May 8, 2025

Q1 2025 Presentation

Transcom

Today’s presenters

Brian Johnson
President & CEO

Snejana Koleva
CFO

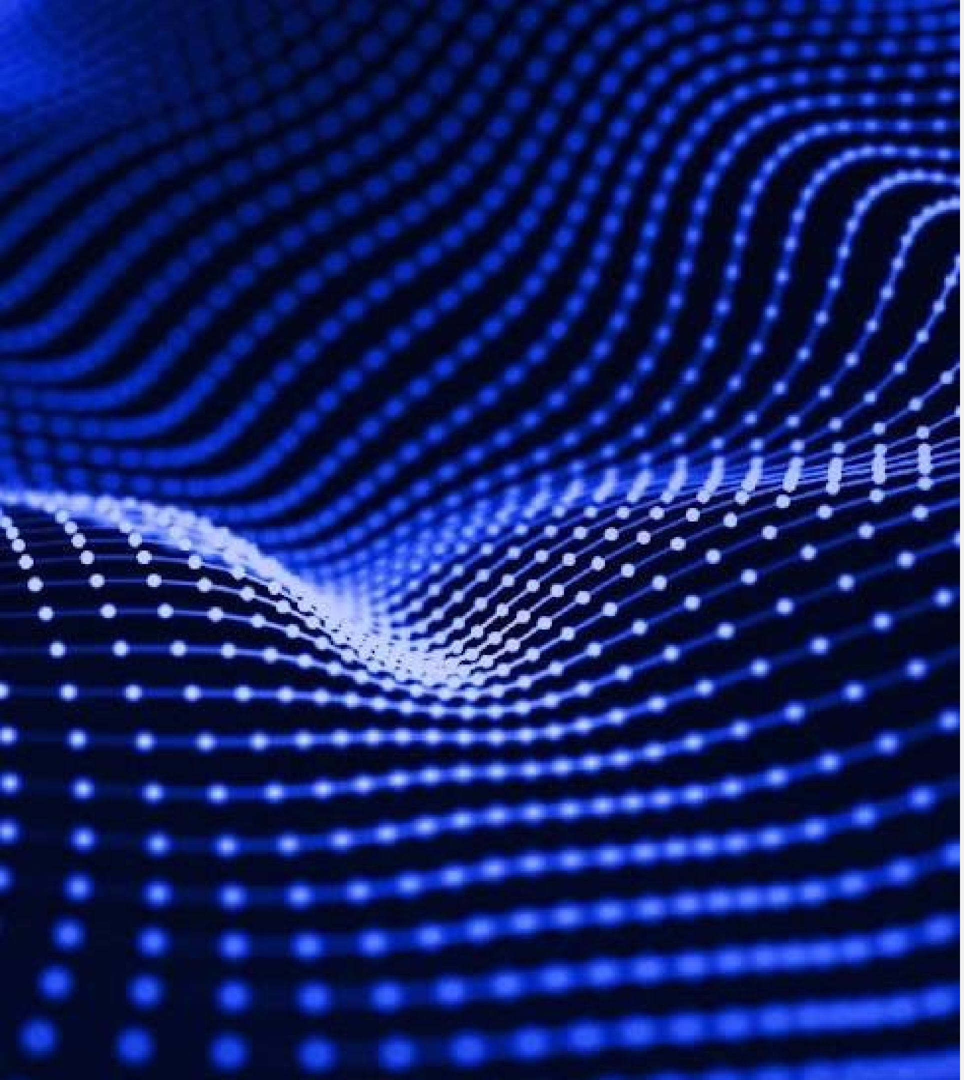
Transcom

Q1 2025 highlights

Revenue	**190.9M€** **+1.8%**
EBITDA margin	**11.9%**
AI penetration	**49 %**

- **Revenue 191M€,** +1.8% growth driven by 11.9% growth in eCommerce & Tech and a 11.8% growth in the English-speaking segment
- **EBITDA Margin** improved to 11.9% (11.9%*), supported by operational efficiency and cost control
- **Market remains challenging**, with US economy registering contraction in Q1 and only a modest growth in Europe. Key regions such as India, Egypt, Philippines, Tunisia, Colombia and nearshore Europe will play an increasingly important role in balancing cost through arbitrage in parallel to latest generation technologies
- **We have achieved 49% penetration** of advanced digital and AI solutions with existing clients, up from 43% in previous quarter. The increase is mainly driven by implementation of e.g. AI-based IVR, Agent training and Agent assist knowledge solutions

*Adjusted to exclude the impact from the Transcom German entities that filed for insolvency in the end of Q3 2024. Impact has been adjusted in respective quarter in 2024. Adjustments per quarter vs previously reported are presented in Note 12 of the report



Today’s agenda

Transcom overview and priorities
Q1 Financial performance
Financial targets and outlook

Transcom overview and priorities

Transcom

Transcom – a digital-native company

We are a digital-native company, transforming our clients' customer experience and business processes by integrating human expertise with cutting-edge AI technologies.

Our commitment is to drive unparalleled value for our people, clients, and investors, through responsible and sustainable practices.

Customer care & technical support | Customer acquisition, sales & retention | Trust & safety | Compliance | Back office

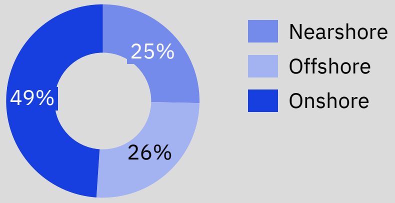
29 countries

85 sites

+30,000 people

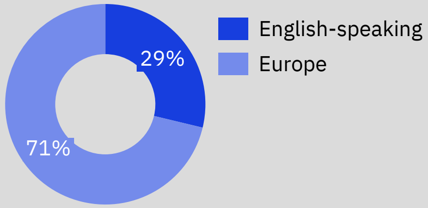
Shoring mix

Q1 2025 LTM Share of revenue



Regional mix

Q1 2025 LTM Share of revenue



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Serving leading consumer brands across industries

	Client examples	Share of revenue Q1 LTM	EBITDA margin Q1 LTM
eCommerce & Tech *Social media, online retail, IT/tech, fintech, logistics, consumer durables*	PayPal, Samsung, Bolt, TechStyle OS	49%	14.6%
Services & Utilities *Utilities, BMSI, Gov & healthcare, media, travel*	BNP Paribas, Get Your Guide, Advanzia Bank	28%	11.9%
Telco & Cable	Tele2, ice	23%	8.2%

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Transcom strategy for profitable growth

Clients
Strong partnerships built on trust allowing for quality account management and business development, supported by best in class solution design

Markets
Invest in North America and prime European markets, focusing on growth industries and service lines, with digital and tech integrated solutions

Delivery
Grow near/offshore, enter new key delivery markets, optimize footprint, dissolve traditional borders to enable labor arbitrage independent of language

Operations
Perform beyond client expectations with top leadership talent, best in class processes and technology, global footprint, and domain expertise

People
Leverage latest technology and people platforms to recruit, retain, and develop the best CX talent at all levels of the organization

Digital transformation
Through digital transformation further efficiencies in our model to further increase our competitiveness by lowering base costs, offering sophisticated solutions and a commitment to reduction of TCO

Inorganic growth
Continue to pursue and acquire strategic assets that enhance our portfolio while increasing our digital and capabilities adjacent to our core offerings

Transcom's digital strategy in five key pillars

Strategic roadmap for leveraging AI and digital tools to drive "onstage" (digital solutions leadership) and "backstage" (efficiency, tech savvy staff and commercial models) capabilities, governed by a responsible and ethical AI Approach.

Market Leadership	**Service innovation**	**Integrated solutions**	**Digital proficiency**	**Operational advancement**
Strengthen market leadership by positioning AI-driven digital offerings	Disrupt the market with AI-driven solutions like Autopilot and real-time translation	Implement AI to increase efficiency, reduce costs, and optimize service delivery	Develop a workforce proficient in digital tools, ethics and methodologies	Seamlessly combine digital and traditional offerings to enhance client satisfaction

Progress so far

Recognized as Digital Leader by key analysts, e.g. ISG, NelsonHall, Spark Matrix, Frost&Sullivan.	Expanded portfolio of AI driven solutions focused on reducing TCO for clients.	Client-centric TCO & value creation: A roadmap based on ROI with quantifiable TCO reduction, client-specific solution themes, and detailed ROI use case library.	Large scale Google AI adoption. Continued tracking of engagement and productivity impact to drive efficiency and innovation.	Sanas partnership for accent translation technology.

Q1 top wins

Energy & utilities Customer support EMEA on/nearshore	**IT & technology** Real-time video support AAPAC offshore
Healthcare & pharmaceuticals Real-time asynchronous support AAPAC offshore	**Travel, transportation & automotive** Multilingual customer support EMEA onshore
Retail & e-commerce Backoffice EMEA nearshore	**Travel, transportation & automotive** Member support & B2B collections AAPAC offshore
Insurance Backoffice EMEA onshore	**Financial software** Merchant onboarding, backoffice AAPAC offshore

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Increasing demand for offshore locations – recent expansions

India: Pune, Jaipur, Gurugam

Our latest offshore location India is continuing its rapid growth path with an additional site in Gurugam – 460 seats opening in Q2 bringing the total number of seats in India to 1,800.

Egypt: Cairo

Cairo is Transcom's primary hub for automated translations, and recently outgrew its second site, leading to the third expansion in three years. We now have a total of 2,400 seats.

Tunisia: Tunis

Tunis is a proven trust & safety center of excellence. Talented and tenured staff provides consistently high quality service to market leading clients, leading to a recent expansion to a total of 2,200 seats.

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Sustainability as a strategic priority

Sustainability is a strategic priority driving innovation, resilience, and a lasting value for our employees, clients, and communities

- Critical issue for industry, clients, and stakeholders
- Increasing demands for responsible practices
- Compliance with regulatory frameworks
- Rooted in Transcom Cares framework (people-centric)

Comprehensive Annual Sustainability Report 2024 published in April – ties to our SBTi commitments

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

THE NET ZERO STANDARD
APPROVED NET-ZERO TARGETS

Sustainability performance 2024

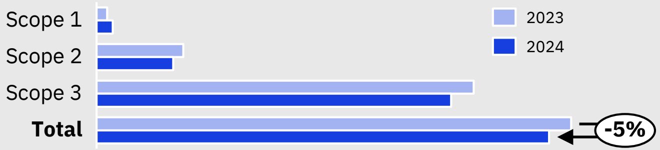
Material topics	Key targets	2024 performance

Environment

Material topics
- *Climate change*
- *Resource use and circular economy*

Key targets
- Net-zero by 2050
- -55% of scope 1&2 by 2033
- -32.5% of scope 3.6 & 3.7 by 2033

2024 performance



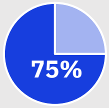
GHG intensity tCO2e/MEUR: **59** *(69)*

Social

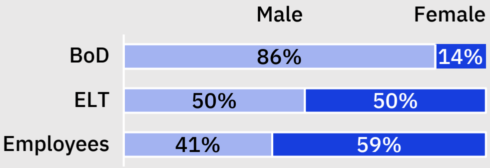
Material topics
- *Own workforce*
- *Workers in the value chain*
- *Consumers and end-users*

Key targets
- Employee satisfaction
- 50/50 gender balance at all managerial levels

2024 performance



Employee satisfaction

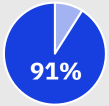


Governance

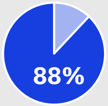
Material topics
- *Business conduct*
- *Cyber security*

Key targets
- Business conduct and privacy training and certification

2024 performance



Business conduct



Privacy (GDPR)

Financial performance

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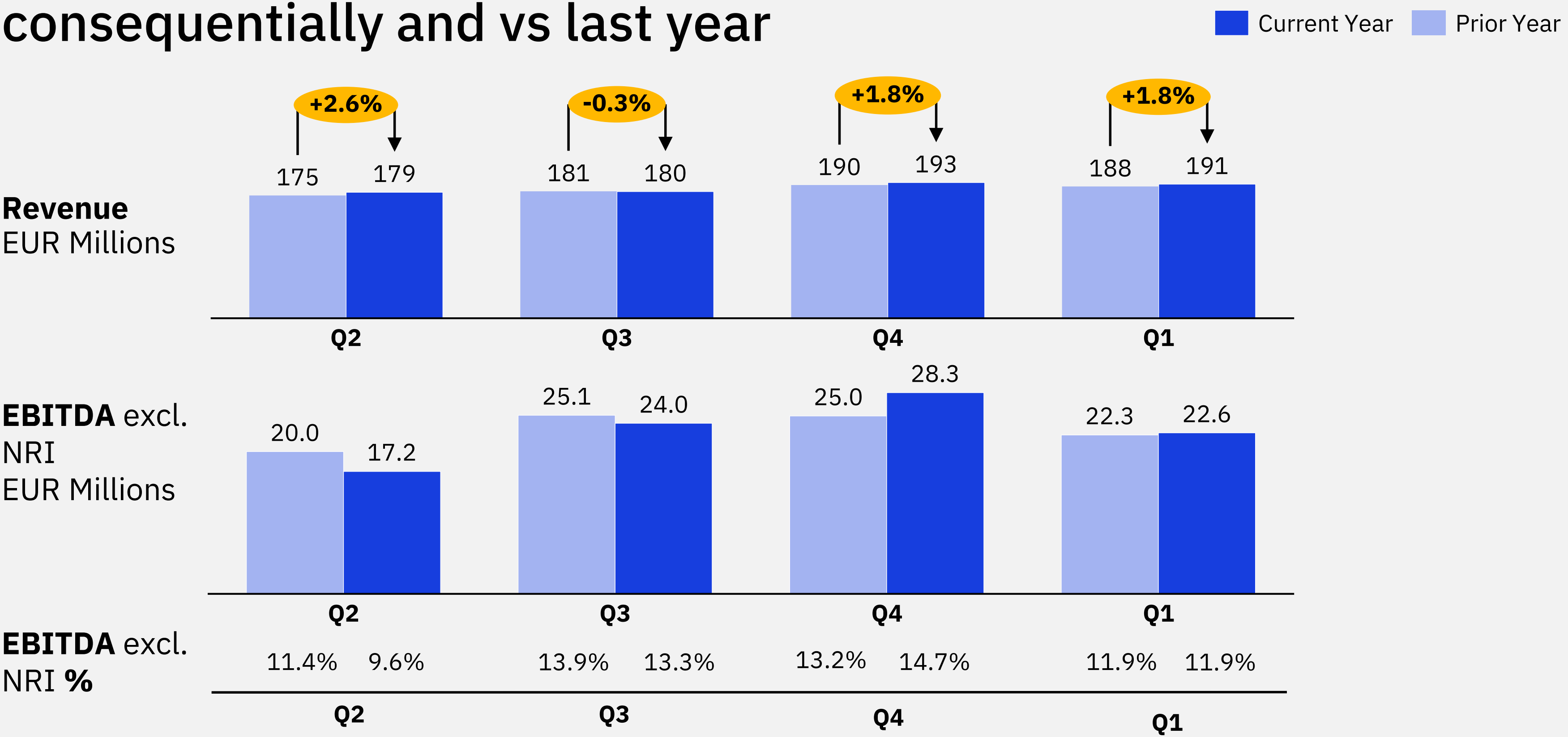
Organic revenue change of 0.9%

- **Revenue** increased to 190.9M€ (187.5*), representing growth of 1.8% vs 2024, out of which 0.9% organic
- **Q1 EBITDA ex non-recurring items** 22.6M€ (22.3*), Margin of 11.9% (11.9%*)
- **Net working capital** 69.9M€ (68.8), corresponding to 9.1% of revenue
- **Operating cash flow** 20.4M€ (18.8)
- **Non-recurring items** -3.5M€ (-1.7)
- **Net debt/EBITDA** of 4.2 (4.0)

*Adjusted to exclude the impact from the Transcom German entities that filed for insolvency in the end of Q3 2024. Impact has been adjusted in respective quarter in 2024. Adjustments per quarter vs previously reported are presented in Note 12 of the report

Revenue growth of +1.8%; EBITDA margin improving consequentially and vs last year



EBITDA and Revenue Q1-Q4 2024 excludes the impact from the Transcom German entities that filed for insolvency in the end of Q3 2024. Impact has been adjusted in respective quarter in 2024. Adjustments per quarter vs previously reported are presented in appendix and in Note 12 of the report

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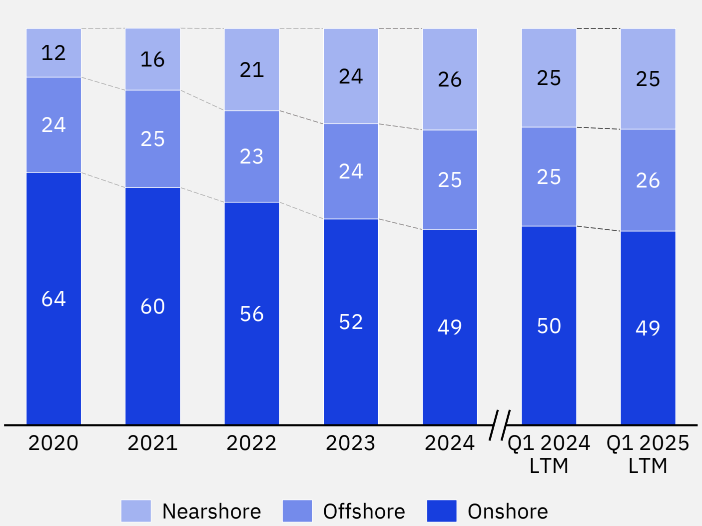
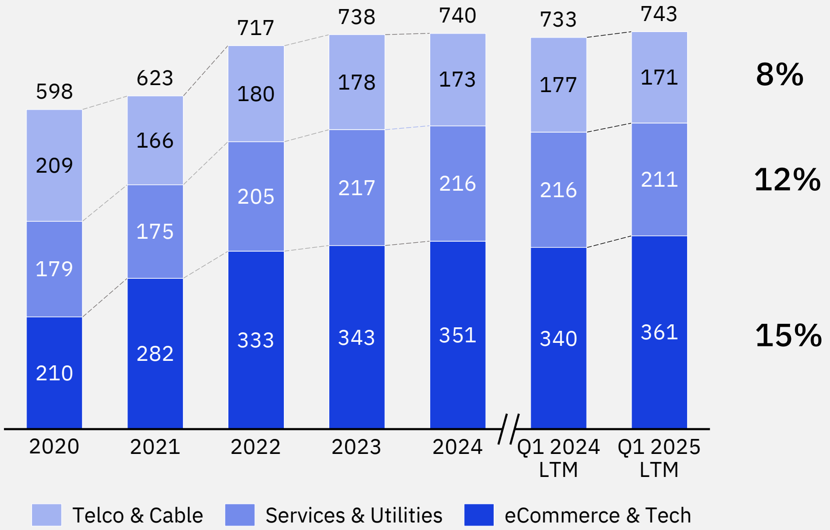
Shift towards favorable delivery mix and client sectors continues in line with strategy for long-term margin improvement

Share of Revenue by type of delivery, percent



Revenue by industry, EUR Millions

EBITDA%
Q1 2025 LTM



Revenue 2024 excludes the impact from the Transcom German entities that filed for insolvency in the end of Q3 2024. Impact has been adjusted in respective quarter in 2024. Adjustments per quarter vs previously reported are presented in appendix and in Note 12 of the interim report

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Positive organic growth fully offsetting exited and ended business, EBITDA margin improves

EUR Millions	2024 Q1	*Exited business in Germany*	2024 Q1*	Currency impact	Organic growth		Inorganic growth	2025 Q1
					New and existing clients	Ended contracts		
Revenue	**189.1**	*-1.6*	**187.5**	**1.5**	**9.9**	**-8.1**	**0.0**	**190.9**
Growth %				*0.8%*	*5.3%*	*-4.3%*	*0.0%*	*1.8%*
Europe	139.4	-1.6	137.8	n.a.	4.9	-7.4	0.0	135.3
English	49.7		49.7	n.a.	6.5	-0.6	0.0	55.6

EUR Millions	2024 Q1	*Exited business in Germany*	2024 Q1*	Currency impact	Like-for-like comparison			2025 Q1
					Volume	Segment mix	Others	
EBITDA	**21.9**	**0.4**	**22.3**	**0.9**	**0.2**	**0.8**	**-1.6**	**22.6**
	11.6%	*0.3pp*	*11.9%*					*11.9%*
Sales investment							-0.6	
EBITDA %								
Impact from Sales investments								
Europe	**11.5**	**0.4**	**11.8**	**n.a.**	**-0.2**		**1.1**	**12.7**
EBITDA %	*8.2%*		*8.6%*					*6.7%*
Sales investment							0.0	
English	**10.5**	**0.0**	**10.5**	**n.a.**	**1.2**		**-1.8**	**9.9**
EBITDA %	*21.0%*		*21.0%*					*17.9%*
Sales investment							-0.6	

- Growth from New and existing clients fully offsets the impact from ended and exited business
- EBITDA improves with 0.3M on adjusted basis, driven by Europe, while English is impacted by higher share of onshore US business

EBITDA and Revenue Q1-Q4 2024 excludes the impact from the Transcom German entities that filed for insolvency in the end of Q3 2024. Impact has been adjusted in respective quarter in 2024. Adjustments per quarter vs previously reported are presented in appendix and in Note 12 in interim report.

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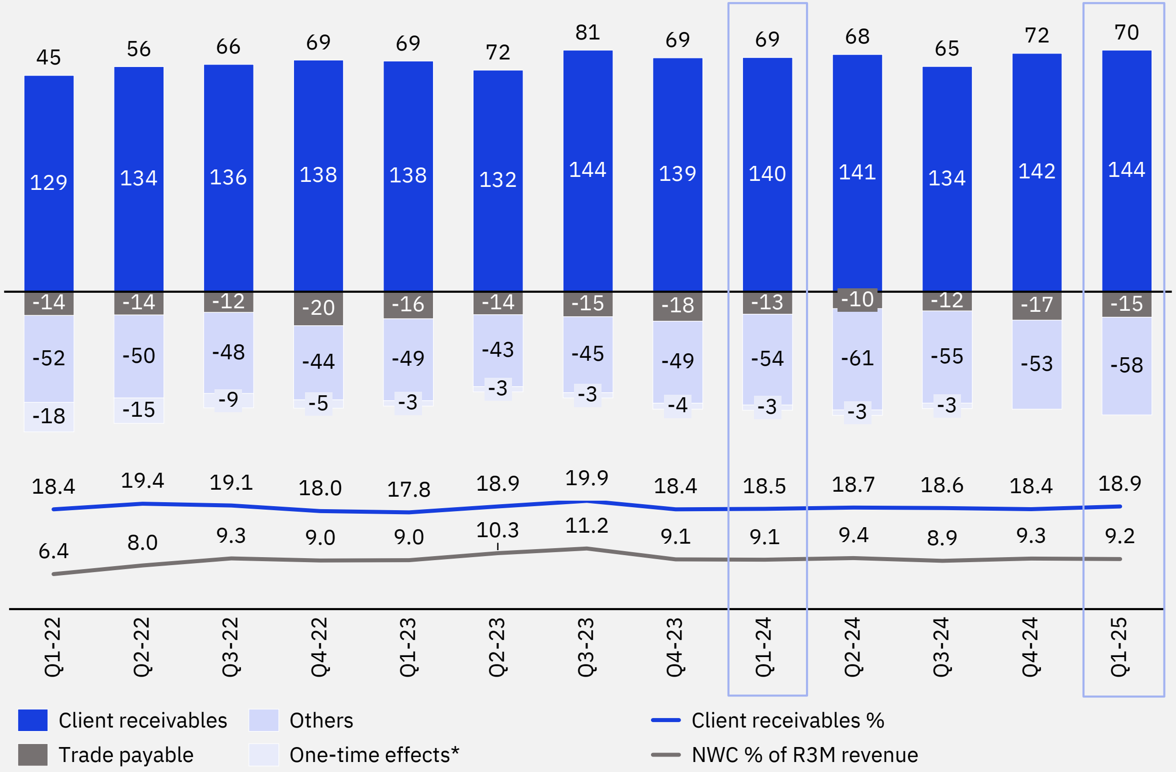
Stable client receivables and NWC in Q1

EUR Millions



- Net working capital is stable both compared to Q1 2024, and compared to Q4 2024, with minimal variances
- Client receivables increased slightly compared to last quarter, offset by increase in Other items
- The increase in Others is mainly related to increase in accruals for personnel related costs

* Covid government support, Prepaid income from M&A

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Operating cash flow in Q1 impacted by positive changes in NWC

EUR Millions

	2022	2023	2024	2024 Q1	2025 Q1
Operating cash flow before NWC changes	**69.7**	**64.9**	**64.9**	**19.3**	**19.3**
Changes in working capital	-17.3	-2.3	-2.8	-0.5	1.1
Operating cash flow	**52.4**	**62.5**	**62.2**	**18.8**	**20.4**
Investments/disposals	-24.2	-22.0	-21.4	-5.4	-2.7
Acquisitions/disposals of business, net of cash	-9.8	-13.9	-3,1	-2.6	-
Other	0.4	-0.5	-1,1	-1.6	-0.1
Cash flow from investing activities	**-33.6**	**-36.2**	**-25.7**	**-9.6**	**-2.8**
Cash flow from financing activities	**-25.9**	**-20.0**	**-35.3**	**5.3**	**-13.5**
Cash flow for the period	**-7.1**	**6.3**	**1.2**	**14.6**	**4.1**

- Operating cash flow 20.4M€ (18.8)
- Cash flow from investing activities -2.8M€ (-9.6); the investments in Q1 mainly related to the new facilities in India and Egypt and updates in the Philippines
- Cash flow from financing activities to -13.5M€ (5.3) mainly related to interest payments
- Cash flow for the period in the quarter amounted to 4.1M€ (14.6)

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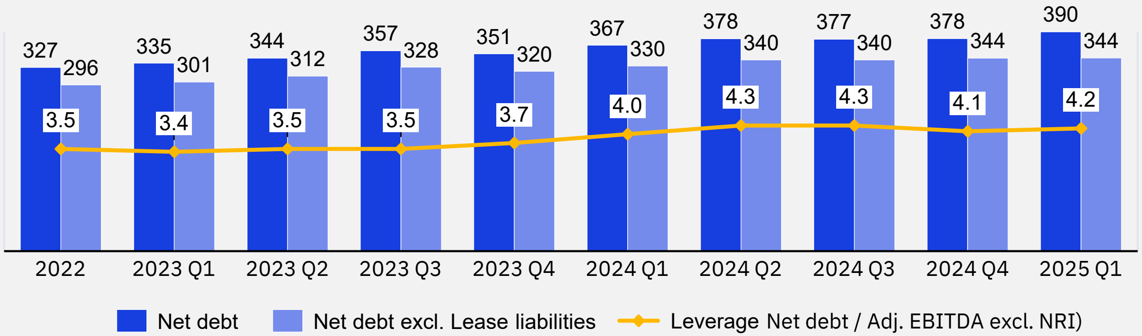
Net debt development

EUR Millions

Debt structure	Maturity	2022	2023	2024	Q1 2025
		Outstanding balance			
Floating rate secured notes	Dec 2026	315.0	315.0	380.0	380.0
SSRCF incl. overdraft facility usage	June 2026	14.1	43.6	-	-
Lease liabilities		31.0	30.8	34.8	46.4
Other items incl. in net debt		-1.9	-2.6	2.7	4.7
Gross debt		**358.2**	**386.9**	**417.5**	**431.2**
Cash on balance		31.4	35.8	39.2	41.0
Net debt		**326.8**	**351.1**	**378.3**	**390.2**



- No loans drawn under the SSRCF - full repayment with the proceeds of the increased amount of the FRNs in Jan 2024
- Lease liabilities increase with new lease agreements in Egypt, India and various extensions of existing contracts
- Factoring/SCF usage of 31.2 M

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Non-recurring items

EUR Millions

Severance costs due to reorganizations

- Severance costs for managerial reductions related to reorganizations and cost optimization initiatives
- Typical payback less than 12 months

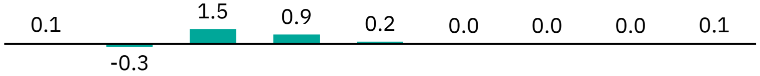
Site closures and reductions

- Site capacity reductions – penalties or onerous leases
- 2023-2024 reduction of ~3900 seats – majority in the US, Netherlands, Spain, Germany, Croatia, Slovenia, with annualized cost savings of ca 3M€
- 2025Q1 – further reductions in Germany, Spain, Hungary

Other, e.g., legal costs, write offs of IT assets, etc.

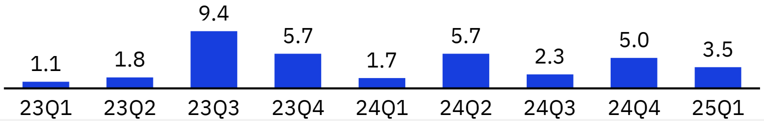
- 2024: IT legacy systems and duplicate links write offs, warrant issuance for Management Investment Program, Vacation allowance 2022-2023, Procurement program consulting support, costs for writing off insolvency impact (business and balance sheet), legal costs
- 2025Q1 – Legal costs related to Management Investment program update

Transaction-related (M&A)



- Transaction-related fees and advisors' costs

Total



- **Q12025 LTM 16.5 (18.6)**

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Financial targets and outlook

Financial targets

>16%
EBITDA IFRS 16

Continuation on the trend
- Operational Excellence
- Digital solutions
- Capacity rationalization
- Client mix shift
- Near/offshore expansion

2025 Outlook

Positive but moderate trend of improvement in 2025

>5–10%
organic growth p.a.

Sustaining underlying growth
- Investments in sales and commercial organization
- Strong rebalancing toward US market penetration
- Grow share of wallet / market share

Investments in sales teams yielding strong pipeline, and momentum building as expected
Push for offshoring and deliver savings for clients

>5–10%
acquired growth p.a.

Focus areas for acquisitions
- Reinforcing market access and accretive bolt-ons
- Targeting margin rich assets that will lift group profile
- Seeking complementary capabilities to further enhance offerings and vertical depth

Multiple potential targets reviewed and engaged continuously, conservative valuations

Conservative
leverage

Conservative leverage, reinvesting in growth when leverage permits
- Strong cash flow generation and EBITDA expansion providing natural de-leveraging
- Ability for targeted accretive M&A growth within leverage limits

Expected to improve leverage in 2025 driven by improving EBITDA

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Appendix

Quarterly development by segment

EUR Millions

		Revenue			EBITDA excl. NRI			EBITDA Margin, %		
		Q1 24*	Q1 25	Change	Q1 24*	Q1 25	Change	Q1 24*	Q1 25	Change
Sector	eCommerce & Tech	82.5	92.3	**11.9%**	13.7	12.5	**-1.2**	16.6	13.5	**-3.1pp**
	Services & Utilities	59.8	55.4	**-7.3%**	4.6	6.7	**2.1**	7.6	12.1	**4.4pp**
	Telco & Cable	45.3	43.2	**-4.7%**	4.0	3.5	**-0.6**	8.9	8.0	**-0.9pp**
Region	Europe	137.8	135.3	**-1.8%**	11.8	12.7	**2.3**	8.6	9.4	**0.8pp**
	English-speaking	49.7	55.6	**11.8%**	10.5	9.9	**-1.9**	21.0	17.9	**-3.2pp**
TOTAL		**187.5**	**190.9**	**1.8%**	**22.3**	**22.6**	**0.3**	**11.9**	**11.9**	**0.0pp**

* Excluding the business results from the business in the two German entities that filed for insolvency in the end of Q3 2024

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Adjustments Q1-Q4 2024 related to the business in insolvency

EUR Millions

	Revenue			EBITDA excl. NRI			EBITDA Margin, %		
	Reported 2024	2024 Adjusted*	Change	Reported 2024	2024 Adjusted*	Change	Reported 2024	2024 Adjusted*	Change
Q1	189.1	187.5	-1.6	21.9	22.3	0.4	11.6%	11.9%	0.3pp
Q2	180.7	179.3	-1.5	16.8	17.2	0.4	9.3%	9.6%	0.3pp
Q3	181.7	180.2	-1.6	23.8	24.0	0.1	13.1%	13.3%	0.2pp
Q4	193.0	193.0	0.0	29.2	28.3	-0.9	15.1%	14.7%	-0.5pp
FY 2024	**744.6**	**739.9**	**-4.6**	**91.8**	**91.8**	**0.0**	**12.3%**	**12.4%**	**0.1pp**

* Excluding the business results from the business in the two German entities that filed for insolvency in the end of Q3 2024

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