

VERISURE MIDHOLDING AB

PROUD TO **PROTECT**



INTERIM REPORT

2024

JANUARY - MARCH

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Key Operating and Financial Highlights

Verisure Midholding Group, hereafter referred to as the Group, is the leading provider of professionally monitored alarm solutions for residential households and small businesses in Europe. We offer premium monitored alarm services to our portfolio of over 5.2 million customers and design, sell and install alarms with network connectivity across 17 countries in Europe and Latin America. We are also one of the leading providers of camera video surveillance systems in Europe through Arlo Europe. We have a strong track record of profitable growth, primarily delivered organically by our differentiated business model with high share of recurring revenues and industry leading retention.

In the first quarter of 2024, the Group continued to deliver excellent operating and financial performance while preserving strong unit economics. Our customer portfolio continued to grow and is now close to 5.3 million, representing an annual growth rate of 8.7% compared to the same period last year. Growth has been driven by new installations of more than 210,000 and attrition of 7.7% in the quarter. We have added over 422,000 customers to our portfolio in the last twelve months. Total revenue and adjusted EBITDA incl. SDIs increased by 10.1% and 14.2%, respectively, in the quarter. In constant currency, total revenue and adjusted EBITDA incl. SDIs increased 10.7% and 15.0%, respectively.

Throughout this period, we have continued to provide peace of mind to our customers and have protected them against intrusions, fires, attacks, thefts, life-threatening emergencies, and other hazards without interruption. In parallel, the Group has continued to invest in industry-leading product and service innovations to further position us for continued profitable long-term growth.

Financial summary of the quarter ending March 31, 2024

We added 210,144 new customers to our portfolio in the quarter, representing an increase of 4.4% compared to the same period last year. We remain disciplined and focused on high-quality customer intake. At the end of the quarter our customer portfolio stood at 5,282,075 customers, up 422,378 customers or 8.7% year-on-year. LTM attrition rate was 7.6% as of the end of the quarter. Q1 quarterly attrition was 7.7%.

Total revenue reached EUR 834.4 million in the first quarter of 2024, up 10.1% from EUR 757.9 million in the same period last year. In constant currency, total revenue grew 10.7% in the quarter. Portfolio services revenue, representing 85.9% of total revenue in the quarter, grew 11.4% to EUR 716.7 million. In constant currency, portfolio services revenue grew 12.0% in the quarter.

Adjusted EBITDA incl. SDIs increased to EUR 368.8 million in the first quarter of 2024 compared to EUR 322.9 million in the same period last year, an increase of 14.2%. In constant currency, total adjusted EBITDA incl. SDIs increased 15.0% in the quarter.

Operating profit was EUR 187.8 million in the first quarter of 2024 compared to EUR 151.9 million in the same period last year, an increase of 23.6%.

Portfolio services adjusted EBITDA increased to EUR 518.7 million in the first quarter of the year compared to EUR 457.3 million in the same period last year, representing an increase of 13.4%. In constant currency, portfolio services adjusted EBITDA increased 14.1% in the quarter. Portfolio services adjusted EBITDA margin was 72.4% in the period, compared to 71.1% in the same period last year.

In the first quarter of 2024, CPA was EUR 1,404, an increase of 1.0% compared to the same period last year (1.4% increase in constant currency).

ARPU reached EUR 45.8 in the quarter, an increase of 2.4% compared to the same period last year (3.0% increase in constant currency).

EPC increased to EUR 33.1 in the quarter, an increase of 4.3% vs. last year (4.9% increase in constant currency), as our company-wide cost transformation program delivers results.

We remain optimistic for the business, both medium and long term, even if the external environment is expected to remain challenging for a period, as the fundamental customer needs for security and peace of mind are not expected to reduce. We believe that these needs will continue to increase in the future, against the backdrop of low penetration of home security in the geographies where we operate.

Key figures

EUR thousand (if not otherwise stated)	Jan-Mar 2024	Jan-Mar 2023
Consolidated		
Non-IFRS and IFRS financial data		
Revenue ¹	834,430	757,869
Revenue growth, %	10.1%	11.1%
Adjusted EBITDA excl. SDIs	374,643	327,962
Adjusted EBITDA margin excl. SDIs, %	44.9%	43.3%
Adjusted EBITDA incl. SDIs	368,842	322,934
Adjusted EBITDA margin incl. SDIs, %	44.2%	42.6%
Adjusted EBIT excl. SDIs	203,790	170,665
Adjusted EBIT margin excl. SDIs, %	24.4%	22.5%
Operating profit ¹	187,763	151,866
Capital expenditures	219,183	205,098
Net debt per SFA	7,425,026	7,422,948
Unaudited operating data		
Payback period, years	3.5	3.6
Portfolio services segment		
Non-IFRS and IFRS financial data		
Portfolio services revenue ¹	716,698	643,489
Portfolio services adjusted EBITDA	518,710	457,345
Portfolio services adjusted EBITDA margin, %	72.4%	71.1%
Unaudited operating data		
Total subscribers (end of period), units	5,282,075	4,859,697
Cancellation, units	101,101	93,749
LTM attrition rate, %	7.6%	7.4%
Quarterly attrition rate (annualised), %	7.7%	7.8%
Net subscriber growth, units	109,043	107,600
Subscriber growth rate, net, %	8.7%	10.4%
Monthly average number of subscribers during the period, units	5,220,295	4,799,363
Average monthly revenue per user (ARPU), EUR	45.8	44.7
Monthly adjusted EBITDA per customer (EPC), EUR	33.1	31.8
Customer acquisition segment		
Non-IFRS and IFRS financial data		
Customer acquisition revenue ¹	95,545	93,423
Customer acquisition adjusted EBITDA	(148,200)	(133,917)
Customer acquisition capital expenditures	146,926	145,940
Unaudited operating data		
New subscribers added (gross), units	210,144	201,349
Cash acquisition cost per new subscriber (CPA), EUR	1,404	1,390
Adjacencies segment		
Non-IFRS and IFRS financial data		
Adjacencies revenue ¹	22,187	20,957
Adjacencies adjusted EBITDA	4,134	4,534

1) IFRS financial data.

Management's Discussion and Analysis

The information presented and discussed in this report includes several measures that are not defined or recognised under IFRS including CPA, ARPU, EPC and Adjusted EBITDA. These are considered by Management to be key measures of the Group's financial performance and as such have been included to enhance comparability and usefulness. The key measures are further described under the section Definitions of Key Operating Metrics. CPA is the net investment to acquire a new customer. ARPU and EPC reflect the monthly revenues and adjusted EBITDA per customer in the portfolio segment. Adjusted EBITDA, being earnings before interests, taxes, write-offs, depreciation and amortisation, excluding separately disclosed items (SDIs), is considered by

Management to give a fairer view of the year-on-year comparison of financial performance. SDIs are costs or income recognised in the income statement and which Management believes, due to their nature or size, should be disclosed separately to give a more comparable view of the year-on-year financial performance. All SDIs are further explained later in this section. All figures are presented in actual currency rates, unless otherwise stated. As a result of rounding, numbers presented in this interim report may in some cases not add up to the total. Percentages presented are always calculated taking the exact underlying value, and therefore deviations may occur if percentages are calculated taking the rounded figures presented in the tables.

Three months ending March 31, 2024, and 2023

Results excluding SDIs

EUR million	Jan-Mar 2024	Jan-Mar 2023	% Change Actual Currency	% Change Constant Currency
Revenue	834.4	757.9	10.1%	10.7%
Operating expenses	(460.9)	(431.1)	6.9%	7.3%
Other income	1.1	1.2	(7.1%)	(6.2%)
Adjusted EBITDA	374.6	328.0	14.2%	15.0%
Adjusted EBITDA margin, %	44.9%	43.3%	-	-
Depreciation and amortisation	(141.5)	(128.7)	9.9%	10.3%
Retirement of assets	(29.4)	(28.6)	2.7%	3.2%
Operating profit	203.8	170.7	19.4%	20.5%
Operating profit margin, %	24.4%	22.5%	-	-
Interest income and expenses	(117.2)	(104.4)	12.2%	12.2%
Other financial items	5.4	(6.9)	(177.3%)	(174.2%)
Profit before tax	91.9	59.3	55.1%	60.1%

Revenue by segment

EUR million	Jan-Mar 2024	Jan-Mar 2023	% Change Actual Currency	% Change Constant Currency
Portfolio services	716.7	643.5	11.4%	12.0%
Customer acquisition	95.5	93.4	2.3%	2.4%
Adjacencies	22.2	21.0	5.9%	5.9%
Total	834.4	757.9	10.1%	10.7%

Revenue

Total revenue increased 10.1% in the first quarter of 2024, or EUR 76.6 million, to 834.4 million, up from EUR 757.9 million in the prior period. In constant currency, total revenue increased 10.7%. Revenue increase was primarily driven by the growing customer base, which increased 8.7%, from 4,859,697 in March 31, 2023, to 5,282,075 in March 31, 2024.

Portfolio services revenue increased by 11.4% in the first quarter of 2024, or EUR 73.2 million, to EUR 716.7 million, up from EUR 643.5 million last year. The increase was primarily driven by the higher number of customers in the portfolio as well as increased average monthly revenue per user (ARPU) of 2.4% compared to the same quarter last year.

Customer acquisition revenue reached EUR 95.5 million in the first quarter of 2024, representing an increase of 2.3% compared to the same period last year.

Operating expenses

Operating expenses increased 6.9% in the first quarter of 2024, or EUR 29.8 million, to EUR 460.9 million, from EUR 431.1 million in the same period last year. The increase was mainly driven by portfolio growth.

Adjusted EBITDA

Adjusted EBITDA increased 14.2% in the three months ending March 31, 2024, or EUR 46.7 million, to EUR 374.6 million, from

EUR 328.0 million in the same period last year. The increase is mainly driven by growth in the portfolio, as well as increased operational efficiency.

Depreciation and amortisation

Depreciation and amortisation increased to EUR 141.5 million in the three months ending March 31, 2024, up from EUR 128.7 million in the same period last year, mainly due to growth in the portfolio. Depreciation and amortisation is primarily related to the alarm equipment installed at our customers' premises and the capitalised direct costs incurred to obtain new customers.

Retirement of assets

Retirements of assets increased to EUR 29.4 million in the first quarter of 2024, from EUR 28.6 million in the same period last year. The cost corresponds mainly to the remaining balance of capitalised material, at the time customers leave the portfolio or upgrade to our new platform. The increase in write-offs

during the first quarter of 2024 is driven by the increase in cancellations compared to the same period last year.

Interest income and expenses

Interest income was EUR 0.6 million in the three months ending March 31, 2024, compared to EUR 0.4 million in the same period last year. Interest expense reached EUR 117.8 million in the three months ending March 31, 2024, compared to EUR 104.9 million in the same period last year, driven by increases in the cost of debt.

Other financial items

Other financial items mainly consist of commitment fees for our Revolving Credit Facility and Ancillary Facilities, other bank charges, and changes in the fair value of our outstanding interest rate swaps and cross currency swaps. In the first quarter of 2024, other financial items amounted to a benefit of EUR 5.4 million compared to a cost of EUR 6.9 million in the same period last year.

Reported consolidated income statement

EUR million	Jan-Mar 2024			Jan-Mar 2023		
	Profit excl. SDIs	SDIs	Reported	Profit excl. SDIs	SDIs	Reported
Revenue	834.4	-	834.4	757.9	-	757.9
Operating expenses	(460.9)	(5.8)	(466.7)	(431.1)	(5.0)	(436.1)
Other income	1.1	-	1.1	1.2	-	1.2
Adjusted EBITDA	374.6	(5.8)	368.8	328.0	(5.0)	322.9
Depreciation and amortisation	(141.5)	(10.2)	(151.7)	(128.7)	(13.8)	(142.4)
Retirement of assets	(29.4)	-	(29.4)	(28.6)	-	(28.6)
Operating profit	203.8	(16.0)	187.8	170.7	(18.8)	151.9
Interest income and expenses	(117.2)	-	(117.2)	(104.4)	-	(104.4)
Other financial items	5.4	16.6	22.0	(6.9)	(20.7)	(27.7)
Profit before tax	91.9	0.6	92.5	59.3	(39.5)	19.8
Income tax expense	-	-	(28.5)	-	-	(11.1)
Net profit for the period			64.0			8.7

Separately disclosed items (SDIs)

SDIs affecting operating expenses

In the first quarter of 2024, total SDIs affecting operating expenses reached EUR 5.8 million, compared to EUR 5.0 million in the same period last year. SDIs affecting operating expenses include one-off costs related to various transition projects within the Group.

SDIs affecting depreciation and amortisation

In the first quarter of 2024, amortisation and depreciation from acquisition-related intangible assets reached EUR 10.2 million EUR, compared to EUR 13.8 million in the same period last year. The decrease is due to a reduction in the number of acquired contract portfolios pending to be amortised.

SDIs affecting interest income and expenses and other financial items

SDIs affecting interest income and expenses and other financial items totalled an income of EUR 16.6 million in the first quarter of 2024, compared to a cost of EUR 20.7 million in the same period last year. In the three months ending March 31, 2024, other financial items include positive non-cash FX

revaluations of debt items and unrealised derivatives of EUR 21.5 million, partially offset by amortisation of prepaid financing fees of EUR 3.9 million, a negative IFRS 9 adjustment related to the modification of loan agreements of EUR 0.9 million, and a negative impact from realised derivatives of EUR 0.2 million. In the three months ending March 31, 2023, other financial items include negative non-cash FX devaluations of debt items and unrealised derivatives of EUR 15.9 million, amortisation of prepaid financing fees of EUR 3.9 million, a negative IFRS 9 adjustment related to the modification of loan agreements of EUR 0.9 million, and a negative impact from realised derivatives of EUR 0.1 million.

Income tax expense

In the three months ending March 31, 2024, income tax represented a cost of EUR 28.5 million, compared to a cost of EUR 11.1 million in the same period last year. In the first quarter of the year, current tax totalled an expense of EUR 27.7 million, compared to EUR 23.8 million in the same period last year, and deferred tax totalled an expense of EUR 0.8 million compared to a benefit of EUR 12.8 million in the same period last year.

Cash Flow

Cash flow for the three months ending March 31, 2024, and 2023

EUR million	Jan-Mar 2024	Jan-Mar 2023
Cash flow from operating activities before change in working capital	364.0	319.3
Change in working capital	15.5	8.9
Cash flow from operating activities¹	379.6	328.1
Cash flow from investing activities	(219.5)	(205.1)
Cash flow from financing activities ²	(136.0)	(127.9)
Cash flow for the period	24.0	(4.8)
Cash and cash equivalents at beginning of period	21.3	43.6
Translation differences on cash and cash equivalents	(0.1)	0
Cash and cash equivalents at end of period	45.2	38.7

1) Cash flow from operating activities is calculated after giving effect to income tax paid.

2) Cash flow from financing activities includes paid interest.

Cash flow from operating activities

Cash flow from operating activities reached EUR 379.6 million and EUR 328.1 million in the three months ending March 31, 2024, and 2023, respectively. Cash flow from operating activities before change in working capital increased from EUR 319.3 million in the first quarter of 2023, to EUR 364.0 million in the first quarter of 2024, mainly driven by higher operating profit. Change in working capital had a positive impact on cash flow generation of EUR 15.5 million in the first quarter of 2024, compared to a positive impact of EUR 8.9 million in the same period last year. Year on year improvement is driven by positive developments on trade payables and other payables, partly offset by negative effects on trade receivables, other receivables and inventory.

Cash flow from investing activities

Cash flow from investing activities totalled EUR 219.5 million and EUR 205.1 million in the three months ending March 31, 2024, and 2023, respectively. The increase is mainly driven by upselling activity to existing customers as well as investments in IT and R&D.

Cash flow from financing activities

Cash flow from financing activities totalled an outflow of EUR 136.0 million and EUR 127.9 million in the three months ending March 31, 2024, and 2023, respectively. Key components in the three months ending March 31, 2024, include net interest payments of EUR 147.9 million and other financial items of EUR 0.9 million, offset by a positive net change in borrowings of EUR 12.8 million. Compared to the same period last year, net interest payments increased by EUR 20.7 million, from EUR 127.3 million, mainly due to higher cost of debt as a consequence of increases in rates.

Capital Expenditures

The Group's capital expenditures primarily consist of (i) customer acquisition capital expenditures, which include purchases of equipment for new customers and direct costs related to the acquisition of customer contracts; (ii) portfolio services capital expenditures, which relate to new equipment and related direct costs for existing customers; (iii) adjacencies capital expenditures, which include direct costs related to the acquisition of customer contracts within our Adjacencies

segment; and (iv) other capital expenditures related to investments in R&D, IT and premises. The costs of the alarm equipment installed in connection with newly acquired subscribers are capitalised as tangible fixed assets to the extent we retain ownership of the equipment. The Group also capitalises the incremental (direct) costs to obtain new customer contracts as intangible fixed assets.

Capital expenditures for the three months ending March 31, 2024, and 2023

EUR million	Jan-Mar 2024	Jan-Mar 2023
Customer acquisition capital expenditures, material	86.2	84.7
Customer acquisition capital expenditures, direct costs	60.7	61.3
Portfolio services capital expenditures	34.5	28.7
Adjacencies capital expenditures	4.6	4.6
Capital expenditures other	33.1	25.8
Total	219.2	205.1

Capital expenditures reached EUR 219.2 million in the three months ending March 31, 2024, compared to EUR 205.1 million in the same period last year. The increase is mainly driven by higher upselling activity to existing customers and higher investment in R&D, product and service innovation and software engineering.

Liquidity, Liabilities and Financing Agreements

Our primary sources of liquidity are cash flow from operations, as well as borrowings under our EUR 700 million Revolving Credit Facility. Our primary liquidity requirements are funding of our customer acquisition operations, servicing of our debt, and other general corporate purposes.

Available funds as of March 31, 2024, 2023, and December 31, 2023

EUR million	Mar 2024	Mar 2023	Dec 2023
Revolving Credit Facility	700.0	700.0	700.0
Cash and cash equivalents	45.2	38.7	21.3
Drawn facility amount	(230.0)	(35.0)	(199.5)
Utilised letters of credit	(21.0)	(18.0)	(21.9)
Total available funds	494.3	685.7	499.9

Gross financial indebtedness as of March 31, 2024, 2023, and December 31, 2023

EUR million	Mar 2024	Mar 2023	Dec 2023
Revolving Credit Facility	230.0	35.0	199.5
Term Loan B	2,800.0	2,800.0	2,800.0
Senior Secured Notes	2,900.0	3,100.0	2,900.0
Senior Unsecured Notes	1,305.2	1,308.0	1,310.2
Other liabilities	54.2	49.4	57.0
Lease liability (IFRS 16)	180.9	169.3	162.3
Total indebtedness	7,470.3	7,461.7	7,429.0

Risks and uncertainties

A detailed presentation of risks and a sensitivity analysis can be found in the Financial Risk Management section (note 22) and in the Risk Factors section of the 2023 Verisure Midholding AB's annual report.

Events during the reporting period

In July 2023, the Italian Competition and Commerce Authority ("AGCM") opened an investigation against Verisure Italy S.r.l. ("Verisure Italy") relating to allegations of consumer protection law infringements. In December 2023, a Statement of Objections was issued with preliminary findings of infringement to which the company responded. In March 2024, the AGCM adopted a decision finding violations on four accounts and imposing a fine against the company of €4.25 million. Verisure Italy disagrees with the findings and will appeal the decision to the competent Administrative Court. At the same time, Verisure Italy has further strengthened its practices in the areas challenged by the AGCM.

Events after the reporting period

In April 2024, the Group issued EUR 525 million of new Senior Secured Notes, due in May 2030, and conducted a EUR 525 million Amend & Extend, to May 2030, of its existing EUR 800 million TLB due in Jun 2026, to fully address the existing EUR 800 million TLB and fully replenish RCF drawings.

In addition, on 26th April, Moody's confirmed a change in outlook from B1 stable to B1 positive.

Unaudited Consolidated Financial Statements

Consolidated Income Statement

EUR thousand	Note	Jan-Mar 2024	Jan-Mar 2023
Revenue	3	834,430	757,869
Cost of sales		(448,977)	(415,639)
Gross profit		385,454	342,229
Selling expenses		(98,307)	(94,743)
Administrative expenses		(100,483)	(96,803)
Other income		1,098	1,183
Operating profit		187,763	151,866
Financial income		30,237	418
Financial expenses		(125,486)	(132,529)
Profit before tax		92,514	19,755
Income tax expense		(28,478)	(11,058)
Net profit for the period		64,036	8,697

Consolidated Statement of Comprehensive Income

EUR thousand	Note	Jan-Mar 2024	Jan-Mar 2023
Net profit for the period		64,036	8,697
Items that may be reclassified to the income statement			
Change in hedging reserve		5,745	(7,396)
Currency translation differences on foreign operations		(16,658)	142
Income tax related to these items		(1,183)	1,524
Items that may be reclassified to the income statement		(12,096)	(5,730)
Other comprehensive income		(12,096)	(5,730)
Total comprehensive income for the period		51,940	2,967

Consolidated Statement of Financial Position

EUR thousand	Note	Mar 2024	Mar 2023	Dec 2023
Assets				
Non-current assets				
Property, plant and equipment		1,481,313	1,345,775	1,450,741
Right of use assets		178,204	166,384	159,342
Goodwill		756,315	764,407	769,205
Customer portfolio		1,115,919	1,051,052	1,101,846
Other intangible assets		336,744	312,497	336,781
Deferred tax assets		110,823	27,769	103,240
Derivatives	4	12,744	5,733	1,717
Trade and other receivables	4	100,599	313,420	89,725
Total non-current assets		4,092,660	3,987,037	4,012,597
Current assets				
Inventories		324,919	366,523	296,443
Trade receivables	4	193,920	169,015	200,542
Current tax assets		12,085	10,546	11,071
Derivatives	4	2,247	1,094	140
Prepayments and accrued income		104,473	102,491	81,253
Other current receivables	4	58,317	42,712	75,239
Cash and cash equivalents	4	45,248	38,740	21,319
Total current assets		741,210	731,121	686,007
Total assets		4,833,870	4,718,159	4,698,603

Consolidated Statement of Financial Position

EUR thousand	Note	Mar 2024	Mar 2023	Dec 2023
Equity and liabilities				
Equity				
Share capital		56	56	56
Other paid in capital		629,105	624,686	628,641
Translation reserve		(81,609)	(58,748)	(64,951)
Hedging reserve		1,325	(5,023)	(3,237)
Retained earnings		(4,745,971)	(4,574,180)	(4,789,746)
Total equity		(4,197,094)	(4,013,209)	(4,229,237)
Non-current liabilities				
Long-term borrowings	4, 5	7,314,536	7,301,021	7,269,354
Derivatives	4	10,976	8,247	23,698
Other non-current liabilities	4	200,633	129,179	184,540
Deferred tax liabilities		211,851	166,573	202,409
Other provisions		36,673	16,344	34,780
Total non-current liabilities		7,774,670	7,621,364	7,714,782
Current liabilities				
Trade payables	4	166,411	166,430	171,392
Current tax liabilities		111,109	97,179	87,565
Short-term borrowings	4, 5	146,950	132,766	174,681
Derivatives	4	604	7,432	4,235
Accrued expenses and deferred income	4	738,719	637,684	698,160
Other current liabilities	4	92,503	68,512	77,024
Total current liabilities		1,256,295	1,110,004	1,213,058
Total liabilities		9,030,965	8,731,368	8,927,840
Total equity and liabilities		4,833,870	4,718,159	4,698,603

Consolidated Statement of Changes in Equity

EUR thousand	Attributable to equity holders of the parent company					
	Share capital	Other paid in capital	Translation reserve	Hedging reserve	Retained earnings	Total
Balance at January 1, 2024	56	628,641	(64,951)	(3,237)	(4,789,746)	(4,229,237)
Net profit for the period	-	-	-	-	64,036	64,036
Other comprehensive income	-	-	(16,658)	4,562	-	(12,096)
<i>Total comprehensive income</i>	-	-	(16,658)	4,562	64,036	51,940
Transactions with owners						
Dividend	-	-	-	-	(20,491)	(20,491)
Group contribution	-	-	-	-	230	230
Shareholder's contribution	-	464	-	-	-	464
<i>Total transactions with owners</i>	-	464	-	-	(20,261)	(19,797)
Balance at March 31, 2024	56	629,105	(81,609)	1,325	(4,745,971)	(4,197,094)

EUR thousand	Attributable to equity holders of the parent company					
	Share capital	Other paid in capital	Translation reserve	Hedging reserve	Retained earnings	Total
Balance at January 1, 2023	56	624,686	(58,890)	849	(4,583,528)	(4,016,827)
Net profit for the period	-	-	-	-	8,697	8,697
Other comprehensive income	-	-	142	(5,872)	-	(5,730)
<i>Total comprehensive income</i>	-	-	142	(5,872)	8,697	2,967
Transactions with owners						
Shareholder's contribution	-	-	-	-	651	651
<i>Total transaction with owners</i>	-	-	-	-	651	651
Balance at March 31, 2023	56	624,686	(58,748)	(5,023)	(4,574,180)	(4,013,209)

EUR thousand	Attributable to equity holders of the parent company					
	Share capital	Other paid in capital	Translation reserve	Hedging reserve	Retained earnings	Total
Balance at January 1, 2023	56	624,686	(58,890)	849	(4,583,528)	(4,016,827)
Net profit for the period	-	-	-	-	28,885	28,885
Other comprehensive income	-	-	(6,061)	(4,086)	(1,418)	(11,565)
<i>Total comprehensive income</i>	-	-	(6,061)	(4,086)	27,467	17,320
Transactions with owners						
Dividend	-	-	-	-	(231,713)	(231,713)
Group contribution	-	-	-	-	60	60
Reclassification	-	2,032	-	-	(2,032)	-
Shareholder's contribution	-	1,923	-	-	-	1,923
<i>Total transactions with owners</i>	-	-	-	-	(233,685)	(229,730)
Balance at December 31, 2023	56	628,641	(64,951)	(3,237)	(4,789,746)	(4,229,237)

Consolidated Statement of Cash Flows

EUR thousand	Jan-Mar 2024	Jan-Mar 2023
Operating activities		
Operating profit	187,762	151,866
Reversal of depreciation and amortisation	151,687	143,783
Other non-cash items	29,763	28,625
Paid taxes	(5,191)	(5,013)
Cash flow from operating activities before change in working capital	364,022	319,261
Change in working capital		
Change in inventories	(27,693)	(23,707)
Change in trade receivables	(4,633)	13,255
Change in other receivables	(27,381)	(19,628)
Change in trade payables	(4,008)	(21,033)
Change in other payables	79,262	59,981
<i>Cash flow from change in working capital</i>	<i>15,546</i>	<i>8,869</i>
Cash flow from operating activities	379,568	328,130
Investing activities		
Net investments in intangible and financial assets	(101,026)	(93,060)
Net investments in property, plant and equipment	(118,513)	(112,039)
Prepayment of intangible assets	-	-
Cash flow from investing activities	(219,540)	(205,100)
Financing activities		
Change in borrowings	12,769	15,304
New financing	-	450,000
Repayment of financing	-	(450,000)
Interest received	579	411
Interest paid	(148,512)	(127,673)
Paid bank and advisory fees	-	(5,414)
Other financial items	(844)	(10,499)
Cash flow from financing activities	(136,007)	(127,870)
Cash flow for the period	24,022	(4,840)
Cash and cash equivalents at start of period	21,319	43,629
Exchange difference on translating cash and cash equivalents	(92)	(49)
Cash and cash equivalents at end of period	45,248	38,740

Notes to the Unaudited Consolidated Financial Statements

Note 1 Accounting Policies

Basis of presentation and accounting periods

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The report includes both the financial statements of the Group and separate financial statements for the parent company.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union. The most important accounting principles under IFRS, which is the basis for the preparation of this interim report, can be found in note 2 in the annual report for 2023. The accounting policies are unchanged compared with those applied in 2023.

These consolidated financial statements should be read in conjunction with the annual report 2023. The consolidated interim financial statements have not been audited.

Note 2 Critical Accounting Estimates and Judgments

When applying the Group's accounting policies, management must make assumptions and estimates concerning the future that affect the carrying amounts of assets and liabilities at the balance sheet date, the disclosure of contingencies that existed at the balance sheet date and the amounts of revenue and expenses recognised during the accounting period. Such assumptions and estimates are based on factors such as historical experience, the observance of trends in the industries in which the Group operates and information available from the Group's customers and other outside sources.

Due to the inherent uncertainty involved in making assumptions and estimates, actual outcomes could differ from those assumptions and estimates. An analysis of key areas of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of the Group's assets and liabilities within the next financial year is described in note 3 in the annual report for 2023. There have been no significant changes compared to what is described in the annual report.

Note 3 Segment Reporting

The Group's operating segments are identified by grouping together the business by revenue stream, as this is the basis on which information is provided to the chief operating decision maker (CODM) for the purposes of allocating resources within the Group and assessing the performance of the Group's businesses. The Group has identified the management team as its CODM. The segments identified based on the Group's operating activities are customer acquisition, portfolio services and adjacencies. The customer acquisition

segment develops, sources, purchases, provides and installs alarm systems for new customers in return for an installation fee. The portfolio services segment provides monitoring and maintenance services to existing customers for a monthly subscription fee. The adjacency segment captures the sale of remote monitoring and assistance devices and services for senior citizens and the sale of internet connected cameras under the Arlo brand.

Jan-Mar 2024						
EUR thousands	Customer Acquisition	Portfolio Services	Adjacencies	Total Group –Excl SDI	SDI	Group Total
Revenue	95,545	716,698	22,187	834,430	-	834,430
Adjusted EBITDA	(148,200)	518,710	4,134	374,643	(5,801)	368,842
Depreciation and amortisation	-	-	-	(141,459)	(10,226)	(151,685)
Retirements of assets	-	-	-	(29,395)	-	(29,395)
Financial items	-	-	-	(111,854)	16,605	(95,249)
Profit before tax	-	-	-	91,935	578	92,514

Jan-Mar 2023						
EUR thousands	Customer acquisition	Portfolio services	Adjacencies	Total Group –Excl SDI	SDI	Group Total
Revenue	93,423	643,489	20,957	757,869	-	757,869
Adjusted EBITDA	(133,917)	457,345	4,534	327,962	(5,028)	322,934
Depreciation and amortisation	-	-	-	(128,672)	(13,771)	(142,443)
Retirements of assets	-	-	-	(28,624)	-	(28,624)
Financial items	-	-	-	(111,385)	(20,726)	(132,111)
Profit before tax	-	-	-	59,281	(39,525)	19,755

Note 4 Financial Risk Management

Financial instruments by category and valuation level

EUR thousand	Mar 2024		Mar 2023		Dec 2023	
	Financial Asset	Financial Liability	Financial Asset	Financial Liability	Financial Asset	Financial Liability
Hedge accounting						
FX forwards ¹	2,222	554	1,094	7,421	137	4,214
Fair value						
FX swaps ¹	25	50		11	4	21
Cross currency swaps ¹	12,744	-	5,733	-	1,717	-
Interest rate swaps ¹	-	10,976	-	8,247	-	23,698
Trade and other receivables ⁴	11,400	-	-	-	11,400	-
Amortised cost						
Trade and other receivables	62,541	-	294,599	-	53,278	-
Trade receivables, current ³	193,920	-	169,015	-	200,542	-
Other current receivables ³	24,712	-	15,672	-	39,759	-
Cash and cash equivalent	45,248	-	38,740	-	21,319	-
Long-term borrowings ²	-	7,187,756	-	7,180,962	-	7,157,561
Other non-current liabilities ²	-	2,382	-	2,087	-	2,474
Trade payables, current ³	-	166,411	-	166,430	-	171,392
Accrued expenses, current ³	-	230,042	-	218,081	-	197,270
Short-term borrowings ^{2,3}	-	92,843	-	83,550	-	124,141
Other current liabilities ^{2,3}	-	37,263	-	27,616	-	33,387

1) All derivatives measured at fair value are classified in level 2. All significant inputs are observable.

2) Details of borrowings are presented in note 5.

3) Due to the short-term nature of trade receivables, current receivables, trade payables, accrued expenses, short-term borrowings, and other current liabilities, their carrying amount is assumed to be the same as their fair value.

4) Trade and other receivables measured at fair value are classified in level 3. Significant inputs are unobservable.

Note 5 Borrowings

EUR thousand	Mar 2024			Mar 2023			Dec 2023		
	Principal amount	Adjustment amortised costs	Carrying amount	Principal amount	Adjustment amortised costs	Carrying amount	Principal amount	Adjustment amortised costs	Carrying amount
Non-current liabilities									
Secured									
Senior Secured Notes	2,900,000	(18,931)	2,881,069	3,100,000	(26,912)	3,073,088	2,900,000	(20,384)	2,879,616
Term Loan B ¹	2,800,000	(30,729)	2,769,271	2,800,000	(40,142)	2,759,858	2,800,000	(33,092)	2,766,908
Revolving Credit Facility	230,000	(7,417)	222,583	35,000	(9,383)	25,617	199,499	(7,914)	191,585
Unsecured									
Senior Unsecured Notes	1,305,152	(10,882)	1,294,270	1,307,973	(12,761)	1,295,212	1,310,184	(11,361)	1,298,823
Liabilities to other creditors	20,562	-	20,562	27,186	-	27,186	20,630	-	20,630
Lease liability	126,781	-	126,781	120,059	-	120,059	111,793	-	111,793
Long-term borrowings	7,382,494	(67,958)	7,314,536	7,390,218	(89,198)	7,301,020	7,342,106	(72,752)	7,269,354
Current liabilities									
Accrued interest expenses	59,170	-	59,170	61,296	-	61,296	87,800	-	87,800
Other liabilities	33,674	-	33,674	22,254	-	22,254	36,342	-	36,342
Lease liability	54,107	-	54,107	49,216	-	49,216	50,540	-	50,540
Short-term borrowings	146,950	-	146,950	132,766	-	132,766	174,681	-	174,681
Total	7,529,444	(67,958)	7,461,486	7,522,984	(89,198)	7,433,786	7,516,787	(72,752)	7,444,035

1) Of the total amount regarding adjustment amortised costs EUR (8,659) thousand in March 31, 2024, (12,235) in March 31, 2023 and (9568) thousand in December 31, 2023 relates to a non-cash adjustment derived from the modification of loan terms during the loans contract period calculated according to IFRS 9.

Net Debt and Leverage (per SFA)

EUR thousand	Mar 2024	Mar 2023	Dec 2023
Total principal amount (as above)	7,529,444	7,522,984	7,516,787
Less accrued interest	(59,170)	(61,296)	(87,800)
Total indebtedness	7,470,275	7,461,688	7,428,988
Less cash and cash equivalents	(45,248)	(38,740)	(21,319)
Total net debt	7,425,026	7,422,948	7,407,669
Secured net debt	5,884,752	5,896,260	5,878,181
L2QA EBITDA	1,450,563	1,270,163	1,388,690
Total net leverage	5.1x	5.8x	5.3x
Total secured net leverage	4.1x	4.6x	4.2x

Note 6 Pledged Assets and Contingent Liabilities

Pledged Assets

EUR thousand	Mar 2024	Mar 2023	Dec 2023
Shares in subsidiaries	2,498,237	2,641,476	2,426,640
Bank accounts	15,210	22,606	6,367
Accounts receivables	171,822	143,570	165,460
Inventories	1,007	727	941
Other operating assets	62,340	61,953	64,208
Trademark	42,803	53,527	45,482
Endowment insurance	526	563	537

Contingent Liabilities

EUR thousand	Mar 2024	Mar 2023	Dec 2023
Guarantees	40,998	36,737	41,504

The pledged assets are collateral for bank borrowings. Guarantees relate primarily to warranties provided to suppliers.

Unaudited Parent Company Financial Statements

Parent Company Income Statement

EUR thousand	Note	Jan-Mar 2024	Jan-Mar 2023
Revenue		146	-
Administrative expenses		(2)	(42)
Operating profit		144	(42)
Dividend		20,491	-
Financial income	2	11,876	11,807
Financial expenses	2	(20,745)	(20,321)
Profit before tax		11,766	(8,556)
Income tax expense		-	-
Net profit for the period		11,766	(8,556)

Parent Company Statement of Financial Position

EUR thousand	Note	Mar 2024	Mar 2023	Dec 2023
Assets				
Non-current assets				
<i>Long-term investments</i>				
Investments in subsidiaries		1,232,538	1,192,635	1,236,493
Receivables from Group companies		647,413	689,027	648,522
Total non-current assets		1,879,951	1,881,662	1,885,015
Current assets				
Receivables from Group companies		6,148	6,443	15,741
Prepaid expenses and accrued income		-	15	-
Cash and cash equivalents		114	120	743
Total current assets		6,263	6,578	16,484
Total assets		1,886,214	1,888,240	1,901,499

EUR thousand	Note	Mar 2024	Mar 2023	Dec 2023
Equity and liabilities				
Equity				
Share capital		56	56	56
Other paid in capital		573,590	569,170	573,125
Retained earnings		(106,389)	(96,376)	(97,663)
Total equity		467,257	472,850	475,518
Provisions				
Non-current liabilities				
Long-term borrowings	3	1,294,270	1,295,212	1,298,823
Liabilities to Group companies		113,438	110,233	97,831
Total non-current liabilities		1,407,708	1,405,445	1,396,654
Current liabilities				
Liabilities to Group companies		1,925	781	4,476
Accrued expenses and deferred income	3	9,323	9,166	24,851
Total current liabilities		11,249	9,945	29,327
Total liabilities		1,418,957	1,415,390	1,425,981
Total equity and liabilities		1,886,214	1,888,240	1,901,499

Parent Company Statement of Changes in Equity

EUR thousand	Attributable to equity holders of the parent company			
	Share capital	Other paid in capital	Retained earnings	Total
Balance at January 1, 2024	56	573,125	(97,663)	475,518
Net profit for the period	-	-	11,766	11,766
Dividend	-	-	(20,491)	(20,491)
Shareholder contribution	-	465	-	465
Balance on March 31, 2024	56	573,590	(106,389)	467,257

EUR thousand	Attributable to equity holders of the parent company			
	Share capital	Other paid in capital	Retained earnings	Total
Balance at January 1, 2023	56	569,170	(88,471)	480,755
Net profit for the period	-	-	(8,556)	(8,556)
Shareholder's contribution	-	-	651	651
Balance on March 31, 2023	56	569,170	(96,376)	472,850

EUR thousand	Attributable to equity holders of the parent company			
	Share capital	Other paid in capital	Retained earnings	Total
Balance at January 1, 2023	56	569,170	(88,471)	480,756
Net profit for the period	-	-	224,552	224,552
Dividend	-	-	(231,713)	(231,713)
Shareholder's contribution	-	1,923	-	1,923
Reclassification	-	2,031	(2,031)	-
Balance on December 31, 2023	56	573,125	(97,663)	475,518

Parent Company Statement of Cash Flows

EUR thousand	Jan-Mar 2024	Jan-Mar 2023
Operating activities		
Operating result	144	(42)
Paid taxes	-	-
Cash flow from operating activities before change in working capital	144	(42)
Change in working capital		
Change in trade payables	(49)	(15)
Change in other receivables	(350)	54
<i>Cash flow from change in working capital</i>	(399)	39
Cash flow from operating activities	(255)	(3)
Investing activities		
Cash flow from investing activities	-	-
Financing activities		
New loans from Group companies	15,640	15,346
Other financial items	(98)	(84)
Net interest received or paid	(15,916)	(15,767)
Cash flow from financing activities	(373)	(505)
Cash flow for the period	(628)	(507)
Cash and cash equivalents at start of period	743	627
Cash and cash equivalents at end of period	114	120

Notes to the Unaudited Parent Company Financial Statements

Note 1 Accounting Policies

The parent company Verisure Midholding AB (publ) applies the Swedish Financial Reporting Board's recommendation "RFR 2". The accounting policies are unchanged compared with those applied in 2023. These financial statements should be read in conjunction with the Annual Report 2023.

Note 2 Financial Income and Expenses

EUR thousand	Jan-Mar 2024	Jan-Mar 2023
Interest income	7	-
Interest income from Group companies	11,869	11,807
Financial income	11,876	11,807
Interest expense	(18,665)	(18,256)
Interest expense to Group companies	(1,074)	(781)
Other financial expenses	(1,007)	(1,285)
Financial expenses	(20,745)	(20,321)

Note 3 Borrowings

EUR thousand	Mar 2024			Mar 2023		
	Current liabilities	Non-current liabilities	Total	Current liabilities	Non-current liabilities	Total
Unsecured						
Senior Unsecured Notes	9,311	1,294,270	1,303,581	9,160	1,295,212	1,304,372
Total (carrying amount)	9,311	1,294,270	1,303,581	9,160	1,295,212	1,304,372

EUR thousand	Dec 2023		
	Current liabilities	Non-current liabilities	Total
Unsecured			
Senior Unsecured Notes	24,841	1,298,823	1,323,664
Total (carrying amount)	24,841	1,298,823	1,323,664

Quarterly Summary

Key Figures

EUR thousand (unless otherwise stated)	Jan-Mar 2024	Oct-Dec 2023	Jul-Sep 2023	Apr-Jun 2023	Jan-Mar 2023
Consolidated					
Non-IFRS and IFRS financial data					
Revenue ¹	834,430	785,374	780,984	765,744	757,869
Revenue growth, %	10.1%	8.4%	8.2%	9.7%	11.1%
Adjusted EBITDA excl. SDIs	374,643	338,138	343,707	330,680	327,962
Adjusted EBITDA margin excl. SDIs, %	44.9%	43.1%	44.0%	43.2%	43.3%
Adjusted EBITDA incl. SDIs	368,842	318,752	333,050	323,294	322,934
Adjusted EBITDA margin incl. SDIs, %	44.2%	40.6%	42.6%	42.2%	42.6%
Adjusted EBIT excl. SDIs	203,790	172,383	181,710	169,143	170,665
Adjusted EBIT margin excl. SDIs, %	24.4%	21.9%	23.3%	22.1%	22.5%
Operating profit ¹	187,763	144,005	158,727	148,361	151,866
Capital expenditures	219,183	233,933	209,532	219,888	205,098
Net debt per SFA	7,425,026	7,407,669	7,388,297	7,400,482	7,422,948
Unaudited operating data					
Payback period, years	3.5	3.8	3.8	3.7	3.6
Portfolio services segment					
Non-IFRS and IFRS financial data					
Portfolio services revenue ¹	716,698	673,430	665,805	652,571	643,489
Portfolio services adjusted EBITDA	518,710	484,151	478,591	465,198	457,345
Portfolio services adjusted EBITDA margin, %	72.4%	71.9%	71.9%	71.3%	71.1%
Unaudited operating data					
Total subscribers (end of period), units	5,282,075	5,173,032	5,072,207	4,966,612	4,859,697
Cancellation, units	101,101	97,939	90,894	93,795	93,749
LTM attrition rate, %	7.6%	7.6%	7.5%	7.5%	7.4%
Quarterly attrition rate (annualised), %	7.7%	7.6%	7.2%	7.7%	7.8%
Net subscriber growth, units	109,043	100,825	105,595	106,915	107,600
Subscriber growth rate, net, %	8.7%	8.9%	9.2%	9.7%	10.4%
Monthly average number of subscribers during the period, units	5,220,295	5,126,444	5,028,001	4,904,152	4,799,363
Average monthly revenue per user (ARPU), EUR	45.8	43.8	44.1	44.4	44.7
Monthly adjusted EBITDA per customer (EPC), EUR	33.1	31.5	31.7	31.6	31.8
Customer acquisition segment					
Non-IFRS and IFRS financial data					
Customer acquisition revenue ¹	95,545	89,059	89,990	89,801	93,423
Customer acquisition adjusted EBITDA	(148,200)	(144,901)	(137,325)	(134,964)	(133,917)
Customer acquisition capital expenditures	146,926	141,034	143,224	147,259	145,940
Unaudited operating data					
New subscribers added (gross)	210,144	198,764	196,489	200,710	201,349
Cash acquisition cost per new subscriber (CPA), EUR	1,404	1,439	1,428	1,406	1,390
Adjacencies segment					
Non-IFRS and IFRS financial data					
Adjacencies revenue ¹	22,187	22,885	25,190	23,373	20,957
Adjacencies adjusted EBITDA	4,134	(1,112)	2,441	446	4,534

1) IFRS financial data.

Non-IFRS measures

The Group uses some financial measures to assess the business which are not defined by IFRS. These measures are included in this report and are not to be considered a substitute of the Group's financial statements but instead important complementary measures of the operating performance of the Group.

Adjusted EBITDA

Adjusted EBITDA is earnings before interests, taxes, depreciation and amortisation, write offs and SDIs.

Calculation of Adjusted EBITDA

EUR thousands	Jan-Mar 2024	Jan-Mar 2023
Operating profit according to consolidated income statement	187,763	151,866
Depreciation and amortisation add-back	151,685	142,443
Retirement of assets add-back	29,395	28,625
Separately disclosed items add-back	5,801	5,028
Adjusted EBITDA	374,643	327,962
Whereof adjusted EBITDA customer acquisition	(148,200)	(133,917)
Whereof adjusted EBITDA portfolio services	518,710	457,345
Whereof adjusted EBITDA adjacencies	4,134	4,534

Adjusted EBIT

Adjusted EBIT is earnings before interests, taxes and SDIs.

Calculation of Adjusted EBIT

EUR thousands	Jan-Mar 2024	Jan-Mar 2023
Operating profit according to consolidated income statement	187,763	151,866
Separately disclosed items add-back	16,027	18,799
Adjusted EBIT	203,790	170,665

Average Revenue per user

Average monthly revenue per user ("ARPU") is our portfolio services segment revenue, consisting of monthly average subscription fees and sales of additional products and services, divided by the average number of subscribers during the relevant period.

Calculation of ARPU

EUR thousands	Jan-Mar 2024	Jan-Mar 2023
Portfolio services segment revenue	716,698	643,489
Monthly average portfolio services segment revenue	238,899	214,496
Monthly average number of subscribers during the period, units	5,220,295	4,799,363
Monthly average portfolio services segment revenue divided by average monthly number of subscribers during the period – ARPU	45.8	44.7

Monthly adjusted EBITDA per customer

Monthly adjusted EBITDA per customer ("EPC") is calculated by dividing the total monthly adjusted EBITDA from managing our existing subscriber portfolio (which is our Portfolio services adjusted EBITDA excl. SDIs) by the average number of subscribers.

Calculation of EPC

EUR thousands	Jan-Mar 2024	Jan-Mar 2023
Portfolio services segment adjusted EBITDA	518,710	457,345
Monthly average portfolio services segment adjusted EBITDA	172,903	152,448
Average monthly number of subscribers during the period, units	5,220,295	4,799,363
Monthly average portfolio services segment adjusted EBITDA divided by average monthly number of subscribers during the period – EPC	33.1	31.8

Cash acquisition cost per new subscriber

Cash acquisition cost per new subscriber ("CPA") is the net investment required to acquire a new subscriber, including costs related to the marketing and sales process, installation of the alarm system, costs of alarm system products and overhead expenses for the customer acquisition process. The metric is calculated net of any revenues from installation fees charged to the new subscriber and represents the sum of adjusted EBITDA plus capital expenditures in our customer acquisition segment on average for every subscriber acquired.

Calculation of CPA

EUR thousands	Jan-Mar 2024	Jan-Mar 2023
Customer acquisition Adjusted EBITDA	(148,200)	(133,917)
Customer acquisition capital expenditure	(146,926)	(145,940)
Customer acquisition cost	(295,126)	(279,857)
New subscribers added, units	210,144	201,349
Customer acquisition cost divided by new subscribers added (gross) - CPA	1,404	1,390

Payback period

Payback period represents the time in years required to recapture the initial capital investment made to acquire a new customer and is calculated as CPA divided by EPC, divided by 12.

Calculation of Payback period

EUR thousands	Jan-Mar 2024	Jan-Mar 2023
Cash acquisition cost per new subscriber ("CPA")	1,404	1,390
Monthly adjusted EBITDA per subscriber ("EPC")	33.1	31.8
CPA divided by EPC divided by 12	3.5	3.6

Definitions of Key Operating Metrics

The Group management uses a number of key operating metrics, in addition to IFRS financial measures, to evaluate, monitor and manage our business. The non-IFRS operational and statistical information related to the Group's operations included in this section is unaudited and has been derived from internal reporting systems. Although none of these metrics are measures of financial performance under IFRS, management believes that these metrics provide important insight into the operations and strength of the Group's business. These metrics may not be comparable to similar terms used by competitors or other companies, and from time to time the Group may change our definitions of these metrics. These metrics include the following:

Adjusted EBITDA

Earnings before interests, taxes, depreciation, and amortisation, write offs and separately disclosed items.

Adjusted EBIT

Earnings before interests, taxes and separately disclosed items.

LTM attrition rate

The attrition rate is the number of terminated subscriptions to our monitoring service in the last 12 months, divided by the average number of subscribers for the last 12 months.

Quarterly attrition rate (annualised)

The attrition rate is the number of terminated subscriptions to our monitoring service in the quarter, annualised and divided by the average number of subscribers in the quarter.

Average Revenue per user

Average monthly revenue per user ("ARPU") is our portfolio services segment revenue, consisting of monthly average subscription fees and sales of additional products and services divided by the average number of subscribers during the relevant period.

Cancellations

Total number of cancelled subscriptions during the period including cancellations on acquired portfolios.

Cash acquisition cost per new subscriber

Cash acquisition cost per new subscriber ("CPA") is the net investment required to acquire a subscriber, including costs related to the marketing and sales process, installation of the alarm system, costs of alarm system products and overhead expenses for the customer acquisition process. The metric is calculated net of any revenues from installation fees charged to the subscriber and represents the sum of adjusted EBITDA plus capital expenditures in our customer acquisition segment on average for every subscriber acquired.

Monthly adjusted EBITDA per subscriber

Monthly adjusted EBITDA per subscriber ("EPC") is calculated by dividing the total monthly adjusted EBITDA from managing our existing subscriber portfolio (which is our adjusted EBITDA from portfolio services) by the average number of subscribers.

Net Debt

The sum of financial indebtedness, defined as interest bearing debt from external counterparties, excluding accrued interest less the sum of available cash and financial receivables.

New subscriber added (gross)

Total number of new subscribers added.

Payback period

Payback period represents the time in years required to recapture the initial capital investment made to acquire a new subscriber and is calculated as CPA divided by EPC, divided by 12.

Retirement of assets

The residual values of an asset that will no longer be used in the operations are recognised as a cost in the income statement.

Subscriber growth rate

Number of subscribers at end of period divided with number of subscribers 12 months ago.

Malmö, May 16, 2024

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Group CEO

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