

## Q4 2023

- Revenue decreased to 189.7M€ (191.4)
- EBITDA excluding non-recurring items decreased to 25.0M€ (30.4)
- EBITDA margin excluding non-recurring items decreased to 13.2% (15.9%)
- Operating cash flow increased to 29.4M€ (24.8)
- Net debt/EBITDA increased to 3.7 (3.5)

## Jan-Dec 2023

- Revenue increased to 737.9M€ (717.3)
- EBITDA excluding non-recurring items increased to 95.7M€ (93.3)
- EBITDA margin excluding non-recurring items amounted to 13.0% (13.0%)
- Operating cash flow increased to 62.5M€ (52.4)

### Concluding the best year so far

Revenue for the fourth quarter amounted to 189.7M€ (191.4) and EBITDA was 25.0M€ (30.4). The decrease is primarily driven by the weak demand in discretionary consumer categories and a weak retail season. We continue to win new contracts both from new and existing clients but experience lower volumes from existing contracts.

Despite the weakness in Q4, Transcom concludes the best year so far, with revenue of 737.9M€ (717.3) and EBITDA of 95.7M€ (93.3). We are on a trajectory of profitable growth and since 2019, we have increased revenue with 36% and adjusted EBITDA with 96%.

Clients are looking for cost efficient solutions to address their demand challenges and we respond by accelerated our transformation in line with our strategy, further shifting our delivery towards AI & near & offshore delivery.

In February, Transcom signed the agreement to acquire VCosmos in India, with about 700 employees. India offers an unbeatable combination of competitive cost level and scalable talent pool. VCosmos has one of the most experienced customer service teams in the Indian market. The acquisition of VCosmos is perfectly in line with our strategy to strengthen our AI and near/offshore delivery.

Shortly after the year-end, Transcom successfully raised 65M€ in a private placement of senior secured notes, with the same terms as existing notes. The additional financing is intended for further acquisitions to accelerate our strategy.

Due to the weak consumer sentiment, we expect revenue and EBITDA to be subdued during the next couple of quarters. We are taking actions to further reduce cost and improve our competitiveness. We stand committed to our three-year plan of double-digit organic growth and 16% EBITDA margin.

Finally, I have had five fantastic years at Transcom. We've increased revenue and profitability, elevated employee and client satisfaction and significantly shifted the portfolio towards digital, near/offshore delivery and fast-growing clients in eCom & Tech. Transcom is now on a very solid footing and we're entering a new phase of development of the company. At this point, I've concluded it is the right time for the company and me to hand over the baton to a new CEO. I'm incredibly proud of all colleagues and what we have achieved together with our clients. I'm convinced that the company will also continue to develop strongly in the future.

Jonas Dahlberg, President & CEO

## Group financial overview

(€m)	2023 Q4	2022 Q4	Change Y-o-Y	2023 Jan-Dec	2022 Jan-Dec	Change Y-o-Y
Revenue	189.7	191.4	-0.9%	737.9	717.3	2.9%
EBITDA excl. non-recurring items	25.0	30.4	-5.4	95.7	93.3	2.3
EBITDA margin excl. non-recurring items	13.2%	15.9%	-2.7pp	13.0%	13.0%	0pp
EBITA excl. non-recurring items	16.3	21.8	-5.5	61.7	60.0	1.7
EBITA margin excl. non-recurring items	8.6%	11.4%	-2.8pp	8.4%	8.4%	0pp
Operating cash flow	29.4	24.8	4.6	62.5	52.4	10.1
Net debt	351.1	326.8	24.3	351.1	326.8	24.3
Net debt/EBITDA excl. non-recurring items	3.7	3.5	0.2	3.7	3.5	0.2

## October-December 2023

### Income and profit

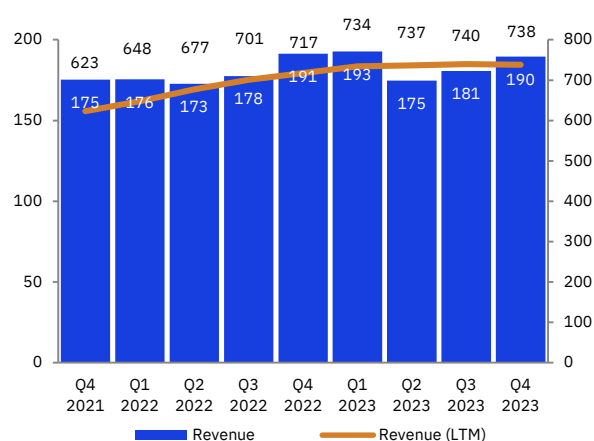
Revenue amounted to €189.7 million (191.4) with a growth of -0.9%. Organic growth was -0.2%, growth from acquisitions in the last twelve months was 4.3% and the currency impact was -4.9%. Comparable organic growth, excluding the exited low margin contract in Spain in the beginning of Q2, was 3.3%.

EBITDA excluding non-recurring items amounted to €25.0 million (30.4) with a margin of 13.2% (15.9%). The negative impact in EBITDA margin compared to the same period last year is mainly related to the onshore Telco & Cable sector in the European segment as well as lower volumes in the eCommerce & Tech contracts within the English-speaking segment.

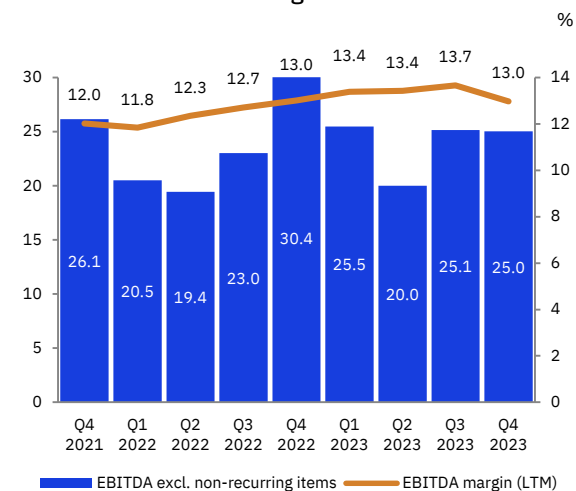
Non-recurring items totaled €-5.7 million (-2.4), including €-4.9 million (-1.1) related to operational non-recurring items, such as restructuring costs, mainly related to site reductions. Transactional non-recurring items amounted to €-0.8 million (-1.3) for the quarter.

Net financial items amounted to €-10.0 million compared to €-9.2 million last year. The increase is mainly driven by higher interest rates and a higher level of utilized SSRFCF. Taxes amounted to €-0.0 million (-2.6).

### Revenue



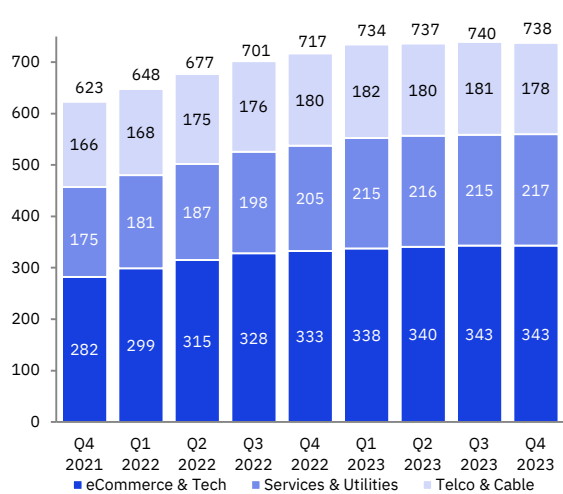
### EBITDA excl non-recurring items



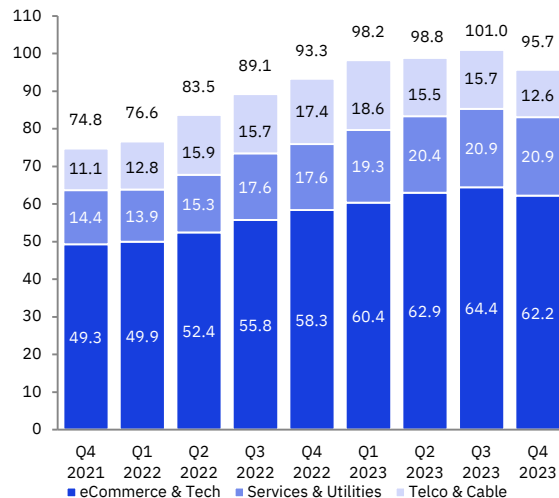
### Sector development

The growth in the eCommerce & Tech sector was 3.2% for the full year 2023 and remains the largest sector with 47% of the total revenue in the quarter and for the full year. The eCommerce & Tech sector improved the EBITDA margin with 0.6pp to 18.1% (17.5%) for the year compared to 2022.

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

#### English-speaking segment

Revenue amounted to €52.4 million (59.3), a decline of -11.6%, driven by currency effects and lower volumes from the eCommerce & Tech sector.

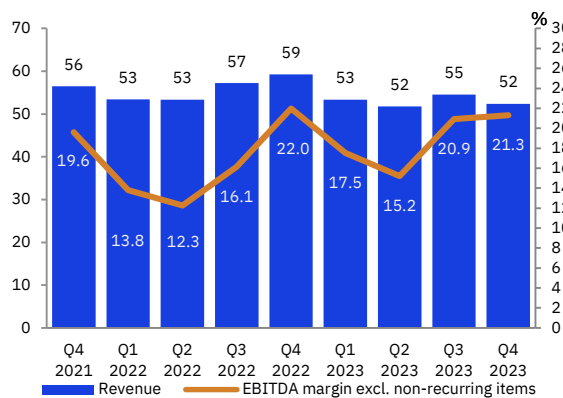
EBITDA excl. non-recurring items amounted to €11.2 million (13.0) with a margin of 21.3% (22.0%). The lower EBITDA margin compared to the same period last year is mainly driven by the lower volumes in the eCommerce & Tech sector.

#### European segment

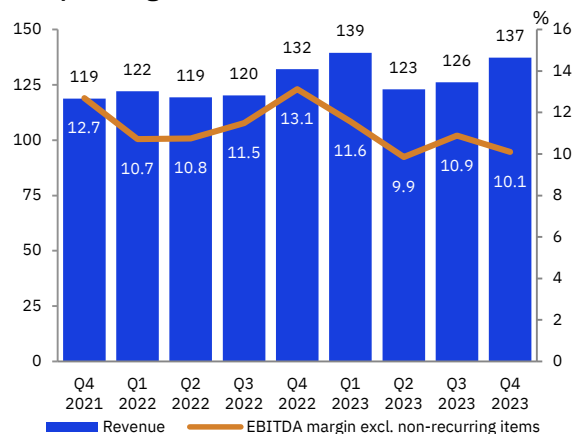
Revenue amounted to €137.3 million (132.2) with a growth of 3.9%, where the negative impact from the exited low margin contract in Spain during Q2 2023 was offset by the acquisitions made during the end of 2022 and in the previous quarter in 2023 in the eCommerce & Tech sector.

EBITDA excl. non-recurring items amounted to €13.9 million (17.4) with a margin of 10.1% (13.1%). The decreased EBITDA margin is due to lower margin in the onshore Telco & Cable sector as well as challenges in the eCommerce & Tech sector.

English-Speaking segment



European segment



### Cash flow and financial position

Operating cash flow was €29.4 million (24.8) in the fourth quarter. The increase is driven by an improvement in Net working capital.

Cash flow from investing activities amounted to €-7.4 million (-14.0) in the quarter. Cash flow from financing activities amounted to €-16.4 million (-11.1) and cash flow totaled €5.6 million (-0.2) in the fourth quarter.

Net debt amounted to €351.1 million (326.8) including IFRS16 liabilities.

Net debt/EBITDA amounted to 3.7 (3.5). Financing in the Group includes €315 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, 2023, €43.6 million of the SSRCF was utilized in loans, excluding guarantees and overdraft facility usage. Unused credit facilities totaled €26.9 million.

## January-December 2023

### Income and profit

Revenue amounted to €737.9 million (717.3), a growth of 2.9%. Organic growth was 2.0%, inorganic growth was 2.9% and impact from currency was -2.1%. Comparable organic growth, also excluding the exited contract in Spain in the beginning of Q2, was 5.0%.

EBITDA excluding non-recurring items amounted to €95.7 million (93.3) with a margin of 13.0% (13.0%). Non-recurring items totaled €-18.0 million (-10.3).

Net financial items amounted to €-37.6 million compared to €-24.8 million last year. Taxes amounted to €-4.1 million (-11.1).

### Cash flow

Operating cash flow was €62.5 million (52.4). The increase is driven by an improvement in Net working capital. Cash flow from investing activities amounted to €-36.2 million (-33.6). Cash flow from financing activities amounted to €-20.0 million (-25.8). Cash flow totaled €6.3 million (-7.1).

### Events after the end of the reporting period

After the end of the reporting period, on January 19, Transcom Holding AB entered into a private placement ("Private Placement") pursuant to which it intends 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 19, Transcom signed an agreement to acquire 75% of the shares 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 CEO. The board has initiated a process of finding a successor. Until further notice, Jonas will continue in his role as CEO.

## Other information

### Earnings call

Transcom will host a webcast at 9:00 CET on February 22, 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 to 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-q4-2023-results-presentation>

### Financial calendar

Transcom's Annual Report 2023 report will be published on April 18, 2024

Transcom's Q1 2024 report will be published on May 16, 2024

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

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

### Other information

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

### Transcom Holding AB

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## Transcom Group - Condensed consolidated income statement

(€ '000)	Notes	2023 Q4	2022 Q4	2023 Jan-Dec	2022 Jan-Dec
Revenue	4	189,674	191,408	737,895	717,269
Cost of sales	5	-143,694	-139,274	-561,408	-547,486
<b>Gross profit</b>		<b>45,980</b>	<b>52,134</b>	<b>176,486</b>	<b>169,783</b>
Sales and marketing expenses		-2,296	-2,586	-9,569	-9,782
Administrative expenses	5	-35,551	-34,294	-136,038	-127,496
Other operating income/expenses	5	-124	500	-921	2,903
<b>Operating profit/loss</b>	4,5	<b>8,009</b>	<b>15,755</b>	<b>29,959</b>	<b>35,408</b>
Net financial items		-10,000	-9,223	-37,610	-24,765
<b>Profit/loss before tax</b>		<b>-1,991</b>	<b>6,532</b>	<b>-7,651</b>	<b>10,643</b>
Income tax expense/income		-39	-2,649	-4,116	-11,135
<b>Profit/loss for the period attributable to equity holders of the parent</b>		<b>-2,031</b>	<b>3,883</b>	<b>-11,768</b>	<b>-492</b>

## Transcom Group - Condensed consolidated statement of comprehensive income

(€ '000)	2023 Q4	2022 Q4	2023 Jan-Dec	2022 Jan-Dec
<b>Profit/loss for the period attributable to equity holders of the parent</b>	-2,031	3,883	-11,768	-492
<b>Other comprehensive income:</b>				
Translation differences from foreign operations	-961	-1,282	-2,154	1,784
Revaluation of cash flow hedges, net of tax	1,050	3,895	132	955
<b>Total items that subsequently may be reclassified to the income statement, net of tax</b>	<b>89</b>	<b>2,613</b>	<b>-2,022</b>	<b>2,739</b>
Remeasurement of employee benefit obligations, net of tax	-529	1,129	-483	1,129
<b>Total items that will not be reclassified to the income statement, net of tax</b>	<b>-529</b>	<b>1,129</b>	<b>-483</b>	<b>1,129</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>-440</b>	<b>3,742</b>	<b>-2,504</b>	<b>3,868</b>
<b>Total comprehensive income for the period, net of tax, attributable to equity holders of the parent</b>	<b>-2,471</b>	<b>7,624</b>	<b>-14,272</b>	<b>3,375</b>

## Transcom Group - Condensed consolidated statement of financial position

(€ '000)	Notes	<b>2023</b> <b>Dec 31</b>	<b>2022</b> <b>Dec 31</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	6	236,921	236,335
Other intangible assets		84,638	94,605
Tangible assets		34,733	36,975
Right of use assets	10	29,388	30,152
Deferred tax assets		5,445	1,565
Other financial assets		7,287	6,539
<b>Total non-current assets</b>		<b>398,413</b>	<b>406,171</b>
<b>Current assets</b>			
Trade receivables		98,967	92,009
Income tax receivables		2,729	3,387
Other receivables		25,111	22,771
Prepaid expenses and accrued income		48,956	54,503
Cash and cash equivalents		35,830	31,404
<b>Total current assets</b>		<b>211,593</b>	<b>204,073</b>
<b>TOTAL ASSETS</b>		<b>610,006</b>	<b>610,244</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>		<b>81,190</b>	<b>95,462</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	7	353,176	322,250
Employee benefit obligations		779	2,356
Lease liabilities	10	17,142	18,265
Provisions	6	3,507	7,254
Deferred tax liabilities		11,188	14,117
Other liabilities	12	2,345	4,900
<b>Total non-current liabilities</b>		<b>388,137</b>	<b>369,143</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	7	2,118	2,623
Lease liabilities	10	13,707	12,696
Provisions	6,8	15,122	22,985
Trade payables		17,646	20,284
Income tax payables	11	6,053	6,641
Other liabilities	12	39,273	36,266
Accrued expenses and prepaid income		46,760	44,144
<b>Total current liabilities</b>		<b>140,679</b>	<b>145,639</b>
<b>Total liabilities</b>		<b>528,816</b>	<b>514,782</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>610,006</b>	<b>610,244</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, 2022</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	-	-	-	-492	-492
Other comprehensive income, net of tax	-	-	-	3,868	3,868
<b>Balance, Dec 31, 2022</b>	<b>11,938</b>	<b>55</b>	<b>23,501</b>	<b>71,906</b>	<b>95,462</b>
Profit/loss for the period	-	-	-	-11,768	-11,768
Other comprehensive income, net of tax	-	-	-	-2,504	-2,504
<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>



## Transcom Group - Condensed consolidated statement of cash flows

(€ '000)	Notes	2023 Q4	2022 Q4	2023 Jan-Dec	2022 Jan-Dec
<b>Cash flows from operating activities</b>					
Profit/loss before tax		-1,991	6,532	-7,651	10,643
Non-cash items:					
Other non-cash adjustments		15,505	14,307	45,745	42,469
Net financial items		10,000	9,223	37,610	24,765
Income taxes paid		-3,136	-956	-10,845	-8,165
<b>Cash flow from operating activities before changes in working capital</b>		<b>20,378</b>	<b>29,106</b>	<b>64,859</b>	<b>69,712</b>
Changes in working capital		9,062	-4,258	-2,348	-17,324
<b>Cash flow from operating activities</b>		<b>29,440</b>	<b>24,848</b>	<b>62,511</b>	<b>52,388</b>
Investments and disposals of tangible assets		-4,621	-9,644	-14,051	-20,185
Investments and disposals of intangible assets		-2,547	-677	-7,955	-4,020
Acquisition of subsidiaries, net of cash acquired	6	-66	-4,788	-13,947	-9,788
Changes in financial assets		-307	884	-824	138
Interest received		115	245	545	245
<b>Cash flow from investing activities</b>		<b>-7,427</b>	<b>-13,981</b>	<b>-36,233</b>	<b>-33,611</b>
Proceeds from borrowings	7	-2,518	-	31,199	14,450
Repayment of borrowings	7	-711	-488	-1,551	-1,770
Payment of lease liabilities	10	-4,070	-4,155	-14,981	-16,332
Interest paid and other borrowing related costs		-9,087	-6,422	-34,639	-22,198
<b>Cash flow from financing activities</b>		<b>-16,385</b>	<b>-11,064</b>	<b>-19,972</b>	<b>-25,849</b>
<b>Cash flow for the period</b>		<b>5,628</b>	<b>-197</b>	<b>6,306</b>	<b>-7,071</b>
Cash and cash equivalents at beginning of the period		32,001	31,030	31,404	39,236
Cash flow for the period		5,628	-197	6,306	-7,071
Exchange rate differences in cash and cash equivalents		-1,799	571	-1,880	-760
<b>Cash and cash equivalents at end of the period</b>		<b>35,830</b>	<b>31,404</b>	<b>35,830</b>	<b>31,404</b>

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

(€ '000)	2023 Q4	2022 Q4	2023 Jan-Dec	2022 Jan-Dec
Revenue	529	715	2,658	5,171
<b>Gross profit</b>	<b>529</b>	<b>715</b>	<b>2,658</b>	<b>5,171</b>
Administrative expenses	-728	-559	-2,942	-5,136
Other operating income/expenses	-	-13	-3	-
<b>Operating profit/loss</b>	<b>-198</b>	<b>143</b>	<b>-287</b>	<b>35</b>
Net financial items	-3,659	-2,690	-14,155	-9,279
<b>Profit/loss before tax</b>	<b>-3,857</b>	<b>-2,547</b>	<b>-14,442</b>	<b>-9,244</b>
Group contribution received	2,385	2,028	2,385	2,028
Income tax expense/income	-	-	-	-
<b>Profit/loss for the period*</b>	<b>-1,472</b>	<b>-519</b>	<b>-12,057</b>	<b>-7,216</b>

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

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

(€ '000)	Notes	2023 Dec 31	2022 Dec 31
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in Group companies		281,919	281,919
Receivables from Group companies		151,322	165,309
<b>Total non-current assets</b>		<b>433,241</b>	<b>447,228</b>
<b>Current assets</b>			
Receivables from Group companies		6,861	3,344
Other receivables		194	74
Cash and cash equivalents		504	548
<b>Total current assets</b>		<b>7,559</b>	<b>3,966</b>
<b>TOTAL ASSETS</b>		<b>440,800</b>	<b>451,193</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity		55	55
<b>Total restricted equity</b>		<b>55</b>	<b>55</b>
Unrestricted equity			
Other contributed capital		23,501	23,501
Retained earnings		117,452	124,668
Net result		-12,057	-7,216
<b>Total unrestricted equity</b>		<b>128,896</b>	<b>140,953</b>
<b>TOTAL EQUITY</b>		<b>128,951</b>	<b>141,008</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	7	310,812	309,289
Other liabilities		52	-
<b>Total non-current liabilities</b>		<b>310,864</b>	<b>309,289</b>
<b>Current liabilities</b>			
Trade payables		37	84
Tax liabilities		-	207
Other liabilities		723	396
Accrued expenses and prepaid income		225	209
<b>Total current liabilities</b>		<b>984</b>	<b>896</b>
<b>Total liabilities</b>		<b>311,848</b>	<b>310,185</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>440,800</b>	<b>451,193</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 at December 31, 2022.

## 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, 2022. Transcom is not directly impacted by the war in Ukraine or the Israel-Hamas war. 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, 2022.

## 4. Segment information

	2023			2022		
	English speaking	Europe	Group	English speaking	Europe	Group
(€ '000) Q4						
Revenue from external customers	52,358	137,316	189,674	59,254	132,154	191,408
EBITDA excl. non-recurring items	11,160	13,869	25,029	13,016	17,354	30,370
Depreciation and amortization			-11,330			-12,348
Non-recurring items			-5,691			-2,265
<b>Operating profit/loss</b>			<b>8,009</b>			<b>15,755</b>
Net financial items			-10,000			-9,223
<b>Profit/loss before tax</b>			<b>-1,991</b>			<b>6,532</b>

	2023			2022		
	English speaking	Europe	Group	English speaking	Europe	Group
(€ '000) Jan-Dec						
Revenue from external customers	212,001	525,894	737,895	223,206	494,063	717,269
EBITDA excl. non-recurring items	39,793	55,861	95,655	36,394	56,857	93,251
Depreciation and amortization			-47,899			-48,950
Non-recurring items			-17,797			-8,893
<b>Operating profit/loss</b>			<b>29,959</b>			<b>35,408</b>
Net financial items			-37,610			-24,765
<b>Profit/loss before tax</b>			<b>-7,651</b>			<b>10,643</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)	2023 Q4	2022 Q4	2023 Jan-Dec	2022 Jan-Dec
Operational non-recurring items	-4,927	-1,049	-15,744	-5,346
Transaction-related non-recurring items	-797	-1,336	-2,241	-5,004
<b>Total</b>	<b>-5,724</b>	<b>-2,385</b>	<b>-17,986</b>	<b>-10,350</b>
whereof depreciation and amortization	-33	-120	-188	-1,457
<b>Total excl. depreciation and amortization</b>	<b>-5,691</b>	<b>-2,265</b>	<b>-17,797</b>	<b>-8,893</b>

Total non-recurring items (NRI) amounted to €-5.7 million (-2.4) for Q4 2023, and €-18.0 million (-10.4) accumulated for the full year. Operational non-recurring items are due to restructuring activities, mainly related to site reductions and reorganization, and amounted to €-4.9 million (-1.0) for the quarter, and €-15.7 million (-5.3) accumulated for the full year. Transactional non-recurring items amounted to €-0.8 million (-1.3) for the quarter, and €-2.2 million (-5.0) accumulated for the full year, mainly transactional expenses related to acquisitions.

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

(€ '000)	2023 Q4	2022 Q4	2023 Jan-Dec	2022 Jan-Dec
Gross profit	-1,119	1,038	-1,423	-3,423
Administrative expenses	-2,270	-3,423	-9,853	-6,927
Other operating income/expenses	-2,334	-	-6,709	-
<b>Total</b>	<b>-5,724</b>	<b>-2,385</b>	<b>-17,986</b>	<b>-10,350</b>

(€ '000) Q4	2023			2022		
	Reported	Non-recurring items	Excl. Non-recurring items	Reported	Non-recurring items	Excl. Non-recurring items
Operating profit/loss	8,009	-5,724	13,732	15,755	-2,385	18,140
Transaction-related amortization	-2,532	-	-2,532	-3,621	-	-3,621
<b>EBITA</b>	<b>10,541</b>	<b>-5,724</b>	<b>16,264</b>	<b>19,376</b>	<b>-2,385</b>	<b>21,761</b>
Operative depreciation and amortization	-8,797	-33	-8,765	-8,728	-120	-8,607
<b>EBITDA</b>	<b>19,338</b>	<b>-5,691</b>	<b>25,029</b>	<b>28,104</b>	<b>-2,265</b>	<b>30,368</b>

(€ '000) Jan-Dec	2023			2022		
	Reported	Non-recurring items	Excl. Non-recurring items	Reported	Non-recurring items	Excl. Non-recurring items
Operating profit/loss	29,959	-17,986	47,944	35,408	-10,350	45,758
Transaction-related amortization	-13,720	-	-13,720	-14,214	-	-14,214
<b>EBITA</b>	<b>43,679</b>	<b>-17,986</b>	<b>61,664</b>	<b>49,622</b>	<b>-10,350</b>	<b>59,972</b>
Operative depreciation and amortization	-34,179	-188	-33,990	-34,736	-1,457	-33,279
<b>EBITDA</b>	<b>77,857</b>	<b>-17,797</b>	<b>95,655</b>	<b>84,358</b>	<b>-8,893</b>	<b>93,251</b>

## 6. Acquisitions

During Q1 2023, Transcom paid the second out of two installments for earn out related to the acquisition of City Connect in 2021.

During Q2, the first payment out of two installments for earn out was made relating to the acquisition of Forcontact in December 2022.

In Q3, on July 18, 2023, Transcom announced acquisition of timeframe, a premium service provider of customer care, sales, marketing, and video identification services. Timeframe has over 700 highly qualified employees and are serving primarily logistic, energy and ecommerce companies from seven locations in Germany (2), Portugal (2), and Greece (3).

A preliminary acquisition analysis has been prepared including the fixed part of the purchase price and estimations for the variable amounts which depend on the achievement of certain goals set up for the acquired business. The variable parts of purchase price will be paid out in two installments within two years after acquisition date. The total surplus value of the preliminary acquisition analysis has been allocated to goodwill as per December 31, 2023.

## 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 €75 million with termination date in June 2026. The Notes are listed on The International Stock Exchange. The Notes and the SSRCF share security and guarantees in accordance with the provisions of an intercreditor agreement.

As per Q4 2023, €43.6 million of the SSRCF was utilized in loans, excluding guarantees and overdraft facility usage. Unused credit facilities totaled €26.9 million.

After the reporting period, on January 19, Transcom Holding AB entered into a private placement (“Private Placement”) pursuant to which it intends 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.

There are share pledges in material group companies €233.3 million (236.4) 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, 2023.

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, the first payment of €6.6 million was made. Second and final payment is expected during 2024.

As per December 31, 2023, the total current and non-current provisions amounted to €18.6 million (30.2).

## 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) 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	102,368	2,934	-	105,302	132,405
<b>Total financial liabilities</b>	<b>476,193</b>	<b>2,934</b>	<b>-</b>	<b>479,127</b>	<b>564,930</b>
<b>(€ '000) Dec 31, 2022</b>					
Total non-current assets	6,539	-	-	6,539	6,539
Total current assets	192,016	-	264	192,280	192,280
<b>Total financial assets</b>	<b>198,555</b>	<b>-</b>	<b>264</b>	<b>198,818</b>	<b>198,818</b>
Total non-current liabilities	344,162	3,607	-	347,770	416,966
Total current liabilities	103,564	9,485	-	113,049	134,945
<b>Total financial liabilities</b>	<b>447,726</b>	<b>13,092</b>	<b>-</b>	<b>460,819</b>	<b>551,911</b>

## 10. Leasing

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

(€ '000)	2023 Q4	2022 Q4	2023 Jan-Dec	2022 Jan-Dec
Reversed cost (EBITDA effect)	4,693	4,758	17,082	18,462
Depreciations	-4,348	-4,333	-15,702	-16,710
<b>Operating profit/loss</b>	<b>345</b>	<b>425</b>	<b>1,380</b>	<b>1,752</b>
<b>EBITDA effect</b>	<b>4,693</b>	<b>4,758</b>	<b>17,082</b>	<b>18,462</b>
Net financial items	-597	-507	-2,075	-1,987
Income tax expense	10	10	14	-30
<b>Profit/loss for the period</b>	<b>-242</b>	<b>-72</b>	<b>-680</b>	<b>-265</b>
Right-of-use assets	29,388	30,152	29,388	30,152
Lease liabilities, non-current	17,142	18,265	17,142	18,265
Lease liabilities, current	13,707	12,696	13,707	12,696

## 11. Income tax payables

As per December 31, 2023, income tax payables include uncertain tax positions to the amount of €2.2 million (1.6) related to Group operations in Tunisia, Colombia, and Croatia. At the time of this report, eight Group entities located in the Philippines, Germany, Serbia, and Albania are under tax audit. Two audits started in 2023 while the 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. 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 €5.8 million (9.8), whereof €2.3 million (4.9) are classified as Other liabilities, non-current.

### 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 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 28 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).