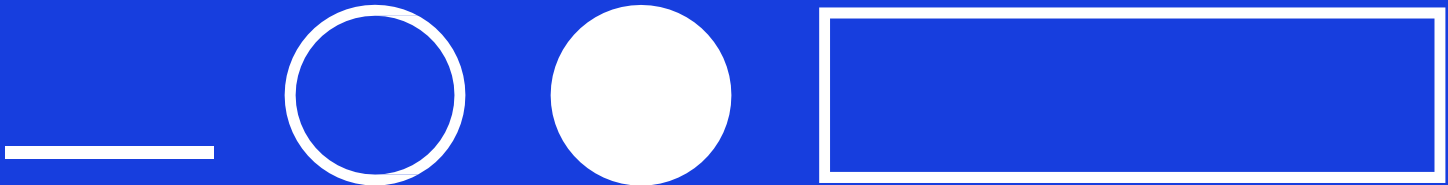
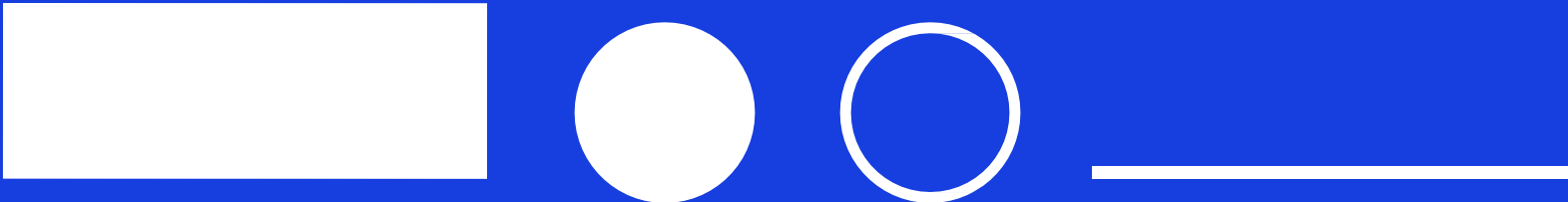


Corporate Governance Report 2025



Transcom

Corporate Governance Report 2025

Overview

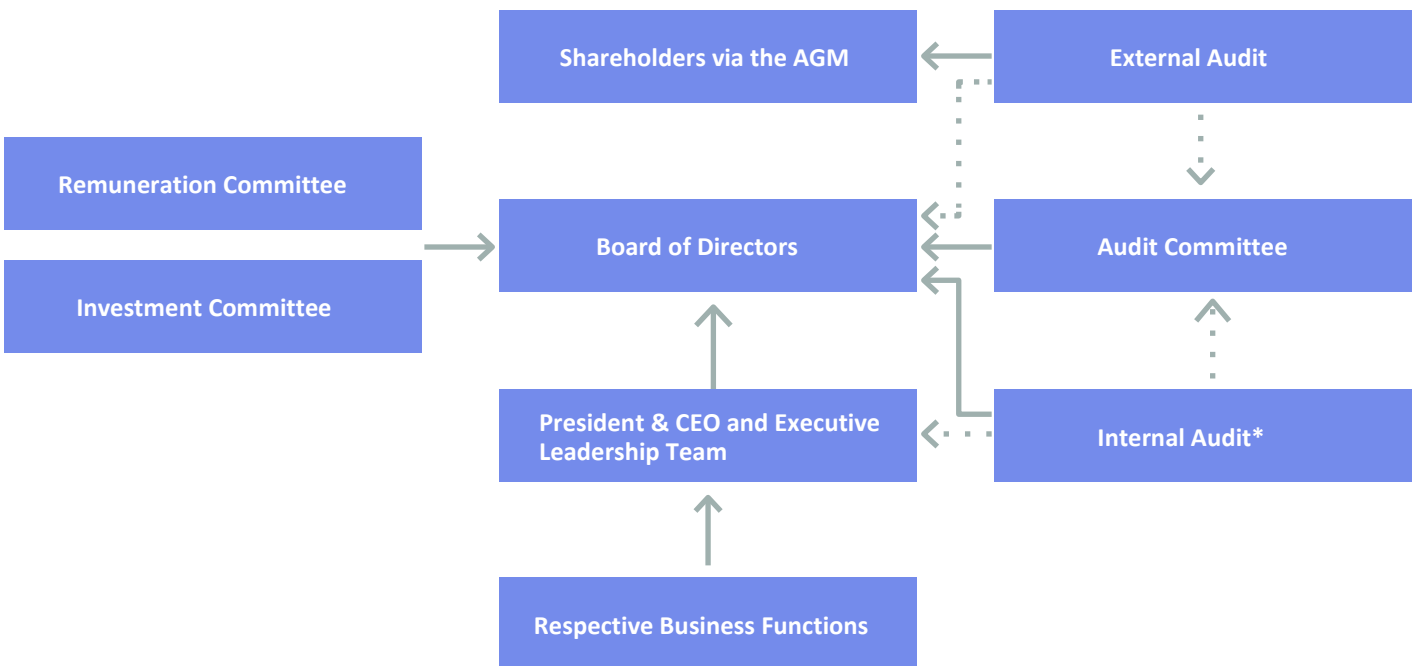
Transcom Holding AB (publ) (“Transcom” or the “Company”) is a Swedish public company, with corporate bonds listed on The International Stock Exchange (“TISE”) located in Guernsey.

As a Swedish public company Transcom is subject to the Swedish Companies Act, the Annual Accounts Act and other applicable Swedish and foreign laws and regulations. In addition, to ensure compliance with all applicable legal requirements, Transcom has adopted internal instructions

and guidelines, including the Code of Business Conduct, Supplier Code of Business Conduct as well as several internal policies as explained further below. The Board of Directors has also approved and implemented rules of procedures for the work of the Board of Directors including instructions for the CEO.

This report is prepared in accordance with the Swedish Annual Accounts Act.

Transcom’s Corporate Governance structure



* Internal audit, control and compliance are managed by Group Finance.

Articles of association

Transcom's Articles of Association (as defined below), which form the basis of the governance of the Company's operations, set forth the Company's name, the seat of the Board, the object of the business activities, the shares and share capital of the Company and contain rules with respect to the shareholders' meetings. The Articles of Association don't contain any limitations as to how many votes each shareholder may cast at shareholders' meetings, nor any provisions regarding the appointment and dismissal of Board members or amendments to the Articles of Association.

Share

The share capital of Transcom is composed of ordinary shares. Each share regardless of series represents one vote. Transcom is a privately owned company. Altor Funds IV (No 1 and 2) are the majority owners, alongside significant minority investors Gunilla von Platen (founder and previous owner of Xzakt Kundrelation), as well as key employees from Transcom.

Board of Directors

As per the applicable Swedish laws, the Board of Directors is elected by the shareholders at the Annual General Meeting (AGM) or an Extraordinary General Meeting (EGM), and can be removed at any time, with or without cause, by a resolution in the aforementioned shareholders' meetings. The Board of Directors of the Company (the "Board of Directors") is ultimately responsible for the organization of Transcom and the management of its operations.

Composition of the Board of Directors of the Company

The Board of Directors as of 31 December 2025 is comprised of seven directors whereof:

- Three directors are independent vis-à-vis major shareholders and
- Seven directors are independent vis-à-vis the management and the Company.

In the AGM 2025, it was resolved that the Board of Directors shall consist of seven directors and two Deputy Directors.

It was resolved to reelect Fredrik Cappelen, Mattias Holmström, Julius Höh, Brent J Welch, Alfred von Platen, Donald Hicks, and Christine Timmins Barry as Directors of the Board. It was resolved to reelect Gunilla von Platen and Vemund Wöien as Deputy Directors.

Remuneration of the Board of Directors

The remuneration of the members of the Board of Directors is approved by the AGM. The proposal is based on benchmarking of peer group company compensation and company size. The members of the Board of Directors do not participate in the Company's short-term incentive

schemes. Furthermore, Transcom did not grant any loan to any member of its Board of Directors.

The total amount of remuneration and other benefits granted directly or indirectly by the Company to the members of its Board of Directors is provided in note 6 in Transcom's Annual Report 2025.

Responsibilities and duties of the Board of Directors

The Board of Directors oversees the overall governance and strategic direction of the Company, providing effective support for, and controlling the activities of the Transcom Executive Leadership Team. It is responsible for the performance of all acts of administration necessary for accomplishing the Company's purpose, except for matters reserved by Swedish law to the general meeting of shareholders.

The Board of Directors has adopted rules of procedures for its internal activities which include rules pertaining to the number of Board meetings to be held, the matters to be handled at such regular Board meetings, and the duties of the Chairman (the "Rules of Procedure"). The work of the Board is also governed by rules and regulations which include the Swedish Companies Act, and the Articles of Association, as well as internal policy documents.

To carry out its work more effectively, the Board of Directors has created an Audit Committee, a Remuneration Committee, and an Investment Committee. The Rules of Procedures specify the duties that the Board has delegated to the Committees and how the committees are to report to the Board. The committees handle business within their respective areas and present recommendations and reports on which the Board of Directors may base its decisions and actions. However, all members of the Board of Directors have the same responsibility for decisions made and actions taken, irrespective of whether issues have been reviewed by such committees or not.

Internal control

The Board of Directors has overall responsibility for Transcom's risk and internal control systems and for monitoring their effectiveness. The Board of Directors monitors the ongoing process by which critical risks to the business are identified, evaluated and managed.

Transcom's internal control systems are designed to manage and mitigate rather risks that might affect the achievement of its objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. In assessing what constitutes reasonable assurance, the Board of Directors and Executive Management considers the materiality of financial and nonfinancial risks and the relationship between the costs of, and benefit from, internal control systems.

The principal features of the Group's systems of internal control are designed to:

- Maintain proper accounting records
- Provide reliable financial information
- Identify and manage business risks
- Maintain compliance with appropriate legislation and regulation
- Identify and adopt best practice; and
- Safeguard assets.

Each year the Audit Committee assesses the effectiveness of Transcom's risk management and internal controls system based on:

- Established policies, including those already described, which are in place to manage perceived risks
- The continuous enterprise-wide process for identifying, evaluating and managing the significant risks to the achievement of the Group's objectives
- Reports to the Audit Committee on the results of External auditors' work and Internal audit reviews, both including action plans from the concerned Management.

The chairman of the Audit Committee informs the Board of Directors of the results of the above. The principal features of the control framework are detailed below.

The external auditors are appointed by the Board of Directors and focus on risk assessment, control testing, substantive testing and audit reporting. The external auditors also assess the overall internal control environment.

Control environment

The Board of Directors reviews and approves the annual budget and three-year plan which includes a quantified assessment of planned operating and financial performance for the next financial year for each business unit, together with a strategic plan for the Group for the following two years.

Transcom has an established governance framework, the key features of which include:

- Rules of procedures for the Board of Directors and instruction for each of its committees
- A clear organizational structure, with documented delegation of authority from the Board to the CEO
- Board-approved Global policies like Whistleblower policy, Environmental policy, Code of Business Conduct and Supplier Code of Business Conduct to promote ethical, sustainable and transparent business practices within the Group
- Board-approved key policies including Treasury policy, Delegation matrix, Global Data Privacy policies and Communications policy; and
- Accounting manual, reporting instructions and global accounting and reporting systems to ensure the completeness and correctness of financial reporting and its compliance with IFRS requirements.

Furthermore, the Group Finance organization plays an important role in ensuring correct and timely financial reporting.

Risk assessment

Transcom's risk management and internal control framework is designed to support the identification, assessment, monitoring, and management and control of risks that are significant to the achievement of business objectives, ensure compliance and provide reliable financial information.

The CEO and Executive Leadership Team are responsible for reviewing and monitoring financial, strategic, human resources, operational, commercial, technological, compliance, ESG and other applicable risks. ELT monitors the Group's risk profile, which helps the Company to proactively identify the most important risks.

Risks are evaluated in terms of potential impact and likelihood. Overall risk analyses and mitigation actions are presented to the Audit Committee and the Board.

The Group's business plans are based on key markets, client, economic and financial assumptions. The business planning process includes an assessment of the risk and sensitivities underlying the projections.

Transcom continuously works to improve the policies which govern the management and control of both financial and non-financial risks. The adoption of these policies throughout the Group enables a broadly consistent approach to the management of risk at business unit level.

For a summary of key risks Transcom faces while operating in a highly fragmented and competitive global industry, refer to pages 6–7.

Information and communication

Policies and guidelines of significance to financial reporting are regularly updated and communicated to the employees concerned. Detailed reporting instructions are provided to Group companies periodically.

Transcom has taken initiatives to further strengthen information, training, awareness and communication related to policies and governance principles.

Furthermore, all employees are required to sign the Code of Business Conduct when starting their employment with Transcom and are given suitable training on the key values. In addition, Transcom has implemented a Supplier Code of Business Conduct to promote ethical business practices in our supply chain. All employees are also subject to mandatory data privacy policy training.

Control activities

The Business Areas Managers, with support from their respective management teams, are responsible for the implementation of control activities in compliance with Transcom's policies and governance documents as well as for managing any further risks that they may identify. This includes controls in financial reporting as well as controls in other processes which could impact financial reporting.

Internal audit, control and compliance are managed by Group Finance. The Audit Committee, in addition to the Board, reviews and approves interim and Annual Reports prior to publication.

Follow-up

Monthly performance and financial reports are produced for each Business area, with comparisons to budget, rolling forecasts and past year. The financial reports together with forecasts for the income statement and cash flow are consolidated for overall review by the CEO and CFO as well as top level business leaders and functional leaders.

The Board of Directors regularly reviews the actual performance of the business compared with budgets, forecasts and previous periods, as well as other key performance indicators. The Board of Directors reviews the effectiveness of established internal controls through the Audit Committee, as described above.

Transcom's Group Finance team is responsible for following up critical risks and action plans and reporting the status of action plans to the Audit Committee. Further Transcom's annual audit plan, that is, the scope and the areas of operations to be reviewed during audits, is reviewed, and approved each year by the Audit Committee.

Sustainability

Sustainability is an integral part of our corporate strategy, business culture, and day-to-day operations. We are committed to driving a sustainable agenda, and creating positive, lasting changes for the planet, its people, and the communities where we operate, thus creating value for all our stakeholders, clients, investors, employees, and local communities. Our sustainability framework, which consists of six overarching pillars explained in our sustainability strategy, is closely aligned with our core business activities and covers our material topics, people development, inclusion & diversity, community engagement, environment, business ethics, security & privacy. Transcom's Code of Business Conduct is available in 20 languages and covers the four areas of the UN Global Compact: human rights, labor rights, environment and anti-corruption.

Transcom has started the process of preparing for the new Corporate Sustainability Reporting Directive. The preparation consists of all relevant measures to file a report in compliance with the regulations.

Whistleblower process

The Board of Directors has established a whistleblowing process which enables employees to report violations in accounting, reporting, internal controls, non-compliance with the Code of Business Conduct, Group policies and applicable laws.

Employees are requested to report matters to their local manager, the local Human Resources manager, or to Transcom's internal whistleblower function at whistleblower.reporting@transcom.com. The whistleblower reporting mechanism facilitates anonymous reporting. All allegations are taken seriously, and an enquiry is conducted to not only investigate the alleged violations, but also to identify root causes to facilitate further strengthening of internal control.

Risks and risk management

Business risks	How it may impact Transcom	Transcom's management of risk
Macro-economic risks	Deterioration and/or sustained volatility in economic conditions in the markets in which Transcom operate may adversely affect its clients' business and the level of demand for Transcom's services which could have a material adverse effect on our revenue, profitability & strategy.	We continuously monitor and analyze the economic development and evolution of our clients' business trends to align our strategy and goals in view of the ever-evolving economic condition.
Disasters, disruption & hazard risks (including IT or network failure)	The continuity of our operations may be affected by natural disasters, wars, terrorist attacks, other civil disturbances, epidemics, technical failures etc. Any sustained disruption of our services may lead to deterioration in our profitability from the affected site/country/region. Information technology infrastructure failures can cause disruptions in our business activities.	We carry out detailed business impact analysis and have developed business continuity plans, which are periodically evaluated and updated. For technological risks, we have developed backup & disaster recovery plans and strategies. We have secured insurance against business interruptions.
Client & industry concentration	About 42% of the Company's revenue is generated from the top 10 clients, and 48% of the revenue is generated by clients in the eCom&Tech sector. Any significant loss of work from one or more of these clients, or a prolonged downturn in one or more of these industry verticals, could adversely affect our business.	We continuously work on adding new clients to our portfolio to diversify the client concentration. The Company has a rigorous governance process for oversight and management of commercial risks and also working closely with the representatives of Transcom's clients.
Capacity utilization & productivity/ efficiency risks	Our financial results depend on our capacity utilization and our ability to manage our workforce efficiently aligned with client demands. Any sustained failure in ensuring optimal capacity utilization and/or optimal efficiency may have a material adverse effect on the Company's overall profitability.	We have established a governance structure to review investments in capacity. Our core processes are designed to optimize the operation-critical KPIs. We systematically and continuously monitor capacity utilization and efficiency for each client, site, and program and continuously identify remediation plans and focus areas for improvement.
Talent attraction and retention risks	If Transcom is unable to attract and retain skilled staff, this may adversely impact on the Company's business.	Transcom has deployed robust talent acquisition, management and career development programs to support talent attraction and retention. The Company carries out periodic employee satisfaction surveys to identify improvement areas and further strengthen our position as an employer of choice in our industry.
Significant increase in input costs	If we are unable to pass on significant increases in our key input costs – human resources, technology, telecommunication, etc. to clients, our operating results could be adversely affected.	Transcom applies detailed pricing and/ or commercial models with clients. We continuously evaluate new locations for our delivery centers in countries with stable and competitive input costs.
Currency risks	We are exposed to exchange rate fluctuations. In some contracts (mostly offshore delivery) we have costs and revenues in different currencies. An exchange rate movement relative to Transcom's reporting currency euro could impact on the results.	Transcom continuously monitors foreign exchange fluctuations and aims to minimize foreign exchange fluctuation risks by natural hedging, i.e. establish contracts of input costs and related revenues in the same currency. For cases where this is not possible, the Audit committee has established procedures for foreign currency hedging.
Impairment risk	A substantial part of our assets consists of goodwill and any significant impairment would affect our results and shareholders' equity.	We annually evaluate Goodwill to identify any necessary impairment requirements, considering the best available information.

Business risks	How it may impact Transcom	Transcom's management of risk
Risks of breach of data privacy	Transcom faces the risk of data theft or data leakage (client, customer, and employee data). The challenge is to ensure that security controls and practices are sufficient to mitigate those risks. Data privacy could be subject to changing rules and regulations, which could conflict among various jurisdictions.	Transcom is continuously reviewing the Data Privacy framework to ensure full compliance with the General Data Protection Regulation and other Data Privacy regulatory frameworks. A Data Processing Officer supports the organization in the implementation process of regulations, as well as guidance in Data Privacy matters. Transcom continues to monitor developments and new requirements to ensure that we have a strong and consistent data protection framework.
Information security, technology and cyber- attacks	We are exposed to the risk of inadequate information security from internal sources (Data leakage) and external sources (Cyber-attacks). Weak information security controls across entities expose the company to cyber-attacks. Data leakage may cause distrust amongst our clients and their customers and could possibly have a negative monetary impact on Transcom.	We systematically and continuously monitor IT incidents and continuously identify remediation plans and focus areas for improvement. Our processes are continuously strengthened to ensure that cyber-attacks, if any, are averted, and they do not result in liability and reputational harm to the company.
Risks associated with digital innovation and adoption	Inability to successfully develop and implement automated, digital and technical solutions may adversely affect our ability to deliver value to clients and could impact client relationships, revenue and operating results. If Transcom lags in the adoption, this could reduce our competitiveness, affect our ability to win new business and weaken our market position. There is also a risk of over-investment or misallocation of digital and AI initiatives. As seen across the sector and adjacent industries, investment can outpace proven commercial value, resulting in capabilities that do not translate into measurable revenue, margin improvement or competitive advantage. This may dilute returns, increase operational complexity and divert focus from core delivery performance. The risk therefore is not solely one of under-investment, but of appropriately calibrating digital investment against proven commercial value and enterprise priorities.	Transcom services are enabled by leading digital capabilities and AI solutions, and our success depends on our ability to continue leveraging the latest technology and stay at the forefront of the digital development and automation in our industry. Investment decisions are actively calibrated against proven commercial value and enterprise priorities, with mechanisms to prevent both under-investment and misallocation of digital capacity. Transcom has a broad network of AI partners and core teams focusing on AI and that broadens our view as well as supports us in selecting the best solutions for our clients.
Employee misconduct	The Clients give Transcom and our employees great trust and responsibility. Therefore, there is a risk that employees may be able to perpetrate fraud or other misconduct which could not only affect Transcom, but also its clients. Most of the client contracts hold Transcom liable for damages and/or liabilities arising due to fraud.	All employees receive mandatory training in Transcom's Code of Business Conduct. We collaborate with our clients continuously to identify and address fraud risks in a structured manner. We have secured insurance against such misconduct.
Tax audits & litigation	The Group is subject to tax audits in the normal course of business. A negative outcome in respect of such audits or litigation may have a materially adverse effect on the Group's business, financial condition and results of operations, beyond what has already been provided for. Refer to note 10 in Transcom's Annual Report for more details.	We observe all applicable laws, rules, regulations and disclosure requirements. We ensure that decisions taken are supported by documentation to evidence the facts, conclusions and risks involved. We engage tax experts for advice on complex matters including interpretation and application of tax laws. We follow tax litigations closely and create provisions in relation to tax risks for which management believes it is probable. All transactions we engage in must have business purpose or commercial rationale.
Fraud, corruption and other unethical practices	We have operations in countries that have been assessed as more exposed to corrupt practices. Any corrupt practices engaged in by our employee(s) may affect our goal to be a responsible corporate citizen.	We have zero tolerance towards any corrupt and unethical practices. Our Code of Business Conduct is available in 20 languages. All our employees sign this document when they start their employment. They are given suitable training on the key values of the Code. All managers receive relevant training regularly.
Supply chain malpractices (Third-party risks)	Through its business relationships, Transcom may be contributing to supply chain malpractices or violations against ethical business practices, respect for human and labor rights and environmental protection.	We have implemented the Supplier Code of Business Conduct based on the 10 principles of the UN Global compact and covers ethical business practices, respect for human and labor rights, and environmental protection. All suppliers, including their employees, agents and subcontractors are expected to adhere and make a commitment by signing.

Stockholm
The Board of Directors at Transcom Holding AB (publ)

Fredrik Cappelen
Chairman of the Board

Julius Höh
Member of the Board

Mattias Holmström
Member of the Board

Alfred von Platen
Member of the Board

Donald Hicks
Member of the Board

Christine Timmins Barry
Member of the Board

Brent J. Welch
Member of the Board

Brian Johnson
President & CEO

Transcom

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