Cloud Communications Leader Sinch to Acquire SAP Digital Interconnect

STOCKHOLM, Sweden; SEATTLE; and WALLDORF, Germany — <u>Sinch AB</u> (XSTO: SINCH) and <u>SAP SE</u> (NYSE: SAP) today announced that Sinch AB has entered into a definitive agreement to acquire the SAP Digital Interconnect group. SAP's interconnect services group offers cloud-based communications products and serves more than 1,500 enterprise customers throughout the world. Sinch, a global leader in cloud communications for mobile customer engagement, and SAP Digital Interconnect share a focus on digital business transformation, creating a first-class customer experience and ensuring the highest possible quality of services.

Sinch, which has a scalable platform for messaging, voice and video, will acquire all assets and IP belonging to the interconnect services group for EUR 225 million on cash and debt-free basis.

The combined entity will power nearly 70 billion engagements per year. Sinch will build on a global customer base that represents many of the world's most-valued brands, including top technology companies, banks, payment gateways, retail brands and mobile operators.

With a mission of connecting the last mile between enterprises, software solutions, customers, employees, and things, SAP Digital Interconnect consists of three segments. Programmable Communications powers omnichannel customer engagement through SMS, push, email, WhatsApp, WeChat and Viber. In 2019, this business processed 18 billion messages on behalf of its enterprise customers. Carrier Services includes a range of business-critical services to mobile operators, including products for person-to-person messaging, reporting and analytics. In 2019, SDI processed more than 292 billion carrier messages. Cloud Solutions for Enterprises spans products for contact center and critical event management.

The deal significantly strengthens Sinch's customer facing operations and product and engineering resources in the United States and gives the company a larger presence in the San Francisco Bay Area where SAP Digital Interconnect is headquartered. It also grows the company's business in Europe, the Asia-Pacific region and India.

"With SAP Digital Interconnect now becoming a part of Sinch, we build on our scale, focus and capabilities to truly redefine how businesses engage with their customers, throughout the world," commented Oscar Werner, CEO, Sinch. "The transaction strengthens our direct connectivity globally. Plus, it enables us to expand and accelerate a range of business-critical services to mobile operators, including products for person-to-person messaging, reporting and analytics."

"SAP Digital Interconnect is a leader in its area, showing profitable growth and reaching 99 percent of the world's mobile subscribers," said Thomas Saueressig, member of the Executive Board of SAP SE, responsible for SAP Product Engineering. "Looking at Sinch's innovation and investment strategy in the area of cloud communication platforms, we welcome them as the new owner of SAP Digital Interconnect. Sinch is perfectly positioned to unleash the further growth potential we see in SAP Digital Interconnect."

This is Sinch's second transaction exceeding US\$ 100 million since late March. On March 26, Sinch announced its intention to acquire Wavy in a deal valued at US\$ 119 million.

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customers to operate profitably, adapt continuously, and make a difference. With a global network of customers, partners, employees, and thought leaders, SAP helps the world run better and improve people's lives. For more information, visit <u>www.sap.com</u>.

About Sinch

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

About SAP Digital Interconnect

The SAP Digital Interconnect group enables enterprises to cover the "last mile" with their customers and connect businesses, people and things in the digital economy. This is being done using SMS, e-mail, push notification and social network channels. SAP Digital Interconnect provides cloud-based, API-driven engagement services that help mobile network operators, enterprises and developers drive digital transformation with intelligent, interconnected, multichannel engagements. The group has a strong customer base of blue-chip customers, including over 1,500 enterprise customers and 500 mobile operators, spanning 190 countries. For more information, visit the pages for SAP Digital Interconnect on the SAP home page or the profile for SAP Digital Interconnect.

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For more information, financial community only:

Ulrich Wolf, +49 (6227) 7-60212, ulrich.wolf@sap.com, CEST

For more information, press only:

Sinch: Jeff Hasen, Director of Communications, jeff.hasen@sinch.com SAP: Susan Miller, +1 (610) 661-9225, <u>susan.miller@sap.com</u>, ET SAP: Daniel Reinhardt, +49 (6227) 7-40201, <u>daniel.reinhardt@sap.com</u>, CEST <u>SAP Press Room</u>; <u>press@sap.com</u>

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