

## Q1 2024

- **Revenue** decreased to 189.1M€ (192.8)
- **EBITDA** excluding non-recurring items decreased to 21.9M€ (25.5)
- **EBITDA margin** excluding non-recurring items amounted to 11.6% (13.2%)
- **Operating cash flow** amounted to 18.8M€ (17.9)
- **Net debt/EBITDA** amounted to 4.0 (3.4)

### Subdued start of the year, as expected

Transcom's performance in the first quarter of 2024 was subdued as expected, with a slight decline in revenue of -1.9% (comparable organic development of -0.6% excluding exited business in Spain). EBITDA margin was 11.6%. While the eCommerce & Tech sector remained strong, the Telco & Cable and Service & Utilities sectors in the European segment faced challenges. The eCommerce & Tech sector remained the largest sector, representing 46% of total revenue in the last twelve months.

New clients added in 2023 contributed well to the quarter, but this was offset by lower-than-expected volumes with existing clients, a reflection of the slowdown in consumer demand due to macroeconomic uncertainty. In addition, slower decision-making on new outsourcing initiatives is driving longer sales cycles.

Profitability challenges stemmed predominantly from lower seat utilization due to lower volumes from existing clients, and the cost of re-skilling parts of our labor force to adjust to this slowdown. The European segment, which has been the most affected, is undergoing a rigorous operational transformation to further optimize costs, streamline efficiency and drive higher utilization. The English segment improved significantly due to solid operational performance and improved mix of shoring. Following the reorganization of the Operational and Account management structure, we are making progress to standardize our operating model globally, and to address all performance opportunities.

Delivering digitally-enabled and AI-driven solutions remains an area of both revenue growth and strategic focus as the industry continues to evolve. Transcom has established multiple partnerships with leading technology providers while simplifying our suite of digital offerings focusing on areas where client demand is the highest. We have expanded our offering to include various people-powered digital services with the aim to go beyond applying AI to assist our workforce, to helping our clients implement, manage, and continuously improve the effectiveness of their AI deployments.

Looking forward, we expect the next quarters to be subdued due to weak consumer demand, but also due to expected investment in the ramp ups of new and existing clients. Further ahead, Transcom has substantially focused sales efforts on penetrating the US market which is expected to pay dividends before the end of the year and leading into 2025. In Q1, we also completed the acquisition of VCosmos, now Transcom India, opening up an important market. Meanwhile, we will maintain a relentless focus on operational excellence, cost reductions, and new business sales to drive growth and improve profitability. Lastly, Transcom will continue to pursue inorganic growth through strategic acquisitions and partnerships that broaden our sector diversity, geographic footprint and the depth of our digital capabilities.

Brian Johnson, President & CEO

## Group financial overview

(€m)	2024 Q1	2023 Q1	Change Y-o-Y	2024 Q1 LTM	2023 Q1 LTM	Change Y-o-Y
Revenue	189.1	192.8	-1.9%	734.2	734.5	0.0%
EBITDA excl. non-recurring items	21.9	25.5	-3.6	92.0	98.3	-6.3
EBITDA margin excl. non-recurring items	11.6%	13.2%	-1.6pp	12.5%	13.4%	-0.8pp
EBITA excl. non-recurring items	13.4	17.0	-3.7	58.0	64.7	-6.7
EBITA margin excl. non-recurring items	7.1%	8.8%	-1.8pp	7.9%	8.8%	-0.9pp
Operating cash flow	18.8	17.9	1.0	63.5	55.0	8.5
Net debt	366.6	334.5	32.2	366.6	334.5	32.2
Net debt/EBITDA excl. non-recurring items	4.0	3.4	0.6	4.0	3.4	0.6

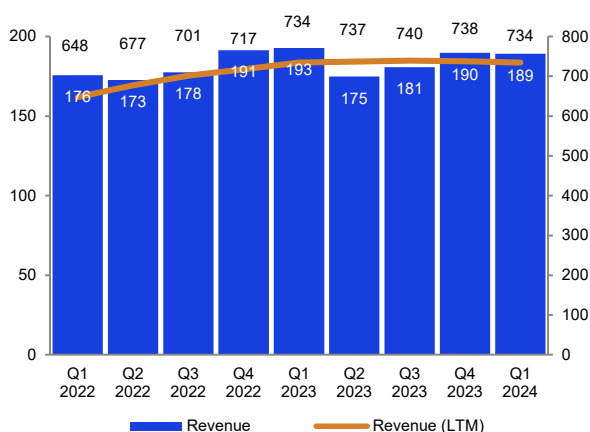
## January-March 2024

### Income and profit

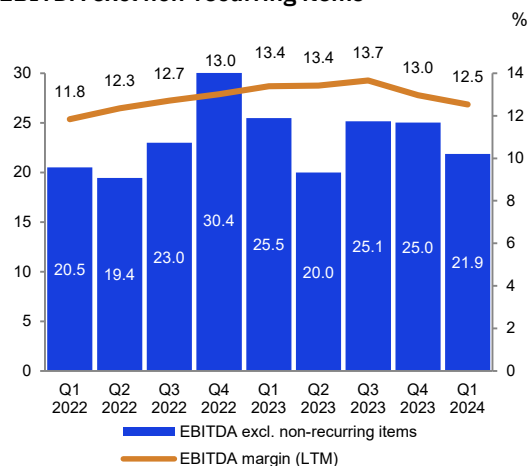
Revenue amounted to €189.1 million (192.8) with a growth of -1.9%. Organic growth was -4.5%, growth from acquisitions in the last twelve months was 2.9% and the currency impact was -0.3%. Comparable organic growth, excluding the exited low margin contract in Spain in the beginning of Q2 2023, was -0.6%.

EBITDA excluding non-recurring items amounted to €21.9 million (25.5) with a margin of 11.6% (13.2%). The negative impact on the EBITDA margin, compared to the same period last year, is mainly related to the Telco & Cable- and the Service & Utilities sector in the European segment.

### Revenue



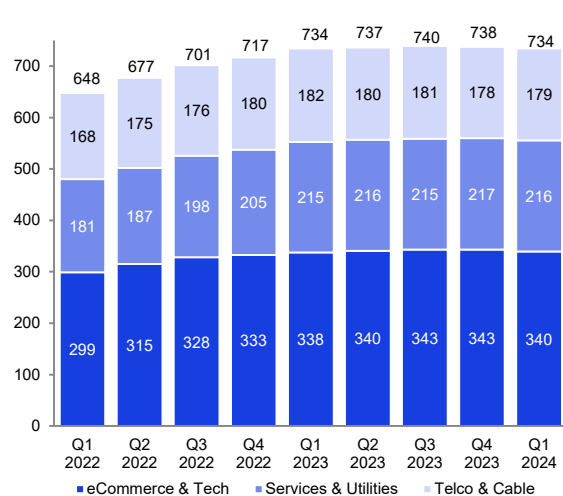
### EBITDA excl non-recurring items



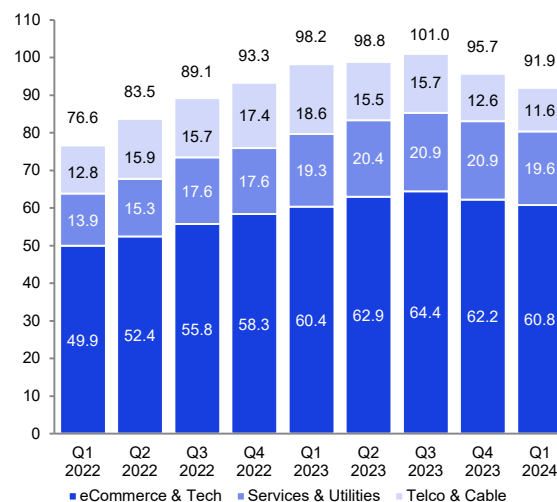
### Sector development

The eCommerce & Tech sector remains the largest sector and represents 46% (46%) of the total revenue in the last twelve months. The EBITDA margin for the last twelve months for the eCommerce & Tech sector was 17.9% (18.1%), the slightly lower margin is related to the European segment.

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 €139.4 million (139.4) with a growth of 0.0%, where the negative impact from the exited low margin contract in Spain during Q2 2023 was partly offset by the acquisitions in 2023 in the eCommerce & Tech sector.

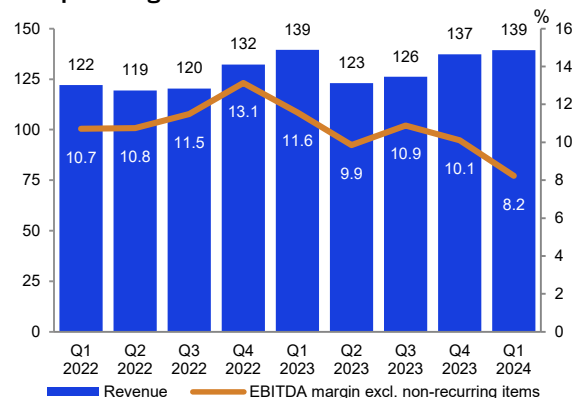
EBITDA excl. non-recurring items amounted to €11.5 million (16.1) with a margin of 8.2% (11.6%). The decreased EBITDA margin is driven by the onshore Telco & Cable sector as well as challenges in the Service & utilities sector.

#### English-speaking segment

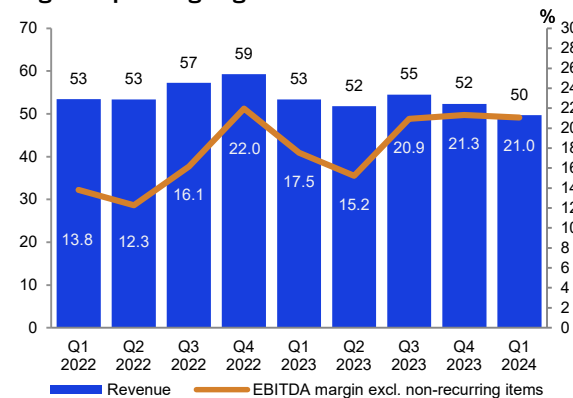
Revenue amounted to €49.7 million (53.4), a decline of -6.8%, driven by lower volumes from the eCommerce & Tech sector.

EBITDA excl. non-recurring items amounted to €10.5 million (9.4) with a margin of 21.0% (17.4%). The improved EBITDA margin compared to the same period last year is mainly driven by improved operational performance in the eCommerce & Tech sector.

European segment



English-speaking segment



**Cash flow and financial position**

Operating cash flow was €18.8 million (17.9) with slight improvement driven by higher Operating cash flow before changes in the Net Working Capital. Net working capital was stable, at similar levels as in Q4 2023.

Cash flow from investing activities amounted to €-9.6 million (-11.1). Cash flow from financing activities amounted to €5,4 million (-2.0). Cash flow totaled €14.6 million (4.8).

Net debt amounted to €366.6 million (334.5) including IFRS16 liabilities.

Net debt/EBITDA amounted to 4.0 (3.4). 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 March 31, 2024, the SSRCF was unutilized in loans, excluding guarantees and overdraft facility usage. Unused credit facilities totaled €70.2 million.

**Significant events during the reporting period**

On January 19, Transcom Holding AB entered into a private placement ("Private Placement") to issue €65.0 million in aggregate principal amount of Senior Secured Floating Rate Notes due in December 2026 (the "Notes"), which have the same terms as its existing senior secured floating rate notes, to certain institutional investors at an issue price of 99.51%. The Private Placement was closed on February 2, 2024.

On February 23, Transcom completed the acquisition of VCosmos, 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.

On February 21, Jonas Dahlberg informed the Board of Directors about his intention to step down from his position as President & CEO. On March 18, Transcom announced that his successor had been appointed. Brian Johnson assumed the position of President & CEO on March 25.

**Significant events after the reporting period**

No significant events after the end of the period.

## Other information

### Earnings call

Transcom will host a webcast at 9:00 CET on May 16, 2024. 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-q1-2024-results-presentation>

### Financial calendar

Transcom's Q2 2024 report will be published on Aug 22, 2024

Transcom's Q3 2024 report will be published on Nov 14, 2024

### 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 Q1	2023 Q1	2024 LTM	2023 Jan-Dec
Revenue	4	189,116	192,800	734,210	737,895
Cost of sales	5	-146,196	-146,182	-561,423	-561,408
<b>Gross profit</b>		<b>42,919</b>	<b>46,618</b>	<b>172,788</b>	<b>176,486</b>
Sales and marketing expenses		-3,185	-2,306	-10,448	-9,569
Administrative expenses	5	-32,142	-32,550	-135,630	-136,038
Other operating income/expenses	5	618	428	-731	-921
<b>Operating profit/loss</b>	4,5	<b>8,211</b>	<b>12,190</b>	<b>25,979</b>	<b>29,959</b>
Net financial items		-11,659	-8,684	-40,585	-37,610
<b>Profit/loss before tax</b>		<b>-3,448</b>	<b>3,506</b>	<b>-14,604</b>	<b>-7,651</b>
Income tax expense/income		-1,385	-1,783	-3,718	-4,116
<b>Profit/loss for the period</b>		<b>-4,832</b>	<b>1,724</b>	<b>-18,323</b>	<b>-11,768</b>
<b>Profit/loss for the period attributable to:</b>					
Equity holders of the Parent Company		-4,807	1,724	-18,298	-11,768
Non-controlling interest		-26	-	-26	-

## Transcom Group - Condensed consolidated statement of comprehensive income

(€ '000)	2024 Q1	2023 Q1	2024 LTM	2023 Jan-Dec
<b>Profit/loss for the period attributable to equity holders of the parent</b>	-4,832	1,724	-18,323	-11,768
<b>Other comprehensive income:</b>				
Translation differences from foreign operations	568	-3,287	1,701	-2,154
Revaluation of cash flow hedges, net of tax	-394	1,363	-1,625	132
<b>Total items that subsequently may be reclassified to the income statement, net of tax</b>	<b>173</b>	<b>-1,924</b>	<b>75</b>	<b>-2,022</b>
Remeasurement of employee benefit obligations, net of tax	-	-	-483	-483
<b>Total items that will not be reclassified to the income statement, net of tax</b>	<b>-</b>	<b>-</b>	<b>-483</b>	<b>-483</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>173</b>	<b>-1,924</b>	<b>-407</b>	<b>-2,504</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>-4,660</b>	<b>-200</b>	<b>-18,731</b>	<b>-14,272</b>
<b>Total comprehensive income for the period, net of tax attributable to:</b>				
Equity holders of the Parent Company	-4,651	-200	-18,723	-14,272
Non-controlling interest	-9	-	-9	-

## Transcom Group - Condensed consolidated statement of financial position

(€ '000)	Notes	2024 Mar 31	2023 Mar 31	2023 Dec 31
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	6	239,410	232,047	236,921
Other intangible assets		80,968	90,627	84,638
Tangible assets		33,667	37,132	34,733
Right of use assets	10	36,078	32,197	29,388
Deferred tax assets		5,578	4,189	5,445
Other financial assets		9,567	6,351	7,287
<b>Total non-current assets</b>		<b>405,267</b>	<b>402,542</b>	<b>398,413</b>
<b>Current assets</b>				
Trade receivables		89,006	90,393	98,967
Income tax receivables		3,439	3,709	2,729
Other receivables		23,423	22,715	25,111
Prepaid expenses and accrued income		59,938	56,892	48,956
Cash and cash equivalents		50,946	34,975	35,830
<b>Total current assets</b>		<b>226,752</b>	<b>208,684</b>	<b>211,593</b>
<b>TOTAL ASSETS</b>		<b>632,019</b>	<b>611,226</b>	<b>610,006</b>
<b>EQUITY AND LIABILITIES</b>				
Equity attributable to equity holders of the Parent Company		76,539	95,262	81,190
Non-controlling interest		-711	-	-
<b>TOTAL EQUITY</b>		<b>75,828</b>	<b>95,262</b>	<b>81,190</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	7	374,939	332,073	353,176
Employee benefit obligations		2,697	1,950	779
Lease liabilities	10	22,657	19,169	17,142
Provisions	6	3,625	6,571	3,507
Deferred tax liabilities		10,383	15,653	11,188
Other liabilities	12	2,171	6,144	2,345
<b>Total non-current liabilities</b>		<b>416,472</b>	<b>381,561</b>	<b>388,137</b>
<b>Current liabilities</b>				
Interest-bearing liabilities	7	2,809	1,876	2,118
Lease liabilities	10	14,491	14,356	13,707
Provisions	6,8	12,536	8,400	15,122
Trade payables		13,423	16,152	17,646
Income tax payables	11	6,321	8,961	6,053
Other liabilities	12	40,020	34,361	39,273
Accrued expenses and prepaid income		50,120	50,297	46,760
<b>Total current liabilities</b>		<b>139,719</b>	<b>134,404</b>	<b>140,679</b>
<b>Total liabilities</b>		<b>556,191</b>	<b>515,964</b>	<b>528,816</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>632,019</b>	<b>611,226</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	-	-	-	1,724	1,724	-	1,724	
Other comprehensive income, net of tax	-	-	-	-1,924	-1,924	-	-1,924	
<b>Balance, Mar 31, 2023</b>	<b>11,938</b>	<b>55</b>	<b>23,501</b>	<b>71,706</b>	<b>95,262</b>	-	<b>95,262</b>	
Profit/loss for the period	-	-	-	-13,492	-13,492	-	-13,492	
Other comprehensive income, net of tax	-	-	-	-580	-580	-	-580	
<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	-	-	-	-4,807	-4,807	-26	-4,832	
Other comprehensive income, net of tax	-	-	-	156	156	17	173	
Changes in non-controlling interest	-	-	-	-	-	-703	-703	
<b>Balance, Mar 31, 2024</b>	<b>11,938</b>	<b>55</b>	<b>23,501</b>	<b>52,983</b>	<b>76,539</b>	<b>-711</b>	<b>75,828</b>	



## Transcom Group - Condensed consolidated statement of cash flows

(€ '000)	Notes	2024 Q1	2023 Q1	2023 Jan-Dec
<b>Cash flows from operating activities</b>				
Profit/loss before tax		-3,448	3,506	-7,651
Non-cash items:				
Other non-cash adjustments		13,940	4,864	45,745
Net financial items		11,659	8,684	37,610
Income taxes paid		-2,848	-869	-10,845
<b>Cash flow from operating activities before changes in working capital</b>		<b>19,303</b>	<b>16,185</b>	<b>64,859</b>
Changes in working capital		-455	1,707	-2,348
<b>Cash flow from operating activities</b>		<b>18,848</b>	<b>17,892</b>	<b>62,511</b>
Investments and disposals of tangible assets		-4,311	-4,641	-14,051
Investments and disposals of intangible assets		-1,096	-1,682	-7,955
Acquisition of subsidiaries, net of cash acquired	6	-2,572	-4,949	-13,947
Changes in financial assets		-1,816	78	-824
Interest received		198	69	545
<b>Cash flow from investing activities</b>		<b>-9,597</b>	<b>-11,125</b>	<b>-36,233</b>
Proceeds from borrowings	7	65,761	9,649	31,199
Repayment of borrowings	7	-43,949	-1,002	-1,551
Payment of lease liabilities	10	-3,624	-3,738	-14,981
Interest paid and other borrowing related costs		-12,833	-6,891	-34,639
<b>Cash flow from financing activities</b>		<b>5,355</b>	<b>-1,981</b>	<b>-19,972</b>
<b>Cash flow for the period</b>		<b>14,606</b>	<b>4,786</b>	<b>6,306</b>
Cash and cash equivalents at beginning of the period		35,830	31,404	31,404
Cash flow for the period		14,606	4,786	6,306
Exchange rate differences in cash and cash equivalents		510	-1,214	-1,880
<b>Cash and cash equivalents at end of the period</b>		<b>50,946</b>	<b>34,975</b>	<b>35,830</b>

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

(€ '000)	2024 Q1	2023 Q1	2023 Jan-Dec
Revenue	317	426	2,658
<b>Gross profit</b>	<b>317</b>	<b>426</b>	<b>2,658</b>
Administrative expenses	-368	-434	-2,942
Other operating income/expenses	-	85	-3
<b>Operating profit/loss</b>	<b>-51</b>	<b>77</b>	<b>-287</b>
Net financial items	-4,703	-3,248	-14,155
<b>Profit/loss before tax</b>	<b>-4,754</b>	<b>-3,170</b>	<b>-14,442</b>
Group contribution received	-	-	2,385
Income tax expense/income	-	-	-
<b>Profit/loss for the period*</b>	<b>-4,754</b>	<b>-3,170</b>	<b>-12,057</b>

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

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

(€ '000)	Notes	2024 Mar 31	2023 Mar 31	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		207,534	160,340	151,322
<b>Total non-current assets</b>		<b>489,453</b>	<b>442,259</b>	<b>433,241</b>
<b>Current assets</b>				
Receivables from Group companies		6,937	5,605	6,861
Other receivables		435	174	194
Cash and cash equivalents		2,386	323	504
<b>Total current assets</b>		<b>9,758</b>	<b>6,101</b>	<b>7,559</b>
<b>TOTAL ASSETS</b>		<b>499,212</b>	<b>448,360</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		23,501	23,501	23,501
Retained earnings		105,394	121,498	117,452
Net result		-4,754	-3,170	-12,057
<b>Total unrestricted equity</b>		<b>124,141</b>	<b>141,829</b>	<b>128,896</b>
<b>TOTAL EQUITY</b>		<b>124,196</b>	<b>141,883</b>	<b>128,951</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	7	374,606	309,874	310,812
Other liabilities		44	197	52
<b>Total non-current liabilities</b>		<b>374,650</b>	<b>310,071</b>	<b>310,864</b>
<b>Current liabilities</b>				
Trade payables		18	133	37
Other liabilities		228	211	723
Accrued expenses and prepaid income		119	107	225
<b>Total current liabilities</b>		<b>364</b>	<b>451</b>	<b>984</b>
<b>Total liabilities</b>		<b>375,014</b>	<b>310,522</b>	<b>311,848</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>499,212</b>	<b>452,406</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. 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

	2024			2023		
	English speaking	Europe	Group	English speaking	Europe	Group
(€ '000) Q1						
Revenue from external customers	49,725	139,390	189,116	53,366	139,433	192,800
EBITDA excl. non-recurring items	10,466	11,469	21,934	9,353	16,130	25,483
Depreciation and amortization			-12,118			-12,201
Non-recurring items			-1,605			-1,091
<b>Operating profit/loss</b>			<b>8,211</b>			<b>12,190</b>
Net financial items			-11,659			-8,684
<b>Profit/loss before tax</b>			<b>-3,448</b>			<b>3,506</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 Q1	2023 Q1	2023 Jan-Dec
Operational non-recurring items	-1,512	-961	-15,744
Transaction-related non-recurring items	-213	-130	-2,241
<b>Total</b>	<b>-1,725</b>	<b>-1,091</b>	<b>-17,986</b>
whereof depreciation and amortization	-120	-	-188
<b>Total excl. depreciation and amortization</b>	<b>-1,605</b>	<b>-1,091</b>	<b>-17,797</b>

Total non-recurring items (NRI) amounted to EUR -1.7 million (-1.1) for Q1 2024. Operational non-recurring items are due to restructuring activities, mainly related to reorganization, amounted to EUR -1.5 million for the quarter (-1.0). Transactional non-recurring amounted to EUR -0.2 million.

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

(€ '000)	2024 Q1	2023 Q1	2023 Jan-Dec
Gross profit	-702	-	-1,423
Administrative expenses	-360	-603	-9,853
Other operating income/expenses	-663	-488	-6,709
<b>Total</b>	<b>-1,725</b>	<b>-1,091</b>	<b>-17,986</b>

(€ '000) Q1	2024			2023		
	Reported	Non-recurring items	Excl. Non-recurring items	Reported	Non-recurring items	Excl. Non-recurring items
Operating profit/loss	8,211	-1,725	9,936	12,190	-1,091	13,281
Transaction-related amortization	-3,429	-	-3,429	-3,746	-	-3,746
<b>EBITA</b>	<b>11,640</b>	<b>-1,725</b>	<b>13,365</b>	<b>15,936</b>	<b>-1,091</b>	<b>17,027</b>
Operative depreciation and amortization	-8,689	-120	-8,569	-8,455	-	-8,455
<b>EBITDA</b>	<b>20,329</b>	<b>-1,605</b>	<b>21,934</b>	<b>24,392</b>	<b>-1,091</b>	<b>25,483</b>

## 6. Acquisitions

During Q1 2024, Transcom paid out an earn out related to the acquisition of timeframe 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

On January 19, Transcom Holding AB entered into a private placement (“Private Placement”) to issue €65.0 million in aggregate principal amount of Senior Secured Floating Rate Notes due in December 2026 (the “Notes”), which have the same terms as its existing senior secured floating rate notes, to certain institutional investors at an issue price of 99.51%. The Private Placement was closed on February 2, 2024.

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 March 31, 2024, the SSRCF was unutilized in loans, excluding guarantees and overdraft facility usage. Unused credit facilities totaled €70.2 million.

There are share pledges in material group companies €233.6 million (239.3) 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 March 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 and final payment is expected during 2024.

As per March 31, 2024, the total current and non-current provisions amounted to €16.2 million (15.0).

## 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) Mar 31, 2024</b>					
Total non-current assets	9,567	-	-	9,567	9,567
Total current assets	213,873	-	82	213,955	213,955
<b>Total financial assets</b>	<b>223,439</b>	<b>-</b>	<b>82</b>	<b>223,521</b>	<b>223,521</b>
Total non-current liabilities	401,220	-	-	401,220	462,589
Total current liabilities	50,895	1,270	-	52,165	85,597
<b>Total financial liabilities</b>	<b>452,115</b>	<b>1,270</b>	<b>-</b>	<b>453,385</b>	<b>548,186</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 Q1	2023 Q1	2023 Jan-Dec
Reversed cost (EBITDA effect)	4,155	4,251	17,082
Depreciations	-3,725	-3,905	-15,702
<b>Operating profit/loss</b>	<b>429</b>	<b>346</b>	<b>1,380</b>
<b>EBITDA effect</b>	<b>4,155</b>	<b>4,251</b>	<b>17,082</b>
Net financial items	-530	-523	-2,075
Income tax expense	1	22	14
<b>Profit/loss for the period</b>	<b>-100</b>	<b>-155</b>	<b>-680</b>
Right-of-use assets	36,078	32,197	29,388
Lease liabilities, non-current	22,657	19,169	17,142
Lease liabilities, current	14,491	14,356	13,707

## 11. Income tax payables

As per March 31, 2024 income tax payables include uncertain tax positions in the amount of €2,232 thousand (€1,961 thousand). This tax risk relates to group operations in Tunisia, Colombia and Croatia. At the time of this report, ten group entities located in the Philippines, Germany, Serbia, and North Macedonia are under tax audit. 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 growth, excluding impact from currency changes versus the previous period and acquired or discontinued operations.

### 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 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](http://www.transcom.com).