistakes, omissions, delays, errors, or defects in transmission occurring during the course of furnishing service.

SECTION 2 – RULES AND REGULATIONS, (continued)

2.3.7 The remedies set forth herein are exclusive and in lieu of all other warranties and remedies, whether express implied, or statutory, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

2.3.8 It is understood and agreed that this tariff embodies the full understanding and agreement between the Company and the Customer regarding the services provided hereunder. No representation or understanding contrary to the provisions and rates of this tariff shall apply. The company, its officers, directors, employees, shareholders, and their respective heirs and assigns, are specifically excused and indemnified, saved and held harmless, by each Customer taking services under this tariff for any claim of misrepresentation, or errors or omissions made by sales representatives or sales agents.

2.4 Responsibilities of the Customer

2.4.1 The Customer is responsible for placing any necessary orders and complying with tariff regulations. The Customer is also responsible for the payment of charges for services provided under this tariff and also on the individual Service order Forms.

2.4.2 The Customer is responsible for charges incurred for special construction and/or special facilities, which the Customer requests and which are ordered by the Company on the Customer's behalf.

2.4.3 If required for the provision of the Company's services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to the Company.

SECTION 2 – RULES AND REGULATIONS, (continued)

2.4.4 The Customer is responsible for arranging access to its premises at times mutually agreeable to the Company and the Customer when required for the Company personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of the Company's services.

2.4.5 The Customer shall cause the temperature and relative humidity in the equipment space provided by Customer for the installation of the Company's equipment to be maintained within the range normally provided for the operation of microcomputers.

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Chicago, Illinois 60606

SECTION 2 – RULES AND REGULATIONS, (continued)

2.4.6 The Customer shall ensure that the equipment and/or system is properly interfaced with the Company's facilities or services, that the signals emitted into the Company's network are of the proper mode, bandwidth, power and signal level for the intended use of the subscriber and in compliance with criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Customers.

2.4.7 If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, the Company will permit such equipment to be connected with its channels without the use of protective interface devices. If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to the Company equipment, personnel or the quality of service to other Customers, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's service.

2.4.8 The Customer must pay the Company for replacement or repair of damage to the equipment or facilities of the Company caused by negligence or willful act of the Customer or others, by improper use of the services, or by use of equipment provided by Customer or others.

2.4.9 The Customer must pay for the loss through theft of any the Company equipment installed at Customer's premises.

SECTION 2 – RULES AND REGULATIONS, (continued)

2.4.10 If the Company installs equipment at Customer's premises, the Customer shall be responsible for payment of any applicable installation charge.

2.4.11 The Customer must use the services offered in this tariff in a manner consistent with the terms of this tariff and the policies and regulations of all state, federal and local authorities having jurisdiction over the service.

2.5 Cancellation or Interruption of Services

2.5.1 Without incurring liability, upon five (5) working days' (defined as any day on which the company's business office is open and the U.S. Mail is delivered) written notice to the Customer, the Company may immediately discontinue services to a Customer or may withhold the provision of ordered or contracted services:

2.5.1.A For nonpayment of any sum due the Company for more than thirty (30) days after issuance of the bill for the amount due,

2.5.1.B For violation of any of the provisions of this tariff,

2.5.1.C For violation of any law, rule, regulation, policy of any governing authority having jurisdiction over the Company's services, or

2.5.1.D By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting the Company from furnishing its services.

SECTION 2 – RULES AND REGULATIONS, (continued)

2.5.2 Without incurring liability, the Company may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer and the Company's equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.

2.5.3 Service may be discontinued by the Company without notice to the Customer, by blocking traffic to certain countries, cities or NXX exchanges, or by blocking calls using certain Customer authorization codes, when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as it can be provided without undue risk, and will, upon request by the Customer affected, assign a new authorization code to replace the one that has been deactivated.

SECTION 2 – RULES AND REGULATIONS, (continued)

2.6 **Credit Allowance**

2.6.1 Credit may be given for disputed calls, on a per call basis.

2.6.2 Credit shall not be issued for unavailability of long distance services.

2.7 **Restoration of Service**

The use and restoration of service shall be in accordance with the priority system specified in part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission.

2.8 **Deposit**

The Company does not require deposits.

2.9 **Advance Payments**

The Company does not require advance payments.

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SECTION 2 – RULES AND REGULATIONS, (continued)

2.10 Payment and Billing

2.10.1 Service is provided and billed on a billing cycle basis, beginning on the date that service becomes effective. Billing is payable upon receipt.

2.10.2 The Customer is responsible for payment of all charges for services furnished to the Customer, as well as to all persons using the Customer's codes, exchange lines, facilities, or equipment, with or without the knowledge or consent of the Customer. The security of the Customer's Authorization Codes, presubscribed exchange lines, and direct connect facilities is the responsibility of the Customer. All calls placed using direct connect facilities, presubscribed exchange lines, or Authorization Codes will be billed to and must be paid by the Customer.

2.10.3 All bills are presumed accurate, and shall be binding on the customer unless objection is received by the Company in writing within 30 days after such bills are rendered. No credits, refunds, or adjustments shall be granted if objection, therefore, is not received by the Company in writing within such 30-day period.

2.10.4 The Company will utilize direct billing and at times if and when applicable utilize LEC billing. The Company makes the selection of the billing option. With LEC billing, the Customer's charges for Service(s) are billed with the Customer's bill for local service. If LEC billing is utilized, the rules and regulations applying to rendering and payment of the bill and late charges are the same as covered in the applicable LEC tariff. The Company will make every effort to post any credit due to the Customer account(s) on the Customer's next LEC bill. However, based on the date of the resolution of a dispute and the date credits must be provided to the LEC, it may be two or more billing cycles before a credit will be issued. The Company's name and toll-free telephone number will appear on the Customer's bill.

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SECTION 2 – RULES AND REGULATIONS, (continued)

2.11 **Collection Costs**

In the event Company is required to initiate legal proceedings to collect any amounts due to Company for regulated or non-regulated services, equipment or facilities, or to enforce any judgment obtained against a Customer, or for the enforcement of any other provision of this tariff or applicable law, Customer shall, in addition to all amounts due, be liable to Company for all reasonable costs incurred by Company in such proceedings and enforcement actions, including reasonable attorneys' fees, collection agency fees or payments, and court costs. In any such proceeding, the amount of collection costs, including attorneys' fees, due to the Company, will be determined by the court.

2.12 **Taxes**

All federal, state and local taxes, assessments, surcharges, or fees, including sales taxes, use taxes, gross receipts taxes, and municipal utilities taxes, are billed as separate line items and are not included in the rates quoted to Customer on the SOF and/or herein. Additionally, such items are billed as separate line items and are not included in the rates quoted to Customer on the SOF, and/or herein are any municipal, state and or Federal regulatory surcharges, fees and assessments such as Federal Universal Service Fund (“FUSF”) fees.

2.13 **Late Charge**

A late fee of 1.5% per month, will be charged on any past due balances.

2.14 **Returned Check Charge**

A fee will be charged whenever the institution on which it is written does not accept a check or draft presented for payment for service with a cap of no more than $30.00 NSF fee.

SECTION 2 – RULES AND REGULATIONS, (continued)

2.15 **Reconnection Charge**

A reconnection fee of up to $100.00 per occurrence will be charged when service is reestablished for Customers, which have been disconnected due to non-payment. When Customer makes payment to restore service along with any and or all accrued liabilities in the form of past due amounts, late fees, third party collection agency charges and other amounts as and if applicable; Company shall restore service as appropriate. However, payment of all of the aforementioned must be paid in full prior to reconnection of service.

2.16 **Paper Bill Charges**

The Company may bill for Service electronically for those Customers with computer capability. Customers may, however, elect to receive invoices in paper form. Customers electing paper billing will be assessed a monthly account fee of $2.95.

2.17 **Minimum Usage Charge**

Company's LD products for small business are subject to a monthly minimum usage charge of $2.95, to be applied when a Customer's monthly usage is less than $100.00 before the application of taxes, fees or surcharges. This charge may be waived at the discretion of the company.

2.18 **Toll-Free Fee**

All of Company's LD products are subject to a monthly toll-free fee in the amount of up to $0.25 cents per month per toll-free number. This charge may be waived at the discretion of the Company.

2.19 **Regulatory Fees and Federal Cost Recovery Fees.**

ANPI, LLC will invoice for all charges related not only to standard taxes, fees and surcharges as required by law unless provided however a customer provides a valid exemption form acceptable to ANPI, LLC in order to be exempt from such taxes, fees and surcharges. However, ANPI shall also assess to customers a Federal Cost Recovery Fee and/or a Regulatory Recovery Fee in order to recoup the cost of compliance and additional expenses to support Company operations.

SECTION 3 - DESCRIPTION OF SERVICE

3.1 General

The Company will provide Interexchange Service in the State of Kansas as specified herein. The Company will provide services over its underlying Carriers facilities in conjunction in part with its own.

The Company's Interexchange Services provide a Customer with a telephonic connection to make VoIP based calls using an Internet protocol process. Company also shall issue DID numbers to Customers to facilitate such calls and will enable users to:

A. Receive calls from other stations on the public switched telecommunications network;

B. Access other services offered by the Company as set forth in this tariff;

C. Access (at no additional charge) emergency services by dialing 9-1-1; and

D. Access (at no additional charge) the telecommunications relay service (TRS) system by dialing 7-1-1 as further defined in a subsequent section of this tariff.

Each Service is available on a "full" service basis, whereby service is delivered to a demarcation/connection point at the Customer's premises.

The Company offers PBX/IPPBX Systems for business, SIP trunks, Cloud Based products and a wide range of Communications products and services for Business Customers. The Company may also provide Private Line Service.

SECTION 3 - DESCRIPTION OF SERVICE, (continued)

3.2 Service Offerings

3.2.1 Business PBX Service

Business PBX Trunk service provides a Customer with a single, voice-grade telephonic communications channel which can be used to place or receive one call at a time. Trunks are provided for connection of Customer-provided private branch exchanges (PBX) or other station equipment to the public switched telecommunications network. An optional per trunk Hunting feature is available for Customers which routes a call to the next idle trunk in a prearranged group.

Business PBX Trunks are available as Inward, Outward or Two-Way combination trunks where services and facilities permit.

Business PBX Trunks may also be equipped with Direct Inward Dialing (DID) capability and DID number blocks for additional charges.

Recurring charges for Business PBX Trunk Service are billed monthly in advance. Usage charges, if applicable, are billed in arrears. Non-recurring charges for installation or rearrangement of service are billed on the next month's bill immediately following work performed by the Company. Additionally additional usage outside of a Customer's calling plan is billed in arrears.

3.2.2 Direct Inward Dialing (DID) Trunk Service

Direct Inward Dialing ("DID") permits calls incoming to a PBX system or other Customer Premises Equipment to be routed to a specific station without the assistance of an attendant. DID calls are routed directly to the station associated with the called number. DID service as offered by the Company provides the necessary trunks, telephone numbers, and out-pulsing of digits to enable DID service at a Customer's location. DID service requires special PBX software and hardware not provided by the Company. Such hardware and software are the responsibility of the Customer.

3.2.3 Private Line Service

Private Line Service allows for a digital, fiber or virtual "End-to-End" service through the application of point to point or multiplexed services. Private Line Service provides for the transmission of voice and/or data by providing a dedicated voice or data communications path between two or more locations of the same Customer. The Private Line Service is provided between two Customers designated premises or provided between multiple Customers designated locations and the Company facilities.

:

SECTION 3 - DESCRIPTION OF SERVICE, (continued)

3.3 Optional Calling Features

3.3.1 General

The features in this section are made available if, as and when applicable on an individual basis or as part of multiple feature packages in the sole discretion of the Company. All features are provided subject to availability in the sole discretion of the Company. Certain features may not be available with all classes of service and/or some, any and/or all features may not be available at time of order request and/or in the future. Transmission levels for calls forwarded or calls placed or received using optional calling features may not be acceptable for all uses in some cases.

3.3.2 Feature Descriptions

A. Call Forwarding Variable: Permits the end-user to automatically forward (transfer) all incoming calls to another telephone number, and to restore it to normal operation at their discretion. The end-user must dial an activation code from his/her exchange line along with the forward-to number in order to turn the feature on. A separate code is dialed by the end-user to deactivate the feature.

B. Three Way Calling: Permits the end-user to add a third party to an established connection. When the third party answers, a two-way conversation can be held before adding the original party for a three-way conference. The end-user initiating the conference controls the call and may disconnect the third party to reestablish the original connection or establish a connection to a different third party. The feature may be used on both outgoing and incoming.

SECTION 3 - DESCRIPTION OF SERVICE, (continued)

3.4 Optional Calling Features

3.4.1 Feature Descriptions

C. Call Waiting - Basic: Call Waiting provides a tone signal to indicate to a Customer already engaged in a telephone call that a second caller is attempting to dial in. It permits the Customer to place the first call on hold, answer the second call and then alternate between both callers. Cancel Call Waiting is provided with the feature and allows a Call Waiting end-user to disable the Call Waiting feature for the duration of a single outgoing telephone call. Cancel Call Waiting is activated by dialing a special code prior to placing a call, and is automatically deactivated when the Customer disconnects from the call.

D. Speed Dial: Permits the Customer to place calls to other telephone numbers by dialing a one or two digit code rather than the complete telephone number. The feature is available as either an eight (8) code list or a thirty (30) code list. Code lists may include local and/or toll telephone numbers. The Customer has the ability to add or remove telephone numbers and codes to/from the speed calling list without assistance from the Company.

E. Call Forwarding Busy Line, Basic: Permits the forwarding of incoming calls when the end-user's line is busy. The forwarded number is fixed by the end-user service order.

F. Call Forwarding Don't Answer, Basic: Permits the forwarding of incoming calls when the end-user's line remains unanswered after a pre-designated ringing interval. The ringing interval before forwarding and the forward-to number are fixed by the service order.

G. Call Forwarding Busy Line w/ Customer Control: Permits the forwarding of incoming calls when the end-user's line is busy. The forwarded number is fixed by the end-user service order. However, the end-user has the ability to turn the feature on or off at his/her discretion.

SECTION 3 - DESCRIPTION OF SERVICE, (continued)

3.4 Optional Calling Features

3.4.2 Feature Descriptions

H. Call Forwarding Don't Answer w/ Customer Control: Permits the forwarding of incoming calls when the end-user's line remains unanswered after a pre-designated ringing interval. The ringing interval before forwarding and the forward-to number are fixed by the service order. However, the end-user has the ability to turn the feature on or off at his/her discretion.

I. Call Forwarding Variable, Remote Access: Permits the end-user to automatically forward (transfer) all incoming calls to another telephone number, and to restore it to normal operation at their discretion. The end-user must dial an activation code along with the forward-to number in order to turn the feature on. A separate code is dialed by the end-user to deactivate the feature. Feature activation may be performed from the end-user's exchange line or remotely from some other line. Remote access requires the end-user to 1) dial a special access number 2) enter their seven-digit telephone number and 3) enter a personal identification number prior to forwarding their calls.

SECTION 3 - DESCRIPTION OF SERVICE, (continued)

3.4 Optional Calling Features

3.4.2 Feature Descriptions

J. Three Way Calling with Transfer: This feature allows a user to hold an in-progress call and complete a second call while maintaining privacy from the first call, or to add on the previously held call for a three-way conference. This feature shall not be used to extend calls on a planned and continuing basis to intentionally avoid the payment in whole or in part of message charges, toll or otherwise, that would regularly be applicable between the stations bridged together by the subscriber.

K. Call Forwarding Don't Answer w/ Ring Control: Permits the forwarding of incoming calls when the end-user's line remains unanswered after a pre-designated ringing interval. The forward-to number is fixed by the service order. However, the end-user has the ability to change the time interval before forwarding occurs at his/her discretion.

SECTION 3 - DESCRIPTION OF SERVICE, (continued)

3.4 Optional Calling Features

3.4.2 Feature Descriptions

L. Remote Call Forwarding - Remote Call Forwarding (RCF) is a local exchange telecommunications service feature whereby all calls dialed to a telephone number equipped for RCF are automatically forwarded to another dialed exchange or 8XX Service telephone number. The calling party pays only the applicable charges to call the number equipped with an RCF feature, while the RCF Customer pays the applicable charges for the forwarded portion of the call.

Remote Call Forwarding service is offered subject to availability of suitable facilities. Remote Call Forwarding service is not offered where the terminating station is a coin telephone. The Company will not provide identification of the originating telephone number to the RCF Customer. Transmission characteristics may vary depending on the distance and routing necessary to complete the remotely forwarded call. Therefore, the normal grade end-to-end transmission is not guaranteed on such calls.

Each Remote Call Forwarding feature allows for forwarding one call at a given time. An additional path is necessary for each additional call to be forwarded simultaneously.

M. Multiple Directory Number Distinctive Ringing: This feature allows an end user to determine the source of an incoming call from a distinctive ring. The end user may have up to two additional numbers assigned to a single line (i.e., Distinctive Ringing - First Number and Distinctive Ringing - Second Number). The designated primary number will receive a normal ringing pattern, other numbers will receive distinctive ringing patterns. The pattern is based on the telephone number that the calling party dials.

N. Call Return: Allows the Customer to return a call to the last incoming call whether answered or not. Upon activation, it will re-dial the number automatically and continue to check the number every 45 seconds for up to 30 minutes if the number is busy. The Customer is alerted with a distinctive ringing pattern when the busy number is free. When the Customer answers the ring, the call is then completed. The calling party's number will not be delivered or announced to the call recipient under any circumstances.

SECTION 3 - DESCRIPTION OF SERVICE, (continued)

3.4 Optional Calling Features, (Cont'd.)

3.4.2 Feature Descriptions, (Cont'd.)

O. Repeat Dialing: Permits the end-user to have calls automatically re-dialed when the first attempt reaches a busy number. The line is checked every 45 seconds for up to 30 minutes and alerts the Customer with a distinctive ringing pattern when the busy number and the Customer's line are free. The Customer can continue to make and receive calls while the feature is activated. The following types of calls cannot be reached using Repeat Dialing:

Calls to 800 Service numbers
Calls to 900 Service numbers
Calls preceded by an interexchange carrier access code
International Direct Distance Dialed calls
Calls to Directory Assistance
Calls to 911

P. Call Block: Allows the end-user to automatically block incoming calls from up to six end-user pre-selected telephone numbers programmed into the feature's screening list. Callers whose numbers have been blocked will hear a recorded message stating that their call has been blocked. The end-user controls when the feature is active, and can add or remove calling numbers from the feature's screening list.

Q. Call Tracing: Allows the tracing of nuisance calls to a specified telephone number suspected of originating from a given local office. The tracing is activated upon entering the specified dial code. The originating telephone number, outgoing trunk number or terminating number, and the time and date are generated for every call to the specified telephone number can then be identified.

SECTION 3 - DESCRIPTION OF SERVICE, (continued)

3.4 Optional Calling Features, (Cont'd.)

3.4.2 Feature Descriptions, (Cont'd.)

R. Caller ID: Permits the end-user to view a Directory Number of the calling party on incoming telephone calls. Information is displayed on a specialized Equipment either provided to end user at a cost and/or CPE which may not be provided by the Company. The feature also provides the date and time of each incoming call. It is the responsibility of the Customer to provide the necessary CPE.

S. Caller ID - Enhanced: Permits the end-user to view a Directory Name and Directory Number of the calling party on incoming telephone calls. Information is displayed on a specialized Equipment either provided to end user at a cost and/or CPE which may not be provided by the Company. The feature also provides the date and time of each incoming call. It is the responsibility of the Customer to provide the necessary CPE. In some situations, the calling party's city and state may be displayed rather than a Directory Name, depending on available call data.

T. Anonymous Call Rejection: Permits the end -user to automatically reject incoming calls when the call originates from a telephone number which has blocked delivery of its calling number (see Calling Number Delivery Blocking). When active, calls from private numbers will be routed to a special announcement then terminated. The feature may be turned on or off by the end-user by dialing the appropriate feature control code. Anonymous Call Rejection is offered as a stand-alone feature or as an add-on to Caller ID Deluxe.

U. Hunting: the Company offers basic "serial hunting," which defaults to the next available trunk within a group, when the prior trunk is busy.

AA. User Transfer/Conferencing: A user of this feature may hold an in-progress call and complete a second call, or may add on the previously held call for a three-way conference. The feature also allows an incoming call to be transferred to another access arrangement.

BB. Call Pickup: This feature allows a subscriber to answer a call which has been directed to another serving arrangement within the same call pickup group by dialing a code.

CC. Call Hold: A user of this feature can place an established call on hold by depressing the switch-hook and dialing a code.

SECTION 3 - DESCRIPTION OF SERVICE, (continued)

3.5 Directory Assistance and Listing Services

3.5.1 Directory Listings

General

The following rules apply to basic listings in light face type in the white pages (alphabetical section) of the telephone directory and to the Directory Assistance records of the Company.

Only information necessary to identify the Customer is included in these listings. The Company use abbreviations in listings. The Company may reject a listing it judges to be objectionable. A name made up by adding a term such as Company, Shop, Agency, Works, etc. to the name of a commodity or service will not be accepted as a listing unless the subscriber is legally doing business under that name.

One basic listing for each individual line service, auxiliary line or PBX system is provided at no additional charge to the Customer. A basic listing includes a name, designation, address and telephone number of the Customer. It appears in the White Pages of the telephone directory and in the Company's Directory Assistance records.

A name may be repeated in the white pages only when only when a different address or telephone number is used.

SECTION 3 - DESCRIPTION OF SERVICE, (continued)

3.6 Computation of Charges

3.6.1.1 The total charge for each completed call may be a variable measured charge dependent on the duration, distance and/or time of day of the call. The variable measured charge is specified as a rate per minute, which is applied to each minute. All calls are measured in increments as set forth in the Customer Service Order From and when and as applicable the Rates Section of this tariff. Timing of calls begins when the call is answered at the called station. Different rates may apply depending on the time of day or day of week the call is made. Calls originating in one time period and terminating in another time period will be billed according to the rates in effect during each portion of the call.

3.6.2 Calculation of Distance

If applicable, usage charges for all mileage sensitive products are based on the airline distance between the Rate Centers associated with the originating and terminating points of the call. The distance between the originating and terminating points is calculated by using the industry standard "V" and "H" coordinates of the Rate Centers in the following manner:

Step 1 - Obtain the "V" and "H" coordinates for the Rate Center of the originating and the destination points. Obtain the difference between the "V" coordinates of each of the Rate Centers. And Obtain the difference between the "H" coordinates.

Step 3 - Square the differences obtained in Step 2. Add the squares of the "V" difference and "H" difference. Then divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.

Step 6 - Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction is obtained. This is the distance between the originating and terminating points of the call.

Formula:

$$\sqrt{\frac{\left|V_1 - V_2\right|^2 + \left|H_1 - H_2\right|^2}{10}}$$

SECTION 3 - DESCRIPTION OF SERVICE, (continued)

3.6 Computation of Charges, (continued)

3.6.3 Timing begins when the called station is answered and two-way communication is possible, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. Recognition of answer supervision is the responsibility of the Underlying Carrier. Timing for each call ends when either party hangs up. The Company will not bill for uncompleted calls.

3.6.4 If the Customer uses a calling plan with a monthly recurring charge, that monthly charge is charged for every billing or calendar month in which a customer uses the service as defined by placing a call from a working telephone number.

Issued by:

Richard Monto
General Counsel and Secretary
ANPI, LLC
One North Wacker; Suite 2500
Chicago, Illinois 60606

SECTION 3 - DESCRIPTION OF SERVICE, (continued)

3.7 Customer Complaints and/or Billing Disputes

Customer inquiries or complaints regarding service or accounting may be made in writing or by telephone to the Company at:

ANPI, LLC
One North Wacker, Suite 2500
Chicago, Illinois 60606
855-492-2300

Any objection to billed charges should be reported promptly to the Company. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate. Where overbilling of a subscriber occurs, due either to Company or subscriber error, no liability exists which will require the Company to pay any interest, dividend or other compensation on the amount overbilled; provided, however, in the event that the Company has willfully overcharged any Customer, the Company shall refund the difference, plus interest, as prescribed by the Commission.

SECTION 3 - DESCRIPTION OF SERVICE, (continued.)

3.7 Customer Complaints and/or Billing Disputes, (continued)

3.7.1 If a Customer accumulates more than One Dollar of undisputed delinquent Company 800 Service charges, the Company Resp. Org. reserves the right not to honor that Customer's request for a Resp. Org. change until such undisputed charges are paid in full.

The Company reserves the right to suspend or cancel without advance written notice and without any liability whatsoever, the provision of Toll-Free Service to any Toll-Free Service customer if the Company determines in its sole discretion that the customer is using the Toll Free Service to make or permit any telephone facility under such customer's control to be used for any purpose or activity including, calling card platforms, prepaid calling card platforms, any obscene, indecent or harassing purpose or activity, prohibited by Section 223 of the Communications Act of 1934, as amended.

3.8 [reserved]

3.9 Additional Service Offerings

3.9.1 1+ Dialing

ANPI, LLC LD service provides switched and dedicated access and includes such features as switched outbound “One Plus" long distance telecommunications services, dedicated outbound calling, inbound toll-free switched and dedicated calling, calling card calling and directory assistance services. This service permits Customers to originate calls via switched or dedicated lines, paper bill and to terminate intrastate calls. The customer dials "1+" followed by "ten digits". The Customer is presubscribed to the Company's service.

SECTION 3 - DESCRIPTION OF SERVICE, (continued.)

3.9.2 Toll-Free Service.

This service is inbound calling only where an 800, 888 or other toll-free prefix number rings into a Customer's premise routed to a specific telephone number or terminated over a dedicated facility.

3.9.2.1 **Inbound and Outbound:**

3.9.2.1.1 Communications may originate from areas served by any equal access central office within the State of Kansas. All services are available twenty four hours per day, seven days per week.

3.9.2.2 **Inbound Dedicated Service (Toll-Free):**

Allows inbound Intrastate calls to come in on Dedicated Access Line using 800 or 888 number(s).

3.9.2.3 Virtual Wats Service: Virtual Wats Service is a resold telecommunications service utilizing an underlying carrier. This service includes such features as outbound switched and dedicated calling, inbound (800 or 888) switched and dedicated calling, calling card calling and directory assistance services.

3.9.2.4 FiberWats Service: FiberWats Service is a resold telecommunications service utilizing an underlying carrier. This service includes such features as outbound switched and dedicated calling, inbound (800 or 888) switched and dedicated calling, calling card calling and directory assistance services.

SECTION 3 - DESCRIPTION OF SERVICE, (continued.)

3.9.3 Directory Assistance.

Access to long distance directory assistance is obtained by dialing 411 or 1 + 555-1212 for listings within the originating area code and 1 + (area code) + 555-1212 for other listings. When more than one number is requested in a single call, a charge will apply for each number requested. A charge will be applicable for each number requested, whether or not the number is listed or published.

3.9.4 Specialized Pricing Arrangements.

Customized service packages and competitive pricing packages at negotiated rates may be furnished on a case-by-case basis in response to requests by Customers to the Company for proposals or for competitive bids. Service offered under this tariff provision will be provided to Customers pursuant to the Company Service Order Form and Contract and services ordered on the applicable Service Order Forms shall include Individual Case Basis Pricing for each Customer. Unless otherwise specified, the regulations for such arrangements are in addition to the applicable regulations and prices in other sections of the tariff. Specialized rates or charges will be made available to similarly situated Customers on a nondiscriminatory basis.

3.9.5 Emergency Call Handling Procedures

Emergency "911" calls are not routed to Company, but are completed through the local network at no charge.

3.9.6 Promotional Offerings

The Company may, from time to time, make promotional offerings to enhance the marketing of its services. These offerings may be limited to certain dates, times and locations. The Company will notify the Commission of such offerings as required by Commission rules and regulations.

SECTION 4 - RATES AND CHARGES

4.1 General Rate Information

4.1.1 Call Duration

Customer will maintain a call duration of greater than 6 seconds in length for at least 90% of Customer's total domestic calls. ANPI, LLC shall charge all calls under 6 seconds in duration a minimum of four cents ($0.04) per call if the total amount of calls less than 6 seconds exceeds 10% of the Customer's total domestic traffic.

4.1.2 Charge for Non-Billable Toll Free Calls

If a Customer's usage of a toll-free number results in the non-billable (non-completed) calls for such toll-free number in any month to be greater than 7% of the billable (completed) calls for such toll-free number in that month, ANPI, LLC may charge Customer a non-discountable $0.0375 charge for each non-billable call.

SECTION 4 - RATES AND CHARGES, (continued)

4.1 Individual Case Basis (ICB) Arrangements

Special arrangements may be undertaken on a reasonable effort basis at the request of the Customer. Special arrangements include any service or facility relating to a regulated telecommunications service not otherwise specified under this Tariff or any applicable contract, or for the provision of service on an expedited basis or in some other manner different from the normal Tariff or contract conditions. Appropriate recurring charges and/or nonrecurring charges and other terms and conditions will be developed for the Customer for the provisioning of such arrangements.

4.2 Alternative Individual Case Basis on Contract Pricing

At the option of the Company, services may be offered on a contract basis to meet specialized pricing requirements of the Customer not contemplated by this Tariff on an Individual Case Basis. The terms of each contract shall be mutually agreed upon between the Customer and Company and may include discounts off of rates contained herein or rates especially created for the Customer by Company for one time charges without limitation, installation charges, equipment fees and also monthly recurring charges. The terms of the contract may be based partially or completely on the term and revenue commitment, mixture of services, or other distinguishing features. Service shall be available to all similarly situated Customers for a fixed period of time following the initial offering to the first contract Customer as specific in each individual contract.

4.3 Promotional Programs

The Company may, from time to time, offer services in this tariff at special promotional rates and/or terms.

SECTION 4 - RATES AND CHARGES, (continued)

4.4 Application of Rates and Charges

All services offered in this Tariff are subject to Service Order, Nonrecurring, Monthly Recurring, and Usage Charges.

4.4.1 Call Timing for Usage Sensitive Services

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

A. Calls are measured in durational increments identified for each service. For billing provided directly by the Company, the minimum call duration and initial period is 18 seconds for all intrastate direct dialed calls unless otherwise specified by and on an Individual Case Basis or by this tariff.

B. For billing provided directly by the Company, the additional period is measured and rounded to the next higher 6 second increment unless otherwise specified by and on an Individual Case Basis or by this tariff.

C. For billing provided by the Local Exchange Carrier of the Customer, the minimum call duration and initial period is 60 seconds (1 minute) and the additional period is measured in 60 second (1 minute) increments. Unless otherwise specified by and on an Individual Case Basis or by this tariff.

D. Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s).

E. Timing terminates on all calls when the calling party hangs up or the Company's network receives an off-hook signal from the terminating carrier.

4.4.2 Discounted Pricing Plans

The rates identified in this tariff are base rates. Except as otherwise noted, the discounts herein are applied to the base rates.

Current discount, all service plans 0%

SECTION 4 - RATES AND CHARGES, (continued)

4.5 Service Charges and Surcharges

4.5.1 Service Order Charges

Service Order Charges apply for changes in service and for additions to service. Service Order Charges are in addition to all other applicable nonrecurring charges identified in this tariff.

	Business
Line Charge	
First Line	$150.00
Each Additional Line	$125.00
Secondary Service Order Charge	$100.00

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Chicago, Illinois 60606

SECTION 4 - RATES AND CHARGES, (continued)

4.6 Service Charges and Surcharges, (Cont'd.)

4.6.2 Maintenance Visit Charges

Maintenance Visit Charges apply when the Company dispatches personnel to a Customer's premises to perform work necessary for installing new service, effecting changes in service or resolving troubles reported by the Customer when the trouble is found to be caused by the Customer's facilities.

Maintenance Visit Charges will be credited to the Customer's account in the event trouble is not found in the Company facilities, but the trouble is later determined to be in those facilities.

The time period for which the Maintenance Visit Charges is applied will commence when Company personnel are dispatched at the Customer premises and end when work is completed. The rates for Maintenance of Service, therefore, vary by time per Customer request.

Duration of time, per technician	Business
Initial 15 minute increment	$75.00
Each Additional 15 minute increment	$75.00

SECTION 4 - RATES AND CHARGES, (continued)

4.7 Service Rates, (Cont'd.)

4.7.1 Business PBX Trunk Service

4.7.1.1 Trunk Charges

The Business Enhanced PBX Trunk rates shown below include Combination, Two- Way or Out Dial Trunks. Usage Sensitive Charges and Allowances for Business PBX Trunk Service are specified in this tariff. Nonrecurring charges for Business PBX Trunk Service are also specified in this tariff.

Maximum one (1) time fee of $ICB per Trunk

23 Channels: Monthly Recurring Charge - ICB

4.7.1.2 Direct Inward Dialing (DID)

The following charges apply to Customers subscribing to DID service provided by the Company. These charges are in addition to recurring and nonrecurring charges for PBX Trunks as shown in this tariff. The Customer will be charged for the number of DID Number Blocks (20 numbers per block) regardless of the number of DID's per block. For purposes of example only a Customer orders 16 DID's the Customer will be changed for a Number Block of 20 DID's.

	Installation Charge	Monthly Recurring
Establish Trunk Group and Provide 1st Block of 20 DID Numbers	$ICB	$ICB
Each Additional Block of 20 DID Numbers	$ICB	$ICB
DID Trunk Termination	$0	$ICB

DID Max. per minute inbound/outbound. $ICB.

SECTION 4 - RATES AND CHARGES, (continued)

4.8 Service Rates, (Cont'd.)

4.8.1 PBX Trunk Service, (Cont'd.)

B. Direct Inward Dialing (DID) Service, (Cont'd.)

	Installation Charge	Monthly Recurring
Dual Tone Multi-frequency Pulsing Option, Per Trunk	ICB	ICB

4.8.2 Private Line Service

	Installation & MRC
All Private Line Services are provided on a customized and Individual case basis per Customer without limitation a onetime installation fee, any MRC's and additional costs to and between a Customer's business locations.	ICB

SECTION 4 - RATES AND CHARGES , (continued)

4.9 Service Rates, (Cont'd.)

4.9.1. SIP Trunking

a. ICB Per Channel

b. Basic Features

4.9.2 Hosted Voice - (features may come with below descriptors)

a. Basic feature set $ICB/ station

b. ICB MRC

i. Caller ID

ii. Call Forwarding

iii. Web Portal

iv. Transfer

v. Voicemail

4.9.3. Enhanced Hosted Features - (features may come with below descriptors)

a. ICB Setup Fee (each)

b. ICB MRC

i. Auto Attendant

ii. Multiline Huntgroup

iii. Stand alone shared voicemail

iv. Foreign Number remote forward

v. Any Custom requests outside of standards

SECTION 4 - RATES AND CHARGES, (continued)

4.10 Optional Calling Features

4.10.1 Features Offered on Monthly Basis

The features in this section are made available if, as and when applicable on an individual basis or as part of multiple feature packages in the sole discretion of the Company. All features are provided subject to availability in the sole discretion of the Company. Certain features may not be available with all classes of service and/or some, any and/or all features may not be available at time of order request and/or in the future. Transmission levels for calls forwarded or calls placed or received using optional calling features may not be acceptable for all uses in some cases.

If and when any or each feature is and/or may be made available no usage sensitive charges shall apply. If and when features are made available by the Company multiline Customers must order the appropriate number of features based on the number of lines which will have access to the feature.

SECTION 4 - RATES AND CHARGES, (continued)

4.10 Optional Calling Features, (Cont'd.)

4.10.2 Features Offered on Monthly Basis, (Cont'd.)

Optional Calling Features	Business
Call Waiting	$ICB
Call Forwarding Variable	$ICB
Three Way Calling	$ICB
Speed Dialing	$ICB
Speed Calling	$ICB
Call Forwarding Busy Line	$ICB
Call Forwarding Don't Answer	$ICB
Call Forwarding Don't Answer-Ring Control	$ICB
Customer Control of Call Forwarding Busy Line	$ICB
Customer Control of Call Forwarding Don't Answer	$ICB
Call Forwarding Don't Answer Multipath or Customer Control of Call Forwarding Don't Answer Multipath	$ICB
Call Forwarding Variable Multipath or Remote Access-Call Forwarding Variable Multipath	$ICB
Call Block	$ICB
Call Return	$ICB
Call Selector	$ICB
Call Tracing	$ICB
Repeat Dialing	$ICB
Preferred Call Forwarding	$ICB
Three-Way Calling with Transfer	$ICB
Remote Access-Call Forwarding Variable	$ICB
Multiple Directory Number Distinctive Ringing - First TN's	$ICB
Multiple Directory Number Distinctive Ringing - Two TN's	$ICB
Caller ID – Basic	$ICB
Caller ID - Deluxe	$ICB
Enhanced Caller ID	$ICB
Enhanced Caller ID with Call Management	$ICB
Call Waiting Deluxe With Call Forwarding Don't Answer	$ICB
Call Waiting Deluxe With Conferencing	$ICB
Remote Access to Call Forwarding	$ICB

Richard Monto
General Counsel and
Corporate Secretary
ANPI, LLC
One North Wacker; Suite 2500
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SECTION 4 - RATES AND CHARGES, (continued)

4.11 Dial-Around Compensation Surcharge for Payphones:

4.11.1 A Dial-Around Compensation Surcharge applies to all completed consumer intrastate long distance calls placed from a public/semi-public payphone which are not paid on a sent paid basis. The Surcharge applies to:

A. Calling card service

B. Collect calls

C. Third party billed

D. Directory Assistance calls

E. Pre-paid card service

4.11.2 The Surcharge does not apply to:

A. Calls paid for by inserting coins

B. Calls placed from stations other than public/semi-public payphones

C. Calls placed to the State Telecommunications Relay Service for the hearing impaired

D. Any calls for which the payphone provider is otherwise compensated pursuant to contract with the carrier.

4.11.3 The Dial Around Compensation Surcharge rate is $0.35 per call.

4.11.4 If the Company provides service under a term plan (1, 3, 5 years, etc.) and (1) automatically renews the contract and (2) imposes a penalty for early cancellation by the Customer, then the Customer shall be notified 60 days in advance of the Customer's current contract expiration date.

SECTION 4 - RATES AND CHARGES, (continued)

4.12 Outbound One-Plus Service

4.12.1 Calls are billed in 6 second increments with 18 seconds minimum, except for Local Exchange Company billing which will be in 60 second (1 minute) increments. The 60-second (1 minute) rate is 10 (ten) times the 6 second increments shown below.

Rate per initial 18 second minimum and additional 6 second increments (unless as specified on an Individual Case Basis:

InterLATA

	Initial 18 Seconds Or Fraction		Each Additional 6 Seconds Or Fraction	
Rate Mileage	Day	Evening/Night Weekend	Day	Evening/Night Weekend
0+	$0.03	$0.03	$0.03	$0.03

IntraLATA

	Initial 18 Seconds Or Fraction		Each Additional 6 Seconds Or Fraction	
Rate Mileage	Day	Evening/Night Weekend	Day	Evening/Night Weekend
0+	$0.005	$0.05	$0.05	$0.05

*Recurring monthly service charge - $10.00

SECTION 4 - RATES AND CHARGES, (continued)

4.13. Inbound (Toll-Free) Usage Rates

4.13.1 Inbound (Toll-Free) Switched Usage Rates

Rate
Per Minute of Usage

Day	Evening	Night
$0.05	$0.05	$0.05

*Recurring monthly service charge - $10.00

4.13.2. Inbound (Toll-Free) Dedicated Usage Rates

Rate
Per Minute of Usage

Day	Evening	Night
$0.05	$0.05	$0.05

*Monthly recurring service charge - $10.00

SECTION 4 - RATES AND CHARGES, (continued)

4.14. FiberWats Rates

Each Customer is charged individually for each call placed through the Company. Charges are computed on an airline mileage basis as described in Section 4.1 of this tariff. Rates vary by mileage band, time of day and call duration. Customers are billed based on their use of ANPI, LLC's long distance service. Unless specified in the service description section of this tariff, no installation charges apply.

The appropriate rates apply for day, evening and night/weekend calls.

4.14.1. Outbound One-Plus Service

4.14.2 Switched Access – If applicable this schedule applies to calls between two on-network stations which use local exchange service access lines or between an on- network station which uses a local exchange service access line and an off-network station within the State of Kansas.

Calls are billed in 6 second increments with 18 seconds minimum. The 60 second (1 minute) rate is ten (10) times the 6 second increments shown within this tariff.

4.15. Virtual Wats Rates

Each Customer is charged individually for each call placed through the Company. Charges are computed on an airline mileage basis as described in the appropriate Section 3 of this tariff. Rates vary by mileage band, time of day and call duration. Customers are billed based on their use of ANPI, LLC's long distance service.

Rates are charged on an Individual Case basis to customers.

SECTION 4 - RATES AND CHARGES, (continued)

4.16. Dedicated Access - This schedule applies to calls between an on-network station which uses a special access line and either an on-network station which uses a local exchange service access line or an off-network station within the State of Kansas.

Rate per initial 18 second minimum and additional 6 second increments:

InterLATA

	1st 18 Seconds Or Fraction			Additional 6 seconds Or Fraction		
Rate Mileage	Day	Evening	Night/ Weekend	Day	Evening	Night/ Weekend
0 +	$0.08	$0.08	$0.08	$0.08	$0.08	$0.08

IntraLATA

	1st 18 Seconds Or Fraction			Additional 6 seconds Or Fraction		
Rate Mileage	Day	Evening	Night/ Weekend	Day	Evening	Night/ Weekend
0 +	$0.08	$0.08	$0.05	$0.08	$0.08	$0.08

Monthly access fees and service charges vary by Customer locations and may be assessed by the Local Telephone Company or underlying carrier. These may be billed directly to the Customer by the Local Telephone Company or at the Customer's request, by ANPI, LLC with no mark up from actual cost.

SECTION 4 - RATES AND CHARGES, (continued)

4.17. ANPI, LLC Teleconference Service

ANPI, LLC Teleconference Service provides communications between two or more stations connected to an audio bridge with the assistance of a teleconference operator.

Charges accrued by using teleconference services are billed to the telephone number of the originator of the conference call or billed to another number, if it is acceptable to that party.

Chargeable time of a conference call begins when all participants are connected and ends for each individual station when that station disconnects.

Chargeable time for ports joining the conference call already in progress begins when they are connected by a teleconference operator.

1.1.1 Rates and Charges – Charges for teleconference service calls are per minute and per port usage, rounded to the next highest full minute.

ANPI, LLC Tele-Conferencing & Web Conferencing Pricing

Applies in the Continental US . Volume and Term Discounts may apply.

Ready - Flex utilizing Direct Dial (Reserved or Reservation-less)

Ready - Flex utilizing Toll Free Number (Reserved or Reservation-less) - $0.1290

Operator Assisted - Direct Dial Access (Reservation Required) - $0.1590

Operator Assisted - Toll Free Access (Reservation Required) - $0.1590

Operator Assisted - Dial Out (Reservation Required) - $0.1590

Event - Direct Dial Access (Reservation Required) - $0.1090

Event - Toll Free Access (Reservation Required) - $0.1190

Event - Dial Out (Reservation Required) - $0.1590

Web Conferencing - $0.25

SECTION 4 - RATES AND CHARGES, (continued)

4.18. DEDICATED SERVICE - GENERAL

Dedicated Service (DS) provides a business customer with a connection to the Company's switching network which enables the customer to:

4.18.1. receive calls from other stations on the public switched telephone network;

4.18.2. access the Company's calling service;

4.18.3. access the Company's operators and business office for service related assistance; access toll-free telecommunications service such as 800/888/877/866 NPA; and access 911 service for emergency calling; and

4.18.4. access the service of providers of interexchange service. A customer may presubscribe to such provider's service to originate calls on a direct dialed basis or to receive toll-free number service from such provider, or may access a provider on an ad hoc basis by dialing the provider's Carrier Identification Code (1010xxx).

Dedicated Service is provided via digital circuits terminated at the customer's premises. Each Dedicated Service circuit corresponds to one or more voice-grade telephony communications channels that can be used to place or receive one call at a time.

Connection charges on an Individual Case Basis for all service on a one-time basis.

SECTION 4 - RATES AND CHARGES, (continued)

4.19. All Dedicated Service may be connected to customer-provided terminal equipment such as PBX systems. Service may be arranged for two-way calling, inward calling only or outward calling only.

4.19.1 Dedicated Service (T-1)

	Min	Max
Nonrecurring Connection Charge	$ICB	$ICB
Monthly Recurring Port Charges	$ICB	$ICB
Port only	$ICB	$ICB
Port Plus Loop	$ICB	$ICB
Per minute charge for intrastate calls (Billed in 6 second increments) InterLATA Outbound	$ICB	$ICB
Toll Free (Inter or IntraLATA)	$ICB	$ICB
IntraLATA Outbound --LATA 238	$ICB	$ICB
Directory Assistance	$ICB	$ICB

4.19.2 Dedicated Service (PRI)

	Min	Max
Nonrecurring charge	$ICB	$ICB
Monthly recurring charge	$ICB	$ICB
Port only	$ICB	$ICB
Port Plus Loop	$ICB	$ICB
Per minute charge for intrastate calls (Billed in 6 second increments) InterLATA Outbound	$ICB	$ICB
Toll Free (Inter or IntraLATA)	$ICB	$ICB
IntraLATA Outbound --LATA 238	$ICB	$ICB
Directory Assistance	$ICB	$ICB

SECTION 4 - RATES AND CHARGES, (continued)

4.19.3 Dedicated Service (DS3)

Nonrecurring Connection Charge	$ICB	$ICB
Monthly Recurring Charge	$ICB	$ICB
Port only	$ICB	$ICB
Port Plus Loop	$ICB	$ICB
Per minute charge for intrastate calls (Billed in 6 second increments) InterLATA Outbound	$ICB	$ICB
Toll Free (Inter or IntraLATA)	$ICB	$ICB
IntraLATA Outbound --LATA 238	$ICB	$ICB
Directory Assistance	$3.00	$3.00

SECTION 4 - RATES AND CHARGES, (continued)

4.20 **Directory Assistance**

Directory Assistance is available to Customers of the Company. ANPI, LLC Communications, Inc., shall provide live operators assistance to Customer's subscribers seeking information regarding telephone numbers and any other telephone listing information on a nationwide basis. The Directory Assistance charge applies to each call regardless of whether the Directory Assistance Bureau is able to furnish the requested telephone number.

Live Operator Handled National Directory Assistance, Standard, Reverse, Address Search, Sent Paid, and Miscellaneous.

Directory Assistance Charges are $3.00 per call.

4.21 **Special Rates**

4.21.1 Operator Assistance for Handicapped Persons

Operator station surcharges will not be charged by the Company for operator assistance provided to a caller who identified him or herself as being handicapped and unable to dial the call because of a handicap.

4.21.2 Directory Assistance for Handicapped Persons

There is no charge for Directory Assistance calls from handicapped persons. Such persons must contact the Company for credit on their directory assistance calls.

4.21.3 Discount for Telecommunications Relay Service Intrastate Toll Calls

Intrastate toll telecommunications relay service calls will be discounted by 50 percent off of the otherwise applicable rate for a voice non-relay call except that where either the calling or called party indicates that either party is both hearing and visually impaired, the call will be discounted 60 percent off the otherwise applicable rate for a voice non-relay call. The above discounts apply only to time-sensitive elements of a charge for the call and shall not apply to per call charges or surcharges.

SECTION 4-RATES AND CHARGES, (continued)

4.22 **Finance Charge**

At 1.5% interest rate per month for each month an item is due and payable but has not yet been paid.

4.23 **Early Termination**

Customer will be responsible for 100% of all charges for the entirety of the contract period and/or each individual Service Order Form as applicable. If and when the Customer terminates and/or cancels service they shall have thirty (30) days to notify Company.

Termination and/or cancellation by Customer shall not relieve Customer from any funds which may be due to Company as one time changes, monthly recurring charges and past due balance. Customer will also incur a termination/cancellation fee based on all monthly recurring changes for the remaining balance of the Company service Agreement along with any appreciable Service Order Forms.

SECTION 5 - MISCELLANEOUS SERVICES

5.1 Dialing Code for Telephone Relay Service (TRS)

5.1.1 General

A. 711 Dialing Code ("711") is a three digit local dialing arrangement for telephone voice transmission access to all relay service entities as a toll free call. Pursuant to Order 00-257, issued in CC Docket 92-105, the Federal Communications Commission (FCC) assigned the 711 dialing code for nationwide access to Telephone Relay Service (TRS) entities, to be implemented not later than October 1, 2001.

B. The TRS entity should work separately with competing local providers to ascertain that its end user customers will be able to reach relay services provided by dialing 711.

C. This service is subject to the availability of the 711 dialing code.

D. 711 can be delivered via regular exchange access lines (by individual business lines, PBX trunks, etc.)

E. Limitations and use of service as stated elsewhere in this Tariff apply.

F. Directory Listings may be provided for 711 at no charge.

G. Access to 711 is not available to the following classes of service:

1. Hotel/Motel/Hospital Service (toll call only)
2. 1+
3. 0+, 0-, (Credit Card, Third-Party Billing, Collect Calls)
4. Inmate Service
5. 101XXXX
6. Cellular - Type 2A

In addition, operator assisted calls to the 711 will not be completed.

H. The TRS entity is restricted from selling or transferring the 711 dialing code to an unaffiliated entity, either directly or indirectly.

SECTION 5 - MISCELLANEOUS SERVICES, (continued)

5.1 Dialing Code for Telephone Relay Service (TRS), (Cont'd.)

5.1.1 General, (Cont'd.)

H. The TRS entity is restricted from selling or transferring the 711 dialing code to an unaffiliated entity, either directly or indirectly.

I. An "affiliate" of a TRS entity is any entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the TRS entity. The term "control" (including the terms "controlling", "controlled by", and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise.

5.1.2 Service Requirement and Conditions

A. Requests for 711 Dialing Code must be submitted in writing to the Kansas Public Service Commission, for the assignment of the 711 code. The Company will provision the TRS entity's request within a reasonable time, given the complexity of the order. If, during or at the end of the provisioning period, the TRS entity has failed to establish service or decides to discontinue service establishment, the 711 code will be recalled and the number will be considered available for reassignment as specified in A, preceding.

B. The TRS entity must, prior to provisioning of the service, sign a written acknowledgment of possible recall of the 711 dialing code by the FCC and an agreement to return the code upon receipt of 6 months' written notice of such a recall from the Company or regulating entity and abide by all terms and conditions which may be identified by the FCC in CC Docket 92-105 regarding the use and return of the 711 dialing code. If a recall is affected, the Company will work with the TRS entity affected by such recall to transfer their service arrangements, to a 7 or 10 digit dialing arrangement within the 6 month notice period. The TRS entity will be required to migrate to any access arrangement the telephone relay service subsequently agreed to by the industry and approved by the FCC. The TRS entity will be charged the appropriate tariff rates for the establishment of the new access arrangement.

SECTION 5 - MISCELLANEOUS SERVICES, (continued)

5.1 Dialing Code for Telephone Relay Service (TRS),

5.1.2 Service Requirement and Conditions

C. Only one 10 digit toll free number may be used as the lead number per basic local calling area.

D. The 711 Dialing code is provided where facilities permit.

E. TRS entity should work separately with cellular companies to ascertain whether Type 1 cellular customers will be able to reach telephone relay service provided by dialing 711.

F. TRS entity should work separately with each local exchange Company to ascertain their end user customers will be able to reach telephone relay services provided by dialing 711.

G. 711 Dialing code will be provided under the following conditions.

1. For network sizing and protection, the TRS entity must provide an estimate of annual call volumes, the expected busy hour and holding time for each call to the 711 dialing code.

2. The TRS entity will subscribe to adequate telephone facilities initially and subsequently as may be required, in the judgment of the Company, to adequately handle calls to 711 without impairing the Company's general telephone service or telephone plant.

3. The TRS entity is responsible for obtaining all necessary permission, licenses, written consents, waivers, releases and all other rights from all persons whose work, statements or performance are used in connection with the 711 dialing code, and from all holders of copyrights, trademarks, and patents used in connection with said service.

SECTION 5 - MISCELLANEOUS SERVICES, (continued)

5.1 Dialing Code for Telephone Relay Service (TRS)

5.1.2 Service Requirement and Conditions

G. (continued)

4. The TRS entity is responsible for, and shall indemnify, protect, defend and save harmless the Company against all suits, actions, claims, demands and judgments, and of all costs, expenses and counsel fees incurred on account thereof, arising out of and resulting directly or indirectly from the service or in connection therewith, including, but not limited to , any loss, damage, expense or liability resulting from any infringement or claim of infringement, of any patent, trademark, copyright, or resulting from any claims of liable and slander.

5. The TRS entity shall respond promptly to any and all complaints lodged with any regulatory authority against any service provided via 711. If requested by the Company, the TRS entity shall assist the Company in responding to complaints made to the Company concerning the 711 dialing code.

6. A written notice will be sent to any TRS entity following oral notification when their service unreasonably interferes with or impairs other services rendered to the public by the Company. If after notification the TRS entity makes no modification in method of operation or in the service arrangements that are deemed service-protective by the Company, or if the TRS entity is unwilling to accept the modifications, or if the TRS entity continues to cause service impairment, the Company reserves the right, at any time, without further notice, to institute protective measure, up to and including termination of service. In an emergency situation as defined by the Company, the Company reserves the right, at any time, without notice, to institute protective measures up to and including termination of service.

SECTION 5 - MISCELLANEOUS SERVICES, (continued)

5.1 Dialing Code for Telephone Relay Service (TRS)

5.1.2 Service Requirement and Conditions

I. If a pre-recorded announcement is provided by the TRS entity, the following conditions apply.

1. The TRS entity will provide announcements. The Company will provide only the delivery of the call.

2. The provision of access to the 711 network by the Company for the transmission of announcement is subject to availability of such facilities and the requirements of the local exchange network. And the TRS entity assumes all financial responsibility for all costs involved in providing announcement including, but not limited to, the reorder- announcement equipment located on the TRS entity's premises.

3. The TRS entity assumes, according to other specific rates and charges under tariff, all financial responsibility for all facilities required, to connect the reorder-announcement equipment located on the TRS entity's premises.

J. The Company may take all legal and practical steps to disassociate itself from TRS entity providing services whose business and/or public conduct (whether demonstrated or proposed) is of a type that in the Company's discretion generates unacceptable levels of complaints by end users.

K. In no event shall the Company be liable for any losses or damages of any kind resulting from the unavailability of its equipment or facilities or for any act, omission or failure of performance by the Company, or its employees, or agents, in connection with this Tariff. The Company shall not be responsible for calls that cannot be completed as a result of repair or maintenance difficulties on Company facilities and equipment nor on equipment owned or leased by the TRS entity.

SECTION 6 – RESERVED FOR FUTURE USE

6.1 Reserved for Future Use