

Interim report, January - March 2019

January - March 2019

- Net sales increased by 28 percent to SEK 1,101.8 million (858.6). Organic growth in local currency was 17 percent¹.
- Gross profit increased by 45 percent to SEK 289.5 million (200.0). Organic growth in local currency was 21 percent¹.
- Adjusted EBITDA² increased by 73 percent to SEK 112.2 million (65.0).
- Adjusted EBIT³ amounted to SEK 102.3 million (58.7).
- Profit after tax for the quarter amounted to SEK 57.8 million (9.2).
- Basic and diluted earnings per share amounted to SEK 1.08 (0.17).

“There is no faster and better way to reach you as a consumer than through your mobile phone. Sinch’s technology platform makes it possible for businesses to make use of this possibility and engage with their customers in a simple, value-creating and cost-efficient way” – Oscar Werner, CEO

Significant events during the quarter

- Jonathan Bean was appointed the new Chief Marketing Officer of Sinch on 8 February. Prior to joining Sinch, Bean served as Chief Marketing Officer of Mynewsdesk, a rapidly growing cloud platform for marketing and PR. Bean took up his position on 23 April.
- A new corporate brand identity for all business areas was launched on 13 February. Products previously marketed under the CLX, Symsoft, Sinch and Vehicle brands are now integrated into a single, united offering - Sinch.

Significant events after the end of the quarter

- A partnership between Sinch and WIT Software to accelerate the global use of next-generation messaging services through RCS was announced on 5 April. Sinch will be using WIT Software’s technology as part of its RCS-as-a-Service offering to mobile operators that require an efficient and scalable solution to offer RCS to their subscribers and enterprise customers.
- On 11 April, Sinch announced changes to the company’s management team aimed at closer collaboration between the teams that address operator customers and enterprise customers. The Sinch management team now consists of: Chief Executive Officer Oscar Werner, Chief Operating Officer Anders Olin, Chief Financial Officer Roshan Saldanha, Chief Human Resources Officer Eva Lessing, Chief Technology Officer Jonas Lindeborg, Chief Marketing Officer Jonathan Bean, Chief Strategy Officer Thomas Heath, Chief Evangelist and Co-Founder Robert Gerstmann, Corporate Developer and Co-Founder Björn Zethraeus and Business Developer and Co-Founder Johan Hedberg.

¹ Organic growth in local currency in comparable units. Unwire and Vehicle, two acquisitions that did not close until March-April 2018, are included in the comparison period of Q1 2018 in order to calculate growth in comparable units.

² EBITDA excluding items affecting comparability. See page 3 for a specification of items affecting comparability.

³ EBIT excluding items affecting comparability and amortization of acquisition-related assets, which does not affect cash flow. See Note 4 for amortization details.

Invitation to phone conference

Sinch will present the interim report in a phone conference on 17 May at 9.00 CET. To participate in the phone conference, please call any of the following numbers and state the code 3769955.

Sweden: +46 (0) 8 506 921 85
 UK: +44 (0) 203 009 5710
 USA: +1 917 720 0178

Register here to watch the presentation via Webcast: investors.sinch.com/webcast.

Message from the CEO

Profitable growth

There is no faster and better way to reach you as a consumer than through your mobile phone. Sinch's technology platform makes it possible for businesses to make use of this possibility and engage with their customers in a simple, value-creating and cost-efficient way.

Since our gross margins vary between markets and products, we mainly focus on gross profit and adjusted EBITDA when measuring our financial progress. We grow both organically and through acquisitions and recorded 45 percent higher gross profit this quarter than the corresponding period last year. Acquired businesses contributed with 13 percentage points of this increase and the positive impact of exchange movements was 8 percent. Compared to Q1 2018, adjusted EBITDA grew 73 percent.

In Messaging, we are one of a few suppliers who can offer a dependable global product without middlemen. We add new customers and grow our business with existing clients. In the first quarter, our growth is fueled not least by the large, US tech companies who choose us for our competitive global offering. We count 8 of the 10 largest US tech companies as our customers and see good opportunities to grow our business with them also in the future.

We see rising interest in advanced messaging formats with images, video and interactivity. We are adding additional resources to grow our business in personalized video messaging and are developing new products for advanced, conversational messaging. Many of the queries that are currently handled verbally in call centers are better handled through chat – the customer does not have to wait in line and younger generations simply prefer text-based interaction.

There are multiple technology options for next generation messaging. We work with WhatsApp and help drive the development of RCS, an upgrade to SMS with improved support for images, video, group chat and interactivity. Pilot RCS projects with our enterprise customers are showing very good results, but volumes are likely to remain modest until more mobile operators and phone manufacturers embrace the technology.

Voice and Video reached an important milestone at the end of last year when strong growth in gross profit resulted in positive EBITDA. We are now working actively with several key mobile operators to make our products available in further markets where we see demand from our customers.



Our business towards mobile operators is developing well with improved conversion of orders into sales. We primarily sell directly to mobile operators but also benefit from our partnership with Ericsson who is reselling several of our products. During the quarter we have launched RCS-as-a-Service, a product offering built for mobile operators who want to quickly begin offering next generation messaging without heavy upfront investments.

Our market is developing rapidly and we see opportunities to grow both organically and through acquisitions. We need to position ourselves to win also in the new market for advanced messaging that we now see emerging. We continue to invest in product development and go to-market ability to organize ourselves for long term, profitable growth.

Stockholm, 17 May 2019

Oscar Werner
President and CEO

Sinch overview

For a list and definitions of financial measurements defined or not defined under IFRS and for operational measurements, please refer to page 18. Transition to IFRS 16 took place on 1 January 2019, previous periods have not been recalculated, see Note 1.

Sinch Group, SEK million	Q1 2019	Q1 2018	2018	R12M
Net sales	1,101.8	858.6	3,986.6	4,229.8
Gross profit	289.5	200.0	1,008.4	1,097.9
Gross margin	26.3%	23.3%	25.3%	26.0%
Operating profit, EBITDA	112.2	53.2	373.3	432.4
EBITDA margin	10.2%	6.2%	9.4%	10.2%
Adjusted EBITDA	112.2	65.0	367.1	414.4
Adjusted EBITDA margin	10.2%	7.6%	9.2%	9.8%
Adjusted EBITDA/gross profit	38.8%	32.5%	36.4%	37.7%
Operating profit, EBIT	69.0	20.3	217.8	266.6
EBIT margin	6.3%	2.4%	5.5%	6.3%
Adjusted EBIT	102.3	58.8	344.8	388.4
Adjusted EBIT margin	9.3%	6.8%	8.7%	9.2%
Profit for the period	57.8	9.2	179.5	228.1
Net margin	5.2%	1.1%	4.5%	5.4%
Cash flow from operating activities	38.0	48.8	304.6	293.9
Net debt	484.1	546.9	405.5	484.1
Net debt/adjusted EBITDA R12M, multiple	1.2	1.9	1.1	1.2
Equity ratio	47.9%	48.0%	45.9%	47.9%
Adjusted EBITDA per share R12M, diluted SEK	7.72	5.31	6.85	7.72
Basic and diluted earnings per share, SEK	1.08	0.17	3.35	4.26
Average number of employees	405	357	385	399

Items affecting comparability and adjustments, SEK million	Q1 2019	Q1 2018	2018	R12M
Acquisition costs	-	-4.6	-9.4	-4.8
Restructuring costs	-	-	8.9	8.9
Integration costs	-	-7.2	-27.2	-19.9
Proceeds from sale of PSMS business	-	-	-8.1	-8.1
Income adjusted earnout	-	-	42.0	42.0
Total items affecting EBITDA comparability	-	-11.8	6.2	18.0
Impairment tangible and intangible IoT assets	-	-	-9.2	-9.2
Amortization of acquisition related assets	-33.3	-26.7	-124.0	-130.6
Total adjustments in EBIT	-33.3	-38.5	-127.0	-121.8

Adjusted EBITDA per share, rolling 12 months (SEK)



Quarterly summary

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Net sales, SEK million									
Messaging	566.4	696.7	726.2	857.9	812.4	947.7	921.8	1,070.3	1,025.3
Voice and Video	11.4	10.8	12.7	15.3	15.0	17.8	20.5	38.2	45.0
Operators	45.6	40.7	44.0	38.3	33.2	33.6	39.5	50.6	43.4
Other	-1.2	-3.0	-1.5	-2.2	-2.0	-1.7	-2.5	-7.8	-11.9
Total	622.2	745.2	781.4	909.3	858.6	997.4	979.3	1,151.3	1,101.8
Gross profit, SEK million									
Messaging	139.6	149.8	148.0	162.4	161.5	207.5	203.7	244.6	228.4
Voice and Video	8.9	8.4	9.5	9.5	8.8	10.1	11.6	20.0	21.6
Operators	42.7	34.0	39.1	28.0	29.7	30.8	35.0	45.2	39.6
Other	0.0	-1.5	1.5	-0.1	-0.1	0.3	-0.3	0.1	0.0
Total	191.3	190.7	198.1	199.8	200.0	248.6	249.9	309.9	289.5
Gross margin									
Messaging	24.7%	21.5%	20.4%	18.9%	19.9%	21.9%	22.1%	22.9%	22.3%
Voice and Video	78.2%	77.9%	74.6%	61.8%	59.0%	56.6%	56.6%	52.4%	47.9%
Operators	93.8%	83.6%	88.9%	73.1%	89.5%	91.7%	88.6%	89.3%	91.2%
Other	1.5%	50.4%	-99.3%	2.8%	2.6%	-16.7%	13.3%	-1.6%	0.0%
Total	30.7%	25.6%	25.4%	22.0%	23.3%	24.9%	25.5%	26.9%	26.3%
EBITDA, SEK million									
Messaging	71.4	74.7	62.7	79.1	71.8	108.3	93.9	102.6	107.8
Voice and Video	-4.7	-4.4	-3.7	-6.4	-4.5	-5.1	-3.7	2.7	2.1
Operators	18.6	5.5	17.3	0.5	1.4	3.5	8.2	10.8	9.6
Other	-14.4	-26.5	-9.3	2.9	-15.4	-26.5	1.0	24.3	-7.3
EBITDA, total	70.8	49.3	67.0	76.0	53.2	80.3	99.4	140.4	112.2
Items affecting EBITDA comparability	-10.1	-24.6	-4.7	5.9	-11.8	-17.0	4.0	31.0	-
Adjusted EBITDA	80.9	73.9	71.7	70.1	65.0	97.3	95.4	109.4	112.2
Adjusted EBITDA margin	13.0%	9.9%	9.2%	7.7%	7.6%	9.8%	9.7%	9.5%	10.2%
Adjusted EBITDA/gross profit	42.3%	38.8%	36.2%	35.1%	32.5%	39.2%	38.2%	35.3%	38.8%
Adjusted EBITDA/share, diluted SEK	1.63	1.45	1.34	1.31	1.21	1.82	1.78	2.04	2.08
Items affecting comparability and adjustments, SEK million									
Acquisition costs	-3.1	-5.7	-0.3	-0.1	-4.6	-4.3	-0.4	-0.2	-
Restructuring costs	-	-15.1	-	-	-	-	8.9	-	-
Integration costs	-7.0	-3.8	-4.5	-8.9	-7.2	-12.8	-4.5	-2.7	-
Proceeds from sale of PSMS business	-	-	0.1	3.2	-	-	-	-8.1	-
Income adjusted earnout	-	-	-	11.8	-	-	-	42.0	-
Items affecting EBITDA comparability	-10.1	-24.6	-4.7	5.9	-11.8	-17.0	4.0	31.0	-
Impairment goodwill Xura	-	-	-	-11.9	-	-	-	-	-
Impairment tangible and intangible IoT assets	-	-	-	-	-	-	-9.2	-	-
Amortization of acquisition-related assets	-24.3	-27.3	-27.7	-27.6	-26.7	-34.3	-35.6	-27.4	-33.3
Total adjustments in EBIT	-34.4	-51.9	-32.4	-33.6	-38.5	-51.4	-40.8	3.6	-33.3

January - March 2019

Net sales

Consolidated net sales grew by 28 percent in the quarter to SEK 1,101.8 million (858.6). Amounts in parentheses refer to the corresponding quarter in the preceding year.

Organic growth, in local currency and in comparable units, was 17 percent. Unwire and Vehicle, two acquisitions that did not close until March-April 2018, are included in the comparison period of Q1 2018 in order to calculate growth in comparable units.

The growth rate in the quarter was positively affected by the depreciation of the Swedish krona (SEK), primarily against EUR, GBP and USD. The Group has significant revenues in foreign currency and if exchange rates had been the same during the quarter as in the same quarter in 2018, revenues would have been lower by about SEK 52.3 million. The positive currency effect on consolidated net sales was thus 6 percent.

Gross profit

Consolidated gross profit rose by 45 percent during the quarter to SEK 289.5 million (200.0).

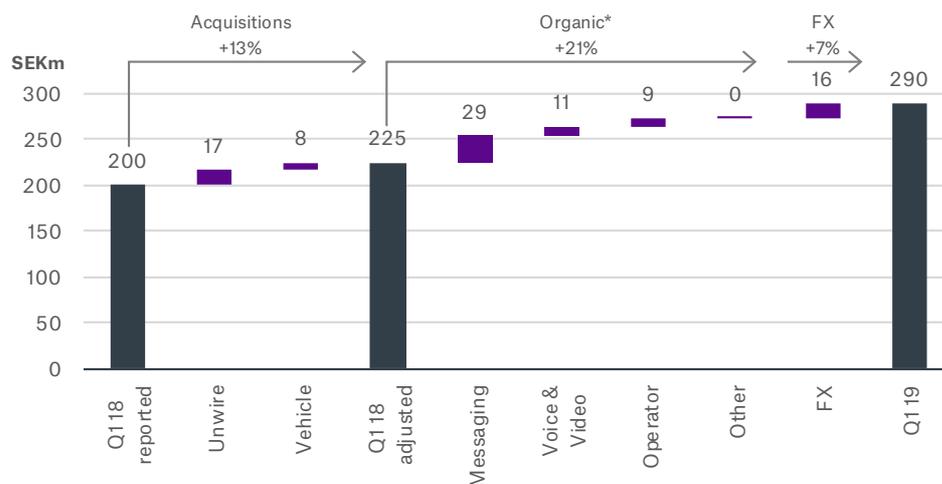
Organic growth, in local currency and in comparable units, was 21 percent. The positive effect of exchange rate changes during the quarter was SEK 16.3 million, corresponding to 7 percent.

The gross margin amounted to 26.3 percent (23.3) and is influenced by several determining factors. Growth in products with higher gross margin, among them personalized video messaging, has a positive effect on the overall gross margin.

An important determining factor is to which countries Sinch's enterprise customers send messages. Even though Sinch's gross profit per transaction is similar in most markets, the gross margin varies widely because operator traffic charges differ significantly from one country to the next. Consequently, changes in traffic patterns and the volume mix can have strong impact on net sales and gross margin even though there is no effect on gross profit in absolute numbers.

Accordingly, Sinch focuses mainly on gross profit and gross profit growth, rather than net sales and gross margin.

Change in consolidated gross profit, Q1 2018 - Q1 2019



*Organic growth in local currency in comparable units. Unwire and Vehicle, two acquisitions that did not close until March-April 2018, are included in the comparison period of Q1 2018 in order to calculate growth in comparable units. Organic growth and currency effect are hence calculated against an adjusted comparison period. Organic growth within Unwire and Vehicle is included in Messaging.

EBITDA

EBITDA amounted to SEK 112.2 million (53.2).

Adjusted EBITDA increased by SEK 47.2 million to SEK 112.2 million (65.0), corresponding to an increase of 73 percent. The increase in comparable units, where EBITDA from Unwire and Vehicle is included in Q1 2018 even though they had not yet been acquired, was SEK 32.2 million. This equates to a 40 percent increase.

The transition to IFRS 16 has had a positive impact on EBITDA of SEK 6.6 million. Foreign exchange fluctuations also had positive impact on EBITDA because the positive exchange rate changes in gross profit were only partially offset by exchange rate effects on Sinch's cost base.

Profit was reduced by future-oriented initiatives aimed at driving growth. The company is making substantial investments in product development, sales and marketing in several areas. These costs comprise mainly employee-related expenses.

The Group's financial target is adjusted EBITDA growth per share of 20 percent on an annual basis. Adjusted EBITDA per share was SEK 2.08 (1.21) for the quarter and SEK 7.72 (5.31) for the rolling twelve months, an increase of 45 percent. Adjusted EBITDA divided by gross profit was 38.8 percent (32.5) for the quarter.

EBIT

EBIT amounted to SEK 69.0 million (20.3).

Acquisition related amortization, which does not affect cash flow, reduced EBIT by SEK 33.3 million (26.7). The amortization relates mainly to amortization according to plan of acquired customer relationships and acquired software, see Note 4.

Adjusted EBIT, excluding items affecting comparability and amortization of acquisition-related assets, amounted to SEK 102.3 million (58.8).

Other income and expense items

Net financial income amounted to SEK 4.7 million (-4.0), including interest expenses of SEK -7.7 million (-4.6) and exchange rate differences of SEK 10.8 million (-0.3). The Group's effective tax rate was 21.6 percent (43.1). See Note 5 for a reconciliation of tax on profit for the period. Net profit for the period amounted to SEK 57.8 million (9.2).

Investments

Net investments in property, plant and equipment and intangible assets amounted to SEK 7.6 million (6.2). Investments relate primarily to capitalized development expenditure of SEK 6.1 million (4.7).

Cash flow, liquidity and financial position

Cash flow from operating activities amounted to SEK 38.0 million (48.8). Consolidated cash and cash equivalents at 31 March 2019 amounted to SEK 174.5 million (180.8). Net debt amounted to SEK 484.1 million (546.9). The implementation of IFRS 16 on 1 January 2019 increased the company's net debt by SEK 83.8 million, see Note 1. Adjusted EBITDA in relation to net debt ratio was 1.2 (1.9), according to previously applied accounting principles, the ratio was 1.0 (1.9).

Cash flow in relation to operating profit fluctuates from quarter to quarter because many of the company's customers maximize their liquidity by postponing payments to suppliers. Actual customer losses remain low and cash flow in relation to operating profit is stable over time.

Equity at 31 March 2019 amounted to SEK 1,785.0 million (1,664.2), corresponding to an equity ratio of 47.9 percent (45.9). Equity per share amounted to SEK 33.29 (31.03).

Employees

The average number of employees (full-time equivalents) was 405 (357), of whom 20 percent (21) women. Sinch continues to recruit in Sweden and internationally. Including consultants, the Group employs an average of approximately 495 people.

Messaging

Sinch's cloud communications platform lets businesses reach their customers and employees, directly in their mobile phone, in seconds or less. Messages are sent as text messages (SMS) or using next-generation technologies like RCS and WhatsApp. The product segment includes personalized video messaging, where unique video messages are customized for each and every recipient.

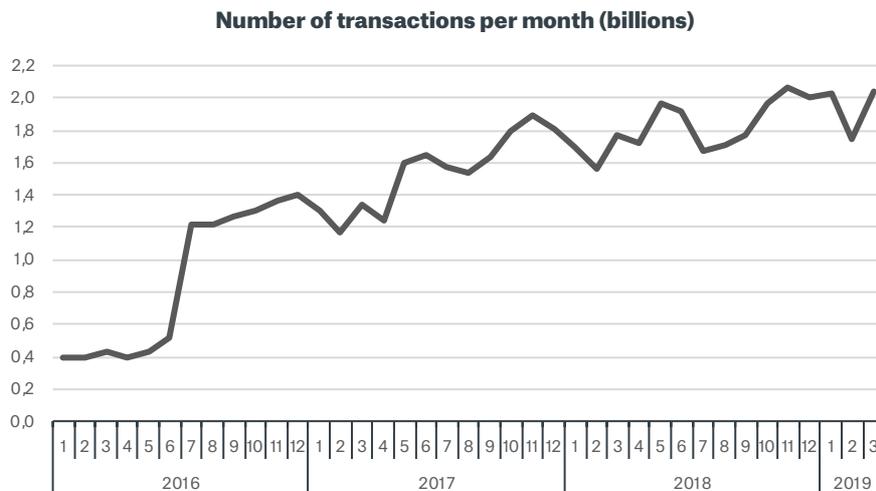
Messaging, SEK million	Q1 2019	Q1 2018	2018	R12M
Net sales	1,025.3	812.4	3,752.3	3,965.2
Gross profit	228.4	161.5	817.3	884.2
Gross margin	22.3%	19.9%	21.8%	22.3%
Operating profit, EBITDA	107.8	71.8	376.7	412.7
EBITDA/Gross profit	47.2%	44.4%	46.1%	46.7%
EBITDA margin	10.5%	8.8%	10.0%	10.4%

Sinch Messaging makes it possible for businesses to reach consumers with automated, business-critical messages. Sinch has purposefully built up a leading market position based on quality, cost-effectiveness and economies of scale. This puts Sinch in prime position to defy fierce competition, win organic market share and continue consolidating the market through acquisitions.

We now see rising interest in advanced messaging formats with multimedia and interactivity. With our advanced, personalized video product, businesses can reach their customers with dynamic, personalized video content that is uniquely tailored to each and every customer.

Transaction volume

The number of sent messages in comparable units increased by about 13 percent during the quarter compared to the same quarter in 2018. Many of our large, existing customers continue to grow their business with us and we have continued to gain new customers.



Net sales

Net sales increased during the quarter to SEK 1,025.3 million (812.4), an increase of 26 percent or SEK 212.9 million compared to the corresponding period in 2018. The increase in comparable units, where net sales from Unwire and Vehicle is included in Q1 2018 even though they had not yet been acquired, was 21 percent. Foreign exchange rate fluctuations accounted for 7 percentage points of the increase and organic growth in local currency was 14 percent. Sinch's focus on large, strategic customers and growth in the sales of personalized video messaging had positive impact on net sales during the quarter.

Gross profit

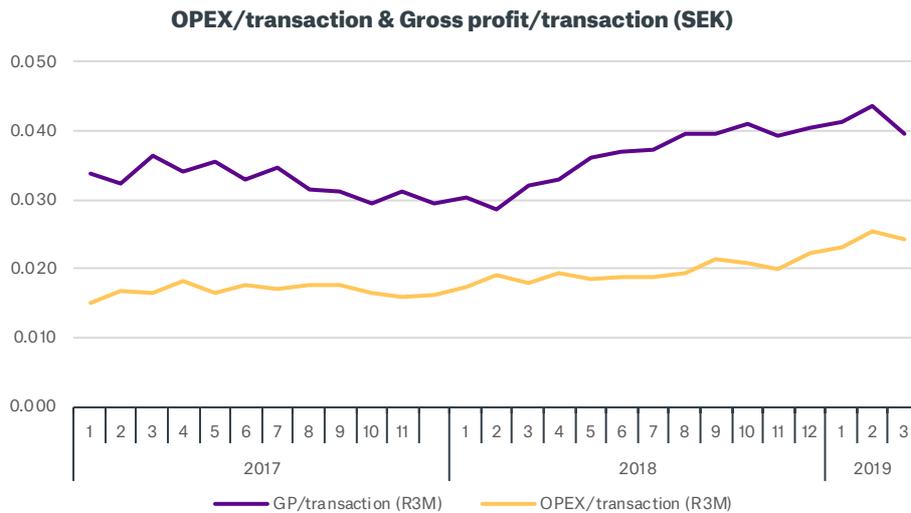
Gross profit increased during the quarter to SEK 228.4 million (161.5), an increase of 41 percent compared to the same quarter in the preceding year. The increase in comparable units, where gross profit from Unwire and Vehicle is included in Q1 2018 even though they had not yet been acquired, was 22 percent. Exchange rate changes accounted for 9 percentage points of the increase and organic growth in local currency was 13 percent.

The gross margin improved during the quarter compared to the same quarter last year, due to increased traffic to countries where the gross margin is higher and higher volumes of personalized video messaging. Traffic increased to countries including the US and China, where the gross margin is relatively high.

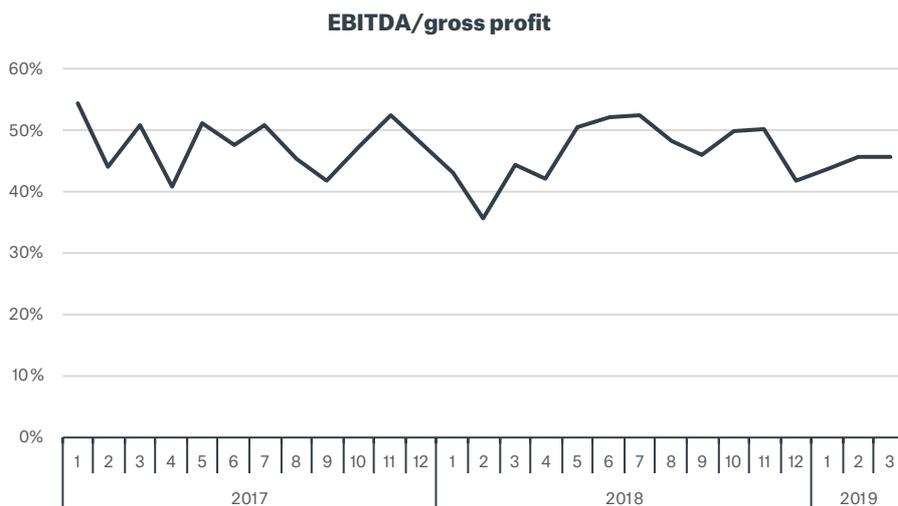
Even though Sinch's gross profit per transaction is similar in most markets, the gross margin varies widely from country to country. This is because operator traffic charges differ substantially from one country to the next. Consequently, changes in traffic patterns and the volume mix can have high impact on net sales and gross margin even though there is no effect on gross profit in absolute numbers. For this reason, Sinch focuses on gross profit per transaction, not gross margin, as the guiding performance measurement.

EBITDA

EBITDA increased during the quarter to SEK 107.8 million (71.8), an increase of SEK 36.0 million or 50 percent compared to the corresponding quarter in the preceding calendar year. The increase in comparable units, where EBITDA from Unwire and Vehicle is included in Q1 2018 even though they had not yet been acquired, was 24 percent. Foreign exchange rate fluctuations had a positive impact on EBITDA because the positive currency effects on gross profit were only partially offset by currency effects in Sinch's cost base.



Profit was reduced by several future-oriented initiatives aimed at driving growth. These costs comprise mainly employee benefits expenses. The initiatives include a comprehensive development project in Rich Communication Services (RCS), which we believe is gradually approaching take-off. RCS is an upgrade of SMS that provides a richer user experience and allows our enterprise customers to send high-resolution images and video. The technology encourages interactive customer dialogue with intuitive menu selections where users can, for example, check in or book a new appointment with a simple tap of a button.



EBITDA in relation to gross profit is a key measurement of efficiency and scalability. The measurement shows the underlying margin and is not affected by changes in operator traffic tariffs. Operating costs rose slightly during the quarter, as described above, but this was partially offset by rising traffic volumes and foreign exchange rate fluctuations.

Voice and Video

Voice and Video includes Sinch's innovative products for cloud-based voice and video calls. The product segment includes Number Masking, a service that provides temporary phone numbers, and Verification, where Sinch helps businesses verify their customers' mobile phone numbers swiftly, easily and cost-effectively.

Voice and Video, SEK million	Q1 2019	Q1 2018	2018	R12M
Net sales	45.0	15.0	91.4	121.5
Gross profit	21.6	8.8	50.5	63.2
Gross margin	47.9%	59.0%	55.2%	52.0%
Operating profit, EBITDA	2.1	-4.5	-10.5	-3.9
EBITDA margin	4.7%	-30.4%	-11.5%	-3.2%

Operations in Voice and Video are developing according to plan, with product improvements and greater geographical reach. We are working actively with several mobile operators to make our services available in additional geographies.

Our focus on Number Masking for app-based ride hailing services is continuing to produce results. The service allows drivers and riders to easily contact each other without revealing their private mobile phone numbers. We also see healthy demand for our number verification services, where Sinch helps businesses verify their customers' mobile numbers.

Net sales

Net sales rose during the quarter by SEK 30.0 million to SEK 45.0 million (15.0). We won several contracts in 2018 that we plan to launch in 2019. Moving forward, we see strong potential to gain new customers and handle new markets for our existing customers.

Profit

Gross profit for the quarter amounted to SEK 21.6 million (8.8). The gross margin was 47.9 percent. EBITDA amounted to SEK 2.1 million (-4.5). The business achieved positive EBITDA in the fourth quarter of 2018 and continues to develop well.

Operators

Sinch develops software for mobile operators that enables them to offer Value Added Services (VAS), handle real time charging (OCS), and protect their networks and revenues. Sinch operator products are offered both on-premise and as-as-service.

Operators, SEK million	Q1 2019	Q1 2018	2018	R12M
Net sales	43.4	33.2	156.8	167.0
Gross profit	39.6	29.7	140.6	150.5
Gross margin	91.2%	89.5%	89.7%	90.1%
Operating profit, EBITDA	9.6	1.4	23.8	32.0
EBITDA margin	22.1%	4.2%	15.2%	19.2%

The operator business is continuing to develop well with improved sales and profitability. We launched RCS-as-a-Service during the quarter, a new offering to mobile operators intended to accelerate the use of RCS.

Net sales

Net sales rose during the quarter by SEK 10.2 million to SEK 43.4 million (33.2). The quarter was characterized by successful conversion of orders to revenue. We are seeing good sales of real time charging systems (OCS) and VAS products in both our own direct sales and through our partnership with Ericsson. However, revenues in Operators can vary considerably between quarters also in the future as major projects reach key milestones.

Profit

Gross profit rose during the quarter by SEK 9.9 million to SEK 39.6 million (29.7). EBITDA increased by SEK 8.2 million to SEK 9.6 million (1.4).

Condensed income statement

Sinch Group, SEK million	Note	Q1 2019	Q1 2018	2018	R12M
Net sales		1,101.8	858.6	3,986.6	4,229.8
Cost of goods sold and services		-812.3	-658.6	-2,978.2	-3,131.9
Gross profit		289.5	200.0	1,008.4	1,097.9
Other operating income		26.0	22.5	109.6	113.1
Work performed by the entity and capitalized		6.1	4.7	21.7	23.2
Other external costs		-69.0	-65.5	-280.3	-283.9
Employee benefits expenses		-119.6	-83.3	-405.1	-441.3
Other operating expenses		-20.8	-25.3	-81.1	-76.5
EBITDA		112.2	53.2	373.3	432.4
Depreciation, amortization and impairment	4	-43.2	-32.9	-155.5	-165.8
EBIT		69.0	20.3	217.8	266.6
Finance income		124.7	13.4	148.5	259.9
Finance expenses		-120.1	-17.4	-165.0	-267.7
Profit before tax		73.7	16.2	201.3	258.8
Current tax		-14.8	-10.5	-41.1	-45.4
Deferred tax		-1.1	3.5	19.3	14.7
Profit for the period		57.8	9.2	179.5	228.1
Attributable to:					
Owners of the parent		57.9	9.1	179.5	228.3
Non-controlling interests		-0.1	0.1	0.0	-0.2

Earnings per share

Sinch Group, SEK	Q1 2019	Q1 2018	2018	R12M
- Basic	1.08	0.17	3.35	4.26
- Diluted	1.08	0.17	3.35	4.26

Condensed statement of comprehensive income

Sinch Group, SEK million	Q1 2019	Q1 2018	2018	R12M
Profit for the period	57.8	9.2	179.5	228.1
Other comprehensive income or loss				
Translation differences	67.8	30.1	-12.8	24.9
Hedge accounting net investments	-8.4	-17.6	-6.3	2.9
Tax effect on items in other comprehensive income	1.8	3.9	1.0	-1.0
Other comprehensive income for the period	61.1	16.4	-18.0	26.7
Total comprehensive income for the period	119.0	25.6	161.5	254.9
Attributable to:				
Owners of the parent	119.1	25.6	161.7	255.2
Non-controlling interests	-0.1	0.0	-0.2	-0.4

Condensed balance sheet

Sinch Group, SEK million	Note	2019-03-31	2018-03-31	2018-12-31
ASSETS				
Acquired goodwill		1,264.2	1,098.3	1,221.8
Acquired customer relationships		679.4	646.4	682.6
Acquired operator relationships		104.5	113.3	102.9
Acquired software		90.4	85.9	94.4
Own developed software		45.8	38.3	41.4
Other intangible non-current assets		2.1	3.2	2.3
Right to use assets		84.3	-	-
Other tangible non-current assets		18.4	21.6	18.9
Non-current financial assets		13.3	25.6	15.1
Deferred tax assets		195.4	207.2	191.9
Total non-current assets		2,497.9	2,239.7	2,371.4
Tax receivables		17.4	2.0	15.6
Other current receivables		1,037.8	835.1	1,058.6
Cash and cash equivalents		174.5	92.3	180.8
Total current assets		1,229.7	929.4	1,254.9
TOTAL ASSETS		3,727.6	3,169.1	3,626.3
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent	3	1,784.3	1,519.0	1,663.3
Non-controlling interests		0.8	1.2	0.9
Total equity		1,785.0	1,520.2	1,664.2
Provision for deferred taxes		219.9	215.0	218.4
Non-current liabilities, interest bearing		531.9	481.1	487.3
Non-current liabilities, non-interest bearing		140.6	54.8	147.5
Total non-current liabilities		892.4	750.8	853.2
Current liabilities, interest bearing		126.7	158.2	98.9
Provisions		29.0	10.7	27.7
Tax liabilities		32.2	35.8	35.5
Other current liabilities, non-interest bearing		862.1	693.4	946.9
Total current liabilities		1,050.1	898.0	1,109.0
TOTAL EQUITY AND LIABILITIES		3,727.6	3,169.1	3,626.3
Financial instruments measured at fair value				
Derivatives with positive fair value		1.6	1.0	0.7
Derivatives with negative fair value		3.5	2.7	4.1

The carrying amount is considered to be a reasonable estimate of the fair value of all financial assets and liabilities. The financial assets and liabilities are attributable to measurement levels 2 and 3. For information on the measurement techniques, see Note 31 in the 2018 Annual Report.

Condensed statement of changes in equity

Sinch Group, SEK million	Attributable to owners of the parent company					Non-controlling interests	Total equity
	Share capital	Other capital contributions	Reserves	Retained earnings	Total		
Opening balance 1 January 2018	5.4	1,377.7	36.7	73.7	1,493.4	1.1	1,494.6
Total comprehensive income			16.4	9.1	25.6	0.0	25.6
Warrants issue		0.3			0.3		0.3
Closing balance 31 March 2018	5.4	1,378.0	53.4	82.8	1,519.0	1.2	1,520.2
Opening balance 1 January 2019	5.4	1,386.8	18.9	252.6	1,663.3	0.9	1,664.2
Total comprehensive income			61.1	57.9	119.1	-0.1	119.0
Warrants issue		1.9			1.9		1.9
Issue expenses, net after tax				0.0	0.0		0.0
Closing balance 31 March 2019	5.4	1,388.7	80.0	310.6	1,784.3	0.8	1,785.0

Condensed statement of cash flows

Sinch Group, SEK million	Not	Q1 2019	Q1 2018	2018	R12M
Cash flow before changes in working capital		85.9	32.5	223.6	277.0
Changes in working capital		-47.8	16.3	81.0	16.8
Cash flow from operating activities		38.0	48.8	304.6	293.9
Net investments in tangible and intangible assets		-7.6	-6.2	-28.5	-29.8
Change in financial receivables		1.4	-19.7	-20.4	0.6
Acquisition of subsidiary	6	-11.3	-201.9	-321.5	-130.9
Cash flow from investing activities		-17.5	-227.8	-370.4	-160.1
New borrowing		-	136.8	722.2	585.4
Amortization of bank loan		-24.1	-32.6	-654.0	-645.5
Amortization lease liability		-6.1	-	-0.2	-6.3
New share issue/warrants	3	1.9	0.3	7.4	9.0
Cash flow from financing activities		-28.3	104.5	75.5	-57.4
Cash flow for the period		-7.8	-74.4	9.8	76.4
Cash and cash equivalents at the beginning of the period		180.8	164.6	164.6	92.6
Exchange rate differences in cash and cash equivalents		1.6	2.5	6.4	5.5
Cash and cash equivalents at the end of the period		174.5	92.6	180.8	174.5

Other disclosures

Sinch Group, SEK million	Q1 2019	Q1 2018	2018	R12M
Share information				
Basic earnings per share, SEK	1.08	0.17	3.35	4.26
Diluted earnings per share, SEK	1.08	0.17	3.35	4.26
Basic weighted average number of shares	53,602,089	53,602,089	53,602,089	53,602,089
Diluted weighted average number of shares	53,821,072	53,602,089	53,602,089	53,643,860
Number of ordinary shares at the end of the period	53,602,089	53,602,089	53,602,089	53,602,089
Total number of shares at the end of the period	53,602,089	53,602,089	53,602,089	53,602,089
Financial position				
Equity attributable to owners of the parent	1,784.3	1,519.0	1,663.3	1,784.3
Equity ratio	48.1%	48.0%	45.9%	48.1%
Equity per share, SEK	33.29	28.34	31.03	33.29
Net investments in tangible and intangible assets	7.6	6.2	28.5	29.8
Cash and cash equivalents	174.5	92.3	180.8	174.5
Net debt	484.1	546.9	405.5	484.1
Net debt/Adjusted EBITDA R12M, multiple	1.2	1.9	1.1	1.2
Employees				
Number of FTEs	405	357	385	399
Percentage female	21%	21%	21%	21%
Key figures				
Operating margin, EBITDA	10.2%	6.2%	9.4%	10.2%
Operating margin, EBIT	6.3%	2.4%	5.5%	6.3%
Net margin, profit for the period	5.2%	1.1%	4.5%	5.4%

Segment reporting

An operating segment is defined as a business activity that is able to generate revenues and incur costs, whose operating results are regularly reviewed by the entity's chief executive officer and for which separate financial information is available. The Sinch Group's operating segments are Messaging, Operators and Voice and Video. Vehicle was previously a separate segment but is included in Messaging from 2019, previous periods have been restated. Items below EBITDA and items affecting comparability are not allocated to the segments.

Q1 2019, SEK million	Messaging	Voice and Video	Operators	Parent company, unallocated items and eliminations	Group
External revenue	1,014.6	44.9	42.2	-	1,101.8
Internal revenue	10.7	0.1	1.1	-11.9	-
Gross profit	228.4	21.6	39.6	0.0	289.5
EBITDA	107.8	2.1	9.6	-7.3	112.2
Depreciation, amortization and impairment					-43.2
EBIT					69.0
Finance expenses					4.7
Profit before tax					73.7

Parent company EBITDA amounts to SEK -4.9 million.

Q1 2018, SEK million	Messaging	Voice and Video	Operators	Parent company, unallocated items and eliminations	Group
External revenue	811.9	14.8	31.9	-	858.6
Internal revenue	0.6	0.1	1.3	-1.9	-
Gross profit	161.5	8.8	29.7	-0.1	200.0
EBITDA	71.8	-4.5	1.4	-15.5	53.2
Depreciation, amortization and impairment					-32.9
EBIT					20.3
Finance expenses					-4.0
Profit before tax					16.2

Parent company EBITDA amounts to SEK -5.4 million. Unallocated items include acquisition costs of SEK -4.6 million and integration costs of SEK -7.2 million.

2018, SEK million	Messaging	Voice and Video	Operators	Parent company, unallocated items and eliminations	Group
External revenue	3,744.1	91.0	151.5	-	3,986.6
Internal revenue	8.2	0.4	5.3	-8.6	-
Gross profit	817.3	50.5	140.6	0.0	1,008.4
EBITDA	376.7	-10.5	23.8	-16.7	373.3
Depreciation, amortization and impairment					-155.5
EBIT					217.8
Finance expenses					-16.5
Profit before tax					201.3

Parent company EBITDA amounts to SEK -24.2 million. Unallocated items include acquisition costs of SEK -9.4 million, integration costs of SEK -27.2 million, loss from proceeds of sale PSMS of SEK -8.1 million, released unused restructuring provision of SEK 8.9 million and adjusted earnout Sinch Voice and Video of SEK 42.0 million.

R12M, SEK million	Messaging	Voice and Video	Operators	Parent company, unallocated items and eliminations	Group
External revenue	3,946.8	121.1	161.8	-	4,229.8
Internal revenue	18.4	0.3	5.1	-23.8	-
Gross profit	884.2	63.2	150.5	0.0	1,097.9
EBITDA	412.7	-3.9	32.0	-8.5	432.4
Depreciation, amortization and impairment					-165.8
EBIT					266.6
Finance expenses					-7.8
Profit before tax					258.8

Parent company EBITDA amounts to SEK -23.6 million. Unallocated items include acquisition costs of SEK -4.8 million, integration costs of SEK -19.9 million, loss from proceeds of sale PSMS of SEK -8.1 million, released unused restructuring provision of SEK 8.9 million and adjusted earnout Sinch Voice and Video of SEK 42.0 million.

Distribution of external net sales

Q1 2019, SEK million	Messaging	Voice and Video	Operators	Group
Net sales by customers country/region				
Sweden	72.1	3.6	7.6	83.2
France	111.8	0.1	-	111.9
UK	169.4	1.1	1.3	171.8
Germany	98.3	2.3	0.7	101.2
Other countries in the European Union	108.4	13.0	9.7	131.1
USA	322.6	7.6	0.7	330.9
Rest of the world	132.0	17.3	22.3	171.6
Total	1,014.6	44.9	42.2	1,101.8
Net sales by product/service				
Messaging	999.2	44.9	-	1,044.1
Initial software licenses and upgrades	-	-	17.5	17.5
Hardware	-	-	-	-
Support	1.3	-	24.8	26.1
Other	14.1	-	-	14.1
Total	1,014.6	44.9	42.2	1,101.8
Net sales allocation per point in time				
Over time	35.6	-	42.2	77.8
At one point in time	979.0	44.9	-	1,023.9
Total	1,014.6	44.9	42.2	1,101.8

Q1 2018, SEK million	Messaging	Voice and Video	Operators	Group
Net sales by customers country/region				
Sweden	45.9	4.0	9.7	59.6
France	110.0	-	-	110.0
UK	118.2	0.6	0.4	119.1
Germany	90.1	-	1.2	91.3
Other countries in the European Union	130.4	1.1	8.5	140.0
USA	163.0	8.1	-	171.1
Rest of the world	154.3	1.1	12.1	167.5
Total	811.9	14.8	31.9	858.6
Net sales by product/service				
Messaging	811.0	14.8	-	825.8
Initial software licenses and upgrades	0.3	-	11.0	11.3
Hardware	-	-	-	0.0
Support	0.5	-	21.0	21.5
Other	-	-	-	0.0
Total	811.9	14.8	31.9	858.6
Net sales allocation per point in time				
Over time	0.0	-	31.9	31.9
At one point in time	811.8	14.8	-	826.7
Total	811.9	14.8	31.9	858.6

Parent company

CLX Communications AB (publ) (name change to Sinch AB (publ) in progress) owns and manages shares attributable to the Sinch Group. The group's operational and strategic management functions have been centralized to the parent company. At the end of the period, the parent company had 9 (7) employees. The parent company has no external business activities and the risks are mainly related to the operations of the subsidiaries.

Condensed parent company income statement and balance sheet

SEK million	Q1 2019	Q1 2018	2018
Operating revenue	9.3	5.6	30.9
Operating costs	-18.0	-11.4	-26.2
EBIT	-8.7	-5.8	-25.9
Finance income & expenses	39.7	12.7	71.1
Profit after financial items	31.1	6.9	45.2
Appropriations	-	-	-45.6
Tax on periods' profit or loss	-6.7	-1.6	0.0
Profit or loss for the period*	24.4	5.3	-0.4

*Profit or loss for the period coincides with comprehensive income for the period

SEK million	03/31/2019	03/31/2018	12/31/2018
ASSETS			
Non-current assets	2,242.1	2,085.9	2,133.9
Current assets	57.2	182.8	59.5
TOTAL ASSETS	2,299.3	2,268.7	2,193.4
EQUITY AND LIABILITIES			
Equity	1,451.4	1,423.4	1,425.4
Untaxed reserves	8.6	8.3	8.6
Non-current liabilities	-	40.0	11.4
Current liabilities	515.1	480.8	487.2
TOTAL EQUITY AND LIABILITIES	324.3	316.2	260.9
EQUITY AND LIABILITIES	2,299.3	2,268.7	2,193.4

Note 1 - Accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* and applicable provisions of the Annual Accounts Act. Disclosures in accordance with IAS 34 *Interim Financial Reporting* are provided in notes and elsewhere in the interim report. The interim report for the parent company has been prepared in accordance with the Annual Accounts Act, which is in accordance with RFR 2 *Accounting of Legal Entities*. Apart from that described below, none of the new or amended IFRS standards or interpretations from the IFRS Interpretations Committee which apply from 1 January 2019 has had any material impact on Sinch's financial statements.

IFRS 16 *Leases* is applied from 1 January 2019. Sinch has applied the modified retrospective approach to the transition to IFRS 16, meaning that the comparative year has not been restated. Consequently, amounts reported for the year are not fully comparable to previous years.

In brief, under IFRS 16, leases are recognized as right-of-use (ROU) assets with a corresponding lease liability. This does not apply to short-term leases and leases where the underlying asset is of low value. Lease payments are divided into payments of the lease liability and finance charges. The finance charge is apportioned over the term of the lease so that an amount is allocated to each period that corresponds to a constant periodic rate of interest on the liability recognized in the respective period. Lease liabilities are recognized at the present value of future lease payments. Future lease payments are discounted at the interest rate implicit in the lease if that rate can be readily determined; otherwise, the Group's incremental borrowing rate is used.

The Group's ROU assets are recognized at cost and constitute the initial present value of the lease liability adjusted for any prepaid or accrued lease payments. ROU assets are amortized on a straight-line basis across the shorter of the useful life of the asset and the term of the lease.

SEK million	Closing balance 12/31/2018	Effect of IFRS 16	Opening balance 01/01/2019
Non-current assets	2,371.4	88.8	2,460.2
Current assets	1,254.9	-5.0	1,249.9
TOTAL ASSETS	3,626.3	83.8	3,710.1
Equity	1,664.2	-	1,664.2
Non-current liabilities	841.6	58.9	900.5
Current liabilities	1,120.5	24.9	1,145.4
Total equity and liabilities	3,626.3	83.8	3,710.1

Apart from the above, the accounting policies and estimation methods are unchanged from those applied in the 2018 annual report.

Note 2 - Pledged assets and contingent liabilities

The shares in Sinch Holding AB, Sinch Sweden AB and Sinch Operator Software AB (2018: Sinch Sweden AB and Sinch Operator Software AB) have been pledged as collateral for the company's obligations under current credit agreements. The consolidated value of pledged assets at 31 March 2019 amounted to SEK 2,515.6 million (402.3). In addition, floating charges in Sinch Sweden AB of SEK 20 million (20) and Sinch Operator Software AB of SEK 25 million (25) have been pledged as collateral for the loan agreement. Other guarantees amounted to SEK 6.8 million (2.7).

Note 3 - Incentive program

Please refer to Note 8 of the 2018 annual report for detailed information concerning the group's incentive programs.

Warrants		Vested warrants	
Opening balance 1 January 2019	1,205,700	Vested as per 1 January 2019	98,785
Allocation of warrants	1,306,600	Vested during the period	104,424
Closing balance 31 March 2019	2,512,300	Vested as per 31 March 2019	203,209
Of which in own custody	56,500	Warrants not yet vested	396,291

Payroll costs for vested warrants are included in profit and loss in 2019 in the amount of SEK 0.3 million, with a corresponding increase in equity. Social insurance costs are included in the amount of SEK 0.3 million, recognized as a provision in the balance sheet. The total cost of the warrant programs is expected to be approximately SEK 6 million distributed across the term of the programs. The warrants of LTI 18, but not LTI 16, have been assessed dilutive during the quarter because the exercise price has been below the average share price. The potential dilutive effect upon exercise of all employee warrants is 4.7 percent.

Note 4 - Depreciation, amortization and impairments

Depreciation, amortization and impairment, SEK million	Q1 2019	Q1 2018	2018	R12M
Amortization acquired customer relationships	-23.5	-19.0	-87.0	-91.5
Amortization acquired operator relationships	-3.5	-3.3	-13.7	-14.0
Amortization acquired trademarks	-0.1	-	-0.3	-0.4
Amortization acquired proprietary software	-6.1	-4.3	-22.9	-24.7
<i>Total acquisition-related amortization</i>	<i>-33.3</i>	<i>-26.7</i>	<i>-124.0</i>	<i>-130.6</i>
Amortization and impairment own developed software	-1.8	-2.2	-16.0	-15.6
Amortization and impairment licenses	-0.2	-0.8	-3.9	-3.3
Total amortization and impairment	-35.2	-29.6	-144.0	-149.6
Depreciation and impairment tangible fixed assets	-2.1	-3.3	-11.5	-10.3
Depreciation right to use assets	-5.9	-	-	-5.9
Total depreciation, amortization and impairment	-43.2	-32.9	-155.5	-165.8

Note 5 - Reconciliation of tax for the period

Reconciliation of tax expense for the period, SEK million	Q1 2019	Q1 2018
Profit before tax	73.7	16.2
Tax calculated at Swedish tax rate, 21.4% (22)	-15.8	-3.6
Tax attributable to previous years	-0.4	-
Tax effect of non-deductible expenses	0.0	-1.8
Tax effect of non-taxable revenue	0.0	0.9
Tax on standard interest rate, tax allocation reserves	0.0	0.0
Tax effect of non-capitalized loss carryforwards	0.0	-0.6
Effect of foreign tax rates	0.4	-1.9
Tax on profit for the period according to income statement	-15.9	-7.0

Note 6 - Acquisition of group companies

Contingent consideration (earnout) of SEK 11.3 million for Sinch Voice and Video was paid during the quarter.

Unwire was acquired on 27 March, 2018. In Q1 2019, Unwire had revenues of SEK 29.2 million, gross profit of SEK 17.3 million, and EBITDA of SEK 11.6 million. Unwire is included in the Messaging segment. To calculate organic growth in comparable units, Unwire is included in the full comparison period Q1 2018, also before the business was acquired. In Q1 2018, Unwire had revenues of SEK 27.2 million, gross profit of SEK 17.1 million, and EBITDA of SEK 12.2 million.

Vehicle was acquired on 4 April, 2018. In Q1 2019, Vehicle had revenues of SEK 24.2 million, gross profit of SEK 14.9 million, and EBITDA of SEK 5.1 million. Vehicle is included in the Messaging segment. To calculate organic growth in comparable units, Vehicle is included in the full comparison period Q1 2018, also before the business was acquired. In Q1 2018, Vehicle had revenues of SEK 10.6 million, gross profit of SEK 8.4 million, and EBITDA of SEK 2.8 million.

Definitions

Financial measurements defined under IFRS

Gross profit

Net sales less the cost of goods and services sold.

Earnings per share, basic and diluted

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.

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. For instance, EBITDA is reported as a key figure because it illustrates the underlying results of operations without the effect of depreciation and amortization, which provides a more comparable measurement when depreciation and amortization refer to historical investments. The company has also chosen to report the performance measurement of adjusted EBITDA to show the underlying results of operations excluding non-recurring items such as capital gains/losses, acquisition costs, and restructuring and integration costs. Adjusted EBIT is adjusted for non-recurring items and amortization of acquisition related assets. 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.

Financial measurements not defined under IFRS

Gross margin

Gross profit in relation to net sales.

Equity per share

Equity at the end of the period attributable to owners of the parent divided by the number of shares at the end of the period.

Gross margin

Gross profit in relation to net sales.

Equity per share

Equity at the end of the period attributable to owners of the parent divided by the number of shares at the end of the period.

Net investments in property, plant and equipment and intangible assets

Investments in property, plant and equipment and intangible assets during the period less divested property, plant and equipment and intangible assets.

Net margin

Net profit for the period in relation to net sales.

Interest-bearing liabilities

Bank loans and leasing liabilities.

Net debt

Interest-bearing liabilities less cash and cash equivalents.

Equity/assets ratio

Equity as a percentage of total assets.

Operating profit, EBIT

Profit for the period before financial income, financial expenses and tax.

Operating profit, EBITDA

Profit for the period before financial income, financial expenses, tax and depreciation, amortization and impairment of intangible assets and property, plant and equipment.

Items affecting comparability

Non-recurring items such as capital gains/losses, impairments, acquisition costs, integration costs and restructuring costs.

Adjusted EBIT

Profit for the period before financial income, financial expenses and tax, adjusted for items affecting comparability and amortization of acquisition-related assets.

Adjusted EBITDA

Profit for the period before financial income, financial expenses, tax and depreciation, amortization and impairment of intangible assets and property, plant and equipment, adjusted for items affecting comparability.

Adjusted EBITDA per share

Adjusted EBITDA divided by the volume-weighted average number of shares outstanding for the period after dilution.

EBIT margin/Adjusted EBIT margin

EBIT/Adjusted EBIT in relation to net sales.

EBITDA margin/Adjusted EBITDA margin

EBITDA/Adjusted EBITDA in relation to net sales.

Operational measurements

Percentage women

Average number of women in relation to the average total number of employees during the period.

Number of ordinary shares at the end of the period

Number of ordinary shares at the end of the period.

Average number of employees

Average number of employees during the period, recalculated as full-time equivalents.

Organic growth

Change in net sales in relation to net sales in the comparison period, adjusted for acquired entities.

Total shares outstanding at the end of the period

Total number of ordinary shares at the end of the period.

About Sinch

Sinch develops digital tools that enable personal interaction between enterprises and individuals. Powered by our cloud communications platform, enterprises can reach every mobile phone on the planet - within a second or two - via messaging, voice calls and video. Several of the biggest enterprises in the world are using Sinch's advanced technology platform to communicate with their customers and Sinch is an established software supplier to mobile operators worldwide. Sinch has delivered profitable growth since it was founded in 2008. The Group is headquartered in Stockholm, Sweden, and has a presence in more than 30 other countries. The share is listed on Nasdaq Stockholm: XSTO: SINCH.

Forthcoming reporting dates

Interim Report Q2 2019	19 July
Interim Report Q3 2019	8 November

Outlook

Sinch does not publish forecasts.

Risk assessment

Sinch is, like all businesses, exposed to various types of risks in its operations. These include risks related to currency fluctuations, dependence on certain strategic partners, technological change, dependence on key personnel, as well as tax risks and political risks related to the multinational nature of the Group's activities. Risk management is an integral part of Sinch's management, and risks are described in more detail in Note 32 of the 2018 annual report. The risks described for the Group may also have an indirect impact on the parent company.

Forward-looking statements

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

Assurance

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

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Stockholm, 17 May 2019

Erik Fröberg
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Johan Stuart

Björn Zethraeus

Oscar Werner
President and Chief Executive Officer

Note: The information in this interim report is such that CLX Communications AB (publ) (name change to Sinch AB (publ) in progress) is required to publish pursuant to the EU market abuse regulation. The information was submitted for publication on 17 May 2019 at 07:30 CET.

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