

## Q3 2024

- Revenue increased to 181.7M€ (180.6)
- EBITDA excluding non-recurring items decreased to 23.9M€ (25.1)
- EBITDA margin excluding non-recurring items decreased to 13.1% (13.9%)
- Operating cash flow increased to 21.7M€ (9.4)
- Net debt/EBITDA increased to 4.3 (3.5)

## Jan-Sep 2024

- Revenue increased to 551.6M€ (548.2)
- EBITDA excluding non-recurring items decreased to 62.6M€ (70.6)
- EBITDA margin excluding non-recurring items decreased to 11.4% (12.9%)
- Operating cash flow increased to 46.7M€ (33.1)
- Net debt/EBITDA increased to 4.3 (3.5)

## Moderate growth and improving trend in performance

Q3 results were in line with expectations, with a modest improvement compared to the previous quarter, in an environment of continued softness with slow recovery in Europe and uncertainty in the US. With revenue at €181.7 million, growth was 0.6% compared to Q3 2023. The growth was driven primarily from the Service & Utilities and eCommerce & Tech sectors within the European segment. The net growth versus Q3 2023 is supported by 3.9% organic and 0.2% inorganic growth, offset by the negative impact of -3.2% from ended contracts in the first half of the year as previously reported, as well as a negative currency impact of -0.3%. Aligning well to the group strategy, nearly all the new growth was delivered from near- and offshore locations. This means growth the total growth % in terms of FTE are higher than reflected in revenue, as the revenue per FTE in these markets is inherently lower.

EBITDA excluding non-recurring items decreased to €23.9 million, with a margin of 13.1% compared to 13.9% in the previous year. This lower overall margin stems largely from the eCommerce & Tech sector within the English-speaking segment, due to extensive ramp up costs to support new business. The ramp up costs will continue into Q4 of this year.

The residual impact of ended contracts, the investments in our sales force and the cost of ramping as we continue to add new logos and LOBs to our portfolio are the main drivers for the lower EBITDA margin as compared to last year. The impacts of the ended contracts will have dissipated and the major ramps underway will be largely completed as we enter 2025.

Operating cash flow is €21.7 million (9.4), which is a significant improvement compared to the same period last year, mainly driven by lower losses before tax, and positive working capital development.

We are progressing well towards improving the fundamental performance of the business. We have successfully executed our strategy to rationalize capacity within EMEA most notably within, but not limited to, Germany, Croatia, and Spain, where excess capacity has impacted financial performance. Realignment within the executive team have been completed, including well-known and respected leader Marieke Smidt assuming the role of CEO EMEA as of January of 2025. Marieke will succeed Robert Kresing who has chosen to pursue a new opportunity. Robert has been an excellent leader and contributor to the success of Transcom and we wish him all the best.

On the business transformation front, excellent progress has been made facing both our internal teams, clients, and technology partners. The key areas of focus include further strengthening of our digital capabilities, delivering high value solutions with minimal complexity, development and integration of new technologies, highly targeted market penetration and growth objectives, enhancement of operational performance, driving

innovation, and adapted commercial models that incorporate both technology and people enabling for competitive and compelling offerings.

These efforts will bring even greater value to our clients while partnering exclusively with technology partners that can keep pace with in a rapidly changing landscape. More concretely, we continue developing our AI solution offerings with Autopilots, Copilots and Insights, aiming to provide the best total cost of ownership to our clients. In parallel we continue to seek and actively explore intelligent bolt-on acquisitions that will enhance our profile in alignment with our objectives.

Looking ahead, we expect revenue growth to remain moderate, as the aforementioned impact of the ended contracts ages out of the baseline. We remain committed to our cost reduction initiatives including restructuring and downsizing of underutilized capacity in Europe and workforce optimization - further enabled through our internal transformation work underway. We expect the results in Q4 to show improvement as compared to last year. 2024 has been a year of investment in our operational and sales foundation, and we continue to expect 2025 to be a year of growth that matches or outpaces the market while also delivering improved margins.

Brian Johnson, President & CEO

## Group financial overview

(€m)	2024 Q3	2023 Q3	Change Y-o-Y	2024 Jan-Sep	2023 Jan-Sep	Change Y-o-Y	2024 Q3 LTM	2023 Q3 LTM	Change Y-o-Y
Revenue	181.7	180.6	0.6%	551.6	548.2	0.6%	741.2	739.6	0.2%
EBITDA excl. non-recurring items	23.9	25.1	-1.3	62.6	70.6	-8.0	87.7	101.0	-13.3
EBITDA margin excl. non-recurring items	13.1%	13.9%	-0.8pp	11.4%	12.9%	-1.5pp	11.8%	13.7%	-1.8pp
EBITA excl. non-recurring items	15.6	16.8	-1.2	37.3	45.4	-8.1	54.9	67.0	-12.1
EBITA margin excl. non-recurring items	8.6%	9.3%	-0.7pp	6.8%	8.3%	-1.5pp	7.4%	9.1%	-1.7pp
Operating cash flow	21.7	9.4	12.3	46.7	33.1	13.7	0.0	57.9	-57.9
Net debt	377.1	356.7	20.5	377.1	356.7	20.5	377.1	356.7	20.5
Net debt/EBITDA excl. non-recurring items	4.3	3.5	0.8	4.3	3.5	0.8	4.3	3.5	0.8

## July - September 2024

### INCOME AND PROFIT

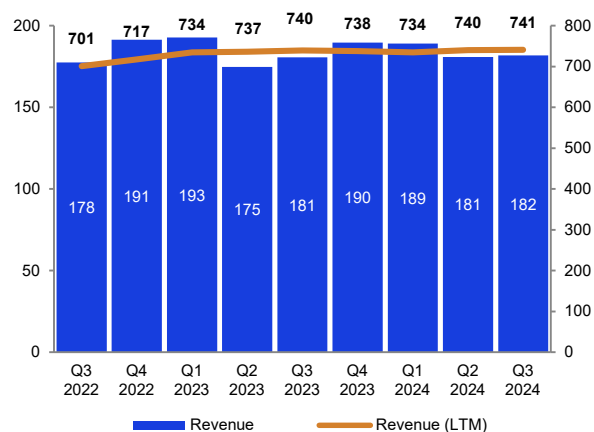
Revenue amounted to €181.7 million (180.6) with a growth of 0.6%, compared to same period previous year. Organic growth was 0.6%, growth from acquisitions in the last twelve months was 0.2% along with a negative impact on currency translation of -0.3%.

EBITDA excluding non-recurring items amounted to €23.9 million (25.1) with a margin of 13.1% (13.9%). The lower EBITDA margin compared to the same period last year is mainly related to the Commerce & Tech segment.

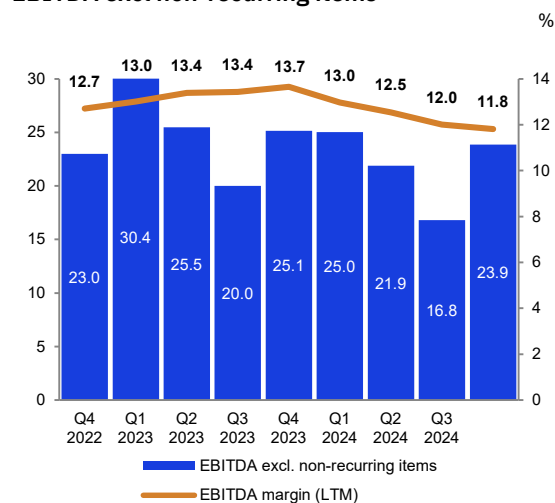
Non-recurring items totaled € -2.3 million (-9.4), including €-2.3 million (-7.7) related to operational non-recurring items, such as restructuring costs, mainly related to site reductions. Transactional non-recurring items amounted to €-0.0 million (-1.7) for the quarter.

Net financial items amounted to €-11.8 million compared to €-9.7 million last year. The increase is mainly driven by higher interest rates and a higher level of utilized SSRFC. Taxes amounted to €-0.0 million (-0.0).

### Revenue



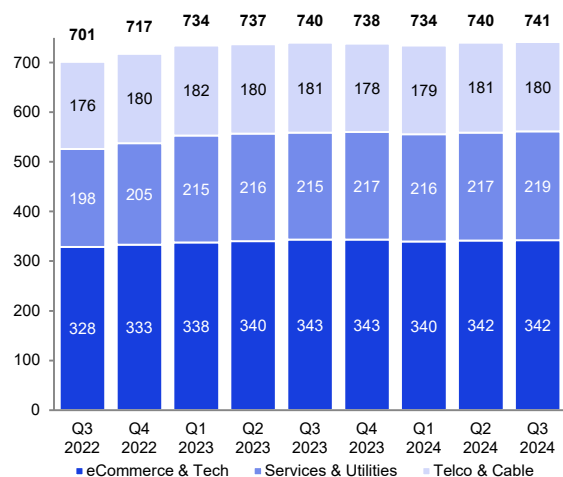
### EBITDA excl non-recurring items



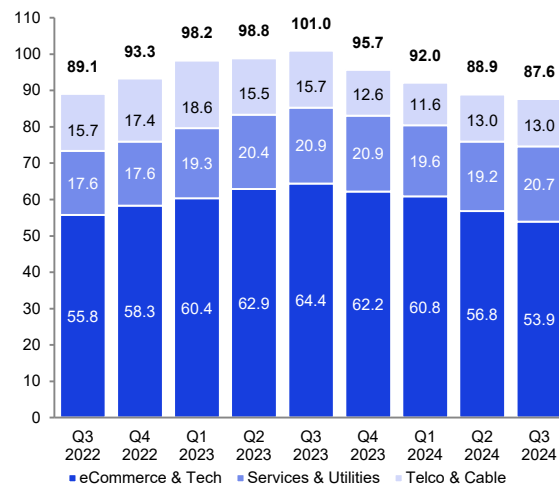
### Sector development

The eCommerce & Tech had growth of 0.7% in the quarter compared to the same period last year and remains the largest sector with 46% (47%) of the total revenue in the last twelve months. The EBITDA margin excluding non-recurring items for the same period was 15.7% (18.8%), primarily driven by lower margin in English segment, to a certain extent related to planned production ramp-ups in Q4 and early 2025.

Revenue by sector (LTM)\*



EBITDA excl. non-recurring items by sector (LTM)



\*Reclassification of clients has been done in Q3 2023 with retroactive effect.

### Development by geographical segment

#### European segment

Revenue amounted to €129.6 million (126.1) with a growth of 2.8%. Growth is mainly related to the Service & Utilities sector as well as the eCommerce & Tech sector.

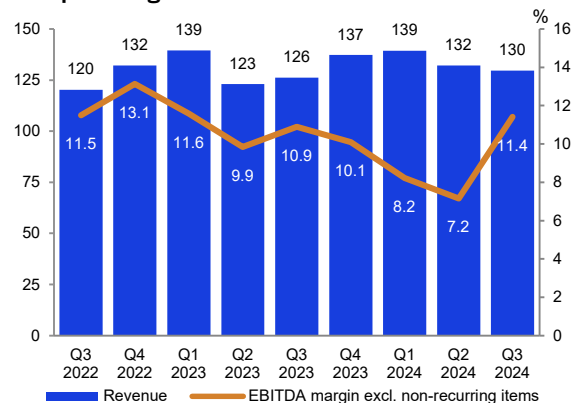
EBITDA excl. non-recurring items amounted to €14.8 million (13.7) with a margin of 11.4% (10.9%). The improved EBITDA margin is mainly driven by the Service & Utilities sector.

#### English-speaking segment

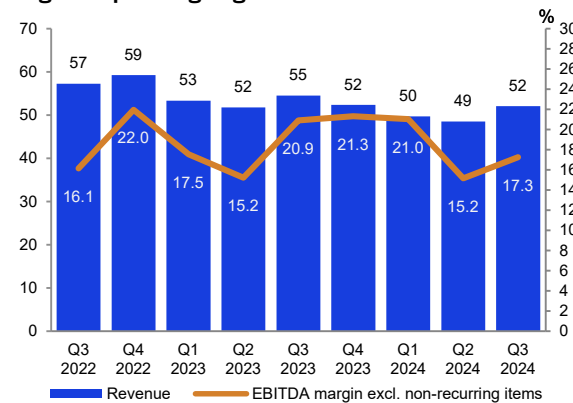
Revenue amounted to 52.1 € million (54.5), a decrease of -4.5%, mainly driven by lower volumes from eCommerce & Tech contracts.

EBITDA excl. non-recurring items amounted to €9.0 million (11.4) with a margin of 17.3% (20.9%). The lower EBITDA margin is mainly driven by the lower volumes and planned ramp-ups in production in the eCommerce & Tech contracts.

European segment



English-speaking segment



**Cash flow and financial position**

Operating cash flow was €21.2 million (9.4) with improvement driven by changes in the Net Working Capital compared with the same period as last year.

Cash flow from investing activities amounted to €-5.0 million (-13.4). Cash flow from financing activities amounted to €-13.3 million (0.3). Cash flow totaled €2.8 million (-3.8).

Net debt amounted to €377.1 million (356.7) including IFRS16 liabilities.

Net debt/EBITDA amounted to 4.3 (3.5). Financing in the Group includes €380 million Senior Secured Floating Rate Notes due in December 2026 and a Super Senior Revolving Credit Facility Agreement (SSRCF) of €75 million with termination date in June 2026. As per September 30, 2024, the SSRCF was unutilized in loans, excluding guarantees and overdraft facility usage. Unused credit facilities totalled €67.3 million.

**January-September 2024****INCOME AND PROFIT**

Revenue amounted to €551.6 million (548.2), a growth of 0.6%. Organic growth was -1.5%, inorganic growth was 2.2% and impact from currency was -0.1%. Comparable growth, also excluding the exited Spain in the beginning of Q2 2023, was 0.1%.

EBITDA excluding non-recurring items amounted to €62.6 million (70.6) with a margin of 11.3% (12.9%). Non-recurring items totaled €-9.7 million (-12.3).

**Cash flow**

Operating cash flow was €46.2 million (33.1). Cash flow from investing activities amounted to €-17.2 million (-28.8). Cash flow from financing activities amounted to €-23.1 million (-3.6). Cash flow totaled €5.7 million (0.7).

**Significant events after the reporting period**

As part of our ongoing efforts to reduce excess capacity and stop supporting unprofitable business, we have come to the conclusion that the business in Transcom Essen and Berlin is not viable without continued internal funding. As a consequence, the entities were facing illiquidity and the management was required to file for insolvency on October 15, 2024. The entities will not be consolidated from Q4 2024 onwards. The total negative impact, which will be recorded as non-recurring item in Q4, will be ca. €-1.8 million, mainly related to written off assets in the two companies.

Members of the Group, their holding companies and their other affiliates may at any time and from time to time transact in the Senior Secured Floating Rate Notes. Any such purchases or sales may be made through open market or privately negotiated transactions with third parties or pursuant to one or more tender or exchange offers or otherwise, upon such terms and at such prices as well as with such consideration as such member of the Group or any such holding company or other affiliates may determine, and the amounts of such Senior Secured Floating Rate Notes subject to such transactions may be material.

## Other information

### Earnings call

Transcom will host a webcast at 9:00 CET on November 14, 2025. The webcast will be held in English. The presentation will be available on <https://www.transcom.com/global/about-us/investor-relations>.

Online registration link: <https://app.livestorm.co/transcom-holding/transcom-holding-ab-q3-2024-results-presentation>

### Financial calendar

Transcom's Q4 2024 report will be published on Feb 19, 2025

### Other information

The interim report has not been reviewed by the company's auditor.

### Transcom Holding AB

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## Transcom Group - Condensed consolidated income statement

(€ '000)	Notes	2024 Q3	2023 Q3	2024 Jan-Sep	2023 Jan-Sep	2024 LTM	2023 Jan-Dec
Revenue	4	181,725	180,644	551,575	548,220	741,250	737,895
Cost of sales	5	-137,602	-135,706	-427,335	-417,714	-571,029	-561,408
<b>Gross profit</b>		<b>44,123</b>	<b>44,938</b>	<b>124,240</b>	<b>130,506</b>	<b>170,220</b>	<b>176,486</b>
Sales and marketing expenses		-3,211	-2,775	-10,130	-7,273	-12,426	-9,569
Administrative expenses	5	-31,072	-36,809	-97,100	-100,487	-132,652	-136,038
Other operating income/expenses	5	12	-1,666	479	-796	354	-921
<b>Operating profit/loss</b>	4,5	<b>9,853</b>	<b>3,687</b>	<b>17,488</b>	<b>21,950</b>	<b>25,496</b>	<b>29,959</b>
Net financial items		-11,810	-9,724	-33,870	-27,610	-43,870	-37,610
<b>Profit/loss before tax</b>		<b>-1,958</b>	<b>-6,037</b>	<b>-16,382</b>	<b>-5,660</b>	<b>-18,372</b>	<b>-7,651</b>
Income tax expense/income		-1,536	-1,180	-3,328	-4,077	-3,367	-4,116
<b>Profit/loss for the period</b>		<b>-3,494</b>	<b>-7,217</b>	<b>-19,709</b>	<b>-9,737</b>	<b>-21,739</b>	<b>-11,768</b>
<b>Profit/loss for the period attributable to:</b>							
Equity holders of the Parent Company		-3,308	-7,217	-19,375	-9,737	-21,406	-11,768
Non-controlling interest		-186	-	-334	-	-334	-

## Transcom Group - Condensed consolidated statement of comprehensive income

(€ '000)	2024 Q3	2023 Q3	2024 Jan-Sep	2023 Jan-Sep	2024 LTM	2023 Jan-Dec
<b>Profit/loss for the period including non-controlling interest</b>	-3,494	-7,217	-19,709	-9,737	-21,739	-11,768
<b>Other comprehensive income:</b>						
Translation differences from foreign operations	-1,963	2,290	-1,950	-1,193	-2,911	-2,154
Revaluation of cash flow hedges, net of tax	1,820	-1,358	288	-918	1,338	132
<b>Total items that subsequently may be reclassified to the income statement, net of tax</b>	<b>-143</b>	<b>932</b>	<b>-1,662</b>	<b>-2,112</b>	<b>-1,572</b>	<b>-2,022</b>
Remeasurement of employee benefit obligations, net of tax	-	-	-	47	-530	-483
<b>Total items that will not be reclassified to the income statement, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47</b>	<b>-530</b>	<b>-483</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>-143</b>	<b>932</b>	<b>-1,662</b>	<b>-2,065</b>	<b>-2,101</b>	<b>-2,504</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>-3,637</b>	<b>-6,286</b>	<b>-21,371</b>	<b>-11,802</b>	<b>-23,841</b>	<b>-14,272</b>
<b>Total comprehensive income for the period, net of tax attributable to:</b>						
Equity holders of the Parent Company	-3,573	-6,286	-21,168	-11,802	-23,638	-14,272
Non-controlling interest	-64	-	-203	-	-203	-

## Transcom Group - Condensed consolidated statement of financial position

(€ '000)	Notes	2024 Sep 30	2023 Sep 30	2023 Dec 31
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	6	239,463	244,132	236,921
Other intangible assets		73,887	87,140	84,638
Tangible assets		32,220	34,133	34,733
Right of use assets	10	35,828	27,788	29,388
Deferred tax assets		4,843	3,006	5,445
Other financial assets		9,509	8,114	7,287
<b>Total non-current assets</b>		<b>395,750</b>	<b>404,313</b>	<b>398,413</b>
<b>Current assets</b>				
Trade receivables		86,983	93,864	98,967
Income tax receivables		4,023	4,626	2,729
Other receivables		27,547	25,196	25,111
Prepaid expenses and accrued income		56,342	59,793	48,956
Cash and cash equivalents		39,970	32,001	35,830
<b>Total current assets</b>		<b>214,865</b>	<b>215,480</b>	<b>211,593</b>
<b>TOTAL ASSETS</b>		<b>610,615</b>	<b>619,793</b>	<b>610,006</b>
<b>EQUITY AND LIABILITIES</b>				
Equity attributable to equity holders of the Parent Company		60,022	83,660	81,190
Non-controlling interest		-905	-	-
<b>TOTAL EQUITY</b>		<b>59,117</b>	<b>83,660</b>	<b>81,190</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	7	375,891	354,002	353,176
Employee benefit obligations		80	886	779
Lease liabilities	10	22,836	16,031	17,142
Provisions	6	3,578	3,801	3,507
Deferred tax liabilities		8,574	11,644	11,188
Other liabilities	12	568	4,285	2,345
<b>Total non-current liabilities</b>		<b>411,527</b>	<b>390,650</b>	<b>388,137</b>
<b>Current liabilities</b>				
Interest-bearing liabilities	7	4,154	4,522	2,118
Lease liabilities	10	14,152	13,241	13,707
Provisions	6,8	9,265	21,323	15,122
Trade payables		11,578	14,935	17,646
Income tax payables	11	6,088	8,155	6,053
Other liabilities	12	41,831	32,630	39,273
Accrued expenses and prepaid income		52,902	50,678	46,760
<b>Total current liabilities</b>		<b>139,971</b>	<b>145,484</b>	<b>140,679</b>
<b>Total liabilities</b>		<b>551,497</b>	<b>536,134</b>	<b>528,816</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>610,615</b>	<b>619,793</b>	<b>610,006</b>



## Transcom Group - Condensed consolidated statement of changes in equity

(€ '000)	Equity attributable to equity holders of the parent						Total Equity
	Total number of shares ('000)	Share capital	Other contributed capital	Other reserves and Retained earnings	Total equity attributable to equity holders of the Parent Company	Non-controlling interests	
<b>Balance, Jan 1, 2023</b>	<b>11,938</b>	<b>55</b>	<b>23,501</b>	<b>71,906</b>	<b>95,462</b>	-	<b>95,462</b>
Profit/loss for the period	-	-	-	-9,737	-9,737	-	-9,737
Other comprehensive income, net of tax	-	-	-	-2,065	-2,065	-	-2,065
<b>Balance, Sep 30, 2023</b>	<b>11,938</b>	<b>55</b>	<b>23,501</b>	<b>60,104</b>	<b>83,660</b>	-	<b>83,660</b>
Profit/loss for the period	-	-	-	-2,031	-2,031	-	-2,031
Other comprehensive income, net of tax	-	-	-	-439	-439	-	-439
<b>Balance, Dec 31, 2023</b>	<b>11,938</b>	<b>55</b>	<b>23,501</b>	<b>57,634</b>	<b>81,190</b>	-	<b>81,190</b>
Profit/loss for the period	-	-	-	-19,375	-19,375	-334	-19,709
Other comprehensive income, net of tax	-	-	-	-1,793	-1,793	131	-1,662
Changes in non-controlling interest	-	-	-	-	-	-702	-702
<b>Balance, Sep 30, 2024</b>	<b>11,938</b>	<b>55</b>	<b>23,501</b>	<b>36,466</b>	<b>60,022</b>	<b>-905</b>	<b>59,117</b>

## Transcom Group - Condensed consolidated statement of cash flows

(€ '000)	Notes	2024 Q3	2023 Q3	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
<b>Cash flows from operating activities</b>						
Profit/loss before tax		-1,958	-6,037	-16,382	-5,660	-7,651
Non-cash items:						
Other non-cash adjustments		8,929	15,389	31,755	30,240	45,745
Net financial items		11,810	9,724	33,870	27,610	37,610
Income taxes paid		-1,665	-2,915	-6,725	-7,709	-10,845
<b>Cash flow from operating activities before changes in working capital</b>		<b>17,116</b>	<b>16,161</b>	<b>42,518</b>	<b>44,481</b>	<b>64,859</b>
Changes in working capital		4,598	-6,804	4,210	-11,410	-2,348
<b>Cash flow from operating activities</b>		<b>21,714</b>	<b>9,358</b>	<b>46,728</b>	<b>33,072</b>	<b>62,511</b>
Investments and disposals of tangible assets		-4,019	-3,597	-9,992	-9,430	-14,051
Investments and disposals of intangible assets		-1,336	-2,853	-3,648	-5,408	-7,955
Acquisition of subsidiaries, net of cash acquired	6	-529	-7,176	-3,101	-13,881	-13,947
Changes in financial assets		-39	-32	-1,868	-517	-824
Interest received		356	259	607	430	545
<b>Cash flow from investing activities</b>		<b>-5,567</b>	<b>-13,400</b>	<b>-18,002</b>	<b>-28,806</b>	<b>-36,233</b>
Proceeds from borrowings	7	850	13,293	67,682	33,717	31,199
Repayment of borrowings	7	-218	-172	-44,632	-840	-1,551
Payment of lease liabilities	10	-3,548	-3,611	-10,833	-10,911	-14,981
Interest paid and other borrowing related costs		-10,410	-9,235	-35,273	-25,552	-34,639
<b>Cash flow from financing activities</b>		<b>-13,326</b>	<b>275</b>	<b>-23,056</b>	<b>-3,586</b>	<b>-19,972</b>
<b>Cash flow for the period</b>		<b>2,821</b>	<b>-3,769</b>	<b>5,670</b>	<b>679</b>	<b>6,306</b>
Cash and cash equivalents at beginning of the period		39,592	34,487	35,829	31,404	31,404
Cash flow for the period		2,820	-3,769	5,670	679	6,306
Exchange rate differences in cash and cash equivalents		-2,441	1,282	-1,529	-82	-1,880
<b>Cash and cash equivalents at end of the period</b>		<b>39,970</b>	<b>32,001</b>	<b>39,970</b>	<b>32,001</b>	<b>35,830</b>

**Transcom Holding AB (publ) - Condensed income statement**

(€ '000)	2024 Q3	2023 Q3	2023 Jan-Dec
Revenue	195	725	2,658
<b>Gross profit</b>	<b>195</b>	<b>725</b>	<b>2,658</b>
Administrative expenses	-395	-728	-2,942
Other operating income/expenses	2	-24	-
<b>Operating profit/loss</b>	<b>-198</b>	<b>-26</b>	<b>-283</b>
Net financial items	-4,359	-3,845	-14,158
<b>Profit/loss before tax</b>	<b>-4,556</b>	<b>-3,870</b>	<b>-14,441</b>
Group contribution received	-	-	2,385
Income tax expense/income	-	-	-
<b>Profit/loss for the period*</b>	<b>-4,556</b>	<b>-3,870</b>	<b>-12,056</b>

\*Profit/loss for the period corresponds with total comprehensive income.

**Transcom Holding AB (publ) - Condensed balance sheet**

(€ '000)	Notes	2024 Sep 30	2023 Sep 30	2023 Dec 31
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investments in Group companies		281,919	281,919	281,919
Receivables from Group companies		202,720	154,644	151,322
<b>Total non-current assets</b>		<b>484,639</b>	<b>436,563</b>	<b>433,241</b>
<b>Current assets</b>				
Receivables from Group companies		5,124	3,967	6,861
Other receivables		542	242	194
Cash and cash equivalents		471	403	504
<b>Total current assets</b>		<b>6,138</b>	<b>4,613</b>	<b>7,559</b>
<b>TOTAL ASSETS</b>		<b>490,777</b>	<b>441,176</b>	<b>440,800</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Restricted equity		55	55	55
<b>Total restricted equity</b>		<b>55</b>	<b>55</b>	<b>55</b>
Unrestricted equity				
Other contributed capital		20,501	20,501	23,501
Retained earnings		108,470	120,453	117,452
Net result		-14,105	-10,585	-12,057
<b>Total unrestricted equity</b>		<b>114,866</b>	<b>130,369</b>	<b>128,896</b>
<b>TOTAL EQUITY</b>		<b>114,921</b>	<b>130,423</b>	<b>128,951</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	7	375,490	310,254	310,812
Other liabilities		-	87	52
<b>Total non-current liabilities</b>		<b>375,490</b>	<b>310,341</b>	<b>310,864</b>
<b>Current liabilities</b>				
Trade payables		3	86	37
Other liabilities		235	252	723
Accrued expenses and prepaid income		126	74	225
<b>Total current liabilities</b>		<b>365</b>	<b>412</b>	<b>984</b>
<b>Total liabilities</b>		<b>375,855</b>	<b>310,753</b>	<b>311,848</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>490,777</b>	<b>441,176</b>	<b>440,800</b>

# Notes to the condensed financial statements

The accompanying notes are an integrated part of the interim condensed consolidated financial statements. Amounts are in thousands of Euro, unless otherwise stated.

## 1. General

The Group's parent company, Transcom Holding AB (publ), is a registered company domiciled in Stockholm, Sweden. The address of the Company's headquarters is Hälsingegatan 40, 15th floor, SE-113 43 Stockholm. The parent company is responsible for corporate management and administration and holding functions.

## 2. Accounting principles

The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Application of IFRS complies with the accounting principles set out in the Group's annual financial statements as of December 31, 2023.

## 3. Risk management

The Group's activities expose it to a variety of business and financial risks, market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's risk management and control framework is designed to support the identification, assessment, monitoring, management and control of risks that are significant to the achievement of the Group's business objectives. The condensed consolidated financial statements do not include all risk management information and should be read in conjunction with the Group's annual financial statements as of December 31, 2023. There have been no material changes in risks, the risk management policy and procedures during the period compared to what was presented in the annual financial statements as of December 31, 2023.

## 4. Segment information

	2024			2023		
	English speaking	Europe	Group	English speaking	Europe	Group
(€ '000) Q3						
Revenue from external customers	52,086	129,639	181,725	54,513	126,127	180,641
EBITDA excl. non-recurring items	9,012	14,834	23,846	11,403	13,737	25,140
Depreciation and amortization			-11,704			-12,260
Non-recurring items			-2,289			-9,198
<b>Operating profit/loss</b>			<b>9,853</b>			<b>3,687</b>
Net financial items			-11,810			-9,724
<b>Profit/loss before tax</b>			<b>-1,958</b>			<b>-6,037</b>

	2024			2023		
	English speaking	Europe	Group	English speaking	Europe	Group
(€ '000) Jan-Sep						
Revenue from external customers	150,345	401,230	551,575	159,643	388,578	548,220
EBITDA excl. non-recurring items	26,831	35,762	62,593	28,633	41,992	70,625
Depreciation and amortization			-35,600			-36,569
Non-recurring items			-9,504			-12,106
<b>Operating profit/loss</b>			<b>17,488</b>			<b>21,950</b>
Net financial items			-33,870			-27,610
<b>Profit/loss before tax</b>			<b>-16,382</b>			<b>-5,660</b>

## 5. Items affecting comparability

Items affecting comparability are reported as Non-recurring items for the purposes of calculated EBITDA, excl. Non-recurring items.

(€ '000)	2024 Q3	2023 Q3	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Operational non-recurring items	-2,289	-7,675	-9,518	-10,844	-15,771
Transaction-related non-recurring items	-	-1,679	-219	-1,417	-2,214
<b>Total</b>	<b>-2,289</b>	<b>-9,354</b>	<b>-9,737</b>	<b>-12,262</b>	<b>-17,986</b>
whereof depreciation and amortization	0	-156	-234	-156	-188
<b>Total excl. depreciation and amortization</b>	<b>-2,289</b>	<b>-9,198</b>	<b>-9,504</b>	<b>-12,106</b>	<b>-17,797</b>

Total non-recurring items (NRI) amounted to €-2.3 million (-9.4) for Q3 2024. Operational non-recurring items are due to restructuring activities, mainly related to reorganization and amounted to €-0.9 million for the quarter (-1.7). Transactional non-recurring amounted to €-0.0 million (-1.7) for the quarter.

The table below shows where the items affecting comparability are presented in the Group's income statement.

(€ '000)	2024 Q3	2023 Q3	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Gross profit	-27	-304	-839	-304	-1,423
Administrative expenses	-1,442	-5,684	-3,453	-7,583	-9,853
Other operating income/expenses	-820	-3,365	-5,446	-4,375	-6,709
<b>Total</b>	<b>-2,289</b>	<b>-9,354</b>	<b>-9,737</b>	<b>-12,262</b>	<b>-17,986</b>

(€ '000) Q3	2024			2023		
	Reported	Non-recurring items	Excl. Non-recurring items	Reported	Non-recurring items	Excl. Non-recurring items
Operating profit/loss	9,853	-2,289	12,142	3,687	-9,354	13,040
Transaction-related amortization	-3,417	-	-3,417	-3,720	-	-3,720
<b>EBITA</b>	<b>13,269</b>	<b>-2,289</b>	<b>15,558</b>	<b>7,406</b>	<b>-9,354</b>	<b>16,760</b>
Operative depreciation and amortization	-8,287	0	-8,288	-8,538	-156	-8,382
<b>EBITDA</b>	<b>21,557</b>	<b>-2,289</b>	<b>23,846</b>	<b>15,944</b>	<b>-9,198</b>	<b>25,142</b>

## 6. Acquisitions

During Q1 2024, Transcom paid out an earn out related to the acquisition of Timeframe in 2023.

During Q3 2024, Transcom paid out an earn out related to the acquisition of Forcontact in 2023.

On February 23, Transcom acquired 75.1 percent of Vcosmos, with an agreement to acquire the remaining percentages within the next couple of years. Vcosmos is a high-end CX solution provider in India. Vcosmos serves clients across North America, Asia, and Europe through voice, email, chat and social media channels in their customer experience centers in Gurgaon and Jaipur, and their rapidly growing work-at-home network. They employ 700 people and can rapidly scale both voice and non-voice multi-lingual and multi-channel CX services.

A preliminary acquisition analysis has been prepared as of March 31, 2024. The surplus value has been allocated to goodwill.

## 7. Interest-bearing liabilities

Net debt/EBITDA amounted to 4.3 (3.5). Financing in the Group includes €380 million Senior Secured Floating Rate Notes due in December 2026 and a Super Senior Revolving Credit Facility Agreement (SSRCF) of €75 million with termination date in June 2026. As per September 30, 2024, the SSRCF was unutilized in loans, excluding guarantees and overdraft facility usage. Unused credit facilities totaled €67.3 million.

Financing in the Group includes €380 million Senior Secured Floating Rate Notes due in December 2026 and a Super Senior Revolving Credit Facility Agreement of €75 million with termination date in June 2026. The Notes are listed on The International Stock Exchange. The Notes and the SSRCF shares security and guarantee in accordance with the provisions of an intercreditor agreement.

As per September 30, 2024, the SSRCF was unutilized in loans, excluding guarantees and overdraft facility usage. Unused credit facilities totaled €67.3 million.

There are share pledges in material group companies €226.1 million (235.2) used as security for the financing. Part of the SSRCF is used to cover bank guarantees and cash pool limits.

## 8. Contingent liabilities and provisions

The Group has no material contingent liabilities as per September 30, 2024.

In 2018, a provision was recorded relating to that the Group had a dispute in Spain with professionals hired as consultants where the social security inspection claims that they should be considered as employees. During Q1 2023, first payment of €6.6 million was made. Second and final payment of €2.1 million was made in Q3 2024.

As per September 30, 2024, the total current and non-current provisions amounted to €12.8 million (25.1).

## 9. Financial instruments

Classification of the Group's financial assets and liabilities:

	Financial instruments at amortized cost	Financial instruments at fair value to the P&L	Derivatives for cashflow hedges	Carrying amount	Fair value
<b>(€ '000) Sep 30, 2024</b>					
Total non-current assets	9,509	-	-	9,509	9,509
Total current assets	200,718	-	912	201,630	201,630
<b>Total financial assets</b>	<b>210,228</b>	<b>-</b>	<b>912</b>	<b>211,140</b>	<b>211,140</b>
Total non-current liabilities	402,305	-	-	402,305	444,942
Total current liabilities	52,923	741	-	53,664	86,405
<b>Total financial liabilities</b>	<b>455,228</b>	<b>741</b>	<b>-</b>	<b>455,969</b>	<b>531,347</b>
<b>(€ '000) Dec 31, 2023</b>					
Total non-current assets	7,287	-	-	7,287	7,287
Total current assets	199,746	-	621	200,367	200,367
<b>Total financial assets</b>	<b>207,033</b>	<b>-</b>	<b>621</b>	<b>207,654</b>	<b>207,654</b>
Total non-current liabilities	373,825	-	-	373,825	432,525
Total current liabilities	102,361	2,941	-	105,302	132,405
<b>Total financial liabilities</b>	<b>476,186</b>	<b>2,941</b>	<b>-</b>	<b>479,127</b>	<b>564,930</b>

## 10. Leasing

The following table shows the effect of IFRS 16 on Transcom's income statement and balance sheet:

(€ '000)	2024 Q3	2023 Q3	2024 Jan-Sep	2023 Jan-Sep
Reversed cost (EBITDA effect)	4,166	4,071	12,596	12,389
Depreciations	-3,771	-3,729	-11,365	-11,354
<b>Operating profit/loss</b>	<b>394</b>	<b>342</b>	<b>1,231</b>	<b>1,035</b>
<b>EBITDA effect</b>	<b>4,166</b>	<b>4,071</b>	<b>12,596</b>	<b>12,389</b>
Interest expense leases	-574	-477	-1,720	-1,178
Income tax expense	-314	4	111	5
<b>Profit/loss for the period</b>	<b>-494</b>	<b>-130</b>	<b>-378</b>	<b>-138</b>
Right-of-use assets	35,828	27,788	35,828	27,788
Lease liabilities, non-current	22,836	16,031	22,836	16,031
Lease liabilities, current	14,152	13,241	14,152	13,241

## 11. Income tax payables

As per September 30, 2024, income tax payables include uncertain tax positions in the amount of €2,212 thousand (€1,567 thousand). At the time of this report, ten group entities located in the Philippines, Germany, Estonia, Italy and Serbia are under tax audit and two entities in the Netherlands and Colombia have received written enquiries from their respective tax authorities. Three new audits started in 2024 while others continue from the previous years. In addition to the above tax risks, the Group may be subject to other tax claims for which the risk of future economic outflows is currently evaluated to be remote.

### Alternative performance measures

The purpose of Transcom's alternative performance measurements is to disclose additional information to support a more comprehensive year-on-year comparison and provide an indication of the Group's performance and financial position. These alternative performance measurements defined below are considered to be widely accepted.

**EBIT:** corresponds to the Operating profit/loss presented in the Condensed Consolidated Income Statement.

**EBITA:** is defined as Operating profit/loss, adding back the recorded transaction-related amortization.

**Non-recurring items:** are defined as activities that are not part of normal business operations, such as restructuring and M&A activities.

**EBITA excluding non-recurring items:** is calculated by excluding the non-recurring items and the recorded transaction-related amortization from Transcom's Operating profit/loss. The purpose of disclosing Transcom's EBITA excluding non-recurring items is to provide more transparent year-on-year comparison excluding events that are not considered part of Transcom's normal business, such as restructuring cost and net gain or loss from disposed business.

**EBITDA:** is defined as Operating profit/loss, adding back the recorded depreciation on fixed assets and depreciation on leases according to IFRS 16 and amortization.

**EBITDA excluding non-recurring items:** is defined as EBITDA excluding the non-recurring items as defined above. The purpose of disclosing Transcom's EBITDA excluding non-recurring items is to provide more transparent year-on-year comparison excluding events that are not considered part of Transcom's normal business, such as restructuring cost and net gain or loss from disposed business.

**Operating cash flow:** is defined as Cash flow from operating activities

**Net debt:** is defined as interest-bearing liabilities and employee benefit obligations less cash and cash equivalents per balance sheet day.

**Net debt/EBITDA excl non-recurring items:** is defined as Net debt, as defined above, divided by EBITDA excl non-recurring items (LTM).

**LTM:** refers to the timeframe of the immediately preceding last twelve months.

**Organic growth:** is defined as the revenue change in percent, excluding impact from currency changes versus the previous period and the revenue of acquired or discontinued operations in the last 12 months, as compared to the total revenue of the last period.

**Inorganic growth:** is defined as the revenue change in percent of acquired or discontinued operations in the last 12 months, as compared to the total revenue of the last period.

### Other definitions

**English-speaking segment:** services delivered to multinational clients predominantly domiciled in US and UK.

**European segment:** services delivered to clients based in Europe.

### ABOUT TRANSCOM

Transcom provides AI and digitally enhanced customer experience (CX) services to some of the world's most ambitious brands. More than 300 clients globally, including disruptive e-commerce players, category redefining fintechs, and technology legends rely on us for on-, off-, and nearshoring services. Transcom's over 30,000 employees work in 85 contact centers and work-at-home networks across 29 countries, creating brilliant experiences in customer care, sales, content moderation and backoffice services. We help our clients drive their brands forward, customer satisfaction up and operating costs down. For more information, visit [www.transcom.com](http://www.transcom.com).