

Q4 2024

- Revenue increased to €193.0M (€189.7)
- EBITDA excluding non-recurring items increased to €29.2M (€25.0)
- EBITDA margin excluding non-recurring items increased to 15.1% (13.2%)
- Operating cash flow decreased to €15.4M (€29.4)
- Net debt/EBITDA increased to 4.1 (3.7)

Jan-Dec 2024

- Revenue increased to €744.6M (€737.9)
- EBITDA excluding non-recurring items decreased to €91.8M (€95.7)
- EBITDA margin excluding non-recurring items decreased to 12.3% (13.0%)
- Operating cash flow decreased to €62.2M (€62.5)
- Net debt/EBITDA increased to 4.1 (3.7)

Transcom delivers strong Q4 2024 results

Q4 2024 marked a period of continued progress for Transcom, demonstrating a 1.8% revenue growth compared to the same period last year, reaching €193.0 million. This growth was fueled by a 10% increase in the eCommerce & Tech sector and a 9.8% growth in the English-speaking segment. The EBITDA margin, excluding non-recurring items, reached 15.1%, primarily due to the strong performance of the eCommerce & Tech sector in the English-speaking segment.

We have made significant strides in our strategic priorities. Our focus on digital enablement is evident in the 43% penetration of advanced digital and AI solutions within our existing client base. Cost reduction initiatives, including restructuring and downsizing of underutilized capacity in Europe, have contributed to margin improvement. Our sizeable sales investments in 2024 have resulted in a strong pipeline of new opportunities, particularly in the US market, positioning us for continued growth, but have temporarily affected negatively our profitability in the year.

The current macro-economic environment presents both challenges and opportunities. Notably, client organizations are grappling with margin pressure coupled with highly aspirational expectations on technology impact. While this poses challenges, it also creates opportunities for us to help our clients to meet their objectives with a balance of labor arbitrage and technology that offers a demonstrable ROI.

The improved EBITDA margin excl. non-recurring items in Q4, reaching 15.1%, reflects our focus on operational efficiency and cost control. Operating cash flow for Q4 was €14.0 million, and while lower than last year due to timing effects on Net working capital, the full year operating cash flow remains healthy. We maintain a solid financial position with unused credit facilities totaling €65.8 million as of December 31, 2024.

The results in Q4 show improvement as compared to last year. The market remains challenging, however with our competitive offering in India, Egypt, Tunis, Colombia, the Philippines and nearshore Europe we remain committed to deliver the best value to our clients. We also continue to make significant leaps in deploying AI-solutions – the latest news related to significant enhancement to our India-based operations where Sanas accent translation technology is now available to all clients operating within Transcom's India, ensuring unmatched communication clarity.

We are confident that these efforts will drive sustainable growth and enhance profitability, positioning Transcom for continued success in the dynamic CX landscape.

Brian Johnson, President & CEO

Group financial overview

(€m)	2024 Q4	2024 Q4 *	2023 Q4	Change Y-o-Y	2024 Jan-Dec	2024 Jan-Dec *	2023 Jan-Dec	Change Y-o-Y
Revenue	193.0	193.0	189.7	1.8%	744.6	739.9	737.9	0.9%
EBITDA excl. non-recurring items	29.2	28.3	25.0	4.2	91.8	91.8	95.7	-3.8
EBITDA margin excl. non-recurring items	15.1%	14.7%	13.2%	1.9pp	12.3%	12.4%	13.0%	-0.6pp
EBITA excl. non-recurring items	20.8	19.8	16.3	4.5	58.3	58.3	61.7	-3.4
EBITA margin excl. non-recurring items	10.8%	10.3%	8.6%	2.2pp	7.8%	7.9%	8.4%	-0.5pp
Operating cash flow	15.4		29.4	-14.0	62.2		62.5	-0.3
Net debt	378.3		351.1	27.2	378.3		351.1	27.2
Net debt/EBITDA excl. non-recurring items	4.1	4.1	3.7	0.4	4.1	4.1	3.7	0.4

October - December 2024

INCOME AND PROFIT

Revenue amounted to €193.0 million (189.7) with a growth of 1.8%, compared to the same period previous year. Organic growth was 1.1%, growth from acquisitions in the last twelve months was 0.4% along with a positive impact from currency translation of 0.3%.

EBITDA excluding non-recurring items amounted to €29.2 million (€25.0) with a margin of 15.1% (13.2%) The higher EBITDA margin compared to the same period last year is mainly related to the Commerce & Tech sector in the English segment.

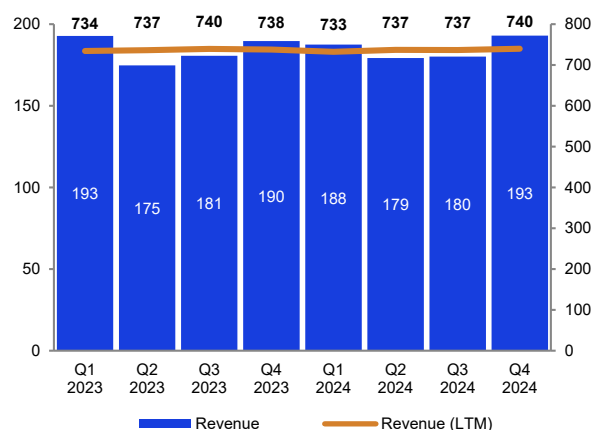
EBITDA excluding non-recurring items reflects also the annual positive impact when excluding the results from the two unprofitable Transcom Germany entities that filed for insolvency in the end of Q3 2024, amounting to €0.9 million. Without this impact EBITDA excluding non-recurring items is €28.3 million.

Non-recurring items totaled €-5.0 million (€-5.7), including €-5.0 million (€-4.9) related to operational non-recurring items, such as restructuring costs, mainly related to site reductions. Transactional non-recurring items amounted to €-0.0 million (€-0.8) for the quarter.

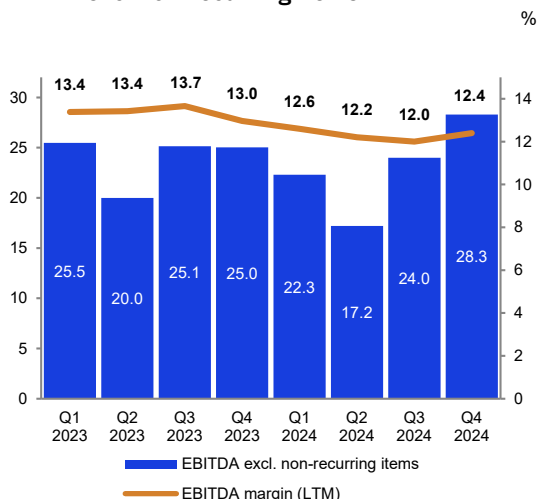
Net financial items amounted to €-9.9 million compared to €-10.0 million last year. The small decrease is mainly driven by lower interest rates offsetting the higher interest-bearing debt.

Taxes amounted to €-6.0 million (€-0.0). The low amount in 2023 Q4 was related to recognized deferred tax assets for €3.3 million for tax losses in Transcom Canada that set off the tax cost. In addition, the higher tax expense in Q4 2024 is caused by higher operation profit in 2024 Q4 and additional tax provision made for tax audits in the Philippines and Italy.

Revenue*



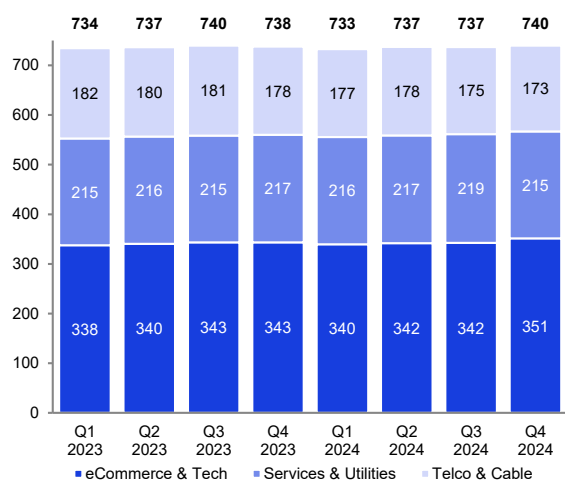
EBITDA excl non-recurring items*



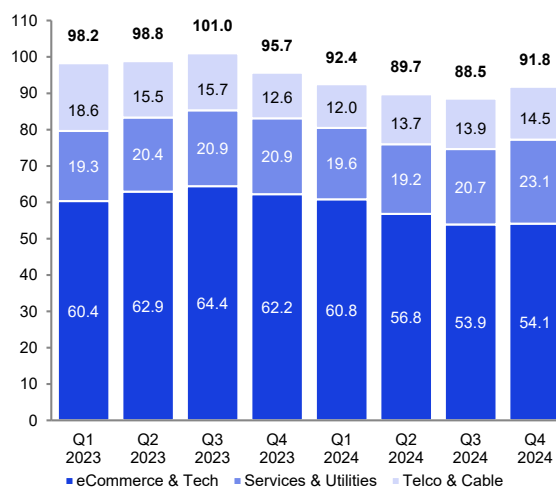
Sector development

The eCommerce & Tech had growth of 10.0% in the quarter compared to the same period last year and remains the largest sector with 48% (47%) of the total revenue in the last twelve months. The EBITDA margin excluding non-recurring items for the eCommerce & Tech for the last twelve months was 18.7% (20.4%). The lower margin is mainly related to a higher share of business in onshore US than in 2024.

Revenue by sector (LTM)*



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



* Adjusted Income statement figures that exclude the impact from the Transcom German entities that filed for insolvency in the end of Q3 2024. The quarterly impact by quarter is published at the end of the report in Note 12.

Development by geographical segment

European segment

Revenue amounted to €135.5 million (€137.3) with a decline of -1.3%. Positive effects during the quarter is mainly related to the Service & Utilities sector, while the decline is related to clients in eCommerce & Tech and Telco.

EBITDA excl. non-recurring items amounted to €17.1 million (€13.9) with a margin of 12.6% (10.1%). The improved EBITDA margin is mainly driven by the Service & Utilities sector.

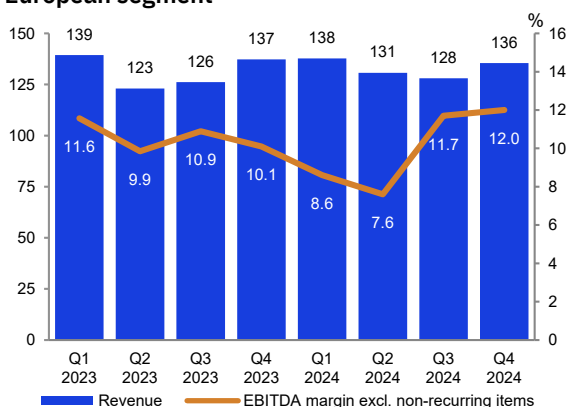
EBITDA excluding non-recurring items for the European segment reflects also the total annual positive effect from excluding the impact from the two unprofitable Transcom Germany entities that filed for insolvency in the end of Q3 2024, amounting to €0.9 million. Without this impact EBITDA excluding non-recurring items is €16.2 million (12.0%)

English-speaking segment

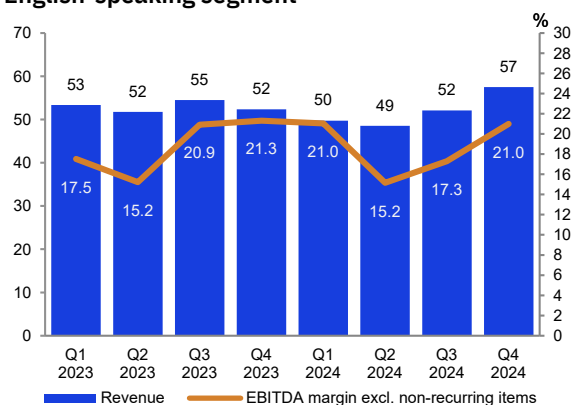
Revenue amounted to €57.5 million (€52.4), a growth of 9.8%, mainly driven by higher volumes from eCommerce & Tech contracts.

EBITDA excl. non-recurring items amounted to €12.0 million (€11.2) with a margin of 21.0% (21.3%). The lower EBITDA margin is mainly driven by the lower volumes in the Telco & Cable sector.

European segment



English-speaking segment



Cash flow and financial position

Operating cash flow was €13.8 million (€29.4). Lower operating cash flow is mainly related to increase in Net working capital due to timing effects.

Cash flow from investing activities amounted to €-7.7 million (€-7.4). Cash flow from financing activities amounted to €-12.2 million (€-16.4). Cash flow totaled €-4.5 million (€5.6).

Net debt amounted to €378.3 million (€351.1) including IFRS16 liabilities.

Net debt/EBITDA amounted to €4.1 million (€3.7). 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 December 31, 2024, the SSRCF was unutilized in loans, excluding guarantees and overdraft facility usage. Unused credit facilities totaled €65.8 million.

January-December 2024

INCOME AND PROFIT

Revenue amounted to €744.6 million (€737.9), a growth of 0.9%. Organic growth was -0.7%, inorganic growth was 1.7% and impact from currency was 0.0%. Comparable organic growth, also excluding the exited contract in Spain in the beginning of Q2 2023, was 0.4%.

The negative revenue impact from the business in the two German entities that filed for insolvency in the end of Q3 2024 is €-4.6 million. Adjusted revenue for this impact amounted to €739.9 million.

EBITDA excluding non-recurring items amounted to €91.8 million (€95.7) with a margin of 12.3% (13.0%). Non-recurring items totaled €-14.7 million (€-18.0).

CASH FLOW

Operating cash flow was €62.2 million (€62.5). Cash flow from investing activities amounted to €-25.7 million (€-36.2). Cash flow from financing activities amounted to €-35.3 million (€-20.0). Cash flow totaled €1.2 million (€6.3).

Significant events after the reporting period

No significant events were recorded after the reporting period.

Other information

Earnings call

Transcom will host a webcast at 4:00 pm CET on February 13, 2025. The webcast will be held in English. The presentation will be available on <https://www.transcom.com/global/about-us/investor-relations>.

Important note: Please register via the link above at least 5-10 minutes prior the webcast in order to obtain the webcast link. If you register in advance, you will be sent an email reminder an hour prior to the webcast.

Online registration link: <https://app.livestorm.co/transcom-holding/transcom-holding-ab-q4-2024-results-presentation>

Financial calendar

Transcom's Annual Report and Sustainability Report 2024 will be published on April 24, 2025

Transcom's Q1 2025 report will be published on May 8, 2025

Transcom's Q2 2025 report will be published on August 21, 2025

Transcom's Q3 2025 report will be published on November 6, 2025

Transcom's Q4 2025 report will be published on February 19, 2026

Other information

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

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Transcom Group - Condensed consolidated income statement

(€ '000)	Notes	2024 Q4	2023 Q4	2024 Jan-Dec	2023 Jan-Dec
Revenue	4	192,998	189,674	744,573	737,895
Cost of sales	5	-145,511	-143,694	-572,847	-561,408
Gross profit		47,487	45,980	171,727	176,486
Sales and marketing expenses		-4,250	-2,296	-14,380	-9,569
Administrative expenses	5	-32,704	-35,551	-129,804	-136,038
Other operating income/expenses	5	601	-124	1,080	-921
Operating profit/loss	4,5	11,134	8,009	28,623	29,959
Net financial items		-9,894	-10,000	-43,764	-37,610
Profit/loss before tax		1,240	-1,991	-15,141	-7,651
Income tax expense/income		-6,006	-39	-9,334	-4,116
Profit/loss for the period		-4,766	-2,031	-24,475	-11,768

Transcom Group - Condensed consolidated statement of comprehensive income

(€ '000)	2024 Q4	2023 Q4	2024 Jan-Dec	2023 Jan-Dec
Profit/loss for the period including non-controlling interest	-4,766	-2,031	-24,475	-11,768
Other comprehensive income:				
Translation differences from foreign operations	6,000	-961	4,050	-2,154
Revaluation of cash flow hedges, net of tax	-774	1,050	-648	171
Tax (hedge)	-	-	162	-39
Total items that subsequently may be reclassified to the income statement, net of tax	5,226	89	3,564	-2,022
Remeasurement of employee benefit obligations, net of tax	-397	-529	-524	-570
Tax (employee benefit obligations)	-	-	127	87
Total items that will not be reclassified to the income statement, net of tax	-397	-529	-397	-483
Other comprehensive income for the period, net of tax	4,829	-440	3,167	-2,504
Total comprehensive income for the period, net of tax	63	-2,471	-21,308	-14,272

* Adjusted Income statement figures that exclude the impact from the Transcom German entities that filed for insolvency in the end of Q3 2024. The quarterly impact by quarter is published at the end of the report in Note 12.

Transcom Group - Condensed consolidated statement of financial position

(€ '000)	Notes	2024 Dec 31	2023 Dec 31
ASSETS			
Non-current assets			
Goodwill	6	240,992	236,921
Other intangible assets		74,875	84,638
Tangible assets		31,512	34,733
Right of use assets	10	33,823	29,388
Deferred tax assets		5,134	5,445
Other financial assets		9,758	7,287
Total non-current assets		396,095	398,413
Current assets			
Trade receivables		95,968	98,967
Income tax receivables		3,631	2,729
Other receivables		27,282	25,111
Prepaid expenses and accrued income		54,771	48,956
Cash and cash equivalents		39,162	35,830
Total current assets		220,814	211,593
TOTAL ASSETS		616,909	610,006
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Parent Company		59,882	81,190
Non-controlling interest		-	-
TOTAL EQUITY		59,882	81,190
Non-current liabilities			
Interest-bearing liabilities	7	376,681	353,176
Employee benefit obligations		29	779
Lease liabilities	10	21,362	17,142
Provisions	6	5,863	3,507
Deferred tax liabilities		10,131	11,188
Other liabilities	12	308	2,345
Total non-current liabilities		414,373	388,137
Current liabilities			
Interest-bearing liabilities	7	6,037	2,118
Lease liabilities	10	13,366	13,707
Provisions	6,8	10,217	15,122
Trade payables		16,951	17,646
Income tax payables	11	7,106	6,053
Other liabilities	12	37,893	39,273
Accrued expenses and prepaid income		51,084	46,760
Total current liabilities		142,654	140,679
Total liabilities		557,027	528,816
TOTAL EQUITY AND LIABILITIES		616,909	610,006

* Adjusted Income statement figures that exclude the impact from the Transcom German entities that filed for insolvency in the end of Q3 2024. The quarterly impact by quarter is published at the end of the report in Note 12.

Transcom Group - Condensed consolidated statement of changes in equity

(€ '000)	Equity attributable to equity holders of the parent				
	Total number of shares ('000)	Share capital	Other contributed capital	Other reserves and Retained earnings	Total Equity
Balance, Jan 1, 2023	11,938	55	23,501	71,906	95,462
Profit/loss for the period	-	-	-	-11,768	-11,768
Other comprehensive income, net of tax	-	-	-	-2,504	-2,504
Balance, Dec 31, 2023	11,938	55	23,501	57,634	81,190
Profit/loss for the period	-	-	-	-24,475	-24,475
Other comprehensive income, net of tax	-	-	-	3,167	3,167
Balance, Dec 31, 2024	11,938	55	23,501	36,326	59,882

Transcom Group - Condensed consolidated statement of cash flows

(€ '000)	Notes	2024 Q4	2023 Q4	2024 Jan-Dec	2023 Jan-Dec
Cash flows from operating activities					
Profit/loss before tax		1,240	-1,991	-15,141	-7,651
Non-cash items:					
Other non-cash adjustments		14,585	15,505	46,340	45,745
Net financial items		9,894	10,000	43,764	37,610
Income taxes paid		-3,296	-3,136	-10,021	-10,845
Cash flow from operating activities before changes in working capital		22,423	20,378	64,942	64,859
Changes in working capital		-6,976	9,062	-2,766	-2,348
Cash flow from operating activities		15,448	29,440	62,176	62,511
Investments and disposals of tangible assets		-3,147	-4,621	-13,139	-14,051
Investments and disposals of intangible assets		-4,666	-2,547	-8,314	-7,955
Acquisition of subsidiaries, net of cash acquired	6	-	-66	-3,099	-13,947
Changes in financial assets		-176	-307	-2,046	-824
Interest received		317	115	923	545
Cash flow from investing activities		-7,672	-7,427	-25,675	-36,233
Proceeds from borrowings	7	1,995	-2,518	69,677	31,199
Repayment of borrowings	7	-124	-711	-44,756	-1,551
Payment of lease liabilities	10	-3,814	-4,070	-14,647	-14,981
Interest paid and other borrowing related costs		-10,282	-9,087	-45,555	-34,639
Cash flow from financing activities		-12,225	-16,385	-35,281	-19,972
Cash flow for the period		-4,450	5,628	1,220	6,306
Cash and cash equivalents at beginning of the period		39,970	32,001	35,830	31,404
Cash flow for the period		-4,450	5,628	1,220	6,306
Exchange rate differences in cash and cash equivalents		3,641	-1,799	2,112	-1,880
Cash and cash equivalents at end of the period		39,162	35,830	39,162	35,830

* Adjusted Income statement figures that exclude the impact from the Transcom German entities that filed for insolvency in the end of Q3 2024. The quarterly impact by quarter is published at the end of the report in Note 12.

Transcom Holding AB (publ) - Condensed income statement

(€ '000)	2024 Q4	2023 Q4
Revenue	323	529
Gross profit	323	529
Administrative expenses	-510	-728
Other operating income/expenses	19	-
Operating profit/loss	-168	-198
Net financial items	-3,083	-3,659
Profit/loss before tax	-3,251	-3,857
Group contribution received	-	2,385
Income tax expense/income	-	-
Profit/loss for the period*	-3,251	-1,472

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

Transcom Holding AB (publ) - Condensed balance sheet

(€ '000)	Notes	2024 Dec 31	2023 Dec 31
ASSETS			
Non-current assets			
Investments in Group companies		281,919	281,919
Receivables from Group companies		199,347	151,322
Total non-current assets		481,266	433,241
Current assets			
Receivables from Group companies		6,160	6,861
Other receivables		611	194
Cash and cash equivalents		182	504
Total current assets		6,953	7,559
TOTAL ASSETS		488,219	440,800
EQUITY AND LIABILITIES			
Equity			
Restricted equity		55	55
Total restricted equity		55	55
Unrestricted equity			
Other contributed capital		20,501	23,501
Retained earnings		108,486	117,452
Net result		-17,387	-12,056
Total unrestricted equity		111,600	128,897
TOTAL EQUITY		111,655	128,952
Non-current liabilities			
Interest-bearing liabilities	7	376,090	310,812
Other liabilities		-	52
Total non-current liabilities		376,090	310,864
Current liabilities			
Trade payables		66	37
Other liabilities		262	723
Accrued expenses and prepaid income		146	225
Total current liabilities		474	984
Total liabilities		376,564	311,848
TOTAL EQUITY AND LIABILITIES		488,219	440,800

* Adjusted Income statement figures that exclude the impact from the Transcom German entities that filed for insolvency in the end of Q3 2024. The quarterly impact by quarter is published at the end of the report in Note 12.

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. The Russian invasion of Ukraine and the uncertainty in the macro-economic development has not directly impacted Transcom. 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*

(€ '000) Q4	2024					2023		
	English speaking	Europe	Europe *	Group	Group *	English speaking	Europe	Group
Revenue from external customers	57,488	135,509	135,509	192,998	192,998	52,358	137,316	189,674
EBITDA excl. non-recurring items	12,055	17,140	16,221	29,195	28,276	11,160	13,869	25,029
Depreciation and amortization				-13,093	-13,093			-11,330
Non-recurring items				-4,966	-4,966			-5,691
Operating profit/loss				11,134	11,134			8,009
Net financial items				-9,894	-9,894			-10,000
Profit/loss before tax				1,240	1,240			-1,991

(€ '000) Jan-Dec	2024					2023		
	English speaking	Europe	Europe *	Group	Group *	English speaking	Europe	Group
Revenue from external customers	207,833	536,739	532,104	744,573	739,938	212,001	525,894	737,895
EBITDA excl. non-recurring items	38,886	52,902	52,902	91,788	91,788	39,793	55,861	95,655
Depreciation and amortization				-48,694	-48,694			-47,899
Non-recurring items				-14,471	-14,471			-17,797
Operating profit/loss				28,623	28,623			29,959
Net financial items				-43,764	-43,764			-37,610
Profit/loss before tax				-15,141	-15,141			-7,651

* Adjusted Income statement figures that exclude the impact from the Transcom German entities that filed for insolvency in the end of Q3 2024. The quarterly impact by quarter is published at the end of the report in Note 12.

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 Q4	2023 Q4	2024 Jan-Dec	2023 Jan-Dec
Operational non-recurring items	-5,005	-4,927	-14,522	-15,771
Transaction-related non-recurring items	-	-797	-219	-2,214
Total	-5,005	-5,724	-14,742	-17,986
whereof depreciation and amortization	-37	-33	-271	-188
Total excl. depreciation and amortization	-4,966	-5,691	-14,471	-17,797

Total non-recurring items (NRI) amounted to €-5.0 million (€-5.7) for Q4 2024. Operational non-recurring items are due to restructuring activities, mainly related to reorganization and amounted to €-5.0 million for the quarter (€-4.9). Transactional non-recurring amounted to €-0.0 million (€-0.8) for the quarter.

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

(€ '000)	2024 Q4	2023 Q4	2024 Jan-Dec	2023 Jan-Dec
Gross profit	-1,044	-1,119	-1,882	-1,423
Administrative expenses	-2,391	-2,270	-5,844	-9,853
Other operating income/expenses	-1,569	-2,334	-7,015	-6,709
Total	-5,005	-5,724	-14,742	-17,986

(€ '000) Q4	2024			2023		
	Reported	Non-recurring items	Excl. Non-recurring items	Reported	Non-recurring items	Excl. Non-recurring items
Operating profit/loss	11,134	-5,005	16,139	8,009	-5,724	13,732
Transaction-related amortization	-4,700	-	-4,700	-2,532	-	-2,532
EBITA	15,834	-5,005	20,839	10,541	-5,724	16,264
Operative depreciation and amortization	-8,393	-37	-8,356	-8,797	-33	-8,765
EBITDA	24,228	-4,966	29,195	19,338	-5,691	25,029

Total non-recurring items (NRI) amounted to €-5.0 million (€-5.7) for Q4 2024. Operational non-recurring items amounted to €-5.0 million for the quarter (€-4.9). They are related to severance costs due to reorganizations and rightsizing (€1.5), site closures and reductions related fees and penalties (€0.3), and Other items related to legal and consulting costs and write off of assets (€3.3). Others include cost related to the filed insolvency of the two German entities of €3.1 million, whereof €2.2 million is legal costs and write off of assets, and €0.9 million is the negative business result for 2024. Transactional non-recurring amounted to €-0.0 million (€-0.8) for the quarter.

For the full year, total non-recurring items (NRI) amounted to €-14.7 million (€-18.0). Operational non-recurring items amounted to €-14.5 million (€-15.8). They are related to severance costs due to reorganizations and rightsizing (€5.1), site closures and reductions related fees and penalties (€2.2), and Other items (€7.2). Transactional non-recurring amounted to €-0.3 million (€-0.2) for the quarter

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 and will therefore be fully incorporated in the consolidation of the group. 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.

The acquisition analysis was completed in December including the fixed part of the first call option as well as the second part of the call option that will depend on the achievement of certain goals set up for the acquired business. The surplus value has been allocated to goodwill.

* Adjusted Income statement figures that exclude the impact from the Transcom German entities that filed for insolvency in the end of Q3 2024. The quarterly impact by quarter is published at the end of the report in Note 12.

7. Interest-bearing liabilities

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 guarantees in accordance with the provisions of an intercreditor agreement.

As per December 31, 2024, the SSRCF was unutilized in loans, excluding guarantees and overdraft facility usage. Unused credit facilities totaled €65.8 million.

There are share pledges in material group companies €224.7 million (€233.3) 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 December 31, 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 payment of €2.1 million was made in Q3 2024.

In Q4 2024 a call option for the acquisition of Vcosmos is recorded as part of finalizing the Purchase Price Allocation.

As per December 2024, the total current and non-current provisions amounted to €16.6 million (€18.6).

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
(€ '000) Dec 31, 2024					
Total non-current assets	9,855	-	-	9,855	9,855
Total current assets	208,772	-	-341	208,430	208,430
Total financial assets	218,627	-	-341	218,286	218,286
Total non-current liabilities	403,906	-	-	403,906	434,845
Total current liabilities	59,256	741	-	59,997	89,677
Total financial liabilities	463,161	741	-	463,902	524,521
(€ '000) Dec 31, 2023					
Total non-current assets	7,287	-	-	7,287	7,287
Total current assets	199,746	-	621	200,367	200,367
Total financial assets	207,033	-	621	207,654	207,654
Total non-current liabilities	373,825	-	-	373,825	432,525
Total current liabilities	102,361	2,941	-	105,302	132,405
Total financial liabilities	476,186	2,941	-	479,127	564,930

* Adjusted Income statement figures that exclude the impact from the Transcom German entities that filed for insolvency in the end of Q3 2024. The quarterly impact by quarter is published at the end of the report in Note 12.

10. Leasing

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

(€ '000)	2024	2023	2024	2023
	Q4	Q4	Jan-Dec	Jan-Dec
Reversed cost (EBITDA effect)	4,595	4,693	17,192	17,082
Depreciations	-4,005	-4,348	-15,371	-15,702
Operating profit/loss	590	345	1,821	1,380
EBITDA effect	4,595	4,693	17,192	17,082
Interest expense leases	-561	-597	-2,281	-2,075
Income tax expense	182	10	293	14
Profit/loss for the period	211	-242	-167	-680
Right-of-use assets	33,823	29,388	33,823	29,388
Lease liabilities, non-current	21,362	17,142	21,362	17,142
Lease liabilities, current	13,366	13,707	13,366	13,707

11. Income tax payables

As per December 31, 2024 income tax payables include uncertain tax positions in the amount of €2,1 million (€2,2). At the time of this report, eight group entities located in the Philippines, Germany, Italy, Estonia and Serbia are under tax audit and two entities in the Netherlands and Colombia have received written enquiries from their respective tax authorities. Five 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

12. Quarterly impact of the insolvency filed by two German entities in the end of Q3 2024

	Revenue			EBITDA excl NRI			EBITDA % excl NRI		
	2024	2024PF	Change	2024	2024PF	Change	2024	2024PF	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
2024	744.6	739.9	-4.6	91.8	91.8	0.0	12.3%	12.4%	0.1pp

All impact pertains to the European segment and the Telco sector.

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 clients with production in the America- and Asia Pacific region.

European segment: services delivered to clients with production in the EMEA region.

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 90 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.