

## Q2 2022

- **Revenue** increased to 172.7M€ (143.4)
- **EBITDA** excluding non-recurring items increased to 19.4M€ (12.5)
- **EBITDA margin** excluding non-recurring items increased to 11.2% (8.7%)
- **Operating cash flow** amounted to 0.1M€ (7.5)
- **Net debt/EBITDA** amounted to 3.9 (3.7)

## Jan-Jun 2022

- **Revenue** increased to 348.3M€ (294.3)
- **EBITDA** excluding non-recurring items increased to 39.9M€ (31.2)
- **EBITDA margin** excluding non-recurring items increased to 11.4% (10.6%)
- **Operating cash flow** amounted to 15.4M€ (19.2)
- **Net debt/EBITDA** amounted to 3.9 (3.7)

### Strong growth and increased profitability

Transcom continues on a positive trajectory with strong growth and increased profit in the second quarter. Revenue in the second quarter increased 20%, with organic growth of recurring contracts contributing 18pp. The EBITDA margin increased 2.5pp, mainly due to improvements in the Telco & Cable sector in Europe.

The organic growth in the quarter was well diversified with positive development from both new and existing clients, and from all sectors. The growth rate in eCommerce & Tech was 22% in the quarter, and the growth in Services & Utilities accelerated to 25%. The acquisitions of City Connect and TMS contributed positively to the revenue, while ramp down of temporary Covid projects had a negative contribution to growth.

We continue to win new contracts, both with new and existing clients. And we remain confident about the megatrends supporting Transcom's business, with physical consumer interactions shifting to online channels. However, the macroeconomic situation impacts the short term growth outlook primarily in eCommerce & Tech, as consumer spending is impacted by inflation and increased interest rates.

The macroeconomic situation also brings opportunities for Transcom, as clients are looking at ways to decrease cost. Hence, we experience an increased demand from first time outsourcers and an increased share of near/offshoring and digital solutions. To meet the increasing demand, we opened a new site in Poznan, Poland, and expanded capacity in Nis, Serbia.

During the quarter, we launched a program to adjust our delivery to an increased share of permanent Work-At-Home and to further increase our internal efficiency. The program is expected to yield annualized cost savings of 10 MEUR, compared to the run rate of the first quarter 2022, with full run-rate impact from 1 Jan 2023. Related to this program, 4 MEUR of restructuring cost are recognized in the second quarter as NRIs, mainly related to site capacity reductions and redundancies.

We continue to execute on our strategy of client focus and operational excellence, through strong culture and leadership. And we'll continue to shift our portfolio towards eCommerce & Tech, near/offshore delivery and digital solutions. We're entering the third quarter with solid momentum and stand committed to our long term-targets of double-digit organic growth and 16% EBITDA margin.

Jonas Dahlberg, President & CEO

## Group financial overview

(€m)	2022 Q2	2021 Q2	Change Y-o-Y	2022 Jan-Jun	2021 Jan-Jun	Change Y-o-Y	2022 Q2 LTM	2021 Q2 LTM	Change Y-o-Y
Revenue	172.7	143.4	20.4%	348.3	294.3	18.3%	677.1	592.1	14.4%
EBITDA excl. non-recurring items	19.4	12.5	6.9	39.9	31.2	8.7	83.4	73.5	9.9
EBITDA margin excl. non-recurring items	11.2%	8.7%	2.5pp	11.4%	10.6%	0.8pp	12.3%	12.4%	-0.1pp
EBITA excl. non-recurring items	11.3	5.1	6.2	23.6	16.3	7.3	51.5	44.3	7.2
EBITA margin excl. non-recurring items	6.5%	3.5%	3pp	6.8%	5.5%	1.2pp	7.6%	7.5%	0.1pp
Operating cash flow	5.1	7.5	-2.6	20.3	19.2	1.0	23.1	57.5	-34.4
Net debt	327.8	268.6	59.2	327.8	268.6	59.2	327.8	268.6	59.2
Net debt/EBITDA excl. non-recurring items	3.9	3.7	0.3	3.9	3.7	0.3	3.9	3.7	0.3

## April-June 2022

### Income and profit

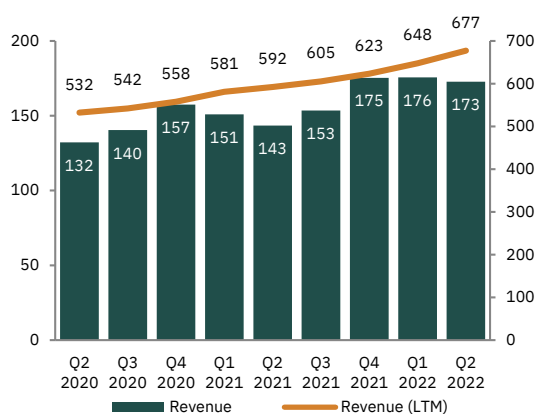
Revenue amounted to €172.7 million (143.4) with a growth of 20%. Organic growth was 10%, where recurring contracts contributed positively with 18pp, while ramp down of temporary projects, such as Covid hotlines, impacted organic growth negatively with -8pp. Acquired growth was 7% and contribution from currency effects was 4%.

EBITDA excluding non-recurring items amounted to €19.4 million (12.5) with a margin of 11.2% (8.7%). The higher EBITDA margin is driven mainly from new contracts in the Telco & Cable segment.

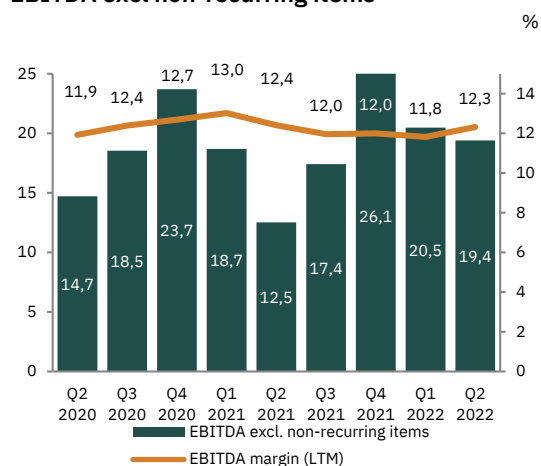
Net financial items amounted to €-4.8 million compared to €-10.4 million last year. Taxes amounted to €-3.0 million (-0.1).

Non-recurring items totaled €-7.2 million (0.6) including €-4.1 million related to the cost saving program, and €-2.4 million transaction expenses related to M&A.

### Revenue



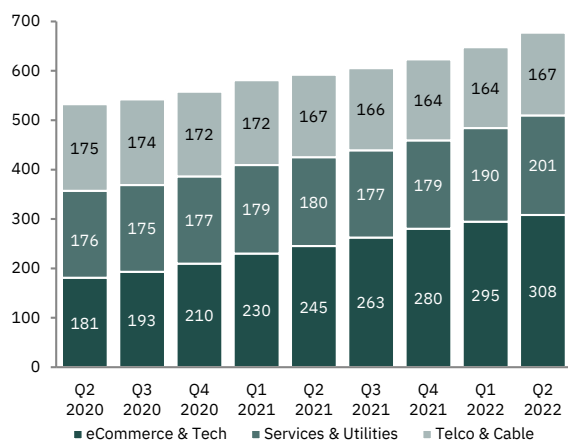
### EBITDA excl non-recurring items



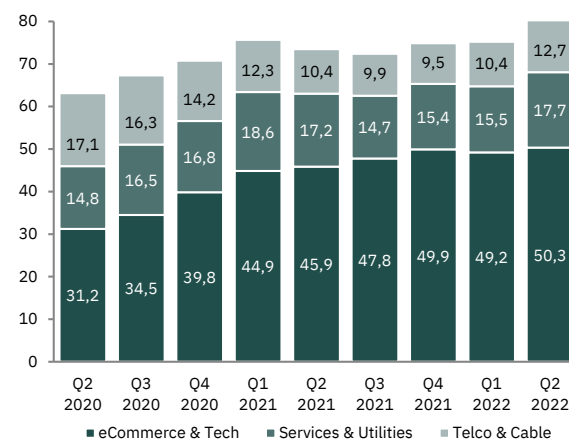
### Sector development

The growth in eCommerce & Tech slowed down to 22% during the quarter, while the growth rates in the other two sectors increased. eCommerce & Tech remains the largest sector with 44% (43%) of the total revenue in Q2 2022. LTM Q2 EBITDA margin 12.3% (12.4%) was in line compared with last year Q2 LTM.

Revenue by sector (LTM)



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



### Development by geographical segment

#### English-speaking segment

Revenue amounted to €53.3 million (46.8) with a growth of 14.0%, driven by growth in eCommerce & Tech.

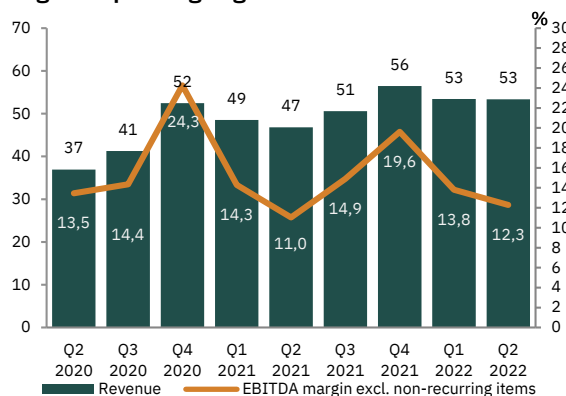
EBITDA excl. non-recurring items amounted to 6.6 million (5.2) with a margin of 12.3% (11.0%). The improved EBITDA margin is mainly driven by eCommerce & Tech and increased operational performance within existing contracts.

#### European segment

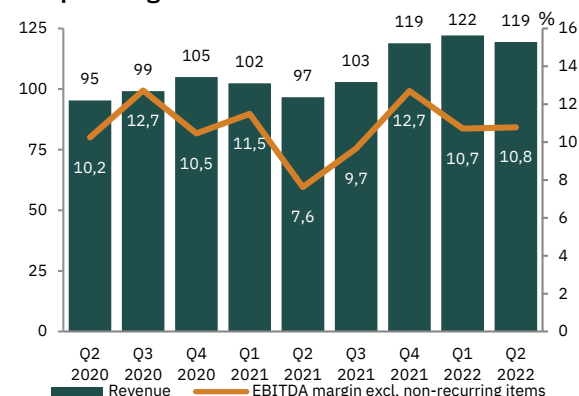
Revenue amounted to €119.4 million (96.6) with a growth of 23.6%. The growth is mainly driven by the Telco & Cable segment and was positively impacted by acquisitions made in Q3 2021.

EBITDA excl. non-recurring items amounted to €12.9 million (7.4) with a margin of 10.8% (7.6%). The improved EBITDA margin is mainly driven by the Telco & Cable segment with new and existing clients.

English-Speaking segment



European segment



**Cash flow and financial position**

Operating cash flow was €0.1 million (7.5). Lower cash flow was primarily driven by increases in working capital, related to growth.

Cash flow from investing activities amounted to €-3.7 million (-6.2). Cash flow from financing activities amounted to €0.9 million (59.8). Cash flow totaled €-2.7 million (61.1).

Net debt amounted to €327.8 million (268.6).

Net debt/EBITDA amounted to 3.9 (3.7). Financing in the Group includes €315 million Senior Secured Floating Rate Notes due in December 2026 and a Super Senior Revolving Credit Facility Agreement (New SSRCF) of €45 million with termination date in June 2026. As per Q2 2022, the SSRCF was utilized in loans, excluding guarantees and overdraft facility usage. Unused credit facilities totaled €30.3 million.

**January-June 2022****Income and profit**

Revenue amounted to €348.3 million (294.3) with a growth of 18.3%. Organic growth was 8.4%, inorganic growth was 6.8% and impact from currency was 3.1%.

EBITDA excluding non-recurring items amounted to €39.9 million (31.2) with a margin of 11.4% (10.6%). Non-recurring items totaled €-6.9 million (0.4).

Net financial items amounted to €-10.1 million compared to €-15.5 million last year. Taxes amounted to €-5.2 million (-1.6).

**Cash flow**

Operating cash flow was €15.3 million (19.2). Cash flow from investing activities amounted to €-14.1 million (-23.9). Cash flow from financing activities amounted to €-8.9 million (68.8). Cash flow totaled €-7.6 million (64.2).

**Events after the end of the reporting period**

On July 25, Lisa Stoner resigned from the Board of Directors to focus on her new role as VP of Product and Service Operations at Meta Inc.

## Other information

### Earnings call

Transcom will host a webcast at 9:00 CET on Aug 25, 2022. 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-q2-2022-results-presentation>

### Financial calendar

Transcom's Q3 2022 report will be published on Nov 17, 2022

Transcom's Q4 2022 report will be published on Feb 23, 2023

### 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	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun	2022 LTM	2021 Jan-Dec
Revenue	4	172,729	143,425	348,311	294,316	677,128	623,132
Cost of sales	5	-134,465	-115,552	-271,658	-232,303	-531,826	-492,471
<b>Gross profit</b>		<b>38,264</b>	<b>27,873</b>	<b>76,653</b>	<b>62,013</b>	<b>145,302</b>	<b>130,661</b>
Sales and marketing expenses		-2,242	-1,981	-4,777	-3,744	-9,358	-8,325
Administrative expenses		-35,637	-23,138	-62,541	-47,212	-116,770	-101,442
Other operating income/expenses		1,090	188	1,297	255	2,057	1,015
<b>Operating profit/loss</b>	4,5	<b>1,475</b>	<b>2,941</b>	<b>10,633</b>	<b>11,312</b>	<b>21,231</b>	<b>21,909</b>
Net financial items		-4,772	-10,431	-10,071	-15,472	-21,711	-27,112
<b>Profit/loss before tax</b>		<b>-3,297</b>	<b>-7,490</b>	<b>562</b>	<b>-4,161</b>	<b>-482</b>	<b>-5,204</b>
Income tax expense/income		-2,982	-93	-5,174	-1,588	-5,066	-1,479
<b>Profit/loss for the period attributable to equity holders of the parent</b>		<b>-6,279</b>	<b>-7,583</b>	<b>-4,613</b>	<b>-5,749</b>	<b>-5,547</b>	<b>-6,683</b>

## Transcom Group - Condensed consolidated statement of comprehensive income

(€ '000)	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun	2022 LTM	2021 Jan-Dec
<b>Profit/loss for the period attributable to equity holders of the parent</b>	-	-	-	20	-20	1
<b>Other comprehensive income:</b>						
Exchange differences on translation of foreign operations	334	197	-273	1,553	2,241	4,067
Net gain/loss on cash flow hedges	-900	58	-1,507	-373	-2,283	-1,149
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>-566</b>	<b>255</b>	<b>-1,780</b>	<b>1,180</b>	<b>-42</b>	<b>2,918</b>
Actuarial profit/loss on post-employment benefit obligations	-	-	-	-	-2,042	-2,042
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-2,042</b>	<b>-2,042</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>-566</b>	<b>255</b>	<b>-1,780</b>	<b>1,180</b>	<b>-2,084</b>	<b>876</b>
<b>Total comprehensive income for the period, net of tax, attributable</b>	<b>-566</b>	<b>255</b>	<b>-1,780</b>	<b>1,201</b>	<b>-2,104</b>	<b>877</b>

## Transcom Group - Condensed consolidated statement of financial position

(€ '000)	Notes	2022 Jun 30	2021 Jun 30	2021 Dec 31
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill		226,643	204,298	224,911
Other intangible assets		100,339	84,333	107,178
Tangible assets		32,503	28,427	32,583
Right of use assets	10	31,137	31,071	30,382
Deferred tax assets		7,395	1,757	7,737
Other receivables		6,370	3,249	5,869
<b>Total non-current assets</b>		<b>404,388</b>	<b>353,134</b>	<b>408,660</b>
<b>Current assets</b>				
Trade receivables		85,257	64,305	93,233
Income tax receivables		3,158	3,196	2,538
Other receivables		21,242	13,020	13,441
Prepaid expenses and accrued income		56,809	49,960	50,799
Cash and cash equivalents		30,452	76,936	39,236
<b>Total current assets</b>		<b>196,918</b>	<b>207,418</b>	<b>199,247</b>
<b>TOTAL ASSETS</b>		<b>601,305</b>	<b>560,552</b>	<b>607,907</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>		<b>85,692</b>	<b>87,014</b>	<b>92,085</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	7	316,054	307,190	307,910
Employee benefit obligations		5,305	3,198	5,514
Leasing liabilities	10	17,762	19,652	16,900
Provisions	6	10,549	156	10,050
Deferred tax liabilities		17,877	15,589	18,157
<b>Total non-current liabilities</b>		<b>367,548</b>	<b>345,785</b>	<b>358,531</b>
<b>Current liabilities</b>				
Interest-bearing liabilities	7	5,052	1,756	2,535
Leasing liabilities	10	14,161	13,726	15,200
Provisions	6,8	17,104	11,101	19,769
Trade payables		13,884	12,513	17,638
Income tax payables	11	4,008	6,047	4,869
Other liabilities	12	39,692	40,490	43,619
Accrued expenses and prepaid income		54,164	42,121	53,661
<b>Total current liabilities</b>		<b>148,065</b>	<b>127,753</b>	<b>157,291</b>
<b>Total liabilities</b>		<b>515,613</b>	<b>473,538</b>	<b>515,822</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>601,305</b>	<b>560,552</b>	<b>607,907</b>

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

	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
(€ '000)					
<b>Balance, Jan 1, 2021</b>	<b>11,938</b>	<b>55</b>	<b>20,501</b>	<b>71,025</b>	<b>91,581</b>
Profit/loss for the period	-	-	-	-5,749	-5,749
Other comprehensive income, net of tax	-	-	-	1,180	1,180
<b>Balance, Jun 30, 2021</b>	<b>11,938</b>	<b>55</b>	<b>20,501</b>	<b>66,460</b>	<b>87,014</b>
Profit/loss for the period	-	-	-	-934	-934
Shareholder contribution, non cash	-	-	3,000	-	3,000
Effect of transaction under common control*	-	-	-	3,311	3,311
Other comprehensive income, net of tax	-	-	-	-304	-304
<b>Balance, Dec 31, 2021</b>	<b>11,938</b>	<b>55</b>	<b>23,501</b>	<b>68,530</b>	<b>92,085</b>
Profit/loss for the period	-	-	-	-4,613	-4,613
Other comprehensive income, net of tax	-	-	-	-1,780	-1,780
<b>Balance, Jun 30, 2022</b>	<b>11,938</b>	<b>55</b>	<b>23,501</b>	<b>62,137</b>	<b>85,692</b>

\*Related to the acquisition of TMS. Please see Note 6 for more information.



## Transcom Group - Condensed consolidated statement of cash flows

(€ '000)	Notes	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
<b>Cash flows from operating activities</b>						
Profit/loss before tax		-3,297	-7,490	562	-4,161	-5,204
Adjustments to reconcile profit before tax to net cash:						
Adjustments for non cash items		9,459	9,962	20,036	19,737	43,384
Net financial items		4,772	10,431	10,071	15,472	27,113
Income taxes paid		-2,297	-4,405	-5,132	-4,980	-8,972
<b>Cash flows from operating activities before changes in working capital</b>		<b>8,637</b>	<b>8,498</b>	<b>25,537</b>	<b>26,068</b>	<b>56,321</b>
Changes in working capital		-8,507	-980	-10,163	-6,855	-34,292
<b>Cash flow from operating activities</b>		<b>130</b>	<b>7,518</b>	<b>15,374</b>	<b>19,214</b>	<b>22,029</b>
Investments and disposals of tangible assets		-2,627	-5,898	-7,240	-9,197	-18,659
Investments and disposals of intangible assets		-1,222	-96	-1,978	-603	-2,227
Acquisition of subsidiaries, net of cash	6	-	-	-5,000	-13,675	-23,694
Changes in other non-current assets		165	-220	72	-386	-683
<b>Cash flow from investing activities</b>		<b>-3,684</b>	<b>-6,214</b>	<b>-14,146</b>	<b>-23,860</b>	<b>-45,263</b>
Proceeds from borrowings	7	10,571	320,000	10,571	334,757	335,757
Repayment of borrowings	7	-477	-231,732	-851	-232,146	-233,500
Payment of lease liabilities	10	-4,095	-3,799	-8,113	-7,809	-15,801
Interest and other financial costs paid		-5,113	-24,708	-10,476	-25,996	-34,654
Other cash flow from financing activities		-	-	-	-	-2,199
<b>Cash flow from financing activities</b>		<b>886</b>	<b>59,762</b>	<b>-8,869</b>	<b>68,806</b>	<b>49,603</b>
<b>Cash flow for the period</b>		<b>-2,668</b>	<b>61,066</b>	<b>-7,641</b>	<b>64,159</b>	<b>26,369</b>
Cash and cash equivalents at beginning of the period		34,329	15,194	39,235	13,663	13,663
Cash flow for the period		-2,668	61,066	-7,641	64,159	26,369
Exchange rate differences in cash and cash equivalents		-1,201	676	-1,134	-887	-797
<b>Cash and cash equivalents at end of the period</b>		<b>30,459</b>	<b>76,936</b>	<b>30,459</b>	<b>76,936</b>	<b>39,235</b>

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

(€ '000)	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Revenue	2,376	1,307	3,350	2,154	5,553
Cost of sales	-	-	-	-	-
<b>Gross profit</b>	<b>2,376</b>	<b>1,307</b>	<b>3,350</b>	<b>2,154</b>	<b>5,553</b>
Administrative expenses	-2,474	-1,345	-3,476	-2,228	-5,191
Other operating income/expenses	13	-6	9	1	-3
<b>Operating profit/loss</b>	<b>-86</b>	<b>-44</b>	<b>-117</b>	<b>-73</b>	<b>359</b>
Result from participations in Group companies	-	-	-	-	-
Net financial items	-2,253	-7,898	-4,342	-10,103	-14,371
<b>Profit/loss before tax</b>	<b>-2,339</b>	<b>-7,941</b>	<b>-4,459</b>	<b>-10,176</b>	<b>-14,012</b>
Income tax expense/income	-	-	-	-	-
<b>Profit/loss for the period*</b>	<b>-2,339</b>	<b>-7,941</b>	<b>-4,459</b>	<b>-10,176</b>	<b>-14,012</b>

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

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

(€ '000)	Notes	2022 Jun 30	2021 Jun 30	2021 Dec 31
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investments in Group companies		281,919	278,919	281,919
Receivables from Group companies		166,412	117,588	170,489
<b>Total non-current assets</b>		<b>448,331</b>	<b>396,506</b>	<b>452,408</b>
<b>Current assets</b>				
Receivables from Group companies		4,431	2,143	3,185
Other receivables		145	20	23
Cash and cash equivalents		1,112	62,173	1,833
<b>Total current assets</b>		<b>5,687</b>	<b>64,337</b>	<b>5,041</b>
<b>TOTAL ASSETS</b>		<b>454,018</b>	<b>460,843</b>	<b>457,448</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Restricted equity		55	55	55
Unrestricted equity		143,711	149,005	148,169
<b>Total equity</b>		<b>143,766</b>	<b>149,060</b>	<b>148,224</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	7	307,348	305,119	307,257
Liabilities to Group companies		-	-	-
<b>Total non-current liabilities</b>		<b>307,348</b>	<b>305,119</b>	<b>307,257</b>
<b>Current liabilities</b>				
Interest-bearing liabilities	7	731	-	-
Other liabilities		2,174	6,664	1,967
<b>Total current liabilities</b>		<b>2,904</b>	<b>6,664</b>	<b>1,967</b>
<b>Total liabilities</b>		<b>310,252</b>	<b>311,783</b>	<b>309,224</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>454,018</b>	<b>460,843</b>	<b>457,448</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 headquarter 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 at December 31, 2021.

## 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 at December 31, 2021. 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 at December 31, 2021.

## 4. Segment information

(€ '000) Q2	2022			2021		
	English speaking	Europe	Group	English speaking	Europe	Group
Revenue from external customers	53 340	119 388	172 729	46 809	96 616	143 425
EBITDA excl. non-recurring items	6 550	12 873	19 423	5 162	7 366	12 528
Depreciation and amortization			-10 732			-10 143
Non-recurring items			-7 217			556
<b>EBIT</b>			<b>1 475</b>			<b>2 941</b>
Net financial items			-4 772			-10 431
<b>Profit/loss before tax</b>			<b>-3 297</b>			<b>-7 490</b>

(€ '000) Jan-Jun	2022			2021		
	English speaking	Europe	Group	English speaking	Europe	Group
Revenue from external customers	106 772	241 539	348 311	95 354	198 962	294 316
EBITDA excl. non-recurring items	13 923	25 957	39 880	12 097	19 126	31 223
Depreciation and amortization			-23 327			-20 323
Non-recurring items			-5 920			412
<b>EBIT</b>			<b>10 633</b>			<b>11 312</b>
Net financial items			-10 071			-15 472
<b>Profit/loss before tax</b>			<b>562</b>			<b>-4 161</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)	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Operational non-recurring items	-4,781	820	-3,921	759	-9,512
Transaction-related non-recurring items	-2,436	-264	-2,987	-348	-378
<b>Total</b>	<b>-7,217</b>	<b>556</b>	<b>-6,908</b>	<b>412</b>	<b>-9,890</b>
whereof depreciation and amortization	-	-	-988	-	-147
<b>Total excl. depreciation and amortization</b>	<b>-7,217</b>	<b>556</b>	<b>-5,920</b>	<b>412</b>	<b>-9,743</b>

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

(€ '000)	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Revenue	-	-	-	-	-
Cost of sales	-4,552	-	-5,265	-	-6,471
Sales and marketing expenses	-	-	-	-	-
Administrative expenses	-2,665	556	-1,643	496	-2,752
Other operating income/expenses	-	-	-	-84	-667
<b>Total</b>	<b>-7,217</b>	<b>556</b>	<b>-6,908</b>	<b>412</b>	<b>-9,890</b>

The table below shows EBITA and EBITDA, excl. Non-recurring items.

(€ '000)	2022 Q2			2021 Q2		
	Reported	Non-recurring items	Excl. Non-recurring items	Reported	Non-recurring items	Excl. Non-recurring items
Operating profit/loss	1,475	-7,217	8,692	2,941	556	2,385
Transaction-related amortization	-2,579	-	-2,579	-2,694	-	-2,694
<b>EBITA</b>	<b>4,054</b>	<b>-7,217</b>	<b>11,271</b>	<b>5,635</b>	<b>556</b>	<b>5,079</b>
Operative depreciation and amortization	-8,363	-	-8,363	-7,449	-	-7,449
<b>EBITDA</b>	<b>12,417</b>	<b>-7,217</b>	<b>19,634</b>	<b>13,084</b>	<b>556</b>	<b>12,528</b>

(€ '000)	2022 Jan-Jun			2021 Jan-Jun		
	Reported	Non-recurring items	Excl. Non-recurring items	Reported	Non-recurring items	Excl. Non-recurring items
Operating profit/loss	10,633	-6,908	17,541	11,312	412	10,900
Transaction-related amortization	-6,032	-	-6,032	-5,388	-	-5,388
<b>EBITA</b>	<b>16,665</b>	<b>-6,908</b>	<b>23,573</b>	<b>16,699</b>	<b>412</b>	<b>16,287</b>
Operative depreciation and amortization	-17,506	-988	-16,518	-14,935	-	-14,935
<b>EBITDA</b>	<b>34,171</b>	<b>-5,920</b>	<b>40,091</b>	<b>31,635</b>	<b>412</b>	<b>31,223</b>

## 6. Acquisitions

During the first quarter, Transcom paid the first out of two installments for earn out related to the acquisition of City Connect in 2021.

No acquisitions were done during the second quarter.

In September 2021, Transcom closed the acquisition of TMS Connected GmbH and TMS Connected Verwaltung GmbH adding annual revenues of €20 million. The companies were acquired from Transcom's sister company Transcom DACH Holding AB. Since all companies are ultimately controlled by the same parent company, Transcom TopCo AB, the acquisition is considered as a business combination under common control, whereby IFRS 3 Business Combination is not applicable.

## 7. Interest-bearing liabilities

Financing in the Group includes €315 million Senior Secured Floating Rate Notes due in December 2026 and a Super Senior Revolving Credit Facility Agreement of €45 million with termination date in June 2026. The Notes are listed on The International Stock Exchange. The Notes and the New SSRCF shares security and guarantees in accordance with the provisions of an intercreditor agreement.

As per Q2 2022, €7.2 million of the SSRCF was utilized in loans, excluding guarantees and overdraft facility usage. Unused credit facilities totaled €30.3 million.

There are share pledges in material companies to a value of €223.9 million (216.9) 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 June 30, 2022.

In Q2 2018, a provision of €8.0 million was recorded in the capture Cost of Sales relating to that the Group has an ongoing dispute in Spain with legal professionals hired as consultants where the social security inspection claims that they should be considered as employees. Subsequently, Transcom appealed the case to court. On July 14, 2020, the court ruled in favor of the social security inspection. Transcom has appealed the verdict. As per June 30, 2022 the total provision amounted to €10.4 million.

## 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) Jun 30, 2022</b>					
Total non-current assets	3,720	-	-	3,720	3,720
Total current assets	180,018	-	-	180,018	180,018
<b>Total financial assets</b>	<b>183,738</b>	<b>-</b>	<b>-</b>	<b>183,738</b>	<b>183,738</b>
Total non-current liabilities	344,295	-	-	344,295	401,636
Total current liabilities	101,083	4,730	3,229	109,042	124,879
<b>Total financial liabilities</b>	<b>445,378</b>	<b>4,730</b>	<b>3,229</b>	<b>453,338</b>	<b>526,516</b>
<b>(€ '000) Dec 31, 2021</b>					
Total non-current assets	5,869	-	-	5,869	5,869
Total current assets	189,717	-	-	189,717	189,717
<b>Total financial assets</b>	<b>195,586</b>	<b>-</b>	<b>-</b>	<b>195,586</b>	<b>195,586</b>
Total non-current liabilities	330,249	4,611	-	334,861	400,807
Total current liabilities	137,021	4,854	1,385	143,259	157,832
<b>Total financial liabilities</b>	<b>467,270</b>	<b>9,465</b>	<b>1,385</b>	<b>478,120</b>	<b>558,639</b>

## 10. Leasing

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

(€ '000)	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun
Reversed cost (EBITDA effect)	4,570	4,750	9,072	9,091
Depreciations	-4,083	-4,181	-8,090	-8,019
<b>Operating profit/loss</b>	<b>488</b>	<b>569</b>	<b>982</b>	<b>1,072</b>
<b>EBITDA effect</b>	<b>4,570</b>	<b>4,750</b>	<b>9,072</b>	<b>9,091</b>
Net financial items	-95	-740	-518	-1,282
Income tax expense	-39	19	-29	35
<b>Profit/loss for the period</b>	<b>4,924</b>	<b>-152</b>	<b>436</b>	<b>-175</b>
Right of use assets	31,137	31,071	31,137	31,071
Leasing liabilities, non-current	17,762	19,652	17,762	19,652
Leasing liabilities, current	14,161	13,726	14,161	13,726

## 11. Income tax payables

As per June 30, 2022, nine Group entities were subject to tax audits. Some of these have resulted in reassessments, while others are still at an early stage and no reassessments have yet been raised. As per June 30, 2022 the tax liability related to uncertain tax positions amounted to 1,632 thousand (909).

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. Other liabilities

Transcom has deferred some tax payments (VAT and social contribution), mainly in Sweden, enabled by government programs instated during the COVID-19 pandemic. These deferrals amount to €9,792 thousand (12,067).

### 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 rare events or activities that are not part of normal business operations, mainly restructuring 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.

**Net debt:** is defined as interest-bearing liabilities, lease 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 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 80 contact centers and work-at-home networks across 25 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).