

## Interim report January-September 2019

### **STRONG GROWTH IN THE THIRD QUARTER**

#### **Third quarter 2019 (third quarter 2018)**

- Net sales amounted to SEK 40.4 million (32.7), equivalent to a growth of 23.6 percent compared to the corresponding period in the previous year.
- EBITDA amounted to SEK 2.2 million (-2.3).
- The EBITDA margin amounted to 5.4 percent (-7.1).
- Operating profit (EBIT) amounted to SEK -0.8 million (-3.0).
- The EBIT margin amounted to -2.0 percent (-9.2).
- Profit before taxes amounted to -1.3 million (-3.3).
- Cash flow amounted to SEK 3.2 million (-1.6).
- The average number of employees amounted to 127 people (100).
- Basic earnings per share amounted to SEK -0.16 (-0.60).

#### **January-September 2019 (January-September 2018)**

- Net sales amounted to SEK 137.9 million (128.5), equivalent to a growth of 7.3 percent compared to the same period in previous year.
- EBITDA amounted to SEK 7.1 million (10.5).
- The EBITDA margin amounted to 5.1 percent (8.2).
- Operating profit (EBIT) amounted to SEK -0.1 million (8.5).
- The EBIT margin amounted to -0.1 percent (6.6).
- Profit before taxes amounted to -1.2 million (8.0).
- Cash flow amounted to SEK -2.5 million (-0.7).
- The average number of employees amounted to 123 people (105).
- Basic earnings per share amounted to SEK -0.23 (0.96).

#### **Significant events during the third quarter 2019**

- In July 2019, an office was opened in Frankfurt, Germany. Emanuel Gedeon is CEO for Transcendent Group Germany. As of today, three additional recruitments have been carried out in the German market.
- At an extraordinary general meeting on July 9, 2019, it was resolved to change the company category from private to public, whereupon the share capital was adjusted through a stock dividend issue.
- During the fall 2019, the Board of Directors decided to approve the final prospectus and to announce the offering of shares in the company and for the listing of the company's shares. First day of trading took place on October 22, 2019.

## Significant events after the third quarter

- On October 22, the company's shares were listed on Nasdaq First North Premier Growth Market. The share was substantially oversubscribed in the listing.
- In October, Magnus Karlsson assumed as interim CEO for the subsidiary Transcendent Group Regulatory Technology. The appointment is aligned with the initiative to develop a digital service offering within the business area RegTech.
- A new service within RegTech, RFA Monitor, was launched in October.

## CEO comments from Martin Malm:

I am happy to report strong growth for the third quarter. Revenues increased by 23.6 % and the profitability was improved compared to the equivalent quarter in 2018. The result feels especially good since it is a period of lower activity due to summer holidays in July and August.

In October, we carried out a share issue and a listing of Transcendent Group on Nasdaq First North Premier Growth Market. The offer was oversubscribed by 175 % and I am delighted to see so many new shareholders in the company. The majority of the proceeds will be used in order to increase the pace in our geographical expansion and to our initiatives within the business area RegTech.

Going forward, we will continue to focus on attracting experienced consultants that, through Transcendent Group's business model, are given a significant amount of responsibility and opportunities to further develop their strong personal brands whom in turn attracts clients.

In conclusion, I would like to welcome our new shareholders. Together, we have initiated the next phase of Transcendent Group's journey, with a clear objective to create long-term value for clients as well as owners.

## Full interim report

The full interim report is available in Swedish on [www.transcendentgroup.com/investor-relations](http://www.transcendentgroup.com/investor-relations).

## For more information, please contact:

Martin Malm, CEO Transcendent Group  
[Martin.Malm@transcendentgroup.com](mailto:Martin.Malm@transcendentgroup.com)  
+46 73 335 94 26

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## About Transcendent Group

At Transcendent Group you will meet experienced consultants in Governance, Risk and Compliance. Transcendent Group's services provide security and opportunities for government agencies, businesses and other organizations in a variety of industries. The company was established in Stockholm in 2001 and has from the start built a differentiated offering based on a value-driven culture with experienced experts. Transcendent Group has been ranked as one of Europe's, Sweden's and Norway's best workplaces in 2019 and has been a Great Place to Work since 2012. Transcendent Group is listed on Nasdaq First North Premier Growth Market. The company's Certified Adviser is Avanza Bank, +46(0)8-409 421 20, [corp@avanza.se](mailto:corp@avanza.se). For more information, visit [www.transcendentgroup.com](http://www.transcendentgroup.com).