

Verisure Holding AB (publ) Launches Senior Facilities Agreement Consent Process

November 6, 2017. 11:00 CET. Verisure Holding AB (publ) (the “Company”) today announced that it intends to commence a consent process in respect of its senior facilities agreement dated October 10, 2015 (as amended and restated to date, the “Senior Facilities Agreement”).

Since the Senior Facilities Agreement was originally entered into, the Group has demonstrated sustained growth in its subscribers and cash generation while also deleveraging. Accordingly, the following transactions are being contemplated: (i) an offering by Verisure Midholding AB (publ), the direct parent of the Company, (the “Parent” and, together with its subsidiaries, the “Group”) of new senior notes due 2023 (the “Senior Notes”) in an amount sufficient to redeem in full the Parent’s existing private senior notes (the “Private Senior Notes”) (including fees, expenses and redemption premium) and to finance a distribution to the Group’s shareholders in an amount up to approximately €425 million (the “Parent Distribution”), (ii) the incurrence by the Company of additional incremental indebtedness under the Senior Facilities Agreement (together with the offering of Senior Notes, the “Financing”) in order to finance a distribution to the Group’s shareholders in an amount up to approximately €625 million (the “Company Distribution” and, together with the Parent Distribution, the “Distribution”) and (iii) the incurrence by the Company, dependent upon market conditions, of an additional up to €40 million incremental indebtedness under the Senior Facilities Agreement to refinance the revolving credit facility thereunder and for general corporate purposes. It is contemplated that the Senior Notes will be guaranteed by the same entities that guarantee the Private Senior Notes and will be secured on substantially similar collateral.

The following table describes the cash and cash equivalents and outstanding indebtedness of the Parent as of September 30, 2017 on a historical basis derived from the Parent’s unaudited condensed interim financial statements of September 30, 2017, which were prepared in accordance with IFRS and as adjusted to give effect to the transactions described herein:

	As of September 30, 2017		
	Historical	Adjustments	As Adjusted
	(€ millions)		
Cash and cash equivalents	(9)	(22)	(31)
Revolving Credit Facility	18	(18)	-
Existing Senior Term Loan	1,690	-	1,690
Incremental Senior Term Loan	-	690	690
Senior Secured Notes	630	-	630
Net Senior Secured Debt	2,329		2,979
Private Senior Notes	692	(692)	-
Senior Notes	-	1,145	1,145
Other Local Debt	35		35
Total Net Debt	3,056		4,159

The Company is soliciting the consent (the “Consent”) of the Majority Lenders and, to the extent applicable, the Majority Revolving Lenders (each as defined in the Senior Facilities Agreement) to certain proposed amendments (the “Proposed Amendments”) to the Senior Facilities Agreement. The Proposed Amendments are being sought in order to: (i) enable the Group to make the Distribution; (ii) allow distributions to the Parent for servicing cash interest payments on the Senior Notes; (iii) provide a waiver to allow all ancillary actions necessary in order to consummate the Financing, the Distribution and the related transactions; (iv) allow future dividends subject to a senior secured net leverage ratio of 5.25 times; (v) allow additional facilities subject to a consolidated senior secured net leverage ratio of 5.25 times to refinance junior indebtedness; (vi) realign certain covenants, baskets, thresholds and definitions with the Senior Notes and (vii) realign the financial covenant to account for the Financing and Distribution. Substantially similar

amendments for (i) to (iii) above are being sought from holders of the Company's existing senior secured notes due 2022.

For a detailed statement of the terms and conditions of the Consent process, including Consent fees and response date, lenders should consult the amendment and incremental election letter to be dated on or about November 8, 2017 date (the "Amendment Letter").

This press release is for information purposes only and Consent is only being sought pursuant to the terms of the Amendment Letter.

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This announcement does not constitute an offer to sell or the solicitation of an offer to buy securities, including the securities mentioned in this announcement, in any jurisdiction. No money, securities or other consideration are being solicited, and, if sent in response to the information contained herein, will not be accepted. It may be unlawful to distribute this document in certain jurisdictions.

This announcement contains certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events. These statements, which sometimes use words such as "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 the completion of the transactions described in this announcement) 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 Company 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.