

CONFIDENTIAL

COVID-19: Verisure Press Release

March 27, 2020

We are in the middle of an extraordinary event. COVID-19 is the most severe public health crisis we have faced in our lifetimes. Our priorities have been to protect our people and their families, to protect our customers and to protect our business. Our efforts are Group-wide and in each of the 19 countries where we have business or teams located, coordinated by our cross-functional Crisis Response team, led personally by Austin Lally, our CEO.

We saw the situation develop in Europe first in Italy, where we have operations. This experience in Italy and the swift actions we took there provided learnings for us, which informed the Business Continuity Plans we prepared and implemented for our other countries. We moved quickly to reduce the density in our offices to reduce transmission. We reduced travel to the essential. We cancelled meetings. We moved a high proportion of previously office-based roles to remote working. We have even been able to move a significant proportion of alarm monitoring to remote working. This was enabled by strong leadership from our IT organization and Operations.

These moves have helped our employees to be safer.

Inevitably, given the external environment, the Verisure family has been impacted. We have had confirmed cases. We also have potential cases where employees have symptoms but have not been able yet to have COVID-19 tests. We also have employees in self-isolation to protect themselves and others. We have had a small number of employees hospitalized but we are hopeful they will soon recover.

The various steps we have taken, including remote working, importantly means that we continue to provide our service and protect our customers against intrusion, fire, theft, life-threatening emergencies and other hazards. We continue with monitoring and response. We continue to perform essential maintenances. And a significant part of our customer-facing employees at this time are focused primarily on continuing to look after the families and small businesses we protect.

Our Verisure customer base of over 3.3 million subscribers is one of the happiest and highest quality in the industry. This shows through in what has been industry-leading low levels of attrition. We have taken a range of steps aimed at ensuring we continue being able to deliver our recognized high service levels.

We are obviously monitoring attrition rates and will act to protect our customer base. It is too early to make an assessment or to predict whether the current situation will have a material impact on attrition rates. However, during these times, we consider ourselves fortunate to have a subscription-based Portfolio Services segment that to date has shown itself to be very resilient. It is also worth noting that home moves have been an important reason for cancelling a residential subscription, and that generally during crisis times there are fewer home moves.

The most significant short-term impact will be on our Customer Acquisition segment. Acquiring new customers is difficult in this external environment, including the inability of salespeople to operate effectively in the field. However, a significant portion of our spending on Customer Acquisition is variable in nature e.g. media investment and variable sales commissions. We are taking decisive steps in the Customer Acquisition segment to significantly reduce spending. We acted promptly to pull back marketing spending. We are also taking measures across countries to stand down temporarily our field sales force, whilst seeking to retain their link to the Company for the future, for the recovery

we aim for. We are implementing temporary unemployment plans related to Customer Acquisition in Italy, Spain, France, Belgium and Norway and are also taking other measures of similar nature at both country and Group level. We are at the same time assessing and beginning to leverage government support measures in several countries.

We ended 2019 with a strong liquidity position. But, to further protect our cash flow position, we have also implemented a range of savings including on recruiting and the purchase of materials. Our aim is to manage the cost base during this period in a way that will allow us to stay cash flow positive.

While we have enjoyed a strong Group operating and financial performance so far this year, it is too soon to predict what the COVID-19 situation will mean for our Company at year end. There is too much uncertainty on duration and severity. We will therefore continue to monitor closely the situation and if necessary implement further actions to mitigate risks. We plan to provide the next update upon the release of our first quarter results.

Finally, we remain optimistic for the medium and long term, even if the external environment will be challenging for a period. We have a very resilient business because of our customer base. And the fundamental customer need for security and peace of mind will not go away. We believe that the need will likely increase in the future, not decrease. Penetration of home security in our geographies remains low. So, we aim to go for the strongest possible bounce back.

Forward-looking statements

This announcement contains certain forward-looking statements with respect to certain of the group's current expectations and projections about future events. These statements, which sometimes use words such as "aims", "intend," "proposed," "plan," "expect," and words of similar meaning, reflect management's beliefs and expectations and involve a number of risks, uncertainties and assumptions (including with respect to future cash flows, cost savings and growth) that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. Statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this announcement is subject to change without notice and, except as required by applicable law, the group assumes no responsibility or obligation to update publicly or review any of the forward-looking statements contained in it. Readers should not place undue reliance on forward-looking statements, which speak only as at the date of this announcement.

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