

Q3 2023

- Revenue increased to 180.6M€ (177.5)
- EBITDA excluding non-recurring items increased to 25.1M€ (23.0)
- EBITDA margin excluding non-recurring items increased to 13.9% (13.0%)
- Operating cash flow decreased to 9.4M€ (12.2)
- Net debt/EBITDA decreased to 3.5 (3.7)

Jan-Sep 2023

- Revenue increased to 548.2M€ (525.9)
- EBITDA excluding non-recurring items increased to 70.6M€ (62.9)
- EBITDA margin excluding non-recurring items increased to 12.9% (12.0%)
- Operating cash flow increased to 33.1M€ (27.5)
- Net debt/EBITDA decreased to 3.5 (3.7)

Accelerated transformation to AI & near/offshore delivery

Revenue for the third quarter increased to 180.6M€ (177.5). EBITDA increased to 25.1M€ (23.0) and the EBITDA margin, excluding non-recurring items, increased to 13.9% (13.0%). For the first time, LTM EBITDA passed 100M€, landing at 101M€ (89).

We continue to win new contracts with new and existing clients, while further shifting our delivery towards AI & near & offshore delivery. Transcom is at the forefront of the AI revolution in customer service. We are evolving our market leading Digital & AI offering, with stronger advisory services, new proprietary solutions, and best-of-breed product partnerships.

While we are winning new business, volumes in existing contracts are declining due to the weak consumer confidence, in particular in discretionary consumer categories in eCom & Tech. Clients are looking for cost efficient solutions to address the situation and we respond by accelerating our transformation in line with our strategy. We are reducing onshore capacity and have reorganized to reduce cost and better serve large international clients. The new organization will drive global consistency, improve client service, and increase operational efficiency.

During 2023, we have scored new records on client satisfaction and employee engagement, providing a solid platform in the current market environment. Our AI & Digital solutions have received strong recognition from clients and industry analysts. We remain committed to our strategy of client focus and operational excellence, through strong culture and leadership. We will continue to develop our portfolio towards fast growing segments, AI & digital services, delivered from near/offshore locations.

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.

Jonas Dahlberg, President & CEO

Group financial overview

(€m)	2023 Q3	2022 Q3	Change Y-o-Y	2023 Jan-Sep	2022 Jan-Sep	Change Y-o-Y	2023 Q3 LTM	2022 Q3 LTM	Change Y-o-Y
Revenue	180.6	177.5	1.7%	548.2	525.9	4.3%	739.6	701.2	5.5%
EBITDA excl. non-recurring items	25.1	23.0	2.1	70.6	62.9	7.7	101.0	89.0	12.0
EBITDA margin excl. non-recurring items	13.9%	13.0%	1pp	12.9%	12.0%	0.9pp	13.7%	12.7%	1pp
EBITA excl. non-recurring items	16.8	14.7	2.0	45.4	38.3	7.1	67.1	56.3	10.7
EBITA margin excl. non-recurring items	9.3%	8.3%	1pp	8.3%	7.3%	1pp	9.1%	8.0%	1pp
Operating cash flow	9.4	12.2	-2.8	33.1	27.5	5.5	57.9	31.9	26.0
Net debt	356.7	331.5	25.2	356.7	331.5	25.2	356.7	331.5	25.2
Net debt/EBITDA excl. non-recurring items	3.5	3.7	-0.2	3.5	3.7	-0.2	3.5	3.7	-0.2

July-September 2023

Income and profit

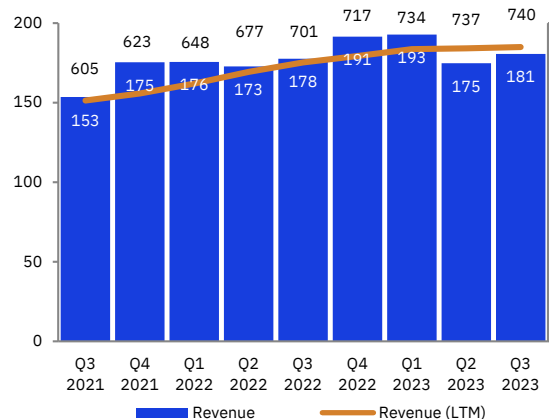
Revenue amounted to €180.6 million (177.5) with a growth of 1.7%. Organic growth was 1.5%, growth from acquisitions in the last twelve months was 3.9% and the currency impact was -3.6%. Comparable organic growth, excluding the exited low margin contract in Spain in the beginning of Q2, was 5.6%.

EBITDA excluding non-recurring items amounted to €25.1 million (23.0) with a margin of 13.9% (13.0%). The higher EBITDA margin is mainly related to the eCommerce & Tech sector and the positive impact from the acquisitions made during the end of 2022 and in the current quarter 2023.

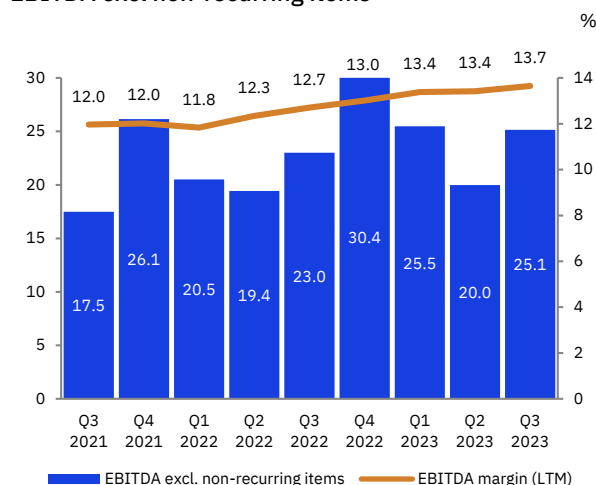
Non-recurring items totaled €-9.4 million (-1.1), including €-7.7 million related to operational non-recurring items, such as restructuring costs, mainly related to site reductions. Transactional non-recurring items amounted to €-1.7 million for the quarter.

Net financial items amounted to €-9.7 million compared to €-5.5 million last year. The increase is mainly driven by higher interest rates and a higher level of utilized SSRCF. Taxes amounted to €-1.2 million (-3.3).

Revenue



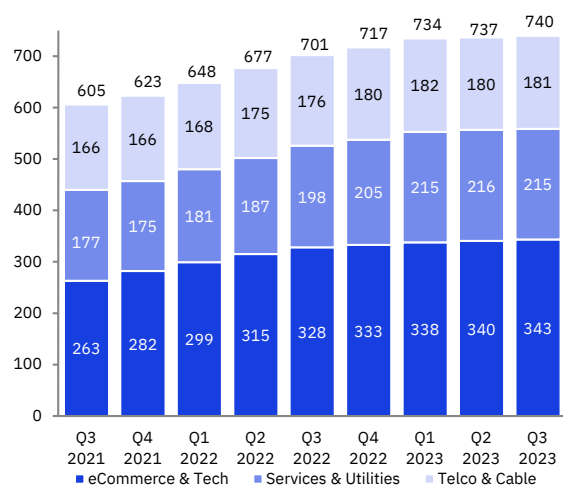
EBITDA excl non-recurring items



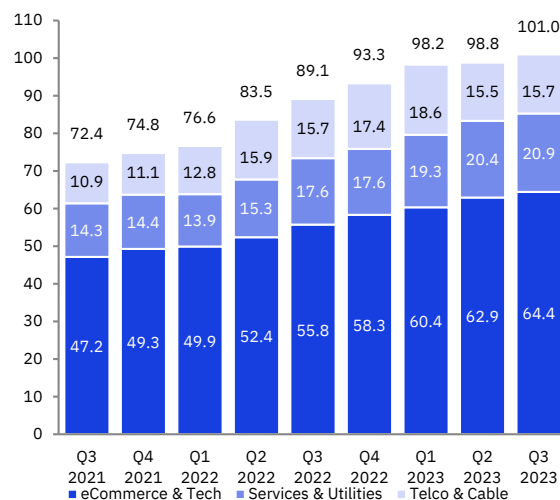
Sector development

The growth in the eCommerce & Tech sector was 4.0% compared to the same period last year and remains the largest sector with 46% of the total revenue in Q3 2023. The eCommerce & Tech sector contributed to the increased EBITDA margin in the quarter with 1.1pp.

Revenue by sector (LTM)*



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



*Reclassification of clients has been done in Q4 2022 with retroactive effect.

Development by geographical segment

English-speaking segment

Revenue amounted to €54.5 million (57.2), a decline of -4.8%, driven by lower volumes from eCommerce & Tech contracts.

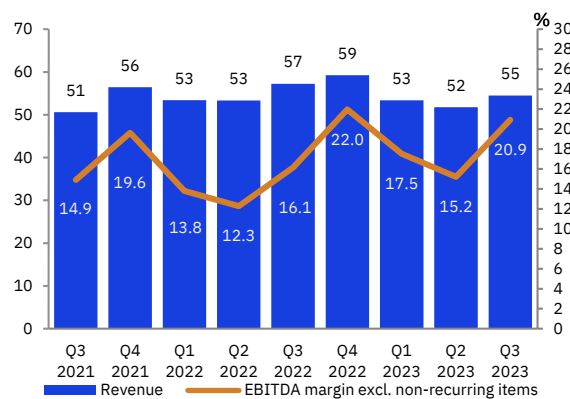
EBITDA excl. non-recurring items amounted to €11.4 million (9.2) with a margin of 20.9% (16.1%). The improved EBITDA margin is mainly driven by improved operational performance across existing contracts.

European segment

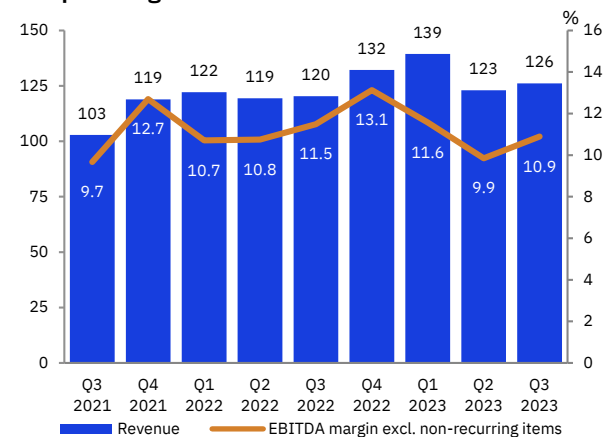
Revenue amounted to €126.1 million (120.3) with a growth of 4.8%, where the negative impact from the exited low margin contract in Spain during Q2 2023 was offset by the acquisitions made during the end of 2022 and in the current quarter 2023 in the eCommerce & Tech sector.

EBITDA excl. non-recurring items amounted to €13.7 million (13.8) with a margin of 10.9% (11.5%). The decreased EBITDA margin is driven by 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 €9.4 million (12.2) in the third quarter. The decrease is mainly due to negative development of the working capital related to increased trade receivables, compared to the same quarter last year.

Cash flow from investing activities amounted to €-13.4 million (-5.5) in the quarter, including the acquisition of timeframe. Cash flow from financing activities amounted to €0.3 million (-5.9) and cash flow totaled €-3.8 million (0.8) in the third quarter.

Net debt amounted to €356.7 million (331.5) including IFRS16 liabilities.

Net debt/EBITDA amounted to 3.5 (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 (SSRCF) of €75 million with termination date in June 2026. As per Q3 2023, €44.6 million of the SSRCF was utilized in loans, excluding guarantees and overdraft facility usage. Unused credit facilities totaled €24.4 million.

January-September 2023**Income and profit**

Revenue amounted to €548.2 million (525.9), a growth of 4.3%. Organic growth was 3.9%, inorganic growth was 2.4% and impact from currency was -2.0%. Comparable organic growth, also excluding the exited contract in Spain in the beginning of Q2, was 6.7%.

EBITDA excluding non-recurring items amounted to €70.6 million (62.9) with a margin of 12.9% (12.0%). Non-recurring items totaled €-12.3 million (-8.0).

Net financial items amounted to €-27.6 million compared to €-15.5 million last year. Taxes amounted to €-4.1 million (-8.5).

Cash flow

Operating cash flow was €33.1 million (27.5). Cash flow from investing activities amounted to €-28.8 million (-19.6). Cash flow from financing activities amounted to €-3.6 million (-14.8). Cash flow totaled €0.7 million (-6.9).

Events after the end of the reporting period

No events having a material effect on the Group's financial performance or financial position have taken place after the end of the quarterly report.

Other information

Earnings call

Transcom will host a webcast at 9:00 CET on Nov 16, 2023. 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-q3-2023-results-presentation>

Financial calendar

Transcom's Q4 2023 report will be published on Feb 22, 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 Q3	2022 Q3	2023 Jan-Sep	2022 Jan-Sep	2023 LTM	2022 Jan-Dec
Revenue	4	180,644	177,550	548,220	525,861	739,629	717,269
Cost of sales	5	-135,706	-136,555	-417,714	-408,213	-556,988	-547,486
Gross profit		44,938	40,995	130,506	117,648	182,641	169,783
Sales and marketing expenses		-2,775	-2,420	-7,273	-7,196	-9,859	-9,782
Administrative expenses	5	-36,809	-30,661	-100,487	-93,202	-134,780	-127,496
Other operating income/expenses	5	-1,666	1,107	-796	2,403	-297	2,903
Operating profit/loss	4,5	3,687	9,020	21,950	19,653	37,705	35,408
Net financial items		-9,724	-5,471	-27,610	-15,542	-36,833	-24,765
Profit/loss before tax		-6,037	3,549	-5,660	4,111	872	10,643
Income tax expense/income		-1,180	-3,312	-4,077	-8,486	-6,726	-11,135
Profit/loss for the period attributable to equity holders of the parent		-7,217	238	-9,737	-4,375	-5,854	-492

Transcom Group - Condensed consolidated statement of comprehensive income

(€ '000)	2023 Q3	2022 Q3	2023 Jan-Sep	2022 Jan-Sep	2023 LTM	2022 Jan-Dec
Profit/loss for the period attributable to equity holders of the parent	-7,217	238	-9,737	-4,375	-5,854	-492
Other comprehensive income:						
Exchange differences on translation of foreign operations	2,290	3,339	-1,193	3,066	-2,475	1,784
Net gain/loss on cash flow hedges	-1,358	-1,433	-918	-2,940	2,977	955
Other comprehensive income to be reclassified to profit or loss in subsequent periods	932	1,906	-2,112	126	501	2,739
Actuarial profit/loss on post-employment benefit obligations	-	-	47	-	1,175	1,129
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	47	-	1,175	1,129
Other comprehensive income for the period, net of tax	932	1,906	-2,065	126	1,677	3,868
Total comprehensive income for the period, net of tax, attributable to equity holders of the parent	-6,286	2,144	-11,802	-4,249	-4,178	3,375

Transcom Group - Condensed consolidated statement of financial position

(€ '000)	Notes	2023 Sep 30	2022 Sep 30	2022 Dec 31
ASSETS				
Non-current assets				
Goodwill	6	244,132	228,641	236,335
Other intangible assets		87,140	100,275	94,605
Tangible assets		34,133	32,678	36,975
Right-of-use assets	10	27,788	32,056	30,152
Deferred tax assets		3,006	5,276	1,565
Other receivables		8,114	7,486	6,539
Total non-current assets		404,313	406,412	406,171
Current assets				
Trade receivables		93,864	83,272	92,009
Income tax receivables		4,626	3,608	3,387
Other receivables		25,196	22,797	22,771
Prepaid expenses and accrued income		59,793	61,820	54,503
Cash and cash equivalents		32,001	31,030	31,404
Total current assets		215,480	202,527	204,073
TOTAL ASSETS		619,793	608,940	610,244
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent		83,660	87,837	95,462
Non-current liabilities				
Interest-bearing liabilities	7	354,002	316,946	322,250
Employee benefit obligations		886	5,187	2,356
Lease liabilities	10	16,031	18,481	18,265
Provisions	6	3,801	6,094	7,254
Deferred tax liabilities		11,644	17,362	14,117
Other liabilities	12	4,285	5,694	4,900
Total non-current liabilities		390,650	369,764	369,143
Current liabilities				
Interest-bearing liabilities	7	4,522	8,037	2,623
Lease liabilities	10	13,241	13,893	12,696
Provisions	6,8	21,323	20,621	22,985
Trade payables		14,935	12,435	20,284
Income tax payables	11	8,155	7,144	6,641
Other liabilities	12	32,630	35,737	36,266
Accrued expenses and prepaid income		50,678	53,471	44,144
Total current liabilities		145,484	151,338	145,639
Total liabilities		536,134	521,102	514,782
TOTAL EQUITY AND LIABILITIES		619,793	608,940	610,244

Transcom Group - Condensed consolidated statement of changes in equity

(€ '000)	Equity attributable to equity holders of the parent				
	Total number of shares ('000)	Share capital	Other contributed capital	Other reserves and Retained earnings	Total equity
Balance, Jan 1, 2022	11,938	55	23,501	68,530	92,085
Profit/loss for the period	-	-	-	-4,375	-4,375
Other comprehensive income, net of tax	-	-	-	126	126
Balance, Sep 30, 2022	11,938	55	23,501	64,281	87,837
Profit/loss for the period	-	-	-	3,883	3,883
Other comprehensive income, net of tax	-	-	-	3,742	3,742
Balance, Dec 31, 2022	11,938	55	23,501	71,906	95,462
Profit/loss for the period	-	-	-	-9,737	-9,737
Other comprehensive income, net of tax	-	-	-	-2,065	-2,065
Balance, Sep 30, 2023	11,938	55	23,501	60,104	83,660

Transcom Group - Condensed consolidated statement of cash flows

(€ '000)	Notes	2023 Q3	2022 Q3	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Cash flows from operating activities						
Profit/loss before tax		-6,037	3,549	-5,660	4,111	10,643
Adjustments to reconcile profit before tax to net cash:						
Other non-cash adjustments		15,389	8,126	30,240	28,162	42,469
Net financial items		9,724	5,471	27,610	15,542	24,765
Income taxes paid		-2,915	-2,077	-7,709	-7,209	-8,165
Cash flows from operating activities before changes in working capital		16,161	15,069	44,481	40,606	69,712
Changes in working capital		-6,804	-2,903	-11,410	-13,066	-17,324
Cash flow from operating activities		9,358	12,166	33,072	27,540	52,388
Investments and disposals of tangible assets		-3,597	-3,301	-9,430	-10,541	-20,185
Investments and disposals of intangible assets		-2,853	-1,365	-5,408	-3,343	-4,020
Acquisition of subsidiaries, net of cash	6	-7,176	-	-13,881	-5,000	-9,788
Changes in other non-current assets		-32	-818	-517	-746	138
Interest received		259	-	430	-	245
Cash flow from investing activities		-13,400	-5,484	-28,806	-19,630	-33,611
Proceeds from borrowings	7	13,293	3,883	33,717	14,454	14,450
Repayment of borrowings	7	-172	-436	-840	-1,286	-1,770
Payment of lease liabilities	10	-3,611	-4,064	-10,911	-12,177	-16,332
Interest and other financial costs paid		-9,235	-5,301	-25,552	-15,776	-22,198
Cash flow from financing activities		275	-5,918	-3,586	-14,785	-25,849
Cash flow for the period		-3,769	764	679	-6,875	-7,071
Cash and cash equivalents at beginning of the period		34,487	30,459	31,404	39,236	39,236
Cash flow for the period		-3,769	764	679	-6,875	-7,071
Exchange rate differences in cash and cash equivalents		1,282	-193	-82	-1,329	-760
Cash and cash equivalents at end of the period		32,001	31,030	32,001	31,030	31,404

Transcom Holding AB (publ) - Condensed income statement

(€ '000)	2023 Q3	2022 Q3	2022 Jan-Dec
Revenue	725	1,107	5,171
Cost of sales	-	-	-
Gross profit	725	1,107	5,171
Administrative expenses	-728	-1,101	-5,136
Other operating income/expenses	-24	4	-
Operating profit/loss	-26	9	35
Net financial items	-3,845	-2,247	-7,251
Profit/loss before tax	-3,870	-2,238	-7,216
Income tax expense/income	-	-	-
Profit/loss for the period*	-3,870	-2,238	-7,216

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

Transcom Holding AB (publ) - Condensed balance sheet

(€ '000)	Notes	2023 Sep 30	2022 Sep 30	2022 Dec 31
ASSETS				
Non-current assets				
Investments in Group companies		281,919	281,919	281,919
Receivables from Group companies		154,644	165,391	165,309
Total non-current assets		436,563	447,310	447,228
Current assets				
Receivables from Group companies		3,967	3,071	3,344
Other receivables		242	129	74
Cash and cash equivalents		403	641	548
Total current assets		4,613	3,841	3,966
TOTAL ASSETS		441,176	451,151	451,193
EQUITY AND LIABILITIES				
Equity				
Restricted equity		55	55	55
Unrestricted equity		130,368	141,473	140,953
Total equity		130,423	141,528	141,008
Non-current liabilities				
Interest-bearing liabilities	7	308,994	307,779	309,289
Other liabilities		87	216	-
Total non-current liabilities		309,081	307,995	309,289
Current liabilities				
Interest-bearing liabilities	7	1,260	873	-
Liabilities to Group companies		-	-	-11
Other liabilities		412	755	908
Total current liabilities		1,672	1,628	896
Total liabilities		310,753	309,623	310,185
TOTAL EQUITY AND LIABILITIES		441,176	451,151	451,193

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) Q3						
Revenue from external customers	54,513	126,131	180,644	57,243	120,306	177,549
EBITDA excl. non-recurring items	11,403	13,741	25,144	9,299	13,704	23,003
Depreciation and amortization			-12,258			-13,063
Non-recurring items			-9,198			-918
Operating profit/loss			3,687			9,020
Net financial items			-9,724			-5,471
Profit/loss before tax			-6,037			3,549

	2023			2022		
	English speaking	Europe	Group	English speaking	Europe	Group
(€ '000) Jan-Sep						
Revenue from external customers	159,643	388,577	548,220	164,008	361,829	525,861
EBITDA excl. non-recurring items	28,633	41,996	70,629	23,377	39,504	62,881
Depreciation and amortization			-36,573			-36,602
Non-recurring items			-12,106			-6,628
Operating profit/loss			21,950			19,653
Net financial items			-27,610			-15,542
Profit/loss before tax			-5,660			4,111

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 Q3	2022 Q3	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Operational non-recurring items	-7,675	-376	-10,817	-4,297	-5,346
Transaction-related non-recurring items	-1,679	-681	-1,444	-3,668	-5,004
Total	-9,354	-1,057	-12,262	-7,965	-10,350
whereof depreciation and amortization	-156	-139	-156	-1,337	-1,457
Total excl. depreciation and amortization	-9,198	-918	-12,106	-6,628	-8,893

Total non-recurring items (NRI) amounted to €-9.4 million (-1.1) for Q3 2023. Operational non-recurring items are due to restructuring activities, mainly related to site reductions and amounted to €-7.7 million (-0.4) for the quarter. Transactional non-recurring amounted to €-1.7 million (-0.7) for the quarter, related to advisory work on potential and closed acquisitions.

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

(€ '000)	2023 Q3	2022 Q3	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Cost of sales	-304	804	-304	-4,461	-3,423
Administrative expenses	-5,684	-1,861	-7,583	-3,504	-6,927
Other operating income/expenses	-3,365	-	-4,375	-	-
Total	-9,354	-1,057	-12,262	-7,965	-10,350

(€ '000) Q3	2023			2022		
	Reported	Non-recurring items	Excl. Non-recurring items	Reported	Non-recurring items	Excl. Non-recurring items
Operating profit/loss	3,687	-9,354	13,040	9,020	-1,057	10,077
Transaction-related amortization	-3,720	-	-3,720	-4,561	-	-4,561
EBITA	7,406	-9,354	16,760	13,581	-1,057	14,638
Operative depreciation and amortization	-8,538	-156	-8,382	-8,502	-139	-8,363
EBITDA	15,944	-9,198	25,142	22,084	-918	23,003

(€ '000) Jan-Sep	2023			2022		
	Reported	Non-recurring items	Excl. Non-recurring items	Reported	Non-recurring items	Excl. Non-recurring items
Operating profit/loss	21,950	-12,262	34,212	19,653	-7,965	27,618
Transaction-related amortization	-11,188	-	-11,188	-10,593	-	-10,593
EBITA	33,138	-12,262	45,400	30,246	-7,965	38,211
Operative depreciation and amortization	-25,385	-156	-25,229	-26,009	-1,337	-24,672
EBITDA	58,523	-12,106	70,629	56,255	-6,628	62,881

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 September 30, 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 Q3 2023, €44.6 million of the SSRCF was utilized in loans, excluding guarantees and overdraft facility usage. Unused credit facilities totaled €24.4 million.

There are share pledges in material group companies €235.2 million (228.3) 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 September 30, 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, first payment of €6.6 million was made. Second and final payment is expected during 2024.

As per September 30, 2023, the total current and non-current provisions amounted to €25.1 million (26.7).

9. Financial instruments

Classification of the Group's financial assets and liabilities:

	Financial instruments at amortized cost	Financial instruments at fair value to the P&L	Derivatives for cashflow hedges	Carrying amount	Fair value
(€ '000) Sep 30, 2023					
Total non-current assets	8,114	-	-	8,114	8,114
Total current assets	192,151	-	-	192,151	192,151
Total financial assets	200,266	-	-	200,266	200,266
Total non-current liabilities	373,835	-	-	373,835	437,997
Total current liabilities	102,617	10,075	-1	112,692	139,768
Total financial liabilities	476,451	10,075	-1	486,526	577,765
(€ '000) Dec 31, 2022					
Total non-current assets	6,539	-	-	6,539	6,539
Total current assets	192,016	-	264	192,280	192,544
Total financial assets	198,555	-	264	198,818	199,083
Total non-current liabilities	344,162	3,607	-	347,770	416,966
Total current liabilities	103,564	9,485	-	113,049	134,945
Total financial liabilities	447,726	13,092	-	460,819	551,911

10. Leasing

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

(€ '000)	2023 Q3	2022 Q3	2023 Jan-Sep	2022 Jan-Sep
Reversed cost (EBITDA effect)	4,071	4,631	12,389	13,704
Depreciations	-3,729	-4,287	-11,354	-12,377
Operating profit/loss	342	345	1,035	1,327
EBITDA effect	4,071	4,631	12,389	13,704
Net financial items	-477	-214	-1,178	-732
Income tax expense	4	-11	5	-40
Profit/loss for the period	-130	119	-138	555
Right-of-use assets	27,788	32,056	27,788	32,056
Lease liabilities, non-current	16,031	18,481	16,031	18,481
Lease liabilities, current	13,241	13,893	13,241	13,893

11. Income tax payables

As per September 30, 2023, income tax payables include uncertain tax positions to the amount of €1.6 million (1.6) related to Group operations in Tunisia. At the time of the report, seven 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 €6.9 million (10.6), whereof €3.6 million 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.