

VERISURE MIDHOLDING AB

PROUD TO **PROTECT**



FULL YEAR REPORT

2024

JANUARY - DECEMBER

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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 and Latin America. We Deter, Detect, Verify and Intervene to protect our residential and small business subscribers from intruders, fire, and health emergencies. We offer premium monitored alarm services to our portfolio of over 5.6 million customers and design and install alarms with network connectivity across 17 countries in Europe and Latin America. In 13 of our 17 geographies, we lead the category in terms of customers served. And we continue to gain market share. Through Arlo Europe, we are also one of the leading providers of camera video surveillance systems in Europe, serving more than a million users across more than 50 countries. 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 fourth quarter of 2024, the Group continued to deliver excellent operating and financial performance with strong growth in both absolute profitability and margins year on year. Our customer portfolio continued to grow and is now over 5.6 million, representing an annual growth rate of 8.5% compared to the same period last year.

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 support our premium positioning and extend our leadership position.

Financial summary of the quarter and the twelve months ending December 31, 2024

We added 211,375 new customers to our portfolio in the quarter and 839,746 customers in the year, representing an increase of 6.3% and 5.3%, respectively. We remain disciplined and focused on high-quality customer intake. At the end of the quarter our customer portfolio totalled 5,611,685 customers, up 438,653 customers or 8.5% year-on-year. LTM attrition rate was 7.4% as of the end of the quarter, down from 7.6% last year. Q4 quarterly attrition was 7.3%.

Total revenue reached EUR 870.2 million in the fourth quarter of 2024, up 10.8% from EUR 785.4 million in the same period last year. In constant currency, total revenue grew 11.8% in the quarter. Portfolio services revenue, representing 86.7% of total revenue in the quarter, grew 12.1% to EUR 754.8 million. In constant currency, portfolio services revenue grew 13.1% in the quarter. In the twelve months of 2024, total revenue increased to EUR 3,408.0 million compared to EUR 3,090.0 million last year, representing an increase of 10.3% in actual currency and 11.0% in constant currency. Portfolio services revenue grew 11.9% to EUR 2,947.8 million in the full year of 2024 (12.6% increase in constant currency).

Adjusted EBITDA incl. SDIs increased to EUR 370.8 million in the quarter compared to EUR 318.8 million in the same

period last year, an increase of 16.3% in actual currency and 17.3% in constant currency. For the full year of 2024, total adjusted EBITDA incl. SDIs increased 15.7% to EUR 1,501.8 million compared to EUR 1,298.0 million in 2023 (16.5% increase in constant currency).

Portfolio services adjusted EBITDA increased to EUR 549.1 million in the quarter compared to EUR 484.2 million the same period last year, representing an increase of 13.4% in actual currency and 14.5% in constant currency. Portfolio services adjusted EBITDA margin was 72.7% in the quarter, compared to 71.9% in the same period last year. In the full year of 2024, portfolio services adjusted EBITDA reached EUR 2,141.9 million, representing an increase of 13.6% in actual currency and 14.4% in constant currency compared to the same period last year.

In the fourth quarter of 2024, customer acquisition cost (CPA) increased from EUR 1,439 to EUR 1,523, an increase of 5.9% compared to the same period last year (7.2% increase in constant currency). Excluding the impact of IAS 29 hyperinflation accounting in Argentina, our CPA was broadly flat year over year. In the twelve months of 2024, CPA increased from EUR 1,415 to EUR 1,438, an increase of 1.6% compared to the same period last year (2.5% increase in constant currency).

ARPU reached EUR 45.2 in the quarter, an increase of 3.3% compared to the same period last year (4.2% increase in constant currency). In the full year of 2024, ARPU increased 3.0% vs. last year (3.6% increase in constant currency). EPC increased to EUR 32.9 in the quarter, an increase of 4.6% vs. last year (5.5% increase in constant currency). In the full year of 2024, EPC increased 4.6% compared to the same period in 2023 (5.3% increase in constant currency).

We remain optimistic about the future, as the fundamental customer needs for security and peace of mind are expected to continue to grow. We believe 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)	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Consolidated				
Non-IFRS and IFRS financial data				
Revenue ¹	870,230	785,374	3,408,018	3,089,970
Revenue growth, %	10.8%	8.4%	10.3%	9.3%
Adjusted EBITDA excl. SDIs	381,860	338,138	1,533,997	1,340,488
Adjusted EBITDA margin excl. SDIs, %	43.9%	43.1%	45.0%	43.4%
Adjusted EBITDA incl. SDIs	370,800	318,752	1,501,848	1,298,031
Adjusted EBITDA margin incl. SDIs, %	42.6%	40.6%	44.1%	42.0%
EBIT excl. SDIs	195,646	172,383	819,026	693,899
EBIT margin excl. SDIs, %	22.5%	21.9%	24.0%	22.5%
Operating profit ¹	174,592	144,005	742,598	602,958
Capital expenditures	263,622	233,933	919,779	868,452
Net debt per SFA	7,587,779	7,407,669	7,587,779	7,407,669
Unaudited operating data				
Acquisition multiple, ratio	3.9	3.8	3.6	3.7
Portfolio services segment				
Non-IFRS and IFRS financial data				
Portfolio services revenue ¹	754,822	673,430	2,947,809	2,635,294
Portfolio services adjusted EBITDA	549,104	484,151	2,141,872	1,885,286
Portfolio services adjusted EBITDA margin, %	72.7%	71.9%	72.7%	71.5%
Unaudited operating data				
Total subscribers (end of period), units	5,611,685	5,173,032	5,611,685	5,173,032
Cancellation, units	101,451	97,939	401,094	376,377
LTM attrition rate, %	7.4%	7.6%	7.4%	7.6%
Quarterly attrition rate (annualised), %	7.3%	7.6%	-	-
Net subscriber growth, units	109,924	100,825	438,653	420,935
Subscriber growth rate, net, %	8.5%	8.9%	8.5%	8.9%
Monthly average number of subscribers during the period, units	5,560,522	5,126,444	5,391,658	4,964,490
Monthly average revenue per user (ARPU), EUR	45.2	43.8	45.6	44.2
Monthly adjusted EBITDA per customer (EPC), EUR	32.9	31.5	33.1	31.6
Customer acquisition segment				
Non-IFRS and IFRS financial data				
Customer acquisition revenue ¹	90,658	89,059	367,368	362,273
Customer acquisition adjusted EBITDA	(172,780)	(144,901)	(627,470)	(551,108)
Customer acquisition capital expenditures	149,162	141,034	580,452	577,457
Unaudited operating data				
New subscribers added (gross), units	211,375	198,764	839,746	797,312
Cash acquisition cost per new subscriber (CPA), EUR	1,523	1,439	1,438	1,415
Adjacencies segment				
Non-IFRS and IFRS financial data				
Adjacencies revenue ¹	24,749	22,885	92,841	92,404
Adjacencies adjusted EBITDA	5,536	(1,112)	19,594	6,309

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 full year 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 December 31, 2024, and 2023

Results excluding SDIs

EUR million	Oct-Dec 2024	Oct-Dec 2023	% Change Actual Currency	% Change Constant Currency
Revenue	870.2	785.4	10.8%	11.8%
Operating expenses	(490.1)	(448.4)	9.3%	10.4%
Other income	1.8	1.2	52.3%	53.6%
Adjusted EBITDA	381.9	338.1	12.9%	13.8%
Adjusted EBITDA margin, %	43.9%	43.1%	-	-
Depreciation and amortisation	(152.6)	(137.0)	11.4%	12.3%
Retirement of assets	(33.6)	(28.8)	17.0%	18.7%
EBIT	195.6	172.4	13.5%	14.3%
EBIT margin, %	22.5%	21.9%	-	-
Interest income and expenses	(114.3)	(115.9)	(1.4%)	(1.4%)
Other financial items	(7.1)	12.7	(155.9%)	(154.5%)
Profit before tax	74.2	69.2	7.3%	8.5%

Revenue by segment

EUR million	Oct-Dec 2024	Oct-Dec 2023	% Change Actual Currency	% Change Constant Currency
Portfolio services	754.8	673.4	12.1%	13.1%
Customer acquisition	90.7	89.1	1.8%	3.1%
Adjacencies	24.7	22.9	8.1%	8.1%
Total	870.2	785.4	10.8%	11.8%

Revenue

Total revenue increased 10.8% in the fourth quarter of 2024, or EUR 84.9 million, to 870.2 million, up from EUR 785.4 million in the prior period. In constant currency, total revenue increased 11.8%. Revenue increase was primarily driven by the growing customer base, which increased by 8.5%, from 5,173,032 on December 31, 2023, to 5,611,685 on December 31, 2024.

Portfolio services revenue increased by 12.1% in the fourth quarter of 2024, or EUR 81.4 million, to EUR 754.8 million, up from EUR 673.4 million last year. The increase was primarily driven by the higher number of customers in the portfolio as well as increased monthly average revenue per user (ARPU) of 3.3% compared to the same quarter last year.

Customer acquisition revenue reached EUR 90.7 million in the fourth quarter of 2024, representing a increase of 1.8% compared to the same period last year. The increase was mainly due to higher customer intake compared to the same period last year.

Operating expenses

Operating expenses increased 9.3% in the fourth quarter of 2024, or EUR 41.7 million, to EUR 490.1 million, from EUR 448.4 million in the same period last year. The increase was mainly driven by portfolio growth.

Adjusted EBITDA

Adjusted EBITDA increased 12.9% in the quarter ending December 31, 2024, or EUR 43.7 million, to EUR 381.9 million, from EUR 338.1 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 152.6 million in the three months ending December 31, 2024, up from EUR 137.0 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 33.6 million in the fourth quarter of 2024, from EUR 28.8 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 retirement of assets in the fourth 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 0.3 million in the three months ending December 31, 2024, compared to EUR 0.6 million in the same period last year. Interest expenses reached EUR 114.7 million in the three months ending December 31, 2024, compared to EUR 116.5 million in the same period last year.

Other financial items

Other financial items mainly include commitment fees for our Revolving Credit Facility and Ancillary Facilities, other bank charges and net changes in the fair value from derivatives held for trading (interest rate swaps and cross currency swaps). In the fourth quarter of 2024, other financial items amounted to a cost of EUR 7.1 million compared to an income of EUR 12.7 million in the same period last year.

Reported consolidated income statement

EUR million	Oct-Dec 2024			Oct-Dec 2023		
	Profit excl. SDIs	SDIs	Reported	Profit excl. SDIs	SDIs	Reported
Revenue	870.2	-	870.2	785.4	-	785.4
Operating expenses	(490.1)	(11.1)	(501.2)	(448.4)	(19.4)	(467.8)
Other income	1.8	-	1.8	1.2	-	1.2
Adjusted EBITDA	381.9	(11.1)	370.8	338.1	(19.4)	318.8
Depreciation and amortisation	(152.6)	(10.0)	(162.6)	(137.0)	(9.0)	(146.0)
Retirement of assets	(33.6)	-	(33.6)	(28.8)	-	(28.8)
Operating profit	195.6	(21.1)	174.6	172.4	(28.4)	144.0
Interest income and expenses	(114.3)	-	(114.3)	(115.9)	-	(115.9)
Other financial items	(7.1)	(3.6)	(10.7)	12.7	(72.3)	(59.6)
Profit before tax	74.2	(24.6)	49.6	69.2	(100.7)	(31.5)
Income tax expense			(11.5)			9.1
Net profit for the period			38.1			(22.4)

Separately disclosed items (SDIs)

SDIs affecting operating expenses

In the fourth quarter of 2024, total SDIs affecting operating expenses reached EUR 11.1 million, compared to EUR 19.4 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 and retirement of assets

In the fourth quarter of 2024, SDI's affecting amortisation and depreciation from acquisition-related intangible assets reached EUR 10.0 million, compared to EUR 9.0 million in the same period last year.

SDIs affecting interest income and expenses and other financial items

SDIs affecting interest income and expenses and other financial items totalled a cost of EUR 3.6 million in the fourth

quarter of 2024, compared to EUR 72.3 million in the same period last year. In the three months ending December 31, 2024, other financial items mainly include positive non-cash FX revaluations of debt items and unrealised derivatives of EUR 4.6 million, offset by amortisation of prepaid financing fees of EUR 4.0 million and other bank charges of EUR 3.0 million. In the three months ending December 31, 2023, other financial items mainly include negative non-cash FX revaluations of debt items and unrealised derivatives of EUR 67.7 million and amortisation of prepaid financing fees of EUR 3.8 million.

Income tax expense

In the three months ending December 31, 2024, income tax represented a cost of EUR 11.5 million, compared to a benefit of EUR 9.1 million in the same period last year. In the fourth quarter of the year, current tax totalled an expense of EUR 39.0 million, compared to EUR 28.4 million in the same period last year, and deferred tax totalled a benefit of EUR 27.5 million compared to EUR 37.5 million in the same period last year.

Twelve months ending December 31, 2024, and 2023

Results excluding SDIs

EUR million	Jan-Dec 2024	Jan-Dec 2023	% Change Actual Currency	% Change Constant Currency
Revenue	3,408.0	3,090.0	10.3%	11.0%
Operating expenses	(1,878.9)	(1,753.8)	7.1%	7.8%
Other income	4.9	4.3	14.9%	14.6%
Adjusted EBITDA	1,534.0	1,340.5	14.4%	15.2%
Adjusted EBITDA margin, %	45.0%	43.4%	-	-
Depreciation and amortisation	(593.0)	(532.0)	11.5%	12.1%
Retirement of assets	(122.0)	(114.6)	6.5%	7.5%
EBIT	819.0	693.9	18.0%	18.7%
EBIT margin, %	24.0%	22.5%	-	-
Interest income and expenses	(470.0)	(449.3)	4.6%	4.6%
Other financial items	8.3	(1.5)	(646.7%)	(782.3%)
Profit before tax	357.3	243.1	47.0%	49.2%

Revenue by segment

EUR million	Jan-Dec 2024	Jan-Dec 2023	% Change Actual Currency	% Change Constant Currency
Portfolio services	2,947.8	2,635.3	11.9%	12.6%
Customer acquisition	367.4	362.3	1.4%	2.3%
Adjacencies	92.8	92.4	0.5%	0.5%
Total	3,408.0	3,090.0	10.3%	11.0%

Revenue

Total revenue increased by 10.3% in the full year of 2024, or EUR 318.0 million, to EUR 3,408.0 million, up from EUR 3,090.0 million in the prior period. In constant currency the increase in revenue was 11.0%, primarily due to the growing customer base, which increased by 8.5%, from 5,173,032 in December 31, 2023, to 5,611,685, in December 31, 2024.

Portfolio services revenue increased by 11.9% in the twelve months ending December 31, 2024, or EUR 312.5 million, to EUR 2,947.8 million, up from EUR 2,635.3 million last year. The increase was primarily driven by the higher number of customers in the portfolio as well as increased monthly average revenue per user (ARPU) of 3.0%.

Customer acquisition revenue reached EUR 367.4 million in the twelve months ending December 31, 2024, representing an increase of 1.4% compared to the same period last year. The increase is mainly driven by an increase in new installations compared to last year.

Operating expenses

Operating expenses increased by 7.1% year on year, or EUR 125.2 million, to EUR 1,878.9 million, from EUR 1,753.8 million in the same period last year. The increase was mainly due to growth in the portfolio.

Adjusted EBITDA

Adjusted EBITDA increased by 14.4% in the twelve months ending December 31, 2024, or EUR 193.5 million, to EUR 1,534.0 million, from EUR 1,340.5 million in the same period last year. The increase is mainly driven by growth in the portfolio, as well as a higher monthly adjusted EBITDA per customer (EPC) and increased operational efficiency.

Depreciation and amortisation

Depreciation and amortisation increased to EUR 593.0 million in the twelve months ending December 31, 2024, up from EUR 532.0 million in the same period last year, mainly due to growth in 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 122.0 million in the twelve months ending December 31, 2024, from EUR 114.6 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 retirement of assets during the twelve months of 2024 is driven by the increase in cancellations compared to the same period last year.

Interest income and expenses

Interest income reached EUR 1.8 million in the twelve months ending December 31, 2024, compared to EUR 1.9 million in the same period last year. Interest expense reached EUR 471.8 million in the twelve months ending December 31, 2024, compared to EUR 451.1 million in the same period last year, mainly driven by higher total gross debt.

Other financial items

Other financial items mainly include commitment fees for our Revolving Credit Facility and Ancillary Facilities, other bank charges, and net changes in the fair value from derivatives held for trading (interest rate swaps and cross currency swaps). For the twelve months ending December 31, 2024, other financial items amounted to a benefit of EUR 8.3 million, compared to a cost of EUR 1.5 million last year.

Reported consolidated income statement

EUR million	Jan-Dec 2024			Jan-Dec 2023		
	Profit excl. SDIs	SDIs	Reported	Profit excl. SDIs	SDIs	Reported
Revenue	3,408.0	-	3,408.0	3,090.0	-	3,090.0
Operating expenses	(1,878.9)	(32.1)	(1,911.1)	(1,753.8)	(42.5)	(1,796.2)
Other income	4.9	-	4.9	4.3	-	4.3
Adjusted EBITDA	1,534.0	(32.1)	1,501.8	1,340.5	(42.5)	1,298.0
Depreciation and amortisation	(593.0)	(40.3)	(633.2)	(532.0)	(48.5)	(580.5)
Retirement of assets	(122.0)	(4.0)	(126.0)	(114.6)	-	(114.6)
Operating profit	819.0	(76.4)	742.6	693.9	(90.9)	603.0
Interest income and expenses	(470.0)	-	(470.0)	(449.3)	(0.7)	(450.0)
Other financial items	8.3	(33.9)	(25.6)	(1.5)	(82.1)	(83.7)
Profit before tax	357.3	(110.3)	247.0	243.1	(173.8)	69.3
Income tax expense			(102.5)			(40.4)
Net profit for the period			144.5			28.9

Separately disclosed items (SDIs)

SDIs affecting operating expenses

For the twelve months ending December 31, 2024, total SDIs affecting operating expenses reached EUR 32.1 million, compared to EUR 42.5 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 and retirement of assets

For the twelve months ending December 31, 2024, SDI's affecting amortisation and depreciation from acquisition-related intangible assets reached EUR 40.3 million, compared to EUR 48.5 million 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 a cost of EUR 33.9 million in 2024, compared to a cost of EUR 82.8 million in the same period last year. For the twelve months ending December 31, 2024, other financial items mainly include negative non-cash FX

revaluations of debt items and unrealised derivatives of EUR 1.4 million, amortisation of prepaid financing fees of EUR 15.8 million, write-off of prepaid financing fees of EUR 4.6 million, a negative IFRS 9 adjustment related to the modification of loan agreements of EUR 9.6 million and other bank charges of EUR 3.0 million. For the twelve months ending December 31, 2023, other financial items mainly include negative non-cash FX revaluations of debt items and unrealised derivatives of EUR 62.3 million, amortisation of prepaid financing fees of EUR 15.5 million, a write-off of prepaid financing fees of EUR 1.6 million and a negative IFRS 9 adjustment related to the modification of loan agreements of EUR 3.5 million.

Income tax expense

For the twelve months ending December 31, 2024, income tax represented a cost of EUR 102.5 million, compared to a cost of EUR 40.4 million in the same period last year. While current tax expense totalled EUR 119.2 million in the twelve months ending December 31, 2024, compared to EUR 96.2 million in the same period last year, deferred tax totalled a benefit of EUR 16.7 million in the twelve months ending December 31, 2024, compared to a benefit of EUR 55.8 million in the same period last year.

Cash Flow

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

EUR million	Oct-Dec 2024	Oct-Dec 2023
Cash flow from operating activities before change in working capital	304.4	264.4
Change in working capital ³	18.2	64.5
Cash flow from operating activities¹	322.6	328.9
Cash flow from investing activities	(262.7)	(249.5)
Cash flow from financing activities ^{2,3}	(51.0)	(83.5)
Cash flow for the period	8.9	(4.1)
Cash and cash equivalents at beginning of period	21.2	26.1
Translation differences on cash and cash equivalents	(0.3)	(0.6)
Cash and cash equivalents at end of period	29.8	21.3

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

2) Cash flow from financing activities includes paid interest.

3) Refer to Note 1 Accounting policies.

Cash flow from operating activities

Cash flow from operating activities reached EUR 322.6 million and EUR 328.9 million in the three months ending December 31, 2024, and 2023, respectively. Cash flow from operating activities before change in working capital increased from EUR 264.4 million in the last quarter of 2023, to EUR 304.4 million in the last quarter of 2024, mainly driven by higher operating profit. Change in working capital had a positive impact on cash flow generation of EUR 18.2 million in the fourth quarter of 2024, compared to EUR 64.5 million in the same period last year. Year on year development mainly relates to the negative effect on cash flow generation from inventories, trade receivables, trade payables and other payables.

Cash flow from investing activities

Cash flow from investing activities totalled EUR 262.7 million and EUR 249.5 million in the three months ending December 31, 2024, and 2023, respectively. Our investing activities are primarily related to customer acquisition capital expenditures. The increase in cash outflow from investing activities in the period is mainly driven by higher upselling activity to existing customers and higher investment in R&D, product and service innovation and software engineering.

Cash flow from financing activities

Cash flow from financing activities totalled an outflow of EUR 51.0 million and EUR 83.5 million in the three months ending December 31, 2024, and 2023, respectively. Key components in the three months ending December 31, 2024, include net interest payments of EUR 91.1 million and other financial items of EUR 4.0 million, partially offset by a positive net change in borrowings of EUR 44.1 million. Compared to the same period last year, net interest payments increased by EUR 2.7 million, from EUR 88.4 million, mainly due to increases in the amount of gross debt and increases in the cost of debt.

Cash flow for the twelve months ending December 31, 2024, and 2023

EUR million	Jan-Dec 2024	Jan-Dec 2023
Cash flow from operating activities before change in working capital	1,389.4	1,198.1
Change in working capital ³	(59.3)	86.1
Cash flow from operating activities¹	1,330.1	1,284.2
Cash flow from investing activities	(918.8)	(884.0)
Cash flow from financing activities ^{2,3}	(401.7)	(421.4)
Cash flow for the period	9.6	(21.1)
Cash and cash equivalents at beginning of period	21.3	43.6
Translation differences on cash and cash equivalents	(1.1)	(1.2)
Cash and cash equivalents at end of period	29.8	21.3

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

2) Cash flow from financing activities includes paid interest.

3) Refer to Note 1 Accounting policies.

Cash flow from operating activities

Cash flow from operating activities was EUR 1,330.1 million and EUR 1,284.2 million for the twelve months ending December 31, 2024, and 2023, respectively. Cash flow from operating activities before change in working capital increased from EUR 1,198.1 million in the twelve months ending December 31, 2023, to EUR 1,389.4 million in 2024, mainly driven by higher operating profit. Change in working capital had a negative impact on cash flow generation of EUR 59.3 million in the twelve months ending December 31, 2024, compared to a positive impact of EUR 86.1 million in the same period last year. Year on year development mainly relates to the negative effect on cash flow generation from inventories, trade receivables, other receivables and other payables, partially offset by positive movements in the cash flow generation from trade payables.

Cash flow from investing activities

Cash flow from investing activities reached EUR 918.8 million and EUR 884.0 million for the twelve months ending December 31, 2024, and 2023, respectively. Our investing activities are primarily related to customer acquisition capital expenditures. The increase compared to the same period last year is mainly driven by higher upselling activity to existing customers and higher investment in R&D, product and service innovation and software engineering.

Cash flow from financing activities

Cash flow from financing activities totalled an outflow of EUR 401.7 million for the twelve months ending December 31, 2024, compared to EUR 421.4 million in the same period last year. Key components in 2024 include net interest payments of EUR 464.9 million, positive net changes in borrowings of EUR 75.8 million and paid bank, advisory fees and other financial items of EUR 12.9 million. Compared to the same period last year, net interest payments increased by EUR 13.0 million, from EUR 451.9 million, mainly due to increases in the amount of gross debt and increases in the cost of debt.

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 December 31, 2024, and 2023

EUR million	Oct-Dec 2024	Oct-Dec 2023
Customer acquisition capital expenditures, material	81.0	83.8
Customer acquisition capital expenditures, direct costs	68.2	57.2
Portfolio services capital expenditures	45.9	31.5
Adjacencies capital expenditures	4.2	5.1
Other capital expenditures	64.4	56.3
Total	263.6	233.9

Capital expenditures reached EUR 263.6 million in the three months ending December 31, 2024, compared to EUR 233.9 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.

Capital expenditures for the twelve months ending December 31, 2024, and 2023

EUR million	Jan-Dec 2024	Jan-Dec 2023
Customer acquisition capital expenditures, material	326.7	338.1
Customer acquisition capital expenditures, direct costs	253.8	239.3
Portfolio services capital expenditures	155.1	117.8
Adjacencies capital expenditures	16.7	17.3
Other capital expenditures	167.6	155.9
Total	919.8	868.5

Capital expenditures reached EUR 919.8 million in the twelve months ending December 31, 2024, compared to EUR 868.5 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 December 31, 2024 and 2023

EUR million	Dec 2024	Dec 2023
Revolving Credit Facility	700.0	700.0
Cash and cash equivalents	29.8	21.3
Drawn facility amount	(200.0)	(199.5)
Utilised letters of credit	(21.0)	(21.9)
Total available funds	508.8	499.9

Gross financial indebtedness as of December 31, 2024 and 2023

EUR million	Dec 2024	Dec 2023
Revolving Credit Facility	200.0	199.5
Term Loan B	2,525.0	2,800.0
Senior Secured Notes	3,325.0	2,900.0
Senior Unsecured Notes	1,305.9	1,310.2
Other liabilities	70.7	57.0
Lease liability (IFRS 16)	191.0	162.3
Total indebtedness	7,617.6	7,429.0

Corporate governance

For the purpose of this section, the Board refers to the Board of Directors of Verisure Group Topholding AB.

As of March 1st, 2025, Graeme Pitkethly will join our Board and will serve as independent chair of our Audit Committee. Graeme brings very significant experience to our company at this important stage of our development. He had a highly successful 22-year career at Unilever. Graeme was Group CFO for over 8 years, and prior to his appointment as CFO, he was responsible for their UK and Ireland business. Graeme served on the Unilever board until December 2023. Graeme is currently audit committee chair at both Pearson plc and Sandoz. We look forward to welcoming Graeme to our Board from March. Graeme becomes our third independent director, alongside Dominique Reiniche and Andrew Barron.

Dominique Reiniche joined our Board just over a year ago. She has a wealth of experience across many sectors. Her executive experience includes Procter & Gamble and Kraft Jacob Suchard. Dominique was CEO Europe at Coca-Cola Enterprises for 11 years, before serving as CEO Europe and latterly chair at the Coca-Cola Company. Apart from Verisure, Dominique is currently serving as a non-executive director at Deliveroo, Paypal Europe and Mondi Group. Her previous board roles include serving as chair of the boards of Eurostar and Hansen Holding A/S.

Andrew Barron has served on our Board since 2020. Andrew has had a long and successful career in telecoms and media. He started at McKinsey and then Disney. Other executive roles included COO at Modern Times Group and Virgin Media. He was the co-founder of Ocelot which became Ocean Outdoor. He was also chair of Com Hem AB, Primacom AG and Tele2. Apart from Verisure, Andrew is currently a non-executive director at Openreach, Astound broadband and Delta Fiber.

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 October 2024, the Group redeemed EUR 100 million Senior Secured Notes due in 2027 through Revolving Credit Facility drawings.

Events after the reporting period

There have been no significant events after the reporting period.

Unaudited Consolidated Financial Statements

Consolidated Income Statement

EUR thousand	Note	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Revenue	3	870,230	785,374	3,408,018	3,089,970
Cost of sales		(483,377)	(441,725)	(1,849,588)	(1,702,845)
Gross profit		386,853	343,649	1,558,430	1,387,125
Selling expenses		(97,163)	(93,130)	(390,992)	(375,184)
Administrative expenses		(116,859)	(107,669)	(429,754)	(413,260)
Other income		1,760	1,156	4,913	4,277
Operating profit		174,592	144,005	742,598	602,958
Financial income		5,787	14,612	27,910	15,910
Financial expenses		(130,777)	(190,116)	(523,473)	(549,555)
Profit before tax		49,602	(31,499)	247,034	69,313
Income tax expense		(11,505)	9,105	(102,537)	(40,428)
Net profit for the period		38,098	(22,394)	144,497	28,885

Consolidated Statement of Comprehensive Income

EUR thousand	Note	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net profit for the period		38,098	(22,394)	144,497	28,885
Items that may not be reclassified to the income statement					
Re-measurement of defined benefit plan		(757)	(1,537)	(757)	(1,537)
Income tax related to these items		299	119	299	119
Items that may not be reclassified to the income statement		(458)	(1,418)	(458)	(1,418)
Items that may be reclassified to the income statement					
Change in hedging reserve		14,154	(7,103)	13,205	(5,146)
Currency translation differences on foreign operations		(11,238)	4,640	(32,124)	(6,061)
Income tax related to these items		(2,915)	1,463	(2,720)	1,060
Items that may be reclassified to the income statement		1	(1,000)	(21,639)	(10,147)
Other comprehensive income		(457)	(2,418)	(22,097)	(11,565)
Total comprehensive income for the period		37,641	(24,812)	122,400	17,320

Consolidated Statement of Financial Position

EUR thousand	Note	Dec 2024	Dec 2023
Assets			
Non-current assets			
Property, plant and equipment		1,574,056	1,450,741
Right of use assets		190,600	159,342
Goodwill		753,093	769,205
Customer portfolio		1,176,155	1,101,846
Other intangible assets		343,410	336,781
Deferred tax assets		136,921	103,240
Derivatives	4	-	1,717
Trade and other receivables ¹	4	139,926	177,221
Total non-current assets		4,314,161	4,100,093
Current assets			
Inventories		316,233	296,443
Trade receivables ¹	4	316,340	225,194
Current tax assets		24,506	11,071
Derivatives	4	21,689	140
Prepayments and accrued income ¹		94,128	68,131
Other current receivables	4	79,601	75,239
Cash and cash equivalents	4	29,829	21,319
Total current assets		882,326	697,537
Total assets		5,196,487	4,797,629

1) Refer to Note 1 Accounting policies.

Consolidated Statement of Financial Position

EUR thousand	Note	Dec 2024	Dec 2023
Equity and liabilities			
Equity			
Share capital		56	56
Other paid in capital		630,339	628,641
Translation reserve		(97,075)	(64,951)
Hedging reserve		7,248	(3,237)
Retained earnings		(4,666,036)	(4,789,746)
Total equity		(4,125,468)	(4,229,237)
Non-current liabilities			
Long-term borrowings ¹	4, 5	7,579,974	7,414,205
Derivatives	4	24,877	23,698
Other non-current liabilities ¹	4	137,031	127,185
Deferred tax liabilities		222,815	202,409
Other provisions		42,100	34,780
Total non-current liabilities		8,006,797	7,802,278
Current liabilities			
Trade payables	4	176,008	171,392
Current tax liabilities		104,158	87,565
Short-term borrowings ¹	4, 5	357,517	337,695
Derivatives	4	30	4,235
Accrued expenses and deferred income ¹	4	576,743	546,676
Other current liabilities	4	100,704	77,024
Total current liabilities		1,315,159	1,224,588
Total liabilities		9,321,955	9,026,866
Total equity and liabilities		5,196,487	4,797,629

1) Refer to Note 1 Accounting policies.

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	-	-	-	-	144,497	144,497
Other comprehensive income	-	-	(32,124)	10,485	(458)	(22,097)
<i>Total comprehensive income</i>	-	-	(32,124)	10,485	144,039	122,400
Transactions with owners						
Dividend	-	-	-	-	(20,491)	(20,491)
Group contribution	-	-	-	-	162	162
Shareholder's contribution	-	1,698	-	-	-	1,698
<i>Total transactions with owners</i>	-	1,698	-	-	(20,329)	(18,631)
Balance at December 31, 2024	56	630,339	(97,075)	7,248	(4,666,036)	(4,125,468)

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>	-	3,955	-	-	(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	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Operating activities				
Operating profit	174,591	144,004	742,598	602,958
Reversal of depreciation and amortisation	162,560	145,984	633,235	580,461
Other non-cash items	34,667	20,112	128,180	105,962
Paid taxes	(67,394)	(45,742)	(114,635)	(91,239)
Cash flow from operating activities before change in working capital	304,424	264,358	1,389,378	1,198,143
Change in working capital				
Change in inventories	26,593	46,460	(26,257)	44,277
Change in trade receivables ¹	(23,405)	(11,787)	(62,444)	(39,124)
Change in other receivables	(19,434)	(21,156)	(56,585)	(33,879)
Change in trade payables	9,601	23,406	6,488	(12,305)
Change in other payables ¹	24,798	27,591	79,488	127,107
<i>Cash flow from change in working capital</i>	<i>18,153</i>	<i>64,514</i>	<i>(59,310)</i>	<i>86,076</i>
Cash flow from operating activities	322,577	328,872	1,330,068	1,284,219
Investing activities				
Net investments in intangible and financial assets	(128,705)	(124,087)	(440,550)	(418,892)
Net investments in property, plant and equipment	(134,036)	(125,438)	(478,243)	(465,113)
Cash flow from investing activities	(262,741)	(249,525)	(918,793)	(884,005)
Financing activities				
Change in borrowings ¹	144,080	7,866	55,841	257,493
New financing	-	-	1,050,000	450,000
Repayment of financing	(100,000)	-	(1,030,000)	(650,000)
Interest received	330	599	1,809	1,876
Interest paid	(91,380)	(88,953)	(466,736)	(453,755)
Paid bank and advisory fees	-	-	(10,978)	(5,416)
Other financial items	(4,007)	(2,967)	(1,910)	(21,852)
Received group contribution	(310)	-	-	290
Loan to group companies	310	-	310	-
Cash flow from financing activities	(50,977)	(83,455)	(401,664)	(421,364)
Cash flow for the period	8,859	(4,108)	9,611	(21,150)
Cash and cash equivalents at start of period	21,238	26,061	21,319	43,629
Exchange difference on translating cash and cash equivalents	(269)	(633)	(1,101)	(1,160)
Cash and cash equivalents at end of period	29,829	21,319	29,829	21,319

1) Refer to Note 1 Accounting policies.

Notes to the Unaudited Consolidated Financial Statements

Note 1 Accounting Policies

Basis of presentation and accounting periods

This full year 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.

Update of comparative financial statements

The Group has restated the 2023 consolidated statement of financial position and consolidated statement of cash flows to correctly reflect under IFRS 9 a pre-existing factoring agreement with a financial institution, where a contractual term changed in 2020. There is no impact on the consolidated income statement or on shareholder's equity.

Previously reported figures in the consolidated statements of financial position were as follows: Trade and other receivables EUR 89,725 thousand, Trade receivables EUR 200,542 thousand, Prepayments and accrued income EUR 81,253 thousand, Long-term borrowings EUR 7,269,354 thousand, Other non-current liabilities EUR 184,540 thousand, Short-term borrowings EUR 174,681 thousand, Accrued expenses and deferred income EUR 698,160 thousand.

Previously reported figures in the consolidated statements of cash flows, Oct-Dec 2023: Change in trade receivables EUR (12,726) thousand, Change in other payables EUR 43,382 thousand, Change in borrowings EUR (6,986) thousand. Previously reported figures in the consolidated statements of cash flows, Jan-Dec 2023: Change in trade receivables EUR (6,555) thousand, Change in other payables EUR 205,764 thousand, Change in borrowings EUR 146,267 thousand.

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 services to existing customers for a monthly subscription fee. The adjacency segment captures the sale of remote monitoring services for senior citizens and the sale of internet connected cameras under the Arlo brand.

Oct-Dec 2024						
EUR thousands	Customer Acquisition	Portfolio Services	Adjacencies	Total Group –Excl SDI	SDI	Group Total
Revenue	90,658	754,822	24,749	870,230	-	870,230
Adjusted EBITDA	(172,780)	549,104	5,536	381,860	(11,060)	370,800
Depreciation and amortisation	-	-	-	(152,566)	(9,994)	(162,560)
Retirements of assets	-	-	-	(33,647)	-	(33,647)
Financial items	-	-	-	(121,433)	(3,557)	(124,990)
Profit before tax	-	-	-	74,213	(24,611)	49,602

Oct-Dec 2023						
EUR thousands	Customer acquisition	Portfolio services	Adjacencies	Total Group –Excl SDI	SDI	Group Total
Revenue	89,059	673,430	22,885	785,374	-	785,374
Adjusted EBITDA	(144,901)	484,151	(1,112)	338,138	(19,386)	318,752
Depreciation and amortisation	-	-	-	(136,991)	(8,992)	(145,983)
Retirements of assets	-	-	-	(28,765)	-	(28,765)
Financial items	-	-	-	(103,195)	(72,308)	(175,503)
Profit before tax	-	-	-	69,186	(100,686)	(31,499)

Jan-Dec 2024						
EUR thousands	Customer Acquisition	Portfolio Services	Adjacencies	Total Group –Excl SDI	SDI	Group Total
Revenue	367,368	2,947,809	92,841	3,408,018	-	3,408,018
Adjusted EBITDA	(627,470)	2,141,872	19,594	1,533,997	(32,149)	1,501,848
Depreciation and amortisation	-	-	-	(592,968)	(40,268)	(633,235)
Retirements of assets	-	-	-	(122,003)	(4,011)	(126,014)
Financial items	-	-	-	(461,735)	(33,829)	(495,564)
Profit before tax	-	-	-	357,292	(110,257)	247,034

Jan-Dec 2023						
EUR thousands	Customer acquisition	Portfolio services	Adjacencies	Total Group –Excl SDI	SDI	Group Total
Revenue	362,273	2,635,294	92,404	3,089,970	-	3,089,970
Adjusted EBITDA	(551,108)	1,885,286	6,309	1,340,488	(42,457)	1,298,031
Depreciation and amortisation	-	-	-	(531,978)	(48,483)	(580,461)
Retirements of assets	-	-	-	(114,611)	-	(114,611)
Financial items	-	-	-	(450,793)	(82,852)	(533,645)
Profit before tax	-	-	-	243,105	(173,792)	69,313

Note 4 Financial Risk Management

Financial instruments by category and valuation level

EUR thousand	Dec 2024		Dec 2023	
	Financial Asset	Financial Liability	Financial Asset	Financial Liability
Hedge accounting				
FX forwards ¹	9,127	-	137	4,214
Fair value				
FX swaps ¹	-	30	4	21
Cross currency swaps ¹	12,561	-	1,717	-
Interest rate swaps ¹	-	24,877	-	23,698
Trade and other receivables ⁴	11,400	-	11,400	-
Amortised cost				
Trade and other receivables ⁵	124,756	-	161,073	-
Trade receivables, current ^{3,5}	316,340	-	225,194	-
Other current receivables ³	27,887	-	39,759	-
Cash and cash equivalent	29,829	-	21,319	-
Long-term borrowings ^{2,5}	-	7,445,719	-	7,302,412
Other non-current liabilities ²	-	1,129	-	2,474
Trade payables, current ³	-	176,008	-	171,392
Accrued expenses, current ³	-	188,966	-	197,270
Short-term borrowings ^{2,3,5}	-	300,793	-	287,155
Other current liabilities ³	-	45,729	-	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.

5) Refer to Note 1 Accounting policies.

Note 5 Borrowings

EUR thousand	Dec 2024			Dec 2023		
	Principal amount	Adjustment amortised costs	Carrying amount	Principal amount	Adjustment amortised costs	Carrying amount
Non-current liabilities						
Secured						
Senior Secured Notes	3,325,000	(18,816)	3,306,184	2,900,000	(20,384)	2,879,616
Term Loan B ¹	2,525,000	(19,657)	2,505,343	2,800,000	(33,092)	2,766,908
Revolving Credit Facility	200,030	(5,923)	194,108	199,499	(7,914)	191,585
Unsecured						
Senior Unsecured Notes	1,305,901	(9,404)	1,296,497	1,310,184	(11,361)	1,298,823
Liabilities to other creditors ²	143,587	-	143,587	165,481	-	165,481
Lease liability	134,255	-	134,255	111,793	-	111,793
Long-term borrowings	7,633,774	(53,800)	7,579,974	7,486,957	(72,752)	7,414,205
Current liabilities						
Accrued interest expenses	84,234	-	84,234	87,800	-	87,800
Other liabilities ²	216,559	-	216,559	199,356	-	199,356
Lease liability	56,724	-	56,724	50,540	-	50,540
Short-term borrowings	357,517	-	357,517	337,695	-	337,695
Total	7,991,290	(53,800)	7,937,491	7,824,652	(72,752)	7,751,900

1) The total balance of adjustment amortised cost as per Dec 31, 2023 include a non cash adjustment of EUR (9,568) thousand derived from the modification of loan terms during the loans contract period, calculated according to IFRS 9. As a consequence of the refinancing conducted in Q2 2024 no such adjustment exist as per Dec 31, 2024. The recognised change in the income statement totalled a cost of EUR 9,568 thousand as of 31 Dec, 2024 (a cost of EUR 3,535 thousand in 2023).

2) Refer to Note 1 Accounting policies.

Net Debt and Leverage (per SFA)

EUR thousand	Dec 2024	Dec 2023
Total principal amount (as above)	7,991,290	7,824,652
Less qualified receivables financing	(289,449)	(307,865)
Less accrued interest	(84,234)	(87,800)
Total indebtedness	7,617,608	7,428,988
Less cash and cash equivalents	(29,829)	(21,319)
Total net debt	7,587,779	7,407,669
Secured net debt	6,020,202	5,878,181
L2QA EBITDA	1,576,514	1,388,690
Total net leverage	4.8x	5.3x
Total secured net leverage	3.8x	4.2x

Note 6 Pledged Assets and Contingent Liabilities

Pledged Assets

EUR thousand	Dec 2024	Dec 2023
Shares in subsidiaries	2,649,401	2,426,640
Bank accounts	6,229	6,367
Accounts receivables	363,398	165,460
Inventories	1,073	941
Other operating assets	65,795	64,208
Trademark	34,766	45,482
Endowment insurance	500	537

Contingent Liabilities

EUR thousand	Dec 2024	Dec 2023
Guarantees	41,280	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	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Revenue		597	-	701	579
Administrative expenses		(2)	(73)	(13)	(265)
Operating profit		594	(73)	687	314
Dividend		-	256,664	20,491	256,664
Group contributions		56,622	(876)	56,622	(876)
Financial income	2	11,964	14,207	47,690	47,975
Financial expenses	2	(20,314)	(20,221)	(81,319)	(79,525)
Profit before tax		48,866	249,701	44,172	224,552
Income tax expense		(8,228)	-	(8,228)	-
Net profit for the period		40,638	249,701	35,944	224,552

Parent Company Statement of Financial Position

EUR thousand	Note	Dec 2024	Dec 2023
Assets			
Non-current assets			
<i>Long-term investments</i>			
Investments in subsidiaries		1,232,538	1,236,493
Receivables from Group companies		649,470	648,522
Total non-current assets		1,882,008	1,885,015
Current assets			
Receivables from Group companies		73,131	15,741
Cash and cash equivalents		519	743
Total current assets		73,649	16,484
Total assets		1,955,658	1,901,499

EUR thousand	Note	Dec 2024	Dec 2023
Equity and liabilities			
Equity			
Share capital		56	56
Other paid in capital		574,823	573,125
Retained earnings		(82,210)	(97,663)
Total equity		492,669	475,518
Non-current liabilities			
Long-term borrowings	3	1,296,497	1,298,823
Liabilities to Group companies		128,073	97,831
Total non-current liabilities		1,424,571	1,396,654
Current liabilities			
Current tax liabilities		8,228	-
Liabilities to Group companies		5,631	4,476
Accrued expenses and deferred income	3	24,559	24,851
Total current liabilities		38,418	29,327
Total liabilities		1,462,989	1,425,981
Total equity and liabilities		1,955,658	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	-	-	35,944	35,944
Dividend	-	-	(20,491)	(20,491)
Shareholder's contribution	-	1,698	-	1,698
Balance on December 31, 2024	56	574,823	(82,210)	492,669

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	-	-	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	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Operating activities				
Operating result	594	(73)	687	314
Cash flow from operating activities before change in working capital	594	(73)	687	314
Change in working capital				
Change in other receivables	(565)	419	(801)	953
Change in other payables	35	59	(19)	49
<i>Cash flow from change in working capital</i>	<i>(530)</i>	<i>478</i>	<i>(820)</i>	<i>1,002</i>
Cash flow from operating activities	64	406	(133)	1,316
Investing activities				
Cash flow from investing activities	-	-	-	-
Financing activities				
New loans from Group companies	1,050	1,130	30,270	29,043
Other financial items	(42)	2,562	(142)	(113)
Interest received	2,076	2,069	47,725	47,668
Interest paid	(3,011)	(5,749)	(77,944)	(77,798)
Cash flow from financing activities	73	12	(91)	(1,200)
Cash flow for the period	137	418	(224)	116
Cash and cash equivalents at start of period	382	325	743	627
Cash and cash equivalents at end of period	519	743	519	743

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	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Interest income	3	6	20	21
Interest income from Group companies	11,960	12,008	47,670	47,650
Other financial income	-	2,193	-	304
Financial income	11,964	14,207	47,690	47,975
Interest expense	(18,320)	(18,724)	(74,112)	(73,981)
Interest expense to Group companies	(1,295)	(986)	(4,741)	(3,548)
Other financial expenses	(699)	(511)	(2,466)	(1,996)
Financial expenses	(20,314)	(20,221)	(81,319)	(79,525)

Note 3 Borrowings

EUR thousand	Dec 2024			Dec 2023		
	Current liabilities	Non-current liabilities	Total	Current liabilities	Non-current liabilities	Total
Unsecured						
Senior Unsecured Notes	24,549	1,296,497	1,321,047	24,841	1,298,823	1,323,664
Total (carrying amount)	24,549	1,296,497	1,321,047	24,841	1,298,823	1,323,664

Quarterly Summary

Key Figures

EUR thousand (unless otherwise stated)	Oct-Dec 2024	Jul-Sep 2024	Apr-Jun 2024	Jan-Mar 2024	Oct-Dec 2023
Consolidated					
Non-IFRS and IFRS financial data					
Revenue ¹	870,230	854,269	849,089	834,430	785,374
Revenue growth, %	10.8%	9.4%	10.9%	10.1%	8.4%
Adjusted EBITDA excl. SDIs	381,860	396,397	381,097	374,643	338,138
Adjusted EBITDA margin excl. SDIs, %	43.9%	46.4%	44.9%	44.9%	43.1%
Adjusted EBITDA incl. SDIs	370,800	388,578	373,628	368,842	318,752
Adjusted EBITDA margin incl. SDIs, %	42.6%	45.5%	44.0%	44.2%	40.6%
EBIT excl. SDIs	195,646	212,534	207,057	203,790	172,383
EBIT margin excl. SDIs, %	22.5%	24.9%	24.4%	24.4%	21.9%
Operating profit ¹	174,592	194,662	185,581	187,763	144,005
Capital expenditures	263,622	214,170	222,803	219,183	233,933
Net debt per SFA	7,587,779	7,497,301	7,463,808	7,425,026	7,407,669
Unaudited operating data					
Acquisition multiple, ratio	3.9	3.6	3.5	3.5	3.8
Portfolio services segment					
Non-IFRS and IFRS financial data					
Portfolio services revenue ¹	754,822	744,731	731,558	716,698	673,430
Portfolio services adjusted EBITDA	549,104	543,360	530,698	518,710	484,151
Portfolio services adjusted EBITDA margin, %	72.7%	73.0%	72.5%	72.4%	71.9%
Unaudited operating data					
Total subscribers (end of period), units	5,611,685	5,501,761	5,395,406	5,282,075	5,173,032
Cancellation, units	101,451	97,493	101,049	101,101	97,939
LTM attrition rate, %	7.4%	7.5%	7.6%	7.6%	7.6%
Quarterly attrition rate (annualised), %	7.3%	7.1%	7.6%	7.7%	7.6%
Net subscriber growth, units	109,924	106,355	113,331	109,043	100,825
Subscriber growth rate, net, %	8.5%	8.5%	8.6%	8.7%	8.9%
Monthly average number of subscribers during the period, units	5,560,522	5,456,924	5,328,889	5,220,295	5,126,444
Average monthly revenue per user (ARPU), EUR	45.2	45.5	45.8	45.8	43.8
Monthly adjusted EBITDA per customer (EPC), EUR	32.9	33.2	33.2	33.1	31.5
Customer acquisition segment					
Non-IFRS and IFRS financial data					
Customer acquisition revenue ¹	90,658	86,456	94,709	95,545	89,059
Customer acquisition adjusted EBITDA	(172,780)	(152,015)	(154,474)	(148,200)	(144,901)
Customer acquisition capital expenditures	149,162	140,413	143,951	146,926	141,034
Unaudited operating data					
New subscribers added (gross)	211,375	203,848	214,379	210,144	198,764
Cash acquisition cost per new subscriber (CPA), EUR	1,523	1,435	1,392	1,404	1,439
Adjacencies segment					
Non-IFRS and IFRS financial data					
Adjacencies revenue ¹	24,749	23,082	22,822	22,187	22,885
Adjacencies adjusted EBITDA	5,536	5,052	4,873	4,134	(1,112)

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	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Operating profit according to consolidated income statement	174,592	144,005	742,598	602,958
Depreciation and amortisation add-back	162,560	145,983	633,235	580,461
Retirement of assets add-back	33,647	28,764	126,014	114,611
Separately disclosed items add-back	11,060	19,386	32,149	42,457
Adjusted EBITDA	381,860	338,138	1,533,997	1,340,488
Whereof adjusted EBITDA customer acquisition	(172,780)	(144,901)	(627,470)	(551,108)
Whereof adjusted EBITDA portfolio services	549,104	484,151	2,141,872	1,885,286
Whereof adjusted EBITDA adjacencies	5,536	(1,112)	19,594	6,309

EBIT excl. SDIs

EBIT excl. SDIs is earnings before interests, taxes and SDIs.

Calculation of EBIT excl. SDIs

EUR thousands	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Operating profit according to consolidated income statement	174,592	144,005	742,598	602,958
Separately disclosed items add-back	21,054	28,378	76,428	90,940
EBIT excl. SDIs	195,646	172,383	819,026	693,899

Monthly average revenue per user

Monthly average 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 monthly average number of subscribers during the relevant period.

Calculation of ARPU

EUR thousands	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Portfolio services segment revenue	754,822	673,430	2,947,809	2,635,294
Monthly average portfolio services segment revenue	251,607	224,477	245,651	219,608
Monthly average number of subscribers during the period, units	5,560,522	5,126,444	5,391,658	4,964,490
Monthly average portfolio services segment revenue divided by monthly average number of subscribers during the period – ARPU	45.2	43.8	45.6	44.2

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	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Portfolio services segment adjusted EBITDA	549,104	484,151	2,141,872	1,885,286
Monthly average portfolio services segment adjusted EBITDA	183,035	161,384	178,489	157,107
Monthly average number of subscribers during the period, units	5,560,522	5,126,444	5,391,658	4,964,490
Monthly average portfolio services segment adjusted EBITDA divided by monthly average number of subscribers during the period – EPC	32.9	31.5	33.1	31.6

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	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Customer acquisition Adjusted EBITDA	(172,780)	(144,901)	(627,470)	(551,108)
Customer acquisition capital expenditure	(149,162)	(141,034)	(580,452)	(577,457)
Customer acquisition cost	(321,942)	(285,935)	(1,207,921)	(1,128,565)
New subscribers added, units	211,375	198,764	839,746	797,312
Customer acquisition cost divided by new subscribers added (gross) - CPA	1,523	1,439	1,438	1,415

Acquisition multiple

Acquisition multiple represents the ratio between the initial capital investment made to acquire a new customer ("CPA"), and the annualised adjusted EBITDA per subscriber ("EPC"). It is calculated as CPA divided by EPC, divided by 12.

Calculation of Acquisition multiple

EUR thousands	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Cash acquisition cost per new subscriber ("CPA")	1,523	1,439	1,438	1,415
Monthly adjusted EBITDA per subscriber ("EPC")	32.9	31.5	33.1	31.6
CPA divided by EPC divided by 12	3.9	3.8	3.6	3.7

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.

EBIT excl. SDIs

Earnings before interests, taxes and separately disclosed items.

LTM attrition rate

The LTM 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 quarterly 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.

Monthly average revenue per user

Monthly average 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 subscribers added (gross)

Total number of new subscribers added.

Acquisition multiple

Acquisition multiple represents the ratio between the initial capital investment made to acquire a new customer ("CPA"), and the annualised adjusted EBITDA per subscriber ("EPC").

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, February 27, 2025

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