VERISURE MIDHOLDING AB

Annual Report 2024

verisure

Contents

Verisure is the leading provider of monitored security services for homes and small businesses in Europe and Latin America. We protect over 5.6 million customers across 17 countries.

OVER
5.6m
CUSTOMERS

~15
YEARS AVERAGE CUSTOMER LIFETIME[1]

~20%
FULLY LOADED IRR PER NEW CUSTOMER

(EUR) ARPU[3]
45.6

(EUR) EPC[4]
33.1

CLOSE TO
29,000
COLLEAGUES

ONE NEW CUSTOMER EVERY
9
SECONDS[2]

REVENUE
3,408
EUR MILLION

ADJUSTED EBIT
819
EUR MILLION

1) Customer lifetime is calculated based on acquisition cohort analysis over the last 8 years.
2) Based on a work week of 40 hours over 52 weeks per year.
3) ARPU - Average monthly revenue per user.
4) EPC - Monthly adjusted EBITDA per customer.

Another record year for Verisure

2024 was another record year of quality growth. We continue to protect what matters most to the families and small businesses we serve. We delivered year over year growth in installation volumes. We continue to acquire high quality customers at attractive economics.

> *We continue to invest in product and service innovation. We want our customers to be better protected.*

We are well established as the leading provider of professionally monitored alarms for residential and small business customers across Europe and LATAM. We estimate we are over five times larger than the number two player across the geographies where we operate. In 13 of our 17 geographies, we are market leaders in terms of the number of customers served. And in some of the other markets that we have entered more recently, we are already the leader in new sales.

In 2024, our revenue grew +10.3% to EUR 3,408 million. Our Adjusted EBITDA grew +14.4% to EUR 1,534 million and our Adjusted EBIT +18.0% to EUR 819 million. Our financial performance continues to be robust.

Our portfolio grew +8.5% year on year, ending the year above 5.6 million customers. During the year, we added close to 840 thousand new customers. This was a new Verisure record and an increase of +5.3% on the previous year. We ensured this was also a high-quality customer intake and it was achieved with well controlled acquisition investments. 2024 again emphasises not only the significant potential runway we have ahead of us but also the importance to us of maintaining our operating discipline.

We are mostly a consumer business, so we were not immune from the macro pressure facing families and small businesses in recent years. Yet, attrition remains very low relative to other subscription businesses. We closed the year at 7.4%, down from 7.6% in 2023. Customer loyalty is one of our strengths. Our teams continue to work on customer experience and retention best practices including interaction specialisation, the management of customer moves and discipline on discounting.

This performance also shows that the innovative security solutions we provide remain a high priority for our customers, even when they must make difficult family budget choices.

Our low attrition also reflects our high-quality customer intake. It's not a random flow of impulse purchases. We drive growth with category creating marketing and Go-to-Market expertise. We believe that it is marketing and sales know-how and intensity that will build out this under-penetrated industry in Europe and Latin America. Our sales model is mostly marketing led, bookings based and counselled. Importantly, we aim to deliver a superior experience at all the moments of truth for customers once they arrive in our portfolio.

We continue to invest in product and service innovation. We want our customers to be better protected. We also believe innovation can contribute to stimulating category growth with news and more genuine usefulness. Across our three innovation centres in Malmo, Madrid and Geneva we have ~1,800 technologists developing cutting edge software and hardware solutions that redefine security standards. For example, in 2024 we launched a door lock connected to our monitored alarm services in three of our largest geographies, specifically Spain, France and Italy. We are seeing strong demand for this proposition, with more geographies to come. Among other new product launches, we have also launched our WiFi Vision™ product in France, using WiFi sensing technology for improved verification.

Our innovation programme again earned recognition last year in the prestigious Red Dot Design competition. This competition receives entries from some of the world's biggest brands across 60 countries. We picked up two Red Dot awards in 2024 for our innovative GuardVision™ Business and Outdoor cameras. We had already won a Red Dot award for our GuardVision™ Photo Detector in 2023. We have now won nine International Design Awards since we made our first application in 2021, covering almost all of our latest hardware designs. We also received Product of the Year and/or the Customer Service of the Year awards in several countries.

We ended 2024 with our teams more engaged than ever. I was also very happy that Verisure has been awarded the 2025 Top Employer Europe certification for the second consecutive year. Five of our countries were honoured as Top Employers. Notably, Spain and France have been recognised for their seventh and fourth consecutive years, respectively. This follows the Great Place to Work® (GPTW) certifications we obtained in nine countries in 2024. In total, twelve of our countries have been either awarded as Top Employer™ or certified Great Place To Work in 2024®. This is critical because we aim to be a winning combination of great people and great technology. We are a technology-enabled human services company.

We are also proud of the progress we are making on our ESG programme, earning another recognition for Verisure (Verisure Midholding AB) by Morningstar Sustainalytics[1] as an ESG Global 50 Top Rated company, as well as an ESG Regional and Industry Top Rated company, for the second consecutive year.

We remain very optimistic about the future. We consider that our growth prospects remain strong as penetration of monitored security in our existing geographies still has significant room to grow. And there remains white space around us. We see a lot of attractive, high-quality runway ahead. We also demonstrate resilience because we provide an important service that is highly valued by our customers. And, we will to continue to innovate and enrich our proposition to protect our customers better.

Regards,
Austin Lally,
Chief Executive Officer
Geneva, Switzerland, April 2025

1) Copyright © 2025 Sustainalytics, a Morningstar company. All rights reserved. The information, data, analyses and opinions contained herein do not constitute investment advice nor an endorsement of any product, project, investment strategy or consideration of any particular environmental, social or governance related issues as part of any investment strategy. The use of the data is subject to conditions available at https://www.sustainalytics.com/legal-disclaimers.

Our vision

We believe everyone has the right to feel safe and secure. We bring peace of mind to families and small business owners.

Our mission

We protect what matters most.

Proud to protect across 17 countries

We protect over 5.6 million families and small businesses in 17 countries across Europe and Latin America.

People Protecting People

We are the leader in monitored security services in Europe and Latin America. We *Deter, Detect, Verify* and *Intervene* to protect our residential and small business customers from intruders, fire, and health emergencies.

Peace of mind for families and small businesses
We believe everyone has a right to feel safe and secure. We now protect over 5.6 million families and small businesses. Our service includes 24/7 monitoring, expert verification and response, customer care, maintenance, and technical support. In addition to intrusion and burglary, we protect against fire, attack, theft, life-threatening emergencies, and other hazards.

Subscription-based recurring business model
We provide a 24/7 service to our customers. Our business is driven by organic growth based on our differentiated business model. We attract high-quality customers, and we work hard to ensure they are satisfied. This contributes to our industry-leading level of attrition and long customer lifetime.

Track record of uninterrupted growth and leadership
We have been protecting what matters most since 1988. Over that time, we have expanded beyond our roots in the Nordics and Iberia. We now operate in 17 countries across Europe and Latin America. We are the leading provider of residential and small business monitored alarms in 13 of our 17 geographies, the leading provider across Europe and Latin America.

2014 to 2024 acceleration
Over the past decade we have grown our customer base more than three times, grown our revenue close to four times, and grown our Adjusted EBITDA more than five times.

Integrated video surveillance
In November 2019, we formed a strategic partnership with Arlo Technologies, Inc. one of the global leaders in connected cameras, and acquired their European operations. This partnership allows us to strengthen and complement our professionally monitored security proposition, and offer standalone video surveillance services. It also allows us to access new go-to-market opportunities in e-commerce, and retail channels. Through Arlo Europe, we are one of the leading providers of camera video surveillance systems in Europe, serving more than a million users across more than 50 countries.

A technology-enabled human services company
Our close to 29,000 colleagues are the foundation of our company. Our business model combines technology and human expertise to protect people. We are a technology-enabled human services company. Verisure people are dedicated and committed, and we aim to provide among the best customer service in the industry. More than 80% of our colleagues interact with customers every day, and this connection offers unique insights that inspire further product and service innovation. Our close customer contact also fuels pride across our teams, driving engagement.

Key Differentiation Factors: Deter, Detect, Verify and Intervene

DETER

Home protection starts with deterrence

- Deter intruders, showing that Verisure detects the property
  - Deterrence sign placed by the security expert in plain sight
  - Additional outdoor detectors positioned prominently in key places

DETECT

When an alarm is triggered

- Clear objective to never miss a real incident
- Professionally installed/personalised security survey aimed at system effectiveness, range, and privacy compliance
- Multiple components protect vulnerabilities and cover key angles:
  - Shock sensors detect intruders before entry
  - LockGuard™ protects the front door
  - Connected video/photo detectors to detect in key passage areas

VERIFY

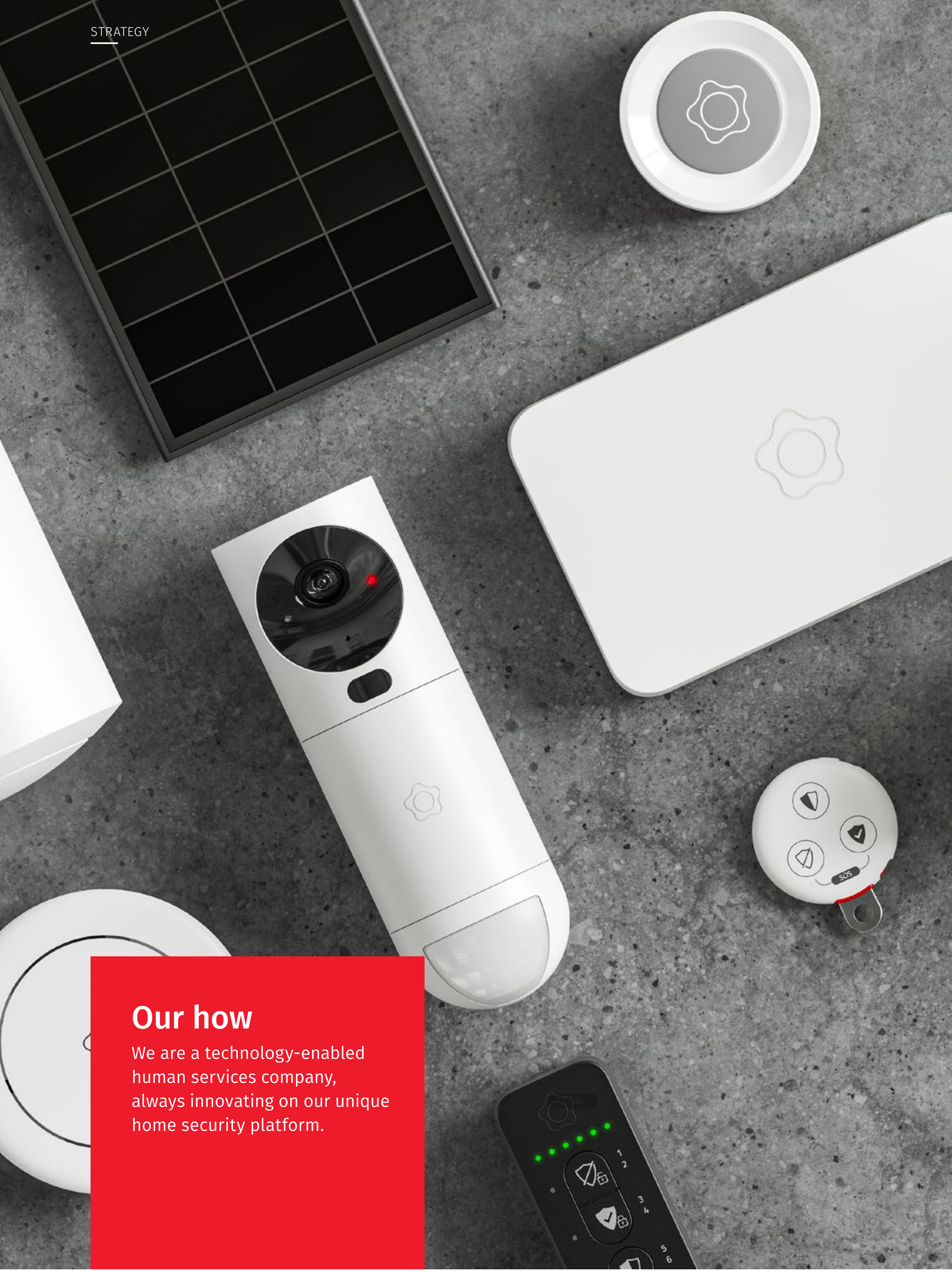
We take rapid action to verify

- 24/7 in-house monitoring centres in every country, fully connected with two-way audio
- Thanks to thorough verification methods, including images, audio, AI, and human expertise, approximately 99.5% of alarm signals do not require on-site assistance
- Providing verification of fire and break-in as well as personal protection
- Objective to only intervene for genuine threats, avoid costly/unnecessary events

INTERVENE

And either reassure or intervene

- Quality of verification supports intervention with confidence
- High levels of trust from third parties earned from decades of experience
- Direct contact with first responders (Police, Fire, Ambulance) to send help
- Immediate intervention via ZeroVision™ to expel intruders



Our how

We are a technology-enabled human services company, always innovating on our unique home security platform.

Strategy = Clarity and Focus

We believe in the importance of making clear choices. Our Verisure Company strategy fits on a single sheet of paper. It contains our Vision and Objectives for the Company, Where to Play, Where Not to Play, and How to Win.

Increase penetration of Monitored Security services.

We are the category leader across Europe and Latin America. Within our footprint, monitored security remains an underpenetrated category, at c. 4%[1]. This offers a significant market opportunity to stimulate demand through our category-creating marketing and go-to-market excellence. We see a multi-year runway for growth as we grow the sector, expanding via disciplined investment. Our focus is not simply growth at any cost. We solve for the sweet spot of strong portfolio growth while ensuring a high-quality customer intake, in terms of profitability and attrition, whilst also controlling acquisition cost. This is what creates long-term value. We focus on the most attractive segments: residential homes and small businesses. We offer differentiated security services and products that justify recurring revenue.

Provide the best security services available.

Our differentiated service ensures we can Deter, Detect, Verify & Intervene. Via our 24/7 service, superior verification and response via intervention we will continue to offer customers peace of mind with a Total Shield for their homes and small businesses. Our in-house technology team of 1,800 includes 220 colleagues focused exclusively on R&D. Our proprietary technology stack allows us to deliver innovative and differentiated products to market quickly. We know that innovation that brings news and usefulness can drive customer demand. We aim to remain at the forefront of innovation due to the insights we gain from our numerous customer touch points across the value chain. Continued investment and deep expertise will ensure we continue to design and build user friendly products that meet the needs of our customers.

Maintain the highest levels of customer satisfaction and loyalty in the industry.

We are committed to keeping our customers secure – this will deliver long lasting relationships. We strive to deliver a world class customer experience which drives loyalty and ultimately, referrals from happy customers. We aim to have the most loyal customer portfolio in the industry and ensure our attrition rate continues to fall. Through our vertically integrated business model we control all aspects of the value chain. This facilitates the delivery of a superior service throughout the sales experience, installation, service, monitoring and response. We will continue to record, analyse and improve our performance in the important "moments of truth" for our customers. We strive to improve our operating processes and performance every day.

Create value for shareholders, customers, colleagues and society at large.

We believe it is a human right to feel safe and secure. Our track record in operational efficiency combined with excellent cost control provides a strategic advantage. This enables us to offer premium services to our customers. Our security solutions aim to provide a service that delights customers and exceeds their expectations. This also builds pride in our people who are fundamental to the service we provide. Our mission – to protect what matters most – places ESG at our core. This commitment, our unique DNA and strong, shared culture creates value for our shareholders, our customers, our colleagues and society at large.

1) Across Verisure's footprint, total dwellings (residential dwellings + small businesses) estimated ~388m, with penetration of monitored alarms at ~14m dwellings.
Source: Verisure estimates (as of Dec 2023) and based on various sources available to Verisure.

Building on a strong track record of profitable and resilient growth

Quality Growth Across the Board

Verisure continues to build on its strong track record of uninterrupted growth, delivering strong results both operationally and financially. Over the past 5 years and against a difficult macro backdrop, we have grown our portfolio at a CAGR of +10.5% while remaining disciplined and focused on high-quality customer intake. Our attrition has remained low throughout the period, decreasing last year to 7.4%. All key headline financial metrics have experienced double-digit growth within the period, and unit economics and margins have continued to expand reaching all-time highs in 2024.

Another Strong Year Across Key Metrics
In 2024, we added close to 840,000 new subscribers to our portfolio. We are now proud to protect over 5.6 million subscribers. This represents an +8.5% year-on-year portfolio growth and our strongest year ever in new customer additions. After three years with broadly flat sales volumes, new subscribers added increased +5.3% year-on-year. We are very proud of our customers' trust and loyalty. Our attrition remains low relative to other subscription businesses, at 7.4% for 2024, and down from 7.6% the previous year.

Total revenue increased to EUR 3,408.0 million, up +10.3% versus 2023. In constant currency, total revenue grew by +11.0%. Total revenue growth was driven by a net portfolio growth of 438,653 subscribers and higher average revenue per user of +3.2%.

Portfolio services adjusted EBITDA hit a new high, reaching EUR 2,141.9 million in 2024, an increase of +13.6% in the year and +14.4% in constant currency. Portfolio services adjusted EBITDA margin increased to 72.7%, representing the strongest profitability ever in our portfolio segment.

Adjusted EBITDA increased to EUR 1,534.0 million in 2024, an improvement of +14.4% compared to 2023. In constant currency, Adjusted EBITDA grew +15.2%. Adjusted EBITDA margin reached 45% in 2024, an all-time high.

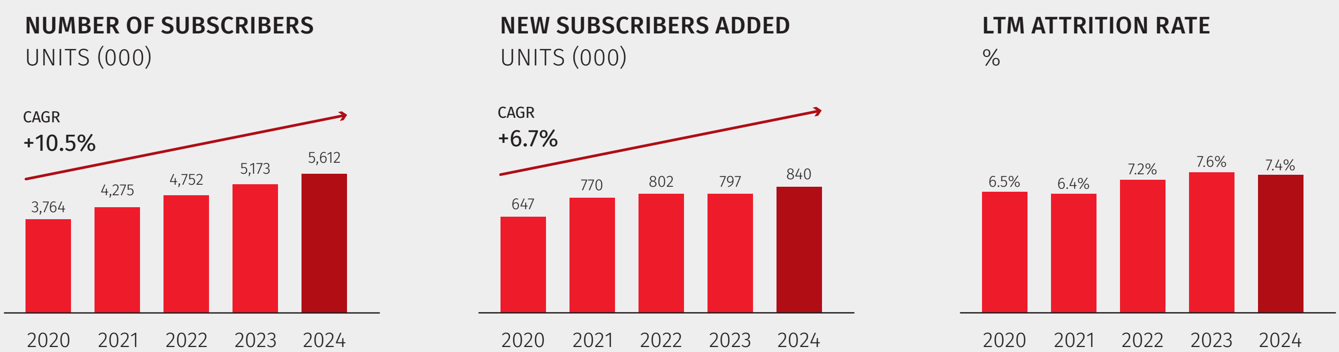
Adjusted EBIT increased by +18.0% to EUR 819.0 million in 2024. Adjusted EBIT margin increased from 22.5% in 2023 to 24.0% in 2024. This is the result of both strong revenue growth and valuable progress on cost.

We reduced leverage by 0.5x in 2024, and our total adjusted net leverage is now 4.8x. This deleveraging underscores the stable, predictable quality of our business model. We remain on track towards the 4.5x leverage target we communicated in our new financial policy at the beginning of 2024.

Following our 2023 credit rating upgrade to B+/B1 credit by both S&P and Moody's, Moody's improved our outlook from stable to positive in April 2024. This is a testament to our track record of consistent deleveraging through EBITDA expansion, our continued strong operating performance, our market leadership, and our well-established business model.

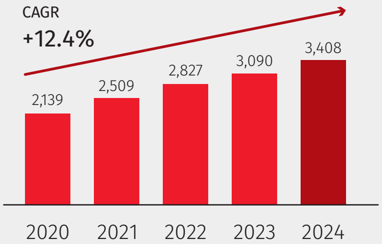
We also successfully accessed the financial markets in April 2024 to redeem a EUR 800 million Term Loan B maturing in 2025 and replenish our Revolving Credit Facilities. In addition, in October 2024 we redeemed EUR 100 million notes maturing in 2027. Our debt now matures in 2026 or later and is 75% fixed.

We believe our business is well positioned in attractive markets for continued strong growth.

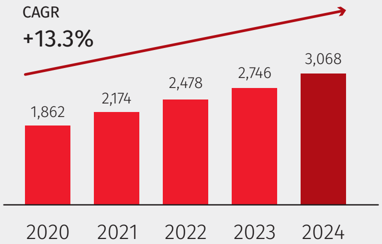


Excellent growth in profitability

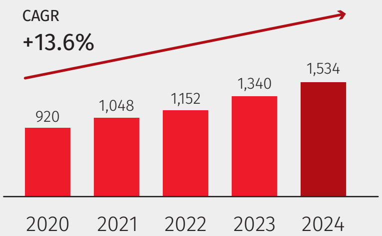
REVENUE
EUR MILLION



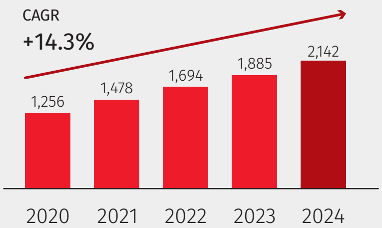
ANNUALISED RECURRING REVENUE
EUR MILLION



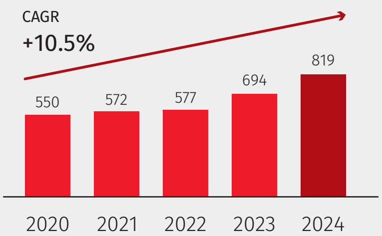
ADJUSTED EBITDA
EUR MILLION



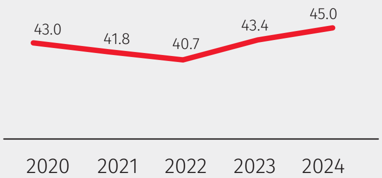
PORTFOLIO SERVICES ADJUSTED EBITDA
EUR MILLION



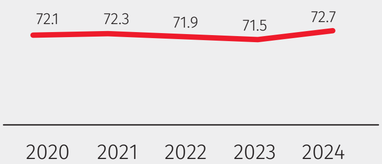
ADJUSTED EBIT
EUR MILLION



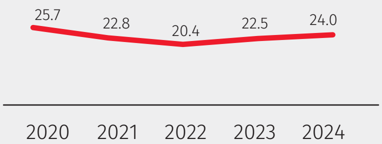
ADJUSTED EBITDA MARGIN
%



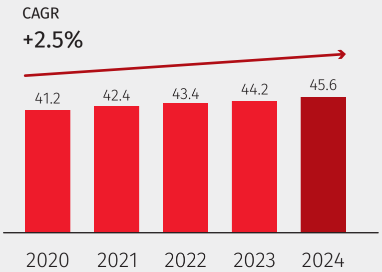
PORTFOLIO SERVICES ADJUSTED EBITDA MARGIN
%



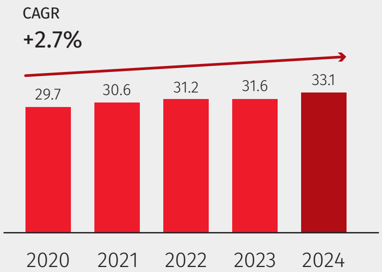
ADJUSTED EBIT MARGIN
%



MONTHLY ARPU
EUR



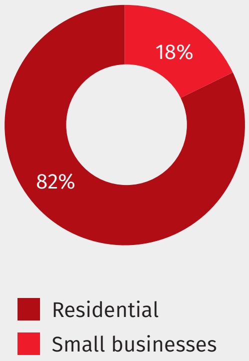
MONTHLY EPC
EUR



Protecting families and small businesses

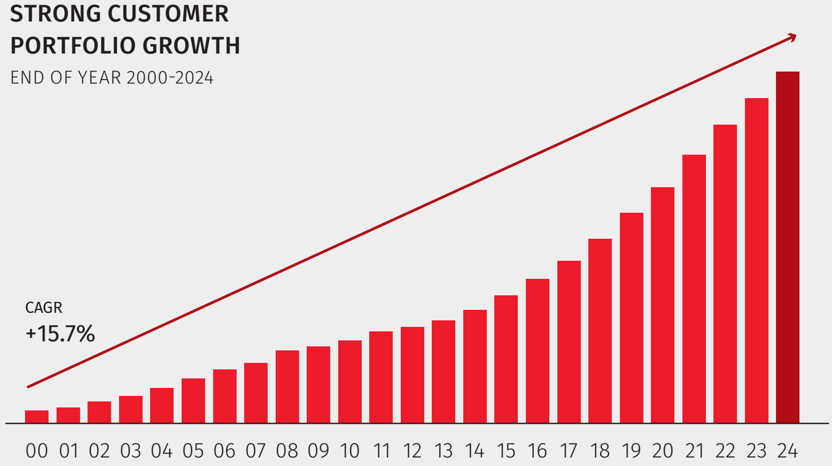
CUSTOMER BREAKDOWN BY CONSUMER TYPE

END OF YEAR 2024



STRONG CUSTOMER PORTFOLIO GROWTH

END OF YEAR 2000-2024



EUR million (if not otherwise stated)	**2024**	**2023**	**Change**
Total subscribers (year-end), units	5,611,685	5,173,032	+8.5%
Net subscriber growth, units	438,653	420,935	+4.2%
Revenue	3,408.0	3,090.0	+10.3%
Portfolio services adjusted EBITDA	2,141.9	1,885.3	+13.6%
Portfolio services adjusted EBITDA, margin %	72.7%	71.5%	+112 bps
Adjusted EBITDA	1,534.0	1,340.5	+14.4%
Adjusted EBIT	819.0	693.9	+18.0%
Cash flow from operating activities[1]	1,330.1	1,284.2	+3.6%
Capital expenditure	919.8	868.5	+5.9%
Average monthly revenue per user (ARPU), EUR	45.6	44.2	+3.2%
Monthly adjusted EBITDA per customer (EPC), EUR	33.1	31.6	+4.7%

1) Refer to note 2 of the Consolidated Financial Statements for more information.

Over 35 years of protecting what matters most

A recurring business model for sustainable profitable growth

We operate a subscription-based security service business, designing, installing, and monitoring alarm and video surveillance systems to bring peace of mind to our customers.

Our business model combines growing, predictable cash flows based on strong customer loyalty with high-quality subscriber growth. We choose to reinvest the cash flows from our subscriber portfolio into technology innovation and superior propositions, category-creating marketing, brand recognition, and go-to-market excellence, allowing us to attract and retain high-quality new customers.

Portfolio services

The portfolio services segment provides a professional security service to our customers for a monthly subscription fee. Our service includes 24/7 monitoring, expert verification and response, customer care, maintenance, and technical support.

We personally operate all our monitoring centres. Our high-quality subscriber base with low attrition contributes to growing, predictable cash flows.

The majority of the costs in the portfolio services segment are either variable or partially variable. We do have some fixed costs, such as longer-term facility rentals.

We gain operating leverage as we grow from becoming more efficient and solving more issues quickly and efficiently. This enables us to increase our portfolio services adjusted EBITDA margin and cash flows as we add new customers to our existing operations.

The recurring monthly fees in portfolio services represent approximately 86% of total revenue. As of 31 December 2024, we had more than 5.6 million connected alarm subscribers. In 2024, this segment generated EUR 2,948 million of portfolio revenue and EUR 2,142 million of portfolio services adjusted EBITDA, an increase of +11.8% and +13.6% compared to 2023. The portfolio services adjusted EBITDA margin was our best-ever, at 72.7%.

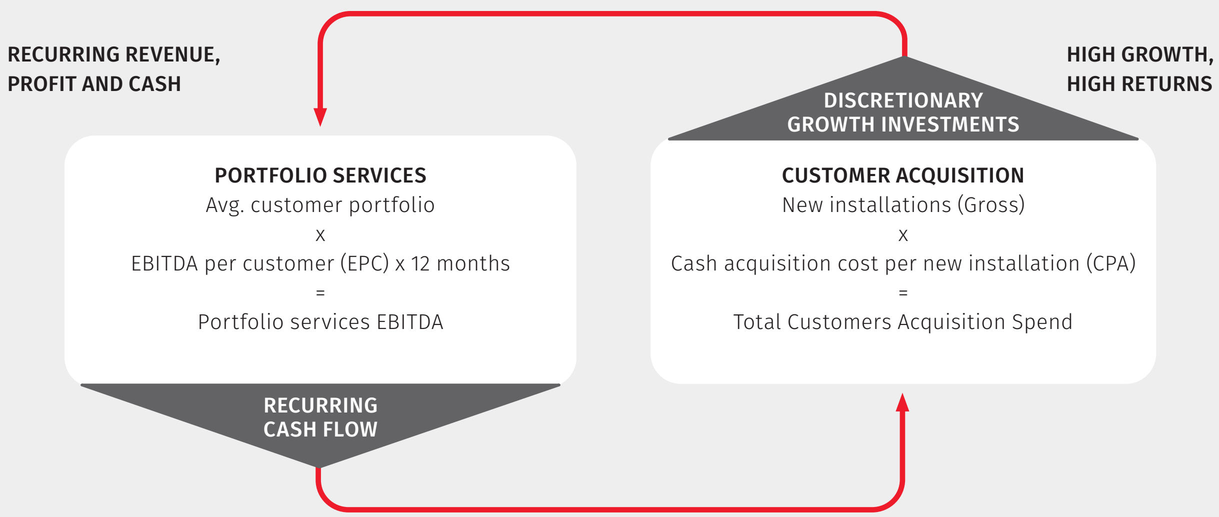
Customer acquisition

We deliberately choose to invest a significant part of the cash generated from our growing subscriber base to continue the growth cycle. We invest to acquire new high-quality customers. We pay careful attention to the long-term value and return on investment from these new customers. Given that our investments in new customer acquisition are largely discretionary, we do have the ability to be flexible on the pace of growth and customer acquisition. We have the levers to manage both growth targets and cash flow objectives.

Adjacencies

Additionally, we classify certain non-core businesses under our adjacencies segment. This segment mainly represents the sale of remote monitoring and assistance devices and services for senior citizens, as well as Arlo cameras and video surveillance services in e-commerce, and retail channels across Europe.

BUSINESS MODEL



EBITDA = Portfolio services EBITDA - Expensed Portion of Total Customers Acquisition Spend

A technology-enabled human service company

We protect what matters most by combining talented people and innovative technology.

Engaged and High-performing Organisation

Our people are the foundation of our success

We are a technology-enabled human services company, and our people stand ready to respond in an instant to protect what matters most. They are fundamental to the service we provide. From our teams in direct contact with customers to our rapid response colleagues acting fast in critical situations and our back-office teams enabling seamless service and operations - they differentiate our business by living and role-modelling our DNA every day.

In 2024, in line with our growing business, we have continued to create opportunities for growth and development for new and current talent. Last year, we created more than 400 new jobs and ended the year with 28,556 colleagues around the world.

Sustainable Engagement
Our primary gauge of organisational health is our annual Sustainable Engagement survey. The survey is designed to help us understand how engaged, energised, and enabled our people are, and we measure the results over time. Participation rates in the survey are consistently above 90%, and we focus on understanding our people's feedback and developing comprehensive plans to address the topics they raise. This is part of our holistic system to measure engagement across the employee lifecycle, including pulse surveys alongside the annual survey.

In the 2024 Sustainable Engagement Survey, we achieved our highest-ever overall company score of 86 (+1 percentage point vs. last year). We also maintained our best score in the keyleaders audience and successors to keyleaders.

We also analyse our people's likelihood to recommend our products and services and Verisure as an employer with the 'Employee Net Promoter Score' (eNPS). Our eNPS score for products and services increased by 7 points versus 2023, consistent with the increase for Verisure as an employer and the direct manager category which is up by 5 points.

Investing in talent
At Verisure, we are focused on developing and nurturing a high-performance team with an 'owner's mentality' while operating with integrity and accountability, always. We have continued to develop our people processes, systems, and policies at a global level, supporting each of our colleagues so they can unleash their full potential. We promote internal mobility across our organisation, to foster engagement, development, and retention, as well as improve productivity. Over the last years, more than 80% of our leadership positions have been filled by internal candidates.

We continue to have a strong focus on the growth and development of our colleagues demonstrated in the +14-point increase in 'Professional Growth and Development' in our Sustainable Engagement survey since 2016. We introduced our Verisure RISE™ Leadership Model in 2024 across talent acquisition, performance management, talent reviews, and people development. We continued to double down on leadership development through the launch of our Global Leadership Academy, combining on-the-job development with formal training and social learning via coaching and mentoring, anchored in the 4 pillars of our Verisure RISE™ model. And we also continue to prioritise investment in the development of our front-line colleagues from onboarding throughout their journeys with comprehensive Sales and Operations Academies.

We continued to strengthen our Employee Value Proposition with well-being programmes, and offering further flexibility through hybrid work models and workplace improvements. We also further reinforced our policies and training courses, cultivating an environment of 'Doing the Right Thing'.

Our efforts to create supportive and high-performance working environments have been acknowledged through external awards and certifications. In recent years, 12 of our countries have received various prestigious recognitions for working environments. As of January 2025, we have been recognised as Top Employer Europe™ for the second time, based on 2024 company data. Five of our countries also obtained Top Employer™ certifications – Spain for the seventh consecutive time, France the fourth, the UK and Italy third, and the second time for the Netherlands.

In 2024, Verisure was certified as a Great Place to Work® in nine countries: Sweden, Argentina, Peru, Brazil, Finland, Belgium, the Netherlands, Chile and Italy. This was the first time Sweden and Finland received this important recognition and the sixth consecutive year for Brazil. Argentina received the Best Workplace™ certification for the second time and Best Workplace for Young Talent™ in 2024.

A place for everyone

At Verisure, we want to be representative of the communities and customers we protect and serve around the world. Diversity, Equity, Inclusion & Belonging (DEIB) is a business priority for us, embedded in our business and ESG strategies. We are committed to unlocking the full value of our human capital, gaining long-term competitive advantage, and improving our external impact by playing three roles: as an employer, a business, and a social actor.

We want to keep creating an inclusive environment where everyone can bring their best selves to work. In terms of diverse representation, we embrace a holistic approach towards various forms of diversity, such as gender, age, disability status, nationality, sexual orientation, socio-economic background, education and work experience, race and ethnicity, religion, moment in lifecycle, and personality.

In 2024, we launched our first global Diversity, Equity, Inclusion & Belonging Policy and implemented several DEIB initiatives and practices across our geographies, demonstrating our progress and commitment to enabling diverse representation, ensuring access to opportunities, fostering an inclusive environment, and generating a sense of belonging. We also launched our Verisure Inclusive Communications Guidelines and continued to drive campaigns to raise awareness and further educate our people on key DEIB-related topics.

Our key focus continues to be on gender diversity, age, and disability. On gender, our ambition is to continue improving female representation across our organisation, particularly within our sales and technology functions and in leadership roles. As of December 2024, we reached 38% of overall women representation with 28% in leadership positions.

We are committed to advancing our DEIB efforts and continuing to increase our positive impact on the communities we serve, our customers, and our people, creating an ever-more-welcoming, diverse, and effective organisation.

Our DNA is at the core of our company.
Everything we do is driven by our unique DNA – five deeply held values which guide us all.

Vertically integrated technology stack for an ever-evolving proposition.

End-to-End Technology and Innovation

Technology is at the core of what we do, enabling us to provide peace of mind to our customers in our offering of end-to-end protection through deterrence, detection, verification, and intervention.

In 2024, our Technology teams continued enhancing our products and services while delivering important new innovations. These included the launch of LockGuard™, our smart lock alarm that improves security at the front door while facilitating access and also the intervention of first responders when critical. We have also begun the rollout of WiFi Vision™, starting in France, leveraging WiFi sensing to enhance verification.

In 2024, we continued expanding our digital services, such as our in-app automation features and our 'works with' programme to ensure compatibility with external third-party devices.

The size of the estate our Technology teams manage continues to grow. In 2024, we managed a deployed network of over 85 million "Internet of Things" devices, operating 24/7 and generating more than 1.4 trillion signals. We delivered uninterrupted, secure, and stable service to our customers throughout the year.

As a technology-enabled human services company, AI is high on our agenda
We are working on AI use cases across the company to continuously improve our Products & Services, but also to drive efficiencies in e.g., our Operations, Marketing activities as well as enabling our own employees with AI tools.

For example, GuardVision™ Outdoor is our next generation outdoor camera detector with built-in Machine Learning algorithms running locally on the edge, making it one of the first EN certified devices running with AI. AI algorithms help us distinguish more easily between humans, animals, and other environmental triggers and support our Alarm Receiving Centres in rapidly distinguishing between false alarms and genuine emergencies.

In our Customer Care or Maintenance processes, we are working to leverage AI to get to faster and more accurate resolutions, requiring fewer phone calls and fewer maintenance interventions thanks to for example predictive battery management.

These are only a few examples, but we are excited about the AI journey. Detection, Verification and Intervention are core to our service, so leveraging AI to further improve in each of those steps is a natural focus area for the future. As always with newer technologies, our goal is to leverage this technology ethically and responsibly, ensuring full regulatory compliance.

Underpinned by best-in-class product and technology development capabilities
None of the above would be possible without our Technology teams across Information Technology, Security, Quality, and Research & Development (R&D) organisations, mainly based in Geneva, Switzerland, Malmö, Sweden, and Madrid, Spain. We work with a network of best-in-class partners worldwide to support our development efforts. Our Technology organisation works closely with our Operations, Marketing, and Sales departments to ensure our developments are rooted in customer insights.

Multiple product and innovation awards
While the best recognition of our innovation is in the protection and service we provide our customers, we were honoured with several external awards in 2024, including two Red Dot Design Awards—one of the most respected global competitions in product design, functionality, and innovation—for our innovative GuardVision™ Business and Outdoor cameras. This followed the 2023 recognition for our GuardVision™ Photo Detector. We were also recognised by several industry bodies and received various customer recognition awards. These include 'Product of the Year' and 'Consumer Choice' in France, Portugal, and Spain, Best Home Alarm in Sweden, the DeutschlandFavorit2024 in Germany, and Brazil received the recognition for the most innovative and top of mind for consumers by Kantar.

Sustainability is at the very core of who we are

ESG at Verisure

Our mission - protecting what matters most - places Environmental, Social, and Governance (ESG) at the very core of who we are. It is embedded in our DNA values and inherent to what we do. We provide peace of mind to our customers by protecting what matters most to families and small businesses. We go above and beyond to make people feel safe and to make a difference in our communities. This commitment to society at large plays a key role in attracting and retaining world-class talent, which supports our continued growth and benefits new and existing customers.

We do business responsibly, seeking to continuously reduce our environmental impact while further growing our positive social impact. We are committed to following the applicable laws and regulations while maintaining high ethical standards throughout our operations.

In parallel with our annual report, we invite you to read our Sustainability Report 2024. This report details the progress made in closing the gap in the Corporate Sustainability Reporting Directive (CSRD) reporting requirements applicable to us in FY2025. We also provide more information on our double materiality assessment and progress on relevant KPIs and initiatives. And, like every year, we detail our ESG commitments and renew our support for the UN Global Compact and the Sustainable Development Goals.

You can read our full sustainability report here: www.verisure.com

WE SUPPORT
UN GLOBAL COMPACT

EXTERNAL RECOGNITIONS:
In 2024, Morningstar Sustainalytics[1], out of more than 15,000 companies covered by its ESG Risk Rating assessments, recognised Verisure Midholding AB as an ESG Global 50 Top Rated company and an ESG Regional and Industry Top Rated company under the comprehensive rating methodology with a rating of 7.1, indicating negligible risk. We started 2025 with an improved rating of 7.0, again signifying negligible risk, and received all three badges as an ESG Top Rated company. These continued recognitions reflect the collective efforts and dedication of all our Verisure colleagues.

1) Copyright © 2025 Sustainalytics, a Morningstar company. All rights reserved. The information, data, analyses and opinions contained herein do not constitute investment advice nor an endorsement of any product, project, investment strategy or consideration of any particular environmental, social or governance related issues as part of any investment strategy. The use of the data is subject to conditions available at https://www.sustainalytics.com/legal-disclaimers

Our CEO, Cluster and Functional Leadership

AS PER DECEMBER 31, 2024

AUSTIN LALLY

CHIEF EXECUTIVE OFFICER

Austin Lally joined Verisure as CEO in 2014 following a 26-year career with The Procter & Gamble (P&G) Company where he was Global President and a member of the Global Leadership Council. His team led the turnaround of the Braun and Appliances division. Prior to this, he was responsible for marketing and premium innovation development for the global Gillette business. Earlier, he led the European Baby Care business and managed the successful restructuring of the company's operations in Germany. Austin also spent seven years in Guangzhou, where he helped to build P&G's strong leadership position in Greater China. He also held leadership roles in France and the UK, where he started his career. Austin holds a Bachelor of Science from the University of Glasgow, where he was President of the Students' Representative Council and won the World Universities Debating Championship.

ANTONIO ANGUITA

PRESIDENT OF IBERIA, ITALY & LATIN AMERICA

Antonio Anguita joined Verisure as Managing Director for Spain in 2013. He was promoted to President of Iberia & Latin America in August 2014 and President of Iberia, Italy and Latin America in July 2022. Before joining the Company, Antonio was a partner and co-founder of Alana Partners, a start-up incubator and accelerator based in Madrid. Prior to that, he was Executive Vice President of Orange, where he led the global fixed and internet services division, based out of Paris. Previously Antonio held several senior positions in telecoms and finance, including CEO of France Telecom Spain. He began his career in Hewlett Packard in Spain, and he also spent time with McKinsey & Co in their New York office. Antonio holds a double degree, magna cum laude, in Economics and Political Science from Brown University and an MBA from Harvard University.

COLIN SMITH

CHIEF FINANCIAL OFFICER

Colin Smith joined Verisure as Chief Financial Officer in June 2023. Before joining the Company, Colin spent 20 years at Sky UK & Ireland – one of Europe's largest telecommunications and media companies. As well as serving as CFO for five years, Colin also led Sky's Business-to-Business division. His experience at Sky was broad and focused on strategy, financial planning & analysis, M&A, as well as pricing, customer management, and go-to-market. During his career at Sky, Colin set up revenue analytics and cost transformation teams, both of which played a key role in driving both topline growth and profit. Colin qualified as a Chartered Management Accountant in 1999.

CRISTINA RIVAS

CHIEF TECHNOLOGY OFFICER

Cristina Rivas joined Verisure as Technology Director for Iberia and Latin America in 2016 before her appointment to Chief Technology Officer in February 2020. Before joining the Company, Cristina held several senior positions in customer service, sales, and marketing for Vodafone, most recently serving as Head of Technology Strategy and Governance. Before Vodafone, Cristina worked on strategy, marketing, and operational efficiency projects across telecommunications, banking, and energy at McKinsey & Co. Cristina holds a Master's Degree in Telecommunications Engineering from the Universidad Politécnica of Madrid.

LUIS GIL

PRESIDENT OF EXPANSION

Luis Gil is a co-founder of the company, joining Verisure in 1993. He has served as President of Expansion since 2014. Luis established the Company's Spanish business in 1993, and led the expansion efforts in Portugal, Brazil, Peru, and Chile and most recently in Italy, the UK, the Netherlands, Germany and Ireland. Before joining the Company, he was the President of Esabe Ingeniería de Seguridad SA. Luis holds Master's degrees in Industrial Engineering and Business and Commercial Management.

MARTA PANZANO

CHIEF HUMAN RESOURCES, COMMUNICATIONS, AND ESG OFFICER

Marta Panzano joined Verisure as Chief Human Resources Officer in 2014. Her remit also includes Communications, and she has led the Company's ESG strategy and agenda since 2022. Previously, Marta was the Global HR Leader for Orange Internal Digital Transformation based out of Paris, following her role as HR Director for Orange Spain. She also held several positions at Cemex across Mexico, Australia, Spain, and other geographies including Vice President of Human Resources for EMEA and Asia. Before this, she worked in strategy and management consulting at Boston Consulting Group, and in finance for Hewlett Packard for the Iberia region. Marta holds a Bachelor's Degree in Business Administration and Economics, from the Universidad Carlos III Madrid.

NINA CRONSTEDT

CHIEF LEGAL OFFICER

Nina Cronstedt joined Verisure as Chief Legal Officer in November 2018. Before joining the Company, Nina served as General Counsel for Cereal Partners Worldwide (a joint venture between Nestlé and General Mills), and as General Counsel of Strategic Business Units and the Centre of Expertise at Nestlé in Switzerland. Nina worked across multiple regions to counsel on the full spectrum of legal, corporate governance, IP and regulatory matters, and was closely involved in several strategic business initiatives. Previously, Nina held several increasingly senior roles at Philip Morris International, including as Assistant General Counsel EMEA Region. Nina studied Law at Stockholm University and holds a Master's Degree in Commercial and European Law from the University of Cambridge.

OLIVIER ALLENDER

PRESIDENT OF FRANCE, BELGIUM, UK & IRELAND, ARLO EUROPE

Olivier Allender joined Verisure as Managing Director for France in September 2012 and was promoted to General Manager for France, Belgium & the Netherlands in 2015. He later took on leading Arlo Europe in 2020 and has led the UK & Ireland business since January 2024. Before joining the Company, Olivier was the Commercial Director at Cofidis France, overseeing Sales, Marketing and Alliances. Prior to this, he held senior roles at L'Oréal covering a variety of responsibilities including a GM role leading L'Oréal's Le Club des Créateurs de Beauté (CCB) Division in Japan, following his time launching and establishing the business model in the US, and managing the global CCB e-business. Olivier also served as Senior Advisor for HomeServe France from 2020–2022. He holds a degree from Ecole Supérieur de Commerce de Compiègne.

OLIVIER HORPS

CHIEF MARKETING OFFICER

Olivier Horps joined Verisure as the marketing leader for our Digital and Contact centres in France in 2017 before his appointment to Chief Marketing Officer in January 2022. Before joining the Company, Olivier was the Managing Director of Asia-Pacific for Club Med, and CEO of Greater China, where he led commercial expansion in new geographies and strengthened existing markets. He previously held marketing leadership roles at Procter & Gamble and L'Oréal, managing major brands in Europe and Asia while developing expertise in consumer, market strategy, and brand development. Olivier holds an MBA from the ESSEC Business School in Paris.

Growth built a solid risk and governance framework

Risks and Uncertainties

The Board is responsible for the Company's risk management, determining risk appetite and ensuring that the risk processes and systems of internal control are robust, continuously monitored and evolve to address changing business conditions and threats. The Management Team is tasked to assist in the identification, evaluation, and monitoring of the Company's risks and controls, ensuring implementation of mitigation strategies as part of the risk management process. Internal Control provides assurance to help ensure that the risk processes are operating effectively, and Compliance provides the framework for compliance management. Updates are provided at every Audit Committee meeting.

Verisure uses the Enterprise Risk Management process to identify, evaluate and manage risks. Identified risks are evaluated based on likelihood of occurrence and potential severity of impact on the Verisure strategy. This process allows for the consistent evaluation of principal risks and watchlist risks as well as consideration of mitigation plans and efforts. Risk evaluations and related mitigating efforts are submitted to both the Audit Committee and the Board. As the risk environment evolves, it is essential to systematically identify and manage risks to achieve business goals and maintain a competitive edge.

Managing our Risks
The Company assigns each risk to a category (strategic, operational, financial or compliance) to identify the type of threat, enabling a better evaluation and calibration of the risk, and the type of mitigating strategy necessary.

Details of the Company's financial risks (liquidity, credit, interest rate and currency), which are managed by the treasury function, are provided in Note 22 Financial Risk Management in the consolidated financial statements.

The Board is satisfied that an ongoing process of identifying, evaluating and managing the Company's principal risks has been in place throughout 2024 and a robust assessment of principal and watchlist risks has been undertaken.

Overview of Principal Risks for 2024

RISK CATEGORY: STRATEGIC

Data Security Breach
Risk description: A breach or leak of confidential information could lead to a reduction of our competitive advantage, a decline in customer confidence, customer attrition, fines, reputational damage, and provide an advantage to our competitors.

Risk assessment trend: Stable

Risk owner: Chief Technology Officer

Our strategy: Reduce/Control

Mitigation activities: The Company continuously reviews and strengthens data and classification, and protection to reduce risk. By identifying root causes of incidents and enhancing controls, along with investing in security tools and our Security Operations Center, we ensure continuous and focused incident management and prevention.

Competitive Activity
Risk description: Threat of new entrants significantly impacting our market position which could result in a lowering of market share with impacts on revenue and profit.

Risk assessment trend: Stable

Risk owner: Chief Marketing Officer

Our strategy: Reduce/Control

Mitigation activities: Deliberate and constant focus and investment on product and service innovation. Significant understanding and research on market dynamics and customer feedback. Market entry can be costly, and our strong execution and customer service offering can be difficult and time-consuming to replicate.

Overview of Principal Risks for 2024, cont.

RISK CATEGORY: OPERATIONAL

Third Party Provided Infrastructure

Risk description: A dependence on third party infrastructure (e.g., 3G and telecommunications networks) could lead to obsolescence risk resulting in unexpected capital investment requirements, risk of attrition, as well as reliance on unstable networks which could impact our customer service model.

Risk assessment trend: Stable

Risk owner: Chief Technology Officer

Our strategy: Accept: Reduce/Control

Mitigation activities: Investment in advocacy to prevent premature infrastructure changes, new product roll-out and changes of concept, phased technological upgrades, and upsell campaigns.

Cyber Security

Risk description: Verisure relies upon its IT systems to manage customer and security data. A cyber-attack could result in compromised data, manipulation or theft of confidential and sensitive information, severely disrupting our core operations.

Risk assessment trend: Stable

Risk owner: Chief Technology Officer

Our strategy: Reduce/Control

Mitigation activities: We continuously review and improve the cyber security strategies to reduce risk. By identifying root causes of incidents and enhancing controls, along with investing in security tools and our Security Operations Centre with experts in cyber security, we ensure focused incident management and prevention. Security by design is embedded into our products, services and processes.

Customer Technology

Risk description: Verisure relies on its various technologies to meet customer service demands. Any potential issues encountered with technological performance could lead to disruptions in alarm management or business operations.

Risk assessment trend: Stable

Risk owner: Chief Technology Officer

Our strategy: Reduce/Control

Mitigation activities: Product development is heavily focused on quality. We source many key components directly, and work with large-scale, established suppliers. Significant pilot testing and site audits ensure compliance to high standards of production. A dedicated team continually monitors and optimizes performance through remote updates and continuous improvements.

ESG: Social – Supplier Engagements

Risk description: Subpar sustainability performance within the value chain, including social, environmental and governance topics, could lead to reputational harm and ESG regulatory enforcement.

Risk assessment trend: Stable

Risk owner: Chief Financial Officer

Our strategy: Reduce/Control

Mitigation activities: All suppliers are subject to a risk assessment and qualification process that adheres to the Supplier Code of Conduct, vendor screening, and contractual framework. Furthermore, risk mitigation is supported by both in-house ESG experts and external rating agencies.

Overview of Principal Risks for 2024, cont.

RISK CATEGORY: COMPLIANCE

Regulatory Risk

Risk description: The nature of the business requires the Company to comply with a wide range of evolving local and regional legislative requirements, including EU ESG regulations, the EU Artificial Intelligence Act and the EU Data Act. Failure to prepare for new or comply with existing legislation could lead to business disruption, material fines penalties, reputational harm and business performance impact.

Risk assessment trend: Increasing

Risk owner: Chief Legal Officer

Our strategy: Reduce/Control

Mitigation activities: Investment in internal and external resources to help identify and act on regulatory risks and opportunities, and ensure preparedness for legislative changes. A robust internal governance structure is being strengthened to ensure clear roles and responsibilities for regulatory compliance.

Data Privacy

Risk description: Most countries where we operate are subject to strict laws and regulations on the processing of personal data. Failure to comply with these laws and regulations could result in material fines, penalties, reputational harm and impacting business performance.

Risk assessment trend: Stable

Risk owner: Chief Legal Officer

Our strategy: Reduce/Control

Mitigation activities: Ongoing investment in our Data Privacy Programme and related governance structure across Verisure. Established internal policy and standards framework, dedicated internal resources at global, Cluster, and country levels to manage data privacy risk, supported by external experts, training and awareness initiatives, OneTrust for key data privacy processes and records management, and periodic third-party audits of our data protection compliance.

Consumer Protection Legislation Risk

Risk description: Our operations are subject to increasingly strict consumer protection laws, which cover, for example, our marketing claims and promotions, our sales practices and the customer relationship. Non-compliance with consumer protection laws could result in material fines, reputational harm and business performance impact.

Risk assessment trend: Increasing

Risk owner: Chief Legal Officer

Our strategy: Accept: Reduce/Control

Mitigation activities: Continuous investment in our Compliance Programme and related governance structure implemented across the internal policy framework at Verisure, Internal Legal resources at global, Cluster and country levels to manage consumer protection risk, supported by external experts, training and awareness initiatives, and rotating third party audits of our consumer protection compliance.

Watchlist Risks

Verisure operates a watchlist risk process to monitor lower-rated risks that may have low likelihood but could be, for example, significantly impacted by unpredictable external factors. These risks include geopolitical and macroeconomic risk, competition risk, reputational risk, climate related risk and senior talent retention risk.

The unpredictable geopolitical landscape and the uncertainty over future global events can result in changes in customer behaviour and/or inflation. The link between stable inflation and our growth is crucial and can shift quickly. The aftereffects of the recent years of inflation may persist.

Verisure relies on third party infrastructure to provide our customers with constant connectivity to our alarm monitoring operations to detect and/or prevent intrusions. An increase in the frequency and intensity of extreme weather events due to global climate change could have a direct/indirect impact on third party infrastructure, such as telecommunications services.

The inability to retain key senior talent could lead to operational and strategic challenges, as well as the potential loss of intellectual property or strategic know-how. Addressing this risk requires robust retention strategies, the cultivation of an engaging work environment, and measures to safeguard critical knowledge assets, ensuring the long-term sustainability of the business. The residual risk associated with the watchlist risks are not considered significant.

Corporate Governance

Verisure Midholding AB's corporate governance is based on external regulatory frameworks, such as the Swedish Companies Act and other applicable country legislation, as well as internal rules, including the Articles of Association, policies, and standards.

Board of Directors

Composition of the Board

Verisure Midholding AB has a Board of Directors composed of five directors. The Board is responsible for the Company's organisation and administration, regularly assessing the Company's financial situation and ensuring the organisation is structured to satisfactorily oversee accounting records, financial management, and other financial aspects.

Rules of Procedure

Verisure Midholding AB is 100% owned by Verisure Group Topholding AB, which holds the Board of Directors. For this section and the following subsections, the Board refers to the Board of Directors of Verisure Group Topholding AB.

The Board has established Rules of Procedure which are reviewed as necessary. These include rules for holding Board meetings, their frequency, and the agenda items to cover. Additional meetings are held as deemed appropriate. In 2024, the Board held six meetings.

Board Committees

The Board has established an Audit Committee, a Remuneration Committee, a Valuation Committee, and an ESG Committee. The Board appoints the committee members. The primary tasks of these committees are preparatory and advisory, but the Board may, on occasion, delegate authorisation to the committees to determine specific matters. Minutes are taken on all committee meetings.

Audit Committee

The primary function of the Audit Committee is to monitor the Company's financial reporting, internal controls, compliance programme and risk management. In this regard, the Audit Committee reviews the reports delivered by the Company's external auditors, evaluates the external auditors, monitors accounting and tax matters and monitors Verisure compliance and other risk management, including its data privacy programme. In 2024, the Audit Committee held four meetings. The members of the Audit Committee are Stefan Götz[1], Adrien Motte, and Henry Ormond.

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board regarding the Company's framework for executive remuneration and the accompanying costs. It reviews and determines, on behalf of the Board, the remuneration and incentive packages for management to ensure they are rewarded appropriately for their contributions to the Company's overall performance.

The Remuneration Committee also formulates the remuneration policy concerning the strategic objectives and operational performance of the Company. The members of the Remuneration Committee are Stefan Götz, Austin Lally, Marta Panzano, Adrien Motte and Henry Ormond.

Executive Compensation

Our executive compensation programme has the following objectives:

- Recruit and retain key leadership.
- Link compensation to the executive's performance and our financial performance.
- Align the executives' compensation opportunities with our short-term and long-term financial objectives.

The Company's executive compensation includes (i) fixed compensation in the form of base salary and benefits and (ii) variable compensation in the form of annual cash bonus and, in some cases, share option awards.

Base Salary

We aim to pay base salaries consistent with the scope of each executive's responsibilities and such that base salaries reflect the fixed compensation necessary to recruit key leadership.

Benefits

We aim to provide our executives with a benefits package that is comparable to those of other companies in our sector and appropriate for their respective jurisdictions.

Annual Cash Bonus Awards

Our executives are eligible to receive incentive compensation through annual cash bonuses based on performance objectives established periodically.

Valuation Committee

The Valuation Committee's primary responsibility is to assist the Board in calculating the fair market valuation of the securities comprised in the Company's quarterly management equity plan. The members of the Valuation Committee are Francois Cornelis, Adrien Motte, Casilda Aresti, and Colin Smith.

ESG Committee

The primary responsibilities of the ESG Committee are to assist the Board in aligning on the execution of the Company's ESG strategy, ensuring that ESG priorities and action plans are consistent with the ambition level defined by the Board, and evaluating progress on ESG priorities and action plans. The members of the ESG Committee are Zomo Fisher, Andrew Barron, Austin Lally, Marta Panzano, Colin Smith, Nina Cronstedt, and Enrique Bofill.

1) To note is that Graeme Pitkethly was appointed as the third independent director of the Verisure Group Topholding AB board and nominated as the chairman of the Audit Committee, replacing Stefan Götz, on 25 February 2025.

Board of Directors – Verisure Midholding AB

Note: The primary group-wide board responsibilities are exercised by the Board of Directors of Verisure Group Topholding AB.

Name	Position
Austin Lally	Director and Chief Executive Officer
Cecilia Hultén	Director and Chairman
Colin Smith	Director
Daniel Bruzaeus	Director
Elizabeth Henry	Director

Austin Lally joined Verisure as CEO in 2014 following a 26-year career with The Procter & Gamble (P&G) Company where he was Global President and a member of the Global Leadership Council. His team led the turnaround of the Braun and Appliances division. Prior to this, he was responsible for marketing and premium innovation development for the global Gillette business. Earlier, he led the European Baby Care business and managed the successful restructuring of the company's operations in Germany. Austin also spent seven years in Guangzhou, where he helped to build P&G's strong leadership position in Greater China. He also held leadership roles in France and the UK, where he started his career. Austin holds a Bachelor of Science from the University of Glasgow, where he was President of the Students' Representative Council and won the World Universities Debating Championship.

Cecilia Hultén serves as the Director Financial Controller, and has been with the Company since 2006. Prior to joining the Company, Cecilia served as an authorized public accountant at PricewaterhouseCoopers AB. She holds a Bachelor of Science degree in Economics and Business Administration from Linnaeus University.

Colin Smith joined Verisure as Chief Financial Officer in June 2023. Before joining the Company, Colin spent 20 years at Sky UK & Ireland – one of Europe's largest telecommunications and media companies. As well as serving as CFO for five years, Colin also led Sky's Business-to-Business division. His experience at Sky was broad and focused on strategy, financial planning & analysis, M&A, as well as pricing, customer management, and go-to-market. During his career at Sky, Colin set up revenue analytics and cost transformation teams, both of which played a key role in driving both topline growth and profit. Colin qualified as a Chartered Management Accountant in 1999.

Daniel Bruzaeus, our Head of Internal Control, joined Verisure in 2019. Prior to joining Verisure, Daniel held different roles in Risk Management at PwC, as well as Group Risk Officer at Ikano Bank, and Senior Internal Auditor at E.ON. Daniel holds an MBA from Lund University.

Elizabeth Henry, HR and Communications Director for Sweden and the Nordics, has been with Verisure since 2015, holding various roles in HR and Communications. Before joining the Company, Elizabeth advanced her career in Human Resources at the Procter & Gamble (P&G) Company and previously at the Gillette Company in the US, gaining extensive experience in the United States, the United Kingdom, and the Nordic region.

Contents

Directors' Report

Operations

The Group is the leading provider of monitored security services for homes and small businesses in Europe and Latin America. We protect over 5.6 million customers across 17 countries. Our service includes 24/7 monitoring, expert verification and response, customer care, maintenance, and technical support. In addition to intrusion and burglary, we protect against fire, attack, theft, life-threatening emergencies, and other hazards. We conduct our business through two primary segments, portfolio services and customer acquisition. Additionally, we classify certain non-core business under our adjacencies segment The following table shows key operating metrics for each of our segments as of and for the periods set forth below. These metrics are presented because we believe they provide a clearer picture of our results of operations generated by our core operating activities. This enables our Management to evaluate relevant trends more meaningfully when considered in conjunction with (but not in lieu of) other measures that are calculated in accordance with IFRS. Refer to the section Non-IFRS measures for more information about key operating metrics.

Key figures

EUR thousand (if not otherwise stated)	2024	2023
Consolidated		
Non-IFRS and IFRS financial data		
Revenue[1]	**3,408,018**	3,089,970
Revenue growth, %	**10.3%**	9.3%
Adjusted EBITDA	**1,533,997**	1,340,488
Adjusted EBITDA margin, %	**45.0%**	43.4%
Adjusted EBITDA incl. SDIs	**1,501,848**	1,298,031
Adjusted EBITDA margin incl. SDIs, %	**44.1%**	42.0%
Adjusted EBIT	**819,026**	693,899
Adjusted EBIT margin, %	**24.0%**	22.5%
Operating profit[1]	**742,598**	602,958
Capital expenditures	**919,779**	868,452
Net debt per SFA	**7,587,779**	7,407,669
Unaudited operating data		
Acquisition multiple, ratio	**3.6**	3.7
Portfolio services segment		
Non-IFRS and IFRS financial data		
Portfolio services revenue[1]	**2,947,809**	2,635,294
Portfolio services adjusted EBITDA	**2,141,872**	1,885,286
Portfolio services adjusted EBITDA margin, %	**72.7%**	71.5%
Unaudited operating data		
Total subscribers (end of period), units	**5,611,685**	5,173,032
Cancellation, units	**401,094**	376,377
LTM attrition rate, %	**7.4%**	7.6%
Net subscriber growth, units	**438,653**	420,935
Subscriber growth rate, net %	**8.5%**	8.9%
Monthly average number of subscribers during the period, units	**5,391,658**	4,964,490
Monthly average revenue per user (ARPU), EUR	**45.6**	44.2
Monthly adjusted EBITDA per customer (EPC), EUR	**33.1**	31.6
Annualised recurring revenue (ARR)	**3,068,106**	2,745,994
Annualised recurring revenue growth, %	**11.7%**	10.8%
Customer acquisition segment		
Non-IFRS and IFRS financial data		
Customer acquisition revenue[1]	**367,368**	362,273
Customer acquisition adjusted EBITDA	**(627,470)**	(551,108)
Customer acquisition capital expenditures	**580,452**	577,457
Unaudited operating data		
New subscribers added (gross), units	**839,746**	797,312
Cash acquisition cost per new subscriber (CPA), EUR	**1,438**	1,415
Adjacencies segment		
Non-IFRS and IFRS financial data		
Adjacencies revenue[1]	**92,841**	92,404
Adjacencies adjusted EBITDA	**19,594**	6,309

1) IFRS financial data.

Analysis of Operating Results

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 sections Definitions of Key Operating Metrics and Non-IFRS measures. 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 interest, taxes, writeoffs, 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 Consolidated 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 annual 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.

Results excluding SDIs

EUR million	2024	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%
Adjusted EBIT	**819.0**	**693.9**	**+18.0%**	**+18.7%**
Adjusted 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	2024	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

Revenue increased by +10.3% during 2024, or EUR 318.0 million, to EUR 3,408.0 million, up from EUR 3,090.0 million last year. 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 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 2024, representing an increase of +1.4% compared to 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% during 2024, or EUR 125.2 million, to EUR 1,878.9 million, from EUR 1,753.8 million last year. The increase was mainly due to growth in the portfolio.

Adjusted EBITDA

Adjusted EBITDA increased by +14.4% in 2024, or EUR 193.5 million, to EUR 1,534.0 million, from EUR 1,340.5 million 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 2024, up from EUR 532.0 million 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 incremental direct costs incurred to obtain new customers.

Retirement of assets

Retirements of assets increased to EUR 122.0 million in 2024, from EUR 114.6 million 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 2024 is driven by the increase in cancellations compared to last year.

Adjusted EBIT

Adjusted EBIT increased by +23.2% to EUR 743 million in 2024. The margin increased from +19.5% in 2023 to +21.8% in 2024. The increase is mainly driven by growth in the portfolio and increased operational efficiency.

Interest income and expenses

Interest income reached EUR 1.8 million in 2024, compared to EUR 1.9 million last year. Interest expense reached EUR 471.8 million in 2024, compared to EUR 451.1 million last year, mainly driven by higher total 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). In 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

	2024			2023		
EUR million	Result excluding SDIs	SDIs	Reported	Result excluding 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)**	**0.0**	**(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 benefit and expense	**-**	**-**	**(102.5)**	-	-	**(40.4)**
Profit for the period	**-**	**-**	**144.5**	**-**	**-**	**28.9**

Separately disclosed items (SDIs)

SDIs affecting operating expenses

In 2024, total SDIs affecting operating expenses reached EUR 32.1 million, compared to EUR 42.5 million last year. SDIs affecting operating expenses include one-off costs related to various transition projects within the Group.

SDIs affecting depreciation and amortisation

In 2024, SDIs 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 last year. In 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. In 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

In 2024, income tax represented a cost of EUR 102.5 million, compared to a cost of EUR 40.4 million last year. While current tax expense totalled EUR 119.2 million in 2024, compared to EUR 96.2 million last year, deferred tax totalled a benefit of EUR 16.7 million in 2024, compared to a benefit of EUR 55.8 million last year.

Cash flow

EUR million	2024	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 activities[1]	**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**	**(21.2)**
Cash and cash equivalents at beginning of period	**21.3**	43.6
Effects of exchange rate changes 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 2 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 2024, and 2023, respectively. Cash flow from operating activities before change in working capital increased from EUR 1,198.1 million in 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 2024, compared to a positive impact of EUR 86.1 million 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 in 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 in 2024, compared to EUR 421.4 million 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 last year, net interest payments increased by EUR 13.0 million, from EUR 451.9 million, mainly due to increases in the amount of 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

EUR million	2024	2023
Customer acquisition, material	**326.7**	338.1
Customer acquisition, incremental direct costs	**253.8**	239.3
Portfolio services	**155.1**	117.8
Adjacencies	**16.7**	17.3
Capital expenditures, other	**167.6**	155.9
Total	**919.8**	**868.5**

Capital expenditures reached EUR 919.8 million in 2024, compared to EUR 868.5 million last year. The increase in other capital expenditures 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

EUR million	2024	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**

Financial indebtedness as of December 31

EUR million	2024	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 liabilities	**191.0**	162.3
Total indebtedness	**7,617.6**	**7,429.0**

Employees

The Group had an average of 25,340 (24,404 in 2023) full time equivalent employees (FTE) in 2024. Approximately 33% of the employees were in Spain in 2024 (35% in 2023) and 14% in France (14% in 2023). After Spain and France, the highest concentrations of employees were in Brazil, Argentina, Italy, UK, Chile and Sweden (Brazil, UK, Chile, Italy, Argentina and Sweden in 2023). In Sweden and, to a lesser extent in Norway, Finland and Denmark, we work closely with partners to sell and install our products instead of using our own employees.

Regulation and legal proceedings

Regulation

Our operations are subject to a variety of laws, regulations and licensing requirements in the countries in which we operate. Most laws and regulations specific to the industry are country or municipal-wide in scope. Legislation relating to consumer protection, fair competition, data privacy, digital, ESG and other generally applicable areas are either EU or countrywide in scope. Recent and still upcoming EU regulation, such as the AI Act, Cyber Security Act, Data Act, Corporate Sustainability Reporting Directive and Corporate Sustainability Due Diligence Directive, will in varying degrees impact our operations and reporting. We have closely followed the legislative process for these regulations and work on preparing for their coming into force.

Regulation also offers opportunity to the Group. Regulatory and voluntary standards in the area of security and safety services allow us to differentiate from other companies operating in the same segment, as we are better equipped to meet new requirements, partner with law enforcement, insurance companies and other relevant stakeholders, and market our services with certifications valued by consumers. We are actively pursuing opportunities to positively influence the regulatory environment. We strive to always comply with applicable regulation.

Sales and marketing regulations

All of the countries in which we operate have regulations regulating how companies' market and sell their products and services to consumers. In most countries, these regulations afford consumers pre-contractual information, withdrawal and termination rights. They also generally prohibit misleading advertising and regulate the use of price promotions. Two countries in our footprint, Belgium and Denmark, prohibit so-called door-to-door sales to consumers despite the EU Omnibus Directive establishing that such sales cannot be outright banned by EU Member States.

Alarm verification regulation

We are subject to regulations covering the dispatching of emergency personnel and false alarms. For example, in France, police will only respond to an alarm forwarded to them once that alarm has been verified. Spain, our largest country by revenue, has verification protocols requiring alarms to be verified through video, audio or personal verification steps before they can be considered "confirmed alarms." Absent confirmation, emergency personnel will not respond unless three sequential alarms are triggered within 30 minutes. If emergency personnel are dispatched to a false alarm, some jurisdictions allow for penalties to be imposed on either the alarm owner or the alarm service provider. In France, police are allowed to fine an alarm monitoring service provider for forwarding a false alarm. Likewise, in Spain, emergency responders have discretion to impose fines for overly frequent false alarms, reaching as high as EUR 30,000 per incident. These regulations are aimed at causing alarm service providers to adopt appropriate measures to limit false alarms. We consider Verisure to be the industry leader in alarm verification, on an ongoing basis improving our verification capabilities typically filtering out north of 99% of false alarms.

Monitoring regulation

We have at least one monitoring centre in each of the geographies in which we operate. In some countries these centres are regulated by either the police or insurance companies and require licenses or permits. For instance, Sweden and Norway regard monitoring centres to be akin to a guarding service and require each centre to obtain an equivalent license to the one required of guarding services. In Spain, monitoring centres are subject to stringent approvals by the police. Many countries also impose country-specific standards, for example related to certifications or staffing requirements.

Equipment and installation regulations

The monitoring products we install are regulated by EU and national laws. The regulatory obligations applicable to the Group and its suppliers depend on the respective roles and activities in a product's supply chain, and on the features of each relevant product.

In order to conduct installations of alarms, we in some countries must be registered for this purpose. Some countries also impose regulations on the maintenance of our products. For example, Spain requires that we provide a certified maintenance service as part of each contract we enter with a customer. Additionally, some countries that do not currently regulate maintenance of residential alarms do regulate business alarms. Such regulations apply to our small business customers.

Legal proceedings

At any given time, we may be a party to regulatory proceedings or to litigation or be subject to non-litigated claims arising out of the normal operations of our businesses, such as regarding product liability, unfair trading or employment claims. Our likely liability with respect to proceedings pending is not material to our financial position.

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.

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 in Q2 they did appealed the decision to the competent Administrative Court. In the meantime, the fine has been paid in full as required.

In the wake of the AGCM decision, Altroconsumo in June 2024 contacted Verisure Italy with certain requests for compensation linked to the AGCM decision, which Verisure Italy rejected. Altroconsumo subsequently published its intention to initiate a court action on behalf of certain consumers, offering consumers to register for a future class action.

In April 2024, the Group issued EUR 525 million of new Senior Secured Notes due in May 2030, and a EUR 525 million TLB due in May 2030, to fully refinance the existing EUR 800 million TLB due in June 2026 and fully replenish RCF drawings.

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

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

In February this year, Altroconsumo decided not to pursue legal action as a result of an amicable settlement reached with Verisure Italy. The agreement cannot be considered as an acknowledgement of fault or liability by Verisure Italy and does not impact Verisure Italy's position in the AGCM decision appeal case.

Consolidated Financial Statements

Consolidated Income Statement

EUR thousand	Note	2024	2023
Revenue	4, 15	**3,408,018**	3,089,970
Cost of sales	5, 7, 10, 11, 12	**(1,849,588)**	(1,702,845)
Gross profit		**1,558,430**	**1,387,125**
Selling expenses	5, 7, 10, 11, 12	**(390,992)**	(375,184)
Administrative expenses	5, 6, 7, 8, 9, 10, 11, 12	**(429,754)**	(413,260)
Other income	5	**4,913**	4,277
Operating profit		**742,598**	**602,958**
Financial income	13, 15	**27,910**	15,910
Financial expenses	13	**(523,473)**	(549,555)
Profit before tax		**247,034**	**69,313**
Income tax expense	14	**(102,537)**	(40,428)
Net profit for the period		**144,497**	**28,885**

Consolidated Statement of Comprehensive Income

EUR thousand	Note	2024	2023
Net profit for the period		**144,497**	**28,885**
Items that may not be reclassified to the consolidated income statement			
Re-measurement of defined benefit plan		**(757)**	(1,537)
Income tax related to these items	14	**299**	119
Items that may not be reclassified to the consolidated income statement		**(458)**	**(1,418)**
Items that may be reclassified to the consolidated income statement			
Change in hedging reserve		**13,205**	(5,146)
Currency translation differences on foreign operations		**(32,124)**	(6,061)
Income tax related to these items	14	**(2,720)**	1,060
Items that may be reclassified to the consolidated income statement		**(21,639)**	**(10,147)**
Other comprehensive expense		**(22,097)**	**(11,565)**
Total comprehensive income for the period		**122,400**	**17,320**

Consolidated Statement of Financial Position

EUR thousand	Note	2024	2023
Assets			
Non-current assets			
Property, plant and equipment	16	**1,574,056**	1,450,741
Right-of-use assets	17	**190,600**	159,342
Goodwill	18	**753,093**	769,205
Customer portfolio	19	**1,176,155**	1,101,846
Other intangible assets	20	**343,410**	336,781
Deferred tax assets	14	**136,921**	103,240
Derivatives	22	**-**	1,717
Trade and other receivables[1]	15, 22, 24	**139,926**	177,221
Total non-current assets		**4,314,161**	**4,100,093**
Current assets			
Inventories	23	**316,233**	296,443
Trade receivables[1]	15, 22, 24	**316,340**	225,194
Current tax assets	14	**24,506**	11,071
Derivatives	22	**21,689**	140
Prepayments and accrued income[1]	15, 21	**94,128**	68,131
Other current receivables	15 , 22	**79,601**	75,239
Cash and cash equivalents	22	**29,829**	21,319
Total current assets		**882,326**	**697,537**
Total assets		**5,196,487**	**4,797,629**

1) Refer to note 2 Accounting policies.

Consolidated Statement of Financial Position

EUR thousand	Note	2024	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]	22, 25	**7,579,974**	7,414,205
Derivatives	22	**24,877**	23,698
Other non-current liabilities[1]	22	**137,031**	127,185
Deferred tax liabilities	14	**222,815**	202,409
Other provisions	26	**42,100**	34,780
Total non-current liabilities		**8,006,797**	**7,802,278**
Current liabilities			
Trade payables	22	**176,008**	171,392
Current tax liabilities		**104,158**	87,565
Short-term borrowings[1]	22, 25	**357,517**	337,695
Derivatives	22	**30**	4,235
Accrued expenses and deferred income[1]	15, 27	**576,743**	546,676
Other current liabilities	15, 22	**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 2 Accounting policies.

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the parent company					
EUR thousand	Share capital	Other paid in capital	Translation reserve	Hedging reserve	Retained earnings	Total
Balance as of 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)**
Total comprehensive income	**-**	**-**	***(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**
Total transactions with owners	**-**	***1,698***	**-**	**-**	***(20,329)***	***(18,631)***
Balance as of December 31, 2024	**56**	**630,339**	**(97,075)**	**7,248**	**(4,666,036)**	**(4,125,468)**

	Attributable to equity holders of the parent company					
EUR thousand	Share capital	Other paid in capital	Translation reserve	Hedging reserve	Retained earnings	Total
Balance as of 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)**
Total comprehensive income	-	-	*(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**
Total transaction with owners	-	3,955	-	-	*(233,685)*	***(229,730)***
Balance as of December 31, 2023	**56**	**628,641**	**(64,951)**	**(3,237)**	**(4,789,746)**	**(4,229,237)**

Consolidated Statement of Cash Flows

EUR thousand	Note	2024	2023
Operating activities			
Operating profit		**742,598**	602,958
Adjustment for depreciation and amortisation	12	**633,235**	580,461
Adjustment for other non-cash items	10	**128,180**	105,962
Paid taxes		**(114,635)**	(91,239)
Cash flow from operating activities before change in working capital		**1,389,378**	**1,198,143**
Change in working capital			
Change in inventories		**(26,257)**	44,277
Change in trade receivables[1]		**(62,444)**	(39,124)
Change in other receivables		**(56,585)**	(33,879)
Change in trade payables		**6,488**	(12,305)
Change in other payables[1]		**79,488**	127,107
Cash flow from change in working capital		***(59,310)***	*86,076*
Cash flow from operating activities		**1,330,068**	**1,284,219**
Investing activities			
Net investments in intangible and financial assets	19, 20	**(440,550)**	(418,892)
Net investments in property, plant and equipment	16	**(478,243)**	(465,113)
Cash flow from investing activities		**(918,793)**	**(884,005)**
Financing activities			
Change in borrowings[1]		**55,841**	257,493
New financing		**1,050,000**	450,000
Repayment of financing		**(1,030,000)**	(650,000)
Interest received		**1,809**	1,876
Interest paid		**(466,736)**	(453,755)
Paid bank and advisory fees		**(10,978)**	(5,416)
Other financial items		**(1,910)**	(21,852)
Received group contribution		**-**	290
Loan to related parties		**310**	-
Cash flow from financing activities		**(401,664)**	**(421,364)**
Cash flow for the period		**9,611**	**(21,150)**
Cash and cash equivalents at start of period		**21,319**	43,629
Effects of exchange rate changes on cash and cash equivalents		**(1,101)**	(1,160)
Cash and cash equivalents at end of period		**29,829**	**21,319**

1) Refer to note 2 Accounting policies.

Notes to the Consolidated Financial Statements

Note 1 General Company Information

Information regarding Verisure Midholding AB (publ)
Verisure Midholding AB (publ) ("the Company") is an organised public limited liability company incorporated on May 26, 2011, in and under the laws of Sweden with the registration number 556854-1402 and with its registered office in Malmö. Verisure Midholding AB's postal address is Box 392, 201 23 Malmö. The Group's head office is based in Geneva, Switzerland. Verisure Midholding AB (publ) is directly and wholly owned by Verisure Group Topholding AB, incorporated is Sweden. The ultimate parent company is Aegis Lux 1A S.àr.l, incorporated in Luxembourg. The ownership share is 59%.

Nature of operations
Verisure Midholding Group, hereafter referred to as the Group, is the leading provider of monitored security services for homes and small businesses in Europe and Latin America. We protect over 5.6 million customers across 17 countries.

Note 2 Accounting Policies

The most important accounting policies in the preparation of these consolidated financial statements are described below. These policies were applied consistently for all years presented, unless otherwise stated.

New standards and amendments
Certain new accounting standards and amendments to accounting standards have been published that are mandatory and have been adopted by the Group as of December 2024. These accounting standards and amendments have not had any material impact on the Group.

Certain new accounting standards and amendments to accounting standards have been published that
that are not mandatory as of the December 31, 2024 reporting period and have not been early adopted by the Group. The Group does not expect these amendments to have a material impact on the operations or the Group financial statements, except for IFRS 18 explained below.

IFRS 18 Presentation and Disclosure in Financial Statements
IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements to achieve better comparability of the financial performance of similar entities. IFRS 18 is expected to change the presentation of the Income statement and to differentiate between earnings from operating activities, investment activities and financing activities, and will add additional disclosures. However, IFRS 18 will not change any accounting policies on recognition and measurement, hence it will not change reported net profit. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, and the Group is not planning to early adopt.

Basis of presentation
Compliance with IFRS
These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the EU. The accounting policies are unchanged compared with those applied in 2023.

Historical cost convention
The consolidated financial statements have been prepared on a historical cost basis, except where a fair value measurement is required according to IFRS (e.g., for derivative financial instruments, which have been measured at fair value, and pension liabilities related to defined benefit plans).

Basis of consolidation | IFRS 10 & IFRS 12
Subsidiaries are all entities of which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

All inter-company transactions, balances and unrealised gains and losses attributable to inter-company transactions are eliminated in the preparation of the consolidated financial statements. The accounting principles used by subsidiaries are adjusted where necessary to ensure consistency with the principles applied by the Group.

Foreign currency translation | IAS 21
Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured by using the currency of the primary economic environment in which the entity operates (the

functional currency). The consolidated financial statements are presented in euro (EUR), which is the parent company's functional and presentation currency.

Transactions and balances
Transactions in foreign currency are translated into the functional currency using the exchange rates at the dates of the transactions. Exchange differences on monetary items are recognised in the consolidated income statement when they arise. Exchange differences from operating items are recognised as either cost of sales or selling or administrative expenses, while exchange differences from financial items are recognised as financial income or financial expenses. When preparing the financial statements of individual companies, foreign currency denominated receivables and liabilities are translated to the functional currency of the individual company using the exchange rates at each balance sheet date.

Segment reporting | IFRS 8
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 which are explained further below.

Portfolio services
The portfolio services segment provides a full security service to our customers for a monthly subscription fee. We typically enter into self-renewing monitoring agreements with customers at the time of installation and the majority of customers pay via direct debit. Our service includes 24/7 monitoring, expert verification and response, customer care, maintenance, and professional technical support to existing customers.

Customer acquisition
This segment develops, sources, purchases, provides and installs alarm systems for new customers in return for an upfront sales or installation fee.

Sales and installations can be performed both by our own employees as by external partners. Each new customer generates installation income that is recognised once the installation of the alarm equipment has been completed. The Group's costs for materials, installation, administration and marketing generally exceed the non-recurring income, resulting in negative cash flow for the segment.

Adjacencies
The adjacencies segment contains remote monitoring and assistance, services for senior citizens as well as the sale of Arlo cameras, video surveillance services in retail and online channels across Europe. Because these sales are not considered as part of our core alarm business, the revenue is categorised as adjacencies.

Revenue recognition | IFRS 15
The Group's revenue is generated mainly from the recurring monthly fees in the portfolio segment. This is approximately 85% of the Group revenue. The remaining part of the revenue is mainly generated from the security audit and installation in the customer acquisition segment, invoiced services and sale of products.

Within our customer contracts we have identified two performance obligations, security audit and installation as well as monitoring. For security audit and installation the revenue is recognised when the products are installed at our customers premises. Income from alarm monitoring services is recognised over time during the period to which the service relates.

For customer agreements containing multiple deliverables (security audit and installation as well as monitoring services) the transaction price is allocated to each performance obligation based on the stand-alone selling prices. The stand-alone selling price for the installation is calculated based on the cost for the installation with a margin based on external benchmarks. Any amount invoiced as installation fee which differs from the calculated stand-alone selling price for the installation service is recognised on a linear basis over the contract period.

Revenue from the sale of other products and services is recognised when the product is transferred to the customer or when the service is performed.

Financing
To enhance the payment plan flexibility to our customers, some of the Group's entities offer to finance part of the upfront fee, i.e., the customer gets the opportunity to pay the financed amount in monthly instalments typically over a three-year period. This offered service supports the Group's growth and profitability targets and may be arranged in two alternative ways; external or internal financing.

External financing
The Group enters factoring arrangements whereby customer receivables are transferred to our financing partner in exchange for cash. When the Group retains the customer payment default risk on the factored customer receivables the Group continues to recognise these receivables in the consolidated financial statements with a corresponding financial liability until such time as the full amount of receivables is collected under the factoring arrangement from the customer.

Internal financing
In case of internal financing, the customer is first invoiced with all instalments relating to the amount of financed upfront fee The financed amount is broken down into monthly instalments which is collected from the customer by the Group. In this case the Group assumes the credit risk.

Business combinations | IFRS 3
Business combinations are accounted for using the acquisition method. The consideration for the business combination is measured at fair value on the acquisition date, which is equivalent to the sum of the fair value of assets transferred, liabilities that arise or are assumed and equity ownership issued in exchange for control of the acquired business, as of the date of acquisition. The consideration also includes fair value on the

acquisition date of any assets or liabilities arising from a contingent consideration arrangement.

Acquisition related costs are recognised in the consolidated income statement during the period in which they are incurred. Measurement adjustments to the fair value of consideration transferred or of the acquired identifiable assets and liabilities as a result of additional information received during the measurement period, concerning facts and circumstances at the time of the acquisition date, qualify as adjustments of the business combination and require retrospective restatement with corresponding adjustment of goodwill. The measurement period ends on the earlier of the date when the Group receives the information needed or determines that the information cannot be obtained and one year after the acquisition date.

Operating expenses

The Group's business model involves sales and installation being carried out primarily by the same individuals. The costs of these activities are recognised in gross profit. This means that "cost of sales" includes some costs that are actually selling expenses but cannot be allocated to a specific function.

Employee benefit expense | IAS 19

Post-employment obligations

Our employees in Norway, Denmark, Sweden, France, Belgium, the Netherlands, the United Kingdom, Finland, Germany and Switzerland have a pension plan, whereas our employees in Argentina, Chile, Brazil, Spain, Portugal, Italy and Peru do not. We offer both defined contribution and defined benefit pension plans. Defined contribution plans are post-employment benefit schemes under which we pay fixed contributions into a separate legal entity and have no legal or constructive obligation to pay further contributions. Costs for defined contribution schemes are expensed in the period during which the employee carried out his or her work. Costs are in line with the payments made during the period.

All pension liabilities in Sweden are classified as defined contribution plans, except pensions for office-based staff which are through a national multi-employer pension plan, which is funded in the same manner as a defined benefit plan. The percentage of contribution depends on the level of employee participation and salaries in each country.

Defined benefit plans are post-employment benefit schemes other than defined contribution plans. The Group has defined benefit plans of limited scope in France and Switzerland. For these plans, amounts to be paid as retirement benefits are determined by reference to a formula usually based on employees' earnings and/or years of service.

Share-based payments | IFRS 2

Equity plan

A limited number of leaders in the Group participate in an equity plan, which allows them to acquire shares at fair market value in Aegis Lux 2 S.à r.l., either directly or through a legal entity. As the investment is done at a fair market value and with participants' out-of-pocket resources, there is no benefit for the employees.

Share option plan

Certain employees of the Group are granted share options in Aegis Lux 2 S.à r.l. The Share Option Plan is settled through equity and disclosed accordingly. Hence, the options are recognised as an employee benefit expense, with a corresponding increase in equity during the vesting period. The total amount to be expensed is determined by reference to the fair value of the options granted. The fair value at grant date is determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model.

Taxes | IAS 12

Income taxes

Income taxes include current and deferred tax. These taxes have been calculated at a nominal amount according to each country's tax rate that have been defined or announced and are highly likely to become affected.

Current tax

Current tax is tax that is paid or received for the current year and includes any adjustments to current tax for prior years. In the case of items recognised directly in equity or other comprehensive income, any tax effect on equity or other comprehensive income is also recognised as such.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred income tax is recognised using the balance sheet method, which means that deferred income tax is calculated on all temporary differences between the tax bases of assets and liabilities and their carrying amounts. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profits nor the accounting profit and does not give rise to taxable or deductible temporary differences of equal size.

Deferred tax is calculated at tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited to the consolidated income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also recognised in other comprehensive income.

Deferred tax assets on losses carried forward are recognised to the extent that it is probable that future taxable profits will be available against which the amounts can be utilised. Even though no statutory profits are forecasted, deferred tax assets (resulting from both deductible temporary differences, unused tax losses and unused tax credits) is recognised up to the amount of deferred tax liability if the reversals of deferred tax assets occur during the same period of the reversals of deferred tax liability. The carrying amount is reviewed on each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment | IAS 16 & IAS 36

Property, plant and equipment are recognised at cost less accumulated depreciation and any cumulative impairment losses.

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

Alarm equipment	5–15 years
Other machinery and equipment	3–10 years

The useful lives and residual values of Group assets are determined by management at the time of acquisition and are reviewed annually for appropriateness. The assets´ lives are based primarily on historical experience with regards to the lifecycle of customers, as well as anticipation of future events that may have an impact, such as technological tendencies and macroeconomic factors.

Alarm equipment is considered as devices installed in customers' premises. Other machinery and equipment are primarily IT-equipment and furniture.

An asset's residual value and value-in-use are annually reviewed, and adjusted if appropriate, on the defined reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than the estimated recoverable amount. Gains and losses on disposals are recognised in the consolidated income statement as cost of sales.

Leases | IFRS 16

The Group recognises a right-of-use asset and a lease liability on the commencement date of the lease. The right-of-use asset is initially measured by cost, which comprises the initial amount of the lease liability adjusted with any lease payments made at or before the commencement date. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted with certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as the discount rate. The incremental borrowing rate varies for each of the Group's entities and is based on the calculation of the cost of debt in the Group's overall WACC calculation. It also considers what kind of asset is leased, as well as the contract period. The Group evaluates the rates annually and updates them according to any new contracts when necessary. When material changes are made in a contract, the Group also reevaluates the discount rate and updates it as appropriate.

Lease payments included in the measurement of the lease liability are comprised of fixed payments, variable lease payments that depend on an index or rate, and the amounts expected to be payable under a residual value guarantee. Non-lease components are included in vehicle leases, but not in leases of buildings.

The lease liability is measured at an amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

The Group does not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments as an expense on a straight-line basis over the lease term.

Intangible assets | IAS 36 & IAS 38

Goodwill

Goodwill is allocated to the lowest levels for which there are separately identifiable cash flows or cash generating units (CGUs). Goodwill is not subject to amortisation and is tested for impairment annually, or as soon as there is an indication that the asset has declined in value and carried at cost less accumulated impairment losses.

Customer portfolio

The customer portfolio includes contract portfolios from business combinations and customer acquisition costs. Customer portfolio from business combinations acquisitions is principally represented by acquired customer portfolio and have finite useful lives. The customer acquisition costs are the incremental costs for obtaining a contract, i.e. the costs that an entity incurs to obtain a contract with a customer, that it would not have incurred if the contract had not been obtained. This is mainly related to sales commissions to the sales force, paid when a new contract is signed. The customer acquisition costs are reported at cost less accumulated amortisation. Amortisation is based on the asset's cost and allocated on a straight-line basis over the estimated useful life. The estimation of useful life is based on historical and statistical data showing how long until the customer cancels the contract with the Group.

Other intangible assets

Other intangible assets are primarily computer software, development costs and trademarks. Trademarks have been capitalised only in those cases where they have been acquired in a business combination. Trademarks with indefinite useful lives are carried at cost less accumulated impairment losses, and are not amortised but tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Software that fulfils the capitalisation criteria are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over the asset's estimated useful life.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets where the capitalisation criteria are met. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Amortisation for all intangible assets, with a definite useful life, is measured using the straight-line method, as follows:

Customer portfolio	4-15 years
Computer software	3–10 years
Other intangible assets	3–10 years

Impairment of non-financial assets | IAS 36

Assets with an indefinite useful life are not subject to amortisation and are tested for impairment annually or as soon as an indication emerges that they have decreased in value. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the recoverable amount may fall short of the carrying amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows or cash generating units (CGUs).

Financial instruments | IFRS 9

Financial assets – classification and measurement

The Group classifies and measures its financial assets in the categories at amortised cost and at fair value through profit or loss. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Debt instruments

Financial assets at amortised cost

The Group's financial assets measured at amortised cost consists of non-current trade and other receivables, current trade receivables, other current receivables, cash and cash equivalents.

Financial assets at fair value through profit or loss

Assets that do not fulfil the conditions for measurement at amortised cost are measured at fair value through profit and loss. A profit or loss for a debt instrument measured at fair value through profit or loss and that is not included in a hedging relationship is recognised as net in the income statement in the period in which the profit or loss arises. Any holdings of derivatives that have not been designated as hedging instruments are placed in this category. Accounting principles for derivatives for hedge accounting are described under the section "Derivatives and hedge accounting" below.

Equity instruments

Equity instruments at fair value through profit or loss

The Group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at FVPL are recognised in the statement of profit or loss as applicable.

Financial liabilities – classification and measurement

Financial liabilities at amortised cost

The Group's financial liabilities valued at amortised cost consist of long- term borrowings, other non-current liabilities, trade payables, short-term borrowings and other current liabilities.

Impairment of financial assets recognised at amortised cost

The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach, i.e. the reserve will correspond to the expected loss over the lifetime of the trade receivables. To measure the expected credit losses, trade receivables have been grouped based on days past due. Expected credit losses are based on historical loss rates that are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. In cases when the Group has more information on customers than the statistical model reflects, a management overlay is made for those specific customers. Expected credit losses are recognised under "cost of sales" in the income statement.

Derivatives and hedge accounting

Derivatives are reported in the balance sheet on the date of contract at fair value, both initially and at subsequent remeasurement at the close of each reporting period. The method used to report the gain or loss arising on remeasurement depends on whether the derivative was designated as a hedging instrument, and if so, the nature of the item hedged. The Group designates certain derivatives as hedging of a particular risk attributable to a highly probable forecast cash flow transaction (cash flow hedging). The Group does not use derivative financial instruments for speculative purposes.

When the transaction is entered into, the Group documents the relationship between the hedging instrument and the hedged item, as well as the Group's objective for the risk management and the risk management strategy relating to the hedge. The Group also documents its assessment, both when the hedge is entered into and on an ongoing basis, of whether the derivatives used in hedging transactions have been and will continue to be effective as regards countering changes in the cash flows attributable to the hedged items.

Information concerning the fair value of various derivatives used for hedging purposes can be found in note 22 Financial Risk Management. The entire fair value of a derivative that is a hedging instrument is classified as a non-current asset or non-current liability if the remaining term of the hedged item is more than 12 months, and as a current asset or current liability if the remaining term of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Transaction exposure – cash flow hedging
Currency exposure relating to future contracted and forecast cash flows is hedged through forward currency contracts. The currency forwards that hedge the forecast cash flow are recognised in the balance sheet at fair value. The effective portion of changes in the fair value of the forward contract is recognised in other comprehensive income and accumulated in equity as long as the hedge is effective. The ineffective portion of the change in value is recognised immediately in the income statement. If the hedge is not effective or if the hedged forecast transaction is no longer expected to occur, accumulated gains or losses are recognised immediately in net profit for the year. The amount that was recognised in equity via other comprehensive income is reversed to net profit for the year in the same period as that in which the hedged item affects net profit for the year. When a hedging instrument expires or is sold, terminated or exercised, or if the Group fails to designate the hedging relationship before the hedged transaction has occurred and the forecast transaction is still expected to occur, the reported accumulated gain or loss remains in the hedging reserve in equity and is recognised in the same way as above when the transaction occurs.

Derivatives that are not designated as hedging instruments
Changes in the fair value of any derivative instrument that have not been designated as hedging instruments are recognised immediately in profit or loss.

Trade receivables
Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

Borrowings
Borrowings are recognised at amortised cost net after transaction costs, applying the effective interest method. Borrowing is classified under current liabilities unless the Group has an unconditional right to defer payment of the debt for at least 12 months after the closing date.

Inventories | IAS 2
Inventories are stated at the lower of cost and net realisable value. The cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of inventories. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable direct selling expenses. The cost of inventories is determined by using the first-in first-out method. Provisions for obsolescence are included in the value for inventory.

Provisions | IAS 37
Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Hyperinflation | IAS 29
The Group's subsidiary in Argentina operates in a hyperinflationary environment. To reflect changes in purchasing power at the balance sheet date, the carrying amounts of non-monetary assets and liabilities, shareholders' equity, and comprehensive income are restated in terms of a measuring unit current at the balance sheet date. These are indexed using a general price index in accordance with IAS 29. Gains and losses on the net monetary position are included as a financial income or financial expense.

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 shareholder's equity.

Previously reported figures in the consolidated statements of financial position, as of December 31, 2023: 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, January 1 -December 31, 2023: Change in trade receivables EUR (6,555) thousand, Change in other payables EUR 205,764 thousand, Cash flow from operating activities EUR 1,395,445 thousand, Change in borrowings EUR 146,267 thousand.

Note 3 Critical Accounting Estimates and Judgements

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 on 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 external sources. These assumptions and estimates are continuously evaluated by management.

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 estimates uncertainties on 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 discussed below.

- Revenue recognition (note 4 Segment reporting).
- Valuation of goodwill and other assets (note 18 Goodwill).
- Measurement of tax provisions and deferred income tax assets and liabilities (note 14 Taxes).
- Measurement of provisions and allocation for accrued expenses (note 26 Other Provisions and note 27 Accrued Expenses and Deferred Income).
- Depreciation period for alarm equipment and amortisation period for customer portfolio (note 2 Accounting Policies, note 16 Property, Plant and Equipment and note 19 Customer Portfolio).
- Estimates regarding leases (note 11 Leases and note 17 Right-of-Use Assets).

Revenue recognition
Revenue recognition in the Group requires management to make judgements and estimates, mainly to determine the stand alone selling prices. Determining whether revenues should be recognised immediately or be deferred requires management to make judgements on the stand alone selling price of each performance obligation. The stand alone selling price of the installation revenue depends on the estimated installation cost and a margin based on a benchmark of companies with similar installation sevices.

Valuation of non-financial assets, including goodwill
In accordance with the accounting principle presented in note 2 the Group performs tests annually and if there are any indications of impairment to determine whether there is a need for impairment of goodwill. Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Recoverable amount of the cash-generating units (CGUs) was determined based on value in use calculations. The calculation of the value in use is based on estimated future cash flows. In calculating the net present value of the future cash flow, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of:

- Long-term sales growth rates;
- Growth in adjusted EBITDA;
- Timing and quantum of future capital expenditure;
- Change in working capital; and
- The selection of discount rates to reflect the risks involved.

Changes in the assumptions selected by management, especially the assumptions regarding discount rate and growth rate, could significantly affect impairment evaluation and hence the result. For further details on the test of impairment of goodwill, see note 18.

Measurement of tax provisions and deferred income tax assets and liabilities
The Group is liable to pay income taxes in various countries. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain tax positions, the resolution of which is uncertain until an agreement has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits, losses and/or cash flows.

The complexity of the Group's structure following geographic expansion makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Group, and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which we operate.

Issues can, and often do, take many years to resolve. Payments in respect to tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As an outcome, there may be substantial differences between the tax charge in the consolidated income statement and tax payments, including potential tax cash flow impact from future implementation of local accounting regulation. In addition, the Group has also exercised significant accounting judgements regarding net operating loss utilisation.

Moreover, the Group has exercised significant accounting judgements regarding the recognition of deferred tax assets. The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of deductible temporary differences can be made. Where the temporary differences relate to losses, the availability of the losses to offset against forecast taxable profits are also considered. Recognition therefore involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax assets have been recognised.

The amounts recognised in the consolidated financial statements in respect of each matter are derived from the Group's best estimation and judgement as described above. However, the inherent uncertainty regarding the outcome of these items means that any resolution could differ from the accounting estimates and therefore impact the Group's Consolidated income statement and cash flow.

Depreciation period for alarm equipment and amortisation period for customer portfolio

The useful lives and residual values of Group assets are determined by management at the time of acquisition and are reviewed annually. The lives are based primarily on historical experience with regards to the lifecycle of customers, as well as anticipation of future events that may impact the useful life, such as technological evolution e.g., 2G/3G network shutdown and macroeconomic factors.

The charges in respect of periodic depreciation for alarm equipment as well as the amortisation of the customer portfolio, are derived after determining estimates of expected useful life of alarm equipment, established useful life of customers, and the expected residual value at the end of life. A decrease in the expected life of an asset or its residual value results in an increase depreciation/amortisation charge being recorded in the consolidated income statement. A change in +/- 10 percentage points in depreciation and amortisation of the alarm equipment and customer portfolio would impact the operating profit of approximately EUR 43 million (40 in 2023).

Leases – Determining the lease term of contracts with renewal and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Most extension options in offices leases have not been included in the lease liability, as the Group could replace the assets without significant cost or business disruption. The lease term is reassessed when it is decided that an option will be exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Note 4 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. Separate disclosed items (SDIs), depreciation and amortisation, retirement of assets, financial items and taxes are not reported per segment. SDIs that affects adjusted EBITDA typically includes one-time costs related to various projects within the group.

	2024					
EUR thousand	Customer Acquisition	Portfolio Services	Adjacencies	Total Group – Excl SDIs	SDIs	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)**
Retirement of assets	**-**	**-**	**-**	**(122,003)**	**(4,011)**	**(126,014)**
Financial items	**-**	**-**	**-**	**(461,735)**	**(33,829)**	**(495,564)**
Result before tax	**-**	**-**	**-**	**357,292**	**(110,257)**	**247,034**

	2023					
EUR thousand	Customer Acquisition	Portfolio Services	Adjacencies	Total Group – Excl SDIs	SDIs	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)**
Retirement of assets	-	-	-	(114,611)	-	**(114,611)**
Financial items	-	-	-	(450,793)	(82,852)	**(533,645)**
Result before tax	**-**	**-**	**-**	**243,105**	**(173,792)**	**69,313**

Note 5 Operating expenses by Type

EUR thousand	2024	2023
Employee benefit expense	**1,243,345**	1,157,660
Depreciation and amortisation expense	**633,235**	580,461
Retirement of assets[1]	**126,014**	114,611
Cost of materials	**75,565**	73,146
Marketing-related costs	**228,408**	203,035
Other expenses	**363,768**	362,375
Total	**2,670,334**	**2,491,289**

1) Refer to note 16 Property, Plant and Equipment for more information regarding retirement of assets.

EUR thousand	2024	2023
Exchange rate differences included in operating profit	**(5,430)**	(1,931)

Exchange rate differences included in financial income and expenses are shown in note 13 Financial Income and Expenses.

Note 6 Audit fees

EUR thousand	2024	2023
PwC		
Audit assignments	**2,366**	1,968
Audit related assurance services	**150**	111
Other services[1]	**619**	310
Total PwC	**3,135**	**2,389**
Other auditors		
Audit assignments	**24**	24
Total other auditors	**24**	**24**
Total for the Group	**3,159**	**2,413**

1) Mainly related to assurance services for debt refinancing.

Note 7 Employee Benefit Expense

EUR thousand	2024	2023
Wages and salaries including restructuring costs and other termination benefits	**930,480**	865,925
Social security costs	**257,783**	242,319
Pension costs	**55,081**	49,416
Total	**1,243,345**	**1,157,660**

Note 8 Remuneration to Board of Directors and Other Key Executive Management

EUR thousand	2024	2023
Short-term employee benefits	**6,207**	6,060
Post-employment benefit	**364**	266
Total	**6,571**	**6,326**

The board of directors and the other key executive management have 6 to 12 months' notice period corresponding to an amount of EUR 7,811 thousand (7,412 in 2023).

Note 9 Employee Option Plan

Certain employees of the Group participate in a management option plan and are granted share options in Aegis Lux 2 S.à r.l. as a part of their compensation. The options vests in instalments over a period of a maximum of five years.

Set out below are summaries of options granted under the plan

Number of options	2024	2023
Balance at beginning of year	**1,406,180**	1,478,989
Granted during the year	**161,800**	230,498
Forfeited during the year	**(41,940)**	(137,915)
Exercised during the year	**(13,440)**	(165,392)
Balance at end of year	**1,512,600**	**1,406,180**

No options expired during 2024 and 2023.

Fair value of options granted

The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer Group companies. Total expenses arising from options issued under employee option plan recognised during the period was EUR 1,698 thousand (2,172 in 2023).

Note 10 Non-Cash Items

EUR thousand	2024	2023
Retirement of assets[1]	**126,014**	114,611
Other items	**2,166**	(8,649)
Total	**128,180**	**105,962**

1) Mainly related to retirement of installed equipment due to cancellation of customer subscriptions.

Note 11 Leases

The Group leases offices, vehicles and various equipment and recognises a right-of-use asset and a lease liability for these leases, except for short-term and low-value leases.

The consolidated income statement shows the following amounts related to leases during 2024 and 2023:

EUR thousand	2024	2023
Amortisation charge of right-of-use assets	**64,116**	55,467
Interest expense[1]	**8,263**	6,353
Expense relating to short-term leases[2]	**2,695**	1,334
Expenses relating to leases of low-value assets that are not shown above as short-term leases[2]	**2,576**	377
Total	**77,649**	**63,531**

1) Included in financial expenses.
2) Included in cost of sales, selling expenses and administrative expenses.

Depreciation charge for right-of-use assets by type of asset

EUR thousand	2024	2023
Buildings	**28,365**	24,878
Vehicles	**35,666**	30,307
Other items	**85**	282
Total	**64,116**	**55,467**

Total cash outflow for leases

EUR thousand	2024	2023
Amortisation of lease liabilities	**60,950**	54,422
Interest	**8,263**	6,353
Payments for low-value and short-term contracts	**5,271**	1,711
Total cash outflow	**74,483**	**62,486**

Refer to note 17 Right-of-Use Assets and note 25 Borrowings for more information regarding leasing.

Note 12 Depreciation and Amortisation

EUR thousand	2024	2023
Property, plant and equipment	**226,962**	209,136
Right-of-use assets	**64,116**	55,467
Customer portfolio	**218,416**	206,746
Other intangible assets	**123,742**	109,112
Total	**633,235**	**580,461**

Depreciation and amortisation are reflected in the consolidated income statement as follows

EUR thousand	2024	2023
Cost of sales	**431,200**	388,761
Selling and administrative expenses	**202,035**	191,700
Total	**633,235**	**580,461**

Depreciation of EUR 40,268 thousand (48,483 in 2023) relates to acquisition related intangible assets and is shown as SDIs on page 35.

Note 13 Financial Income and Expenses

EUR thousand	2024	2023
Interest income, other	**1,849**	1,876
Fair value changes in derivatives	**16,889**	-
Other financial income	**9,171**	14,034
Financial income	**27,910**	**15,910**
Interest cost, borrowings	**(424,052)**	(411,524)
Interest cost, leasing	**(8,263)**	(6,353)
Interest cost, factoring	**(34,467)**	(30,691)
Interest cost, other	**(5,042)**	(3,295)
Fair value changes in derivatives	**-**	(24,137)
Exchange rate differences, net	**(10,671)**	(43,530)
Bank charges	**(24,811)**	(21,794)
Other financial expenses	**(16,166)**	(8,231)
Financial expenses	**(523,473)**	**(549,555)**
Financial income and expenses	**(495,563)**	**(533,645)**

Refer to note 25 Borrowings for more information regarding financial items related to borrowings.

Note 14 Taxes

Consolidated Income statement

Tax expense

EUR thousand	2024		2023	
Current tax	**(119,234)**	**(48.3%)**	(96,245)	(138.9%)
Deferred tax	**16,697**	**6.8%**	55,817	80.5%
Total	**(102,537)**	**(41.5%)**	**(40,428)**	**(58.3%)**

Reconciliation of effective tax

EUR thousand	2024		2023	
Tax according to the applicable tax rate for the parent company	**(50,889)**	**(20.6%)**	(14,279)	(20.6%)
Difference between tax rate in Sweden and weighted tax rates applicable to foreign subsidiaries	**132**	**0.1%**	(5,754)	(8.3%)
Non-taxable income	**19,141**	**7.7%**	12,938	18.7%
Non-deductible expenses	**(79,727)**	**(32.3%)**	(92,369)	(133.3%)
Utilisation of tax losses not previously recognised	**(24,240)**	**(9.8%)**	(4,777)	(6.9%)
Tax related to prior years	**51,225**	**20.7%**	8,939	12.9%
Effect of tax rates changed	**665**	**0.3%**	(12,621)	(18.2%)
Taxes not based on income	**(18,159)**	**(7.4%)**	(8,946)	(12.9%)
Other temporary differences	**(686)**	**(0.3%)**	76,441	110.3%
Total	**(102,537)**	**(41.5%)**	**(40,428)**	**(58.3%)**

Changes in tax rate

During financial year beginning January 1, 2024 no legislative changes occurred in the jurisdictions in which the Group operates. However, due to the progressive tax rate systems in the Netherlands and Germany (trade tax) the corporate tax rate increased. As a consequence, the relevant deferred tax balances have been remeasured to align with the adjusted tax rates.

Other comprehensive income

Tax recognised in other comprehensive income

EUR thousand	2024	2023
Deferred tax on remeasurements of defined benefit pension plans	**299**	119
Deferred tax on hedging reserve	**(2,720)**	1,060
Total	**(2,421)**	**1,179**

Balance Sheet

Deferred tax assets attributable to:

EUR thousand	2024	2023
Property, plant and equipment	**19,285**	3,095
Lease liabilities	**44,781**	39,944
Customer portfolio	**4,481**	1,589
Other intangible assets[1]	**14,139**	8,048
Tax loss carry forwards	**78,209**	60,194
Pension provisions and employee related liabilities	**10,424**	4,378
Prepaid revenue	**4,193**	26,970
Specific Tax credit	**51,988**	75,486
Derivatives	**7,011**	4,837
Expected credit losses	**10,166**	213
Other temporary differences	**31,634**	21,230
Total deferred tax assets	**276,311**	**245,983**
Netted against deferred tax liabilities	**(139,390)**	(142,742)
Total	**136,921**	**103,240**

1) Relates to other intangible assets that is not specified on a separate row.

Deferred tax liabilities attributable to:

EUR thousand	2024	2023
Property, plant and equipment	**26,533**	11,762
Right-of-use assets	**43,214**	38,176
Goodwill	**3,120**	-
Customer portfolio	**202,915**	209,181
Other intangible assets[1]	**37,026**	31,701
Pension provisions and employee related liabilities	**1,311**	222
Prepaid revenue	**2,772**	19,166
Derivatives	**4,568**	2,860
Other temporary differences	**40,746**	32,082
Total deferred tax liabilities	**362,205**	**345,152**
Netted against deferred tax assets	**(139,390)**	(142,742)
Total	**222,815**	**202,409**

1) Relates to other intangible assets that is not specified on a separate row.

Deferred tax related to tax loss carry forwards

Deferred tax assets are recognised on tax loss carry forwards to the extent that the realisation of the related tax benefit through taxable profits is probable. On December 31, 2024, the Group had unused tax losses of EUR 722.4 million (623.3 in 2023) available for offset against future profits. A deferred tax asset of EUR 78.2 million (60.2 in 2023) has been recognised in respect of EUR 328.3 million (279.1 in 2023) of such losses. No deferred tax asset has been recognised in respect of the remaining tax loss carry forwards of EUR 394.1 million (344.2 in 2023) where the likelihood that sufficient taxable profits are not probable.

There are time limitations on the utilisation of tax loss carry forwards in some jurisdictions, such as Argentina and Finland. Additionally, several jurisdictions impose restrictions on the amount of tax loss carry forwards that can be used against a positive income tax base.

Deferred tax movements

Reflected in the consolidated statement of financial position as follows:

EUR thousand	2024	2023
Deferred tax assets	**276,311**	245,983
Deferred tax liabilities	**(362,205)**	(345,152)
Deferred tax assets or liabilities, net	**(85,894)**	**(99,169)**

Deferred tax change analysis

A reconciliation of net deferred tax is shown in the table below:

EUR thousand	2024	2023
Balance at beginning of year	**(99,169)**	(155,678)
Recognised in the consolidated income statement	**16,697**	55,817
Recognised in the consolidated comprehensive income	**(2,421)**	1,179
Translation differences	**(1,001)**	(487)
Balance at end of year	**(85,894)**	**(99,169)**

OECD Pillar Two model rules

The Pillar Two legislation implementing the global minimum effective tax regime is effective for the Group’s financial year beginning 1 January 2024. The Group applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.
A comprehensive assessment of the Group´s exposure to Pillar Two income taxes has been diligently conducted by the Group. This assessment draws upon extensive data, including Group consolidated financial statements and Country by Country Reporting. Based on this thorough analysis, it has been determined that the transitional safe harbour relief applies in all jurisdictions where the Group operates, and no top-up tax is therefore levied.

Note 15 Transactions with Related Parties

Transactions between Group companies have been eliminated upon consolidation and, therefore, are not disclosed in these consolidated financial statements. All transactions with related parties are at arm's length rates. Disclosed below are all details of transactions between the Group and the immediate parent company unless otherwise stated. Refer to the parent company financial statement note 4 Investments in Subsidiaries for information regarding interests in subsidiaries.

Transactions with related parties

EUR thousand	2024	2023
Parental Guarantee Fee	**(276)**	(229)
Interest income	**40**	28
Interest income, Aegis Lux 2 S.ár.l	**267**	224
Dividend	**(20,491)**	(231,713)
Group contribution	**162**	60
Shareholder contribution	**1,698**	1,923

Balances with related parties

EUR thousand	2024	2023
Financial receivables[1, 2]	**1,013**	803
Financial receivables, Aegis Lux 2 S.ár.l [1, 2]	**-**	20,224
Other current receivables[2]	**386**	8
Other current liabilities	**665**	458

1) Financial receivables are disclosed in the tables below.
2) There are no allowances for expected credit losses related to the amount of the outstanding balance and no related expected credit loss cost.

Loan to related parties

Loan to parent entity

EUR thousand	2024	2023
Balance at beginning of year	**803**	628
Loan advanced	**170**	175
Interest charged	**40**	28
Interest received	**-**	(28)
Balance at end of year	**1,013**	**803**

Loan to Aegis Lux 2 S.ár.l

EUR thousand	2024	2023
Balance at beginning of year	**20,224**	-
Loan advanced	**-**	20,000
Loan repayments received	**(20,000)**	-
Interest charged	**267**	224
Interest received	**(491)**	-
Balance at end of year	**-**	**20,224**

Refer to note 8 Remuneration to Board of Directors and Other Key Executive Management and note 9 Employee Option Plan for information regarding remuneration to the board of directors and other key executive management.

Note 16 Property, Plant and Equipment

	2024		
EUR thousand	Alarm equipment	Other	Total
Cost			
Balance at beginning of year	**2,243,228**	**231,847**	**2,475,075**
Additions	**434,624**	**44,826**	**479,450**
Disposals/retirements of assets	**(187,725)**	**(10,274)**	**(197,998)**
Translation differences	**(22,559)**	**(1,512)**	**(24,072)**
Balance at end of year	**2,467,568**	**264,888**	**2,732,456**
Accumulated depreciation			
Depreciation at beginning of year	**(861,835)**	**(162,498)**	**(1,024,332)**
Disposals/retirements of assets	**68,035**	**10,382**	**78,417**
Depreciation charge for the year	**(200,502)**	**(26,460)**	**(226,962)**
Translation differences	**12,970**	**1,509**	**14,479**
Accumulated depreciation at end of year	**(981,332)**	**(177,068)**	**(1,158,400)**
Net book value at end of year	**1,486,236**	**87,820**	**1,574,056**

	2023		
EUR thousand	Alarm equipment	Other	Total
Cost			
Balance at beginning of year	1,979,436	213,771	**2,193,207**
Additions	436,585	25,508	**462,093**
Disposals/retirements of assets	(166,373)	(6,908)	**(173,281)**
Translation differences	(6,420)	(524)	**(6,943)**
Balance at end of year	**2,243,228**	**231,847**	**2,475,075**
Accumulated depreciation			
Depreciation at beginning of year	(732,725)	(143,856)	**(876,581)**
Disposals/retirements of assets	51,116	6,438	**57,554**
Depreciation charge for the year	(183,621)	(25,515)	**(209,136)**
Translation differences	3,395	436	**3,830**
Accumulated depreciation at end of year	**(861,835)**	**(162,498)**	**(1,024,332)**
Net book value at end of year	**1,381,392**	**69,349**	**1,450,741**

Property, plant, and equipment mainly consist of alarm equipment. This equipment is considered as devices installed on customers' premises. Other machinery and equipment are mainly IT-equipment and furniture.

Disposals/retirements of assets are recognised in the consolidated income statement as cost of sales. The cost corresponds mainly to the remaining balance of capitalised material, from the time customers leave the portfolio or upgrade to our new platform.

Note 17 Right-of-Use Assets

	2024			
EUR thousand	Buildings	Vehicles	Other assets	Total
Cost				
Balance at beginning of year	**172,772**	**106,608**	**1,689**	**281,069**
Additions	**46,211**	**55,153**	**80**	**101,444**
Disposals/retirements of assets	**(19,698)**	**(29,440)**	**(6)**	**(49,144)**
Translation differences	**(1,243)**	**(70)**	**(142)**	**(1,456)**
Balance at end of year	**198,042**	**132,251**	**1,621**	**331,914**
Accumulated depreciation				
Depreciation at beginning of year	**(73,891)**	**(46,740)**	**(1,096)**	**(121,727)**
Disposals/retirements of assets	**15,779**	**27,962**	**6**	**43,747**
Depreciation charge for the year	**(28,365)**	**(35,666)**	**(85)**	**(64,116)**
Translation differences	**740**	**(78)**	**119**	**781**
Accumulated depreciation at end of year	**(85,736)**	**(54,522)**	**(1,057)**	**(141,315)**
Net book value at end of year	**112,306**	**77,730**	**564**	**190,600**

	2023			
EUR thousand	Buildings	Vehicles	Other assets	Total
Cost				
Balance at beginning of year	158,690	89,775	1,731	**250,195**
Additions	21,169	40,824	1	**61,994**
Disposals/retirements of assets	(6,702)	(23,813)	(28)	**(30,543)**
Translation differences	(384)	(178)	(15)	**(577)**
Balance at end of year	**172,772**	**106,608**	**1,689**	**281,069**
Accumulated depreciation				
Depreciation at beginning of year	(54,094)	(38,018)	(829)	**(92,941)**
Disposals/retirements of assets	4,920	21,503	28	**26,451**
Depreciation charge for the year	(24,878)	(30,307)	(282)	**(55,467)**
Translation differences	161	82	(12)	**231**
Accumulated depreciation at end of year	**(73,891)**	**(46,740)**	**(1,096)**	**(121,727)**
Net book value at end of year	**98,881**	**59,868**	**593**	**159,342**

Refer to note 11 Leases and note 25 Borrowings for more information regarding leasing.

Note 18 Goodwill

EUR thousand	2024	2023
Balance at beginning of year	**769,206**	777,765
Reclassification	**-**	1,269
Translation differences	**(16,113)**	(9,828)
Balance at end of year	**753,093**	**769,205**

Goodwill at the end of the year includes EUR 645,242 thousand (657,106 in 2023) related to the acquisition of Securitas Direct AB in 2011.

Allocation of goodwill

For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

Goodwill is allocated to cash-generating units, as follows:

EUR thousand	2024	2023
Northern Europe	**448,692**	461,258
Southern Europe and Latin America	**304,401**	307,948
Total	**753,093**	**769,205**

Impairment tests

The conclusion from the annual impairment test is that there is no need for impairment of goodwill. The recoverable amount for each cash-generating unit (CGU) has been determined based on value-in-use calculations. The value-in-use calculations are based on cash flow forecasts derived from the most recent long-term financial plans presented to the Board of Directors. The forecast period used in the model is five years on mature markets and ten years on emerging markets. The principal assumptions in the value-in-use calculations are long-term sales growth rates, growth in Adjusted EBITDA, timing and quantum of capital expenditures and change in working capital. For the period subsequent to the long-term plan, cash flows generated by the CGU's have been extrapolated on the basis of a projected annual growth rate of 2% (2% in 2023). The annual growth rate is based on historical experience as well as long-term inflation expectations.

The discount rate applied in the impairment testing is the pretax weighted average cost of capital (WACC) for each geography. Assumptions relating to WACC has been calculated individually for each country and weighted to an average for each CGU based on the countries share of revenue in the CGU. These assumptions are determined from internal judgement and benchmarking. The weighted average WACC applied was 9,4% (9.6% in 2023) for Northern Europe and 10,9% (11,4% in 2023) for Southern Europe and Latin America.

A sensitivity analysis has been performed on the impairment test with the conclusion that the Group would not have any impairment issues if the WACC rate used was 1 percentage unit higher or if the compound annual growth rate was 1 percentage unit lower.

Note 19 Customer Portfolio

EUR thousand	2024	2023
Cost		
Balance at beginning of year	**3,223,293**	2,959,396
Additions	**301,963**	275,896
Disposals/retirements of assets	**(3,453)**	(4,180)
Reclassification	**-**	(1,627)
Translation differences	**(20,682)**	(6,192)
Balance at end of year	**3,501,121**	**3,223,293**
Accumulated amortisation		
Amortisation at beginning of year	**(2,121,446)**	(1,921,793)
Disposals/retirements of assets	**3,255**	2,100
Amortisation charge for the year	**(218,416)**	(206,746)
Translation differences	**11,644**	4,993
Accumulated amortisation at end of year	**(2,324,964)**	**(2,121,446)**
Net book value at end of year	**1,176,155**	**1,101,846**

Out of total net book value, EUR 1,143,580 thousand (1,037,027 in 2023) relates to cost to obtain a contract and EUR 12,710 thousand (32,816 in 2023) related to acquired intangibles arising on the acquisition of Securitas Direct AB in 2011.

Management has assessed the recoverability of the carrying amount of the customer portfolio as of the acquisition date. The impairment tests are described in note 18 Goodwill.

Note 20 Other Intangible Assets

EUR thousand	2024	2023
Cost		
Balance at beginning of year	**963,491**	836,161
Additions	**138,872**	130,464
Disposals/retirements of assets	**(19,315)**	(2,361)
Translation differences	**(1,305)**	(773)
Balance at end of year	**1,081,744**	**963,491**
Accumulated amortisation		
Amortisation at beginning of year	**(626,710)**	(519,817)
Disposals/retirements of assets	**10,896**	1,421
Amortisation charge for the year	**(123,742)**	(109,112)
Translation differences	**1,223**	797
Accumulated amortisation at end of year	**(738,334)**	**(626,710)**
Net book value at end of year	**343,410**	**336,781**

Out of the net book value, EUR 306,734 thousand (288,227 in 2023) relates to internally developed intangible assets and EUR 23,333 thousand (28,333 in 2023) related to acquired trademark from the acquisition of Securitas Direct AB in 2011.

Note 21 Prepayments and Accrued Income

EUR thousand	2024	2023
Accrued sales income	**2,387**	2,093
Prepaid expenses[1]	**89,362**	64,088
Other accrued income	**2,380**	1,949
Total	**94,128**	**68,131**

1) Refer to note 2 Accounting policies.

Note 22 Financial Risk Management

Financial instruments by category and valuation level

	2024		2023	
EUR thousand	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[5]	**11,400**	**-**	11,400	-
Amortised cost				
Trade and other receivables, non-current[6]	**124,756**	**-**	161,073	-
Trade receivables, current[4,6]	**316,340**	**-**	225,194	-
Other current receivables[4]	**27,887**	**-**	39,759	-
Cash and cash equivalent	**29,829**	**-**	21,319	-
Long-term borrowings[2,3,6]	**-**	**7,445,719**	-	7,302,412
Other non-current liabilities[2]	**-**	**1,129**	-	2,474
Trade payables, current[4]	**-**	**176,008**	-	171,392
Accrued expenses, current[4]	**-**	**188,966**	-	197,270
Short-term borrowings[2,4,6]	**-**	**300,793**	-	287,155
Other current liabilities[4]	**-**	**45,729**	-	33,387

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

2) Refer to note 25 Borrowings.

3) Fair value of the bond (includes both Senior Secured Notes and Senior Unsecured Notes) amounts to EUR 4,673 million (4,158 in 2023), fair value of the Term Loan B is EUR 2,536 million (2,785 in 2023), which is the quoted market price at the balance sheet date. Since it is a quoted market price in an active market it is classified as level 1.

4) 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.

5) These trade and other receivables measured at fair value are classified as level 3. Significant inputs are unobservable.

6) Refer to note 2 Accounting policies.

Derivatives

The Group's business activities expose the Group to financial risk arising from changes in foreign exchange rates and interest rates. The use of financial derivatives is governed by the Group's treasury policy, which is approved by the Board of Directors. The Group treasury policy provides written principles on the use of financial derivatives consistent with the Group's risk management strategy. Derivatives are used only for economic hedging purposes and not as speculative investments. Where all the criteria for hedge accounting are fulfilled, hedge accounting is applied to eliminate the effect of accounting differences between the hedging instrument and the hedged item. However, derivatives that have not been designated as hedging instruments are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

The Group currently uses the following derivatives:

- Interest rate swaps: to hedge cash flows due to interest rate risk on the Group's floating long-term debt.
- Cross currency swaps: to hedge foreign exchange risk in the Group's financing operations by artificially increasing the exposure to SEK debt and align the debt split EUR/SEK equal to our revenue split EUR/SEK.
- FX swaps: to manage currency positions in the Group's multicurrency cash pool.
- FX forward: to lock in the exchange rate of future cash flow in a foreign currency different to the subsidiary's functional currency. The Group only enters into USD FX forwards against EUR and SEK.

The Group has the following derivative instruments recognised on the following lines of the balance sheet:

EUR thousand	2024	2023
Non-current liabilities		
Interest rate swaps - held for trading	**24,877**	23,698
Total	**24,877**	**23,698**
Current liabilities		
FX forwards- cash flow hedges	**-**	4,214
FX swaps - held for trading	**30**	21
Total	**30**	**4,235**
Non-current receivables		
Cross currency swaps - held for trading	**-**	1,717
Total	**-**	**1,717**
Current receivables		
Cross currency swaps - held for trading	**12,561**	
FX swaps - held for trading	**-**	4
FX forwards - cash flow hedges	**9,127**	136
Total	**21,689**	**140**

Change in hedging reserve

EUR thousand	Change in cash flow reserves
Beginning balance as of January 1, 2023	**849**
Change in fair value of hedging instrument	(5,146)
Deferred tax	1,060
Ending balance as of December 31, 2023	**(3,237)**
Change in fair value of hedging instrument	**13,205**
Deferred tax	**(2,720)**
Ending balance as of December 31, 2024	**7,248**

Impact of hedge accounting on the Group's financial position and earnings

The effects of hedge accounting arising from the impact of currency risk on the Group's financial position are shown below:

Derivatives – currency forwards - Liabilities

EUR thousand	2024	2023
Carrying amount	-	4,214
Notional amount, currency USD	-	186,500
Maturity date	-	May-December 2024
Hedge ratio	-	1:1
Change in discounted spot value of outstanding hedging instruments since inception of the hedge	-	(4,214)
Change in value of hedged item to determine ineffectivness	-	4,214
Weighted average for outstanding hedging instruments in USD (including forward points)	-	SEK 10.53 : 1 USD EUR 1.09 : 1 USD

Derivatives – currency forwards - Assets

EUR thousand	2024	2023
Carrying amount	**9,127**	137
Notional amount, currency USD	**209,700**	26,000
Maturity date	**January-December 2025**	January-December 2024
Hedge ratio	**1:1**	1:1
Change in discounted spot value of outstanding hedging instruments since inception of the hedge	**9,127**	137
Change in value of hedged item to determine ineffectivness	**(9,127)**	(137)
Weighted average for outstanding hedging instruments in USD (including forward points)	**SEK 10.42 : 1 USD EUR 1.10 : 1 USD**	EUR 1.12 : 1 USD

Credit risk from trade receivables

The Group has no significant concentrations of credit risk in relation to trade receivables. Maximum credit exposure representing the value of the Group trade receivables as per December 31, 2024, amounted to EUR 434,471 thousand (378,949 in 2023).

The Group's credit policy ensures that credit management includes use of credit ratings, credit limits, decision-making structures and management of doubtful claims. The policy's goal is to ensure that sales are made only to customers with an appropriate credit rating. While the trade receivables closely follow the geography of Group operations, there are no significant concentrations of credit risk by customers as the Group has a large number of customers in many countries that are not individually significant. For more details, see note 24 Trade Receivables.

Financial credit risk

Verisure's objective is to minimise the counterparty risk of financial transactions without compromising flexibility. The Group limits financial credit risk by operating with external banks and financial counterparties that meet, to the extent possible, investment grade credit ratings. Excess liquidity funds may only be invested in securities issued by governments, with a minimum long-term sovereign credit rating by Moody's of Aa1 and/or Standard & Poor's of AA+, or in money market funds with a minimum credit rating by Moody's of Aa1 and/or Standard & Poor's of AA+ and managed by a Global Systematically Important Bank. Alternatively, deposits may also be arranged with banks bearing a short-term investment grade credit rating. The Group had no investments of excess liquidity funds at the end of December 2024 and 2023.

Interest bearing liabilities per currency

EUR thousand	2024	2023
Long-term borrowings (principal amount)		
EUR liabilities[1]	**7,475,484**	7,323,468
SEK liabilities	**136,417**	142,758
Other currencies	**21,873**	20,731
Total	**7,633,774**	**7,486,957**
Short-term borrowings (carrying amount)		
EUR liabilities[1]	**345,440**	324,202
SEK liabilities	**4,380**	4,763
Other currencies	**7,697**	8,730
Total	**357,517**	**337,695**

1) Refer to note 2 Accounting policies.

Credit facilities as of December 31, 2024

Credit frame	Currency	Facility amount	Available amount	Maturity
Revolving Credit Facility (RCF)	Multicurrency (EUR)	**700,000**	**499,970**	**2027**
Term loan B	EUR	**2,000,000**	**-**	**2028**
Term loan B	EUR	**525,000**	**-**	**2030**
Bond	EUR	**800,000**	**-**	**2026**
Bond	EUR	**1,150,000**	**-**	**2027**
Bond	EUR	**400,000**	**-**	**2027**
Bond	EUR	**450,000**	**-**	**2028**
Bond	EUR	**525,000**	**-**	**2030**
Senior Unsecured Notes (SUN)	EUR	**1,175,000**	**-**	**2029**
Senior Unsecured Notes (SUN)	SEK	**1,500,000**	**-**	**2029**

Credit facilities as of December 31, 2023

Credit frame	Currency	Facility amount	Available amount	Maturity
Revolving Credit Facility (RCF)	Multicurrency (EUR)	700,000	500,000	2027
Term loan B	EUR	800,000	-	2026
Term loan B	EUR	2,000,000	-	2028
Bond	EUR	800,000	-	2026
Bond	EUR	1,150,000	-	2027
Bond	EUR	500,000	-	2027
Bond	EUR	450,000	-	2028
Senior Unsecured Notes (SUN)	EUR	1,175,000	-	2029
Senior Unsecured Notes (SUN)	SEK	1,500,000	-	2029

Liquidity risk

Liquidity risk is the risk that the Group's funds and credit facilities become insufficient to meet the business needs or that extra costs are incurred to arrange the financing needs. The Group's objective is to always maintain enough liquidity to attend to business needs. The Group's short-term liquidity is assured by maintaining a liquidity reserve called Available Funds (defined as cash, bank deposits, short-term investments, and the unutilised portion of committed credit facilities), which must always be above a certain amount. The Group closely monitors liquidity against forecasts and manages the business to ensure there is always enough liquidity in the Group. The Group has a EUR 700 million Revolving Credit Facility in place. As of the end of 2024, available funds, defined as undrawn amounts under the EUR 700 million Revolving Credit Facility, and cash and cash equivalents, were EUR 509 million.

Refinancing risk

Refinancing risk is defined as the risk that a too large proportion of the Group's funding matures within a limited time frame during which funding sources may be limited or expensive. The risk is minimised by actively managing the maturity profile of external funding. The Group does not have meaningful debt maturities until July 2026, when EUR 800 million are due.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities and net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows. For interest rate swaps, the cash flows have been estimated using spot interest rates applicable at the end of the reporting period.

Liquidity report

	2024			
EUR thousand	Less than 1 year	1-4 years	5 years or more	Total
Non-derivatives				
Liabilities to credit institutions, principal amounts	**(39,629)**	**(6,337,000)**	**(1,050,000)**	**(7,426,629)**
Interest payments borrowings	**(228,000)**	**(500,368)**	**(10,759)**	**(739,127)**
Other non-current liabilities	**-**	**(1,129)**	**-**	**(1,129)**
Lease liabilities	**(65,571)**	**(124,463)**	**(26,305)**	**(216,339)**
Trade payables	**(176,008)**	**-**	**-**	**(176,008)**
Other current liabilities	**(226,936)**	**-**	**-**	**(226,936)**
Total non-derivatives	**(736,144)**	**(6,962,960)**	**(1,087,064)**	**(8,786,168)**
Derivatives				
Interest rate derivatives				
Derivative contracts - inflow	**26,780**	**41,601**	**-**	**68,381**
Derivative contracts - outflow	**(30,684)**	**(47,665)**	**-**	**(78,348)**
Foreign exchange derivatives				
Derivative contracts - inflow	**13,131**	**-**	**-**	**13,131**
Derivative contracts - outflow	**(14,610)**	**-**	**-**	**(14,610)**
Total derivatives	**(5,383)**	**(6,064)**	**-**	**(11,446)**

	2023			
EUR thousand	Less than 1 year	1-4 years	5 years or more	Total
Non-derivatives				
Liabilities to credit institutions, principal amounts	(83,303)	(6,110,540)	(1,309,606)	**(7,503,449)**
Interest payments borrowings	(427,366)	(1,218,742)	(9,847)	**(1,655,956)**
Other non-current liabilities	-	(2,339)	-	**(2,339)**
Lease liabilities	(57,124)	(103,059)	(19,978)	**(180,161)**
Trade payables	(171,392)	-	-	**(171,392)**
Other current liabilities	(230,657)	-	-	**(230,657)**
Total non-derivatives	**(969,843)**	**(7,434,680)**	**(1,339,432)**	**(9,743,954)**
Derivatives				
Interest rate derivatives				
Derivative contracts - inflow	39,100	99,946	-	**139,046**
Derivative contracts - outflow	(30,684)	(78,432)	-	**(109,116)**
Foreign exchange derivatives				
Derivative contracts - inflow	167,451	-	-	**167,451**
Derivative contracts - outflow	(171,665)	-	-	**(171,665)**
Total derivatives	**4,202**	**21,514**	**-**	**25,716**

Interest rate risk

Interest rate risk is the exposure of a company to adverse movements in interest rates. Borrowings raised at variable interest rates expose the Group to interest rate risk. Borrowings raised at fixed interest rates expose the Group to fair value interest rate risk. During 2024 and 2023, the Group's borrowings at variable interest rates were denominated in Euro and Swedish krona. To reduce the interest rate risk the Group is exposed to, the Group enters into interest rate swap contracts to economically hedge cash flows arising from the Groups' long-term debt contracts. The Group seeks to operate on a 50-75% fixed rate range, including derivatives. At present, all interest rate swaps are used to exchange future interest payments from floating to fixed. Excluding derivatives in place, approximately 61% of our borrowings, excluding factoring financing, are fixed.

Including derivatives in place, approximately 75% of our borrowings, excluding factoring financing, are fixed. In addition, currency swaps are used to actively manage our cash and minimise interest expenses charged by banks in our cash pool structures. Refer to note 25 Borrowings for more information. As of December 31, 2024, with current financing terms and existing derivatives in place, an increase of EURIBOR/ STIBOR fixings of 100 basis points would impact the Group's total interest expenses by a negative EUR 20 million.

Foreign currency risk

Transaction risk

The Group's foreign currency risk is mainly generated by commitments to pay material purchases in USD. The Group's exposure is mainly in EUR/USD and SEK/USD and is continuously monitored and partly hedged through foreign exchange forwards. The Group's approach is to hedge between 25% and 75% of forecasted USD material purchases on a 12-month rolling basis. In 2024, we had maturities of foreign exchange forwards that accounted for approximately 45% of material purchases to USD conducted in the year. If relevant criteria are met, hedge accounting is applied to these contracts. As of December 31, 2024, the total exposure in USD in trade payables for the Group was USD 48.8 million (52.9 in 2023), whereof USD 43.7 million (49.3 in 2023) is recalculated in EUR and USD 5.1 million (3.6 in 2023) is recalculated in SEK.

The Group has SEK denominated debt. As of year-end 2024, SEK denominated loans totalled SEK 1,500 million. The exchange of borrowings from non-EUR currencies into EUR impacts the Group's consolidated income statement. To reduce the risk the Group is exposed to, the Group uses foreign exchange instruments (cross currency swaps) to economically hedge the risk.

Sensitivity analysis

The Group is mainly exposed to SEK/USD and EUR/USD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US dollar-denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

Sensitivity analysis per risk

	2024		2023	
	Effect		Effect	
EUR million	Impact on post-tax profit	Impact on other components of equity	Impact on post-tax profit	Impact on other components of equity
Interest rate risk				
Interest rate +1 percentage point	**(20.1)**	**(20.1)**	(21.3)	(21.3)
Interest rate -1 percentage point	**20.1**	**20.1**	21.3	21.3
Transaction risk				
Currency rate SEK/USD +10 percentage point	**(0.5)**	**-**	(0.3)	-
Currency rate SEK/USD -10 percentage point	**0.5**	**-**	0.3	-
Currency rate EUR/USD +10 percentage point	**(4.2)**	**0.8**	(4.5)	(0.2)
Currency rate EUR/USD -10 percentage point	**4.2**	**(0.8)**	4.5	0.2

Capital structure

Asset management is aimed at ensuring that the Group's financial resources are used in an optimal way to guarantee future operations, provide security for lenders, and generate a beneficial return for shareholders. Asset management additionally aims to ensure that the Group has sufficient funds to finance necessary investments for continued growth. This growth can be organic or via acquisition which means financial flexibility is required.

The credit facility includes covenants that must be fulfilled for the duration of the loans. The Group has complied with all covenants during the reporting period. The existing financial maintenance covenant applies only when drawings under the Revolving Credit Facility exceed 40% (EUR 280 million). When this occurs, Portfolio Net Leverage Ratio (defined as total net debt / Portfolio services adjusted EBITDA) during the last two quarters annualised) cannot exceed 8.9x. As of year-end 2024 this ratio was 3.5x. The Group's total net debt and net leverage is further presented in note 25 Borrowings.

Note 23 Inventories

EUR thousand	2024	2023
Materials and consumables	**316,233**	296,443

Impairment for provision in inventories at year end totalled EUR 13,744 thousand (6,876 in 2023). The cost of materials recognised as an expense and included in "cost of sales" was EUR 75,565 thousand as per December 31, 2024 (73,146 in 2023).

Note 24 Trade Receivables

Non-current

EUR thousand	2024	2023
Trade receivables before allowance for expected credit losses[1]	**152,565**	206,397
Allowance for expected credit losses	**(34,434)**	(52,642)
Total	**118,131**	**153,755**

1) Refer to note 2 Accounting policies.

Current

EUR thousand	2024	2023
Trade receivables before allowance for expected credit losses[1]	**386,058**	324,561
Allowance for expected credit losses	**(69,718)**	(99,367)
Total	**316,340**	**225,194**

1) Refer to note 2 Accounting policies.

Allowance for expected credit losses

EUR thousand	2024	2023
Balance at beginning of year	**152,010**	116,191
Allowance for expected credit losses	**45,983**	47,481
Receivables written off as uncollectible[1]	**(87,277)**	(9,182)
Unused amounts reversed	**(2,540)**	(2,742)
Translation differences	**(4,025)**	263
Balance at end of year	**104,152**	**152,010**

1) The increase in receivables written off as uncollectible is due to a clean up of old receivables. The clean up has not had any impact on the consolidated income statement.

Customer credit losses recognised in the consolidated income statement totalled to EUR 45.4 million as per December 31 2024 (44.2 in 2023).

Due dates for past due trade receivables

EUR thousand	2024	2023
Past due 0–3 months	**46,672**	44,471
Past due 3–6 months	**16,364**	14,466
Past due 6–9 months	**14,634**	12,818
Past due 9–12 months	**13,185**	12,115
Past due >12 months	**43,692**	97,176
Total	**134,547**	**181,046**

Factoring

The carrying amounts of trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement the group has transferred its rights to receive cash flows from the relevant receivables to a financing partner in exchange for cash. However, the Group has substantially retained all of the risks and rewards of ownership. The Group therefore continues to recognise the full receivable amount in the statement of financial position, amounting to EUR 148,230 thousand (126,743 in 2023) as total trade receivables related to those under factoring agreement. The liability related to the customer default risk amount under the factoring agreement is presented as a financial liability under borrowings, amounting to EUR 289,449 thousand (307,865 in 2023).

Note 25 Borrowings

	2024			2023		
EUR thousand	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 liabilities	**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 liabilities	**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) Included in adjustment amortised cost as per December 31, 2023 is 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 December 31, 2024. The recognised change in the consolidated income statement totalled a cost of EUR 9,568 thousand as per December 31, 2024 (a cost of EUR 3,535 thousand in 2023).

2) Refer to note 2 Accounting policies.

The Group's secured borrowings are jointly and severally guaranteed by some of the Group's direct and indirect subsidiaries and secured by liens on substantially all of their assets. An analysis of the security given is presented in note 28 Pledge Assets and Contingent Liabilities.
Refer to note 11 Leases and note 17 Right-of-Use Assets and for more information regarding leasing.

Net Debt and Leverage per Senior Facilities Agreement (SFA)

EUR thousand	2024	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)
Net debt	**7,587,779**	**7,407,669**
Secured net debt	**6,020,202**	**5,878,181**
L2QA Adjusted EBITDA	**1,576,514**	**1,388,690**
Total net leverage	**4.8x**	**5.3x**
Total secured net leverage	**3.8x**	**4.2x**

Borrowings, currency and interest rate profile

The currency and interest rate profile of outstanding borrowing principals, excluding factoring financing and after taking into account the effect of the Group's currency and interest rate hedging activities, was as follows:

	Floating interest rate		Fixed interest rate			
2024	EUR thousand	Weighted average interest rate %	EUR thousand	Weighted average interest rate %	Weighted average period of which rate is fixed, years	Total EUR thousand
EUR	**1,450,073**	**7.8%**	**5,500,000**	**4.7%**	**3.0**	**6,950,073**
SEK	**405,901**	**7.1%**	**-**	**-**	**-**	**405,901**
Total	**1,855,975**	**-**	**5,500,000**	**-**	**-**	**7,355,975**

	Floating interest rate		Fixed interest rate			
2023	EUR thousand	Weighted average interest rate %	EUR thousand	Weighted average interest rate %	Weighted average period of which rate is fixed, years	Total EUR thousand
EUR	1,725,000	8.8%	5,075,000	4.7%	4.0	**6,800,000**
SEK	409,606	8.7%	-	-	-	**409,606**
Total	**2,134,606**	**-**	**5,075,000**	**-**	**-**	**7,209,606**

Cash flows related to borrowings

			Non-Cash changes 2024				
EUR thousand	Carrying amount January 1, 2024	Cash flows	Change in adjustment amortised cost	New leases	Foreign exchange movement	New accrued interest	Carrying amount December 31, 2024
Long-term borrowings[1]	7,302,412	128,638	18,952	-	(4,284)	-	7,445,719
Short-term borrowings[1]	199,356	17,203	-	-	-	-	216,559
Accrued interest	87,800	(87,800)	-	-	-	84,234	84,234
Lease liabilities	162,332	(60,950)	-	90,427	(832)	-	190,978
Total borrowings	**7,751,900**	**(2,909)**	**18,952**	**90,427**	**(5,115)**	**84,234**	**7,937,491**
Cash and cash equivalents	(21,319)	(9,611)	-	-	1,101	-	(29,829)
Total	**7,730,581**	**(12,520)**	**18,952**	**90,427**	**(4,013)**	**84,234**	**7,907,661**

1) Refer to note 2 Accounting policies.

			Non-Cash changes 2023				
EUR thousand	Carrying amount January 1, 2023	Cash flows	Change in adjustment amortised cost	New leases	Foreign exchange movement	New accrued interest	Carrying amount December 31, 2023
Long-term borrowings[1]	7,212,644	73,682	15,773	-	314	-	**7,302,412**
Short-term borrowings[1]	169,248	30,108	-	-	-	-	**199,356**
Accrued interest	81,416	(81,416)	-	-	-	87,800	**87,800**
Lease liabilities	160,636	(54,422)	-	56,644	(526)	-	**162,332**
Total borrowings	**7,623,944**	**(32,048)**	**15,773**	**56,644**	**(212)**	**87,800**	**7,751,900**
Cash and cash equivalents	(43,630)	21,150	-	-	1,160	-	**(21,319)**
Total	**7,580,314**	**(10,898)**	**15,773**	**56,644**	**948**	**87,800**	**7,730,581**

1) Refer to note 2 Accounting policies.

Note 26 Other Provisions

EUR thousand	2024	2023
Balance at beginning of year	34,780	16,815
Additional provisions	18,845	19,197
Utilised provisions	(11,526)	(1,232)
Balance at end of year	**42,100**	**34,780**

Breakdown

EUR thousand	2024	2023
Staff-related provisions	3,502	2,719
Service related provisions	892	1,489
Provisions for risk reserves	36,996	26,937
Other provisions	710	3,635
Total other provisions	**42,100**	**34,780**

Other provisions include various long-term items, including provisions related to risk reserves and litigations. The timing of utilisation of these provisions is uncertain and therefore have been included in non-current liabilities.

Note 27 Accrued Expenses and Deferred Income

EUR thousand	2024	2023
Prepaid income[1]	**208,631**	128,433
Staff-related costs	**184,400**	173,324
Marketing-related costs	**22,710**	24,363
Goods received	**13,479**	8,154
Assurance and other services	**1,669**	1,558
Risk reserves	**15,425**	15,508
External services	**38,944**	38,859
Other items	**91,484**	156,477
Total accrued expenses and deferred income	**576,743**	**546,676**

1) Refer to note 2 Accounting policies.

Unsatisfied long-term customer contracts

When the Group receives a payment but has not delivered the promised service, a contract liability arises which consists of deferred income for prepaid installation and services. A contract liability is accounted for until the performance obligation is performed or falls due for the customer to use and is then reported as a revenue.

Aggregate amount of the customer contracts revenue allocated to long-term customer contracts that are partially or fully unsatisfied as of December 31, 2024, amounts to EUR 823,748 thousand (712,580 in 2023). Management expects that 63.5% of the transaction price allocated to the partly unsatisfied contracts as of December 31, 2024 will be recognised as revenue during the year 2025, 28.5% is expected to be recognised during 2026 and 8.0% during 2027 or later. The Group does not include committing revenue with an outstanding contract period of 12 months or less. Since the Group does not include all contracts and has cancellable subscriptions, the amount of the outstanding unsatisfied performance obligations does not amount to expected revenue for future periods.

Liabilities related to contracts with customers

Customer contract liabilities comprise the Group’s obligation to transfer services to its customers for which it has received consideration in advance. This includes unearned revenue relating to prepaid services, connection fee not considered to be a separate performance obligation, and other contract liabilities.

When a customer pays consideration in advance before the transfer of services, the amount received is recognised under prepayments in contract liabilities. The prepayments mainly include accrued subscriptions and prepayment according to contracts. The Group has recognised the following liabilities related to contracts with customers.

EUR thousand	2024	2023
Balance at beginning of year[1]	**315,032**	238,993
Prepayments taken as revenue[1]	**(275,352)**	(225,059)
New prepayments	**294,149**	304,334
Translation difference	**(2,679)**	(3,237)
Balance at end of year	**331,150**	**315,032**

1) Refer to note 2 Accounting policies.

Balance as of December 31, 2024 consist of, (and where this is reported in the Consolidated Statement of Financial Position):

EUR thousand	2024	2023
Non-current assets, included in Trade and other receivables	**338**	-
Current assets, included in Prepayments and accrued income	**8,135**	6,520
Total assets related to contracts with customers	**8,473**	**6,520**
Non-current liabilities, included in Other non-current liabilities[1]	**130,990**	120,591
Current liabilites, included in Accrued expenses and deferred income[1]	**208,632**	200,960
Total liabilities related to contracts with customers	**339,622**	**321,551**

1) Refer to note 2 Accounting policies.

Note 28 Pledged Assets and Contingent Liabilities

Pledged assets

EUR thousand	2024	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	2024	2023
Guarantees	**41,280**	41,504

The Group has pledged shares in subsidiaries, certain bank accounts, trade receivables, IP rights, certain inventory assets, intra-group loans, intra-group equity certificates, rights under insurance contracts, rights under acquisition agreements regarding the purchase of the Group and rights under reports in relation to the acquisition of the Group as collateral for bank borrowings, as disclosed in note 25 Borrowings. Guarantees relate mainly to warranties provided to suppliers.

Parent Company Financial Statements

Parent Company Income Statement

EUR thousand	Note	2024	2023
Revenue	2	**701**	579
Administrative expenses		**(13)**	(265)
Operating profit		**687**	**314**
Dividend	2	**20,491**	256,664
Group contribution	2	**56,622**	(876)
Financial income	2, 3	**47,690**	47,975
Financial expenses	2, 3	**(81,319)**	(79,525)
Profit before tax		**44,172**	**224,552**
Income tax expense		**(8,228)**	-
Net profit for the period		**35,944**	**224,552**

Parent Company Statement of Financial Position

EUR thousand	Note	2024	2023
Assets			
Non-current assets			
Investments in subsidiaries	4	**1,232,538**	1,236,493
Receivables from Group companies	2	**649,470**	648,522
Total non-current assets		**1,882,008**	**1,885,015**
Current assets			
Receivables from Group companies	2	**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	2024	2023
Equity and liabilities			
Equity			
Share capital	5	**56**	56
Other paid in capital		**574,823**	573,125
Retained earnings		**(82,210)**	(97,663)
Total equity		**492,669**	**475,518**
Provisions			
Non-current liabilities			
Long-term borrowings	6	**1,296,497**	1,298,823
Liabilities to Group companies	2	**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	2	**5,631**	4,476
Accrued expenses and deferred income	6	**24,559**	24,851
Total current liabilities		**38,419**	**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

	Attributable to equity holders of the parent company			
EUR thousand	Share capital	Other paid in capital	Retained earnings	Total
Balance as of 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 as of December 31, 2024	**56**	**574,823**	**(82,210)**	**492,669**

	Attributable to equity holders of the parent company			
EUR thousand	Share capital	Other paid in capital	Retained earnings	Total
Balance as of 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 as of December 31, 2023	**56**	**573,125**	**(97,663)**	**475,518**

Parent Company Statement of Cash Flows

EUR thousand	2024	2023
Operating activities		
Operating profit	**687**	314
Paid taxes	**-**	-
Cash flow from operating activities before change in working capital	**687**	**314**
Change in working capital		
Change in other receivables	**(801)**	953
Change in other payables	**(19)**	49
Cash flow from change in working capital	***(820)***	***1,002***
Cash flow from operating activities	**(133)**	**1,316**
Investing activities		
Cash flow from investing activities	**-**	**-**
Financing activities		
New loans from Group companies	**30,270**	29,043
Other financial items	**(142)**	(113)
Interest received	**47,725**	47,668
Interest paid	**(77,944)**	(77,798)
Cash flow from financing activities	**(91)**	**(1,200)**
Cash flow for the period	**(224)**	**116**
Cash and cash equivalents at start of period	**743**	627
Cash and cash equivalents at end of period	**519**	**743**

Notes to the Parent Company Financial Statements

Note 1 Accounting Policies

The parent company Verisure Midholding AB applies the Swedish Financial Reporting Board's recommendation "RFR 2". The parent company adopted the same accounting policies for recognition and measurement as the Group. The accounting policies applied by the parent company deviate from the accounting policies set out in note 2 to the consolidated financial statements in the annual report. The accounting policies are unchanged compared with those applied in 2023.

Note 2 Transactions with Related Parties

Transactions with related parties

EUR thousand	2024	2023
Parental Guarantee Fee	**701**	579
Dividend	**20,491**	256,664
Group contribution	**56,622**	(876)
Interest income	**47,670**	47,650
Interest expense	**(4,741)**	(3,548)

Balances with related parties

EUR thousand	2024	2023
Financial receivable, non-current	**649,470**	648,522
Accounts receivable, current	**544**	-
Group contribution claim, current	**56,622**	-
Prepayments and accrued income	**15,964**	15,945
Long term borrowings	**(128,073)**	(97,831)
Accounts payable	**-**	(204)
Group contribution liabilities, current	**(849)**	(876)
Accrued cost and prepaid income	**(4,782)**	(3,600)

Note 3 Financial Income and Expenses

EUR thousand	2024	2023
Interest income	**20**	21
Interest income from Group companies	**47,670**	47,650
Exchange rate differences, net	**-**	304
Financial income	**47,690**	**47,975**
Interest expense	**(74,112)**	(73,981)
Interest expense to Group companies	**(4,741)**	(3,548)
Exchange rate differences, net	**(388)**	-
Other financial expenses	**(2,078)**	(1,996)
Financial expenses	**(81,319)**	**(79,525)**

Note 4 Investments in Subsidiaries

EUR thousand	2024	2023
Balance at beginning of year	**1,236,493**	1,191,984
Capital increase	**-**	44,509
Reclassification	**(3,955)**	-
Balance at end of year	**1,232,538**	**1,236,493**

Subsidiary name	Reg. no	Reg. office	No. of shares	Share of share capital and voting rights	2024	2023
Verisure Holding AB	556854-1410	Malmö	500,000	100.0%	**1,232,538**	1,236,493
Total					**1,232,538**	**1,236,493**

Subsidiary name	Reg.nr	Reg. office	Share of capital and voting rights
Verisure Holding AB (publ)	556854-1410	Malmö, Sweden	100.0%
Verisure Group AB (publ)	556222-9012	Malmö, Sweden	100.0%
Verisure Sales Sverige AB	556955-2978	Linköping, Sweden	100.0%
Verisure Sverige AB	556153-2176	Linköping, Sweden	100.0%
Securitas Direct Sverige AB	556893-9010	Linköping, Sweden	100.0%
Verisure Logistics AB	556702-0747	Malmö, Sweden	100.0%
Verisure Innovation AB	556723-5329	Malmö, Sweden	100.0%
Verisure International AB	559132-9569	Malmö, Sweden	100.0%
ESML SD Iberia Holding S.A.U.	A85537363	Madrid, Spain	100.0%
Securitas Direct España S.A.U	A26106013	Madrid, Spain	100.0%
Verisure Mexico S.A. de C.V.	VME24099097J6	Mexico City, Mexico	100.0%
Verisure Perú S.A.C	12880228	Santiago de Surco, Peru	100.0%
Verisure Italy S.R.L.	RM-1375571	Rome, Italy	100.0%
Verisure Brazil Monitoramento de Alarmes LTDA	11660106000138	São Paulo, Brazil	100.0%
Securitas Direct Portugal Unip. LDA	505760320	Lisbon, Portugal	100.0%
Verisure Chile SPA	76058647-1	Santiago, Chile	100.0%
Verisure Argentina Monitoreo de Alarmas S.A	24704	Buenos Aires, Argentina	100.0%
Verisure SAS	345006027	Antony, France	100.0%
Verisure Sàrl	CHE300209613	Versoix, Switzerland	100.0%
Verisure Services Portugal Unip. LDA	516730266	Lisbon, Portugal	100.0%
Verisure Assistance SAS	979091667	Antony, France	100.0%
OPSEC International BV	74814990	Amsterdam, The Netherlands	100.0%
Securitas Direct BV	17158925	Amsterdam, The Netherlands	100.0%
Verisure Installation and Monitoring B.V.	71133607	Amsterdam, The Netherlands	100.0%
Verisure NV	0459.866.904	Brussels, Belgium	100.0%
Verisure Academy BV	0781.455.655	Brussels, Belgium	100.0%
Verisure Support BV	0802934623	Brussels, Belgium	100.0%
Verisure Security BV	0877.035.396	Brussels, Belgium	100.0%
Verisure Holding AS	997434366	Oslo, Norway	100.0%
Verisure AS	929120825	Oslo, Norway	100.0%
Verisure A/S	25019202	Glostrup, Denmark	100.0%
FAV A/S	38049380	Glostrup, Denmark	100.0%
Verisure Oy	1773522-2	Helsinki, Finland	100.0%
Verisure Services (UK) Limited	08840095	Brentford, United Kingdom	100.0%
Verisure Arlo Europe DAC	658538	Cork, Ireland	100.0%
Verisure Deutschland GmbH	HRB85120	Düsseldorf, Germany	100.0%
Verisure Ireland DAC	696619	Cork, Ireland	100.0%

Note 5 Share Capital

Verisure Midholding AB's (publ) share capital totalled EUR 56,104 as of December 31, 2024 and 2023, distributed among 500,000 shares with a quotient value of EUR 0.1122.

All shares are of the same class. All shares issued by the Company were fully paid.

Change in number of shares

	2024	2023
Number of shares at beginning of year	**500,000**	500,000
Number of shares at end of year	**500,000**	**500,000**

Note 6 Borrowings

	2024			2023		
EUR thousand	Principal amount	Adjustment amortised costs	Carrying amount	Principal amount	Adjustment amortised costs	Carrying amount
Non-current liabilities						
Unsecured						
Senior Unsecured Notes	**1,305,901**	**(9,404)**	**1,296,497**	1,310,184	(11,361)	**1,298,823**
Long-term borrowings	**1,305,901**	**(9,404)**	**1,296,497**	**1,310,184**	**(11,361)**	**1,298,823**
Current liabilities						
Accrued interest expenses	**24,549**	**-**	**24,549**	24,841	-	**24,841**
Short-term borrowings	**24,549**	**-**	**24,549**	**24,841**	**-**	**24,841**
Total	**1,330,451**	**(9,404)**	**1,321,047**	**1,335,025**	**(11,361)**	**1,323,664**

Note 7 Pledged Assets and Contingent Liabilities

EUR thousand	2024	2023
Shares in subsidiaries	**1,232,538**	1,236,493
Intragroup loan to subsidiary	**643,817**	648,522

The 23 of April, 2025, Malmö

Austin Lally
CEO

Cecilia Hultên
Chairman

Colin Smith

Daniel Bruzaeus

Elizabeth Henry

Our auditor's report was issued on the 23 of April, 2025, Stockholm
Öhrlings PricewaterhouseCoopers AB

Johan Rippe
Authorised Public Accountant

Independent Auditor's Report

To the Board of Directors in Verisure Midholding AB (publ)

Corporate identity number 556854-1402

Opinions

We have audited the annual financial statements and the consolidated financial statements of Verisure Midholding AB (publ) for the financial year ended 31 December, 2024. The annual financial statements and consolidated financial statements comprise the annual financial statements of the parent company and consolidated statement of financial position of Verisure Midholding AB (publ) and its subsidiaries ("the Group") as at 31 December, 2024 and the related annual financial statements and consolidated statements of income, comprehensive income, changes in equity and cash flows for the period from 1 January, 2024 through 31 December, 2024 and a summary of significant accounting policies. The financial statements of the parent company and the Group are included in the printed version of this document on pages 40-85.

In our opinion, the accompanying annual financial statements of the parent company have been prepared in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities and present fairly, in all material respects, the financial position of the parent company as at 31 December, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the Swedish Financial Reporting Board´s recommendation RFR 2 Accounting for Legal Entities.

The consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December, 2024, and the operations and cash flows for the period from 1 January, 2024 through 31 December, 2024, in accordance with International Financial Reporting Standards, as adopted by the EU.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the parent company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and limitations of Use

We draw attention to the Notes of the annual financial statements of the parent company and consolidated financial statements, which describes the basis of preparation and accounting. The annual financial statements of the parent company and consolidated financial statements have been prepared to present the operations of Verisure Midholding AB (publ) for the full year 2024, in order to fulfil the reporting requirements of the Euro MTF Market of the Luxembourg Stock Exchange. As a result, the annual financial statements and consolidated financial statements may not be suitable for other purposes.

Our report is intended solely for the Verisure Midholding AB (publ) and Euro MTF Market of the Luxembourg Stock Exchange and must not be distributed to or used by parties other than Verisure Midholding AB (publ) and Euro MTF Market of the Luxembourg Stock Exchange.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements of the parent company in accordance with Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the EU ("IFRS"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
Management is responsible for preparing financial reports in accordance with the financial reporting requirements outlined in the engagement letter.

In preparing the financial statements, management is responsible for assessing the parent company's and the Group´s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

● Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

● Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

● Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

● Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

● Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

● Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.
We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that I identified

Stockholm, 23 of April, 2025

Öhrlings PricewaterhouseCoopers AB
Johan Rippe
Authorised Public Accountant

Five-Year Financial Overview

EUR thousand	2024	2023	2022	2021	2020
Consolidated					
Non-IFRS and IFRS financial data					
Revenue[1]	**3,408,018**	3,089,970	2,827,022	2,508,847	2,138,903
Revenue growth, %	**10.3%**	9.3%	12.7%	16.7%	14.4%
Adjusted EBITDA	**1,533,997**	1,340,488	1,151,969	1,047,995	919,569
Adjusted EBITDA margin, %	**45.0%**	43.4%	40.7%	41.8%	43.0%
Adjusted EBITDA incl. SDIs	**1,501,848**	1,298,031	1,116,191	984,388	853,128
Adjusted EBITDA margin incl. SDIs, %	**44.1%**	42.0%	39.5%	39.2%	39.9%
Adjusted EBIT	**819,026**	693,899	576,993	572,400	549,669
Adjusted EBIT margin, %	**24.0%**	22.5%	20.4%	22.8%	25.7%
Operating profit[1]	**742,598**	602,958	471,278	378,864	324,226
Capital expenditures	**919,779**	868,452	841,059	762,444	634,980
Net debt per SFA[2]	**7,587,779**	7,407,669	7,382,658	7,171,870	5,108,146
Unaudited operating data					
Acquisition multiple, ratio	**3.6**	3.7	3.8	3.4	3.3
Portfolio services segment					
Non-IFRS and IFRS financial data					
Portfolio services revenue[1]	**2,947,809**	2,635,294	2,358,158	2,043,673	1,740,581
Portfolio services adjusted EBITDA	**2,141,872**	1,885,286	1,694,390	1,477,479	1,255,774
Portfolio services adjusted EBITDA margin, %	**72.7%**	71.5%	71.9%	72.3%	72.1%
Unaudited operating data					
Total subscribers (end of period), units	**5,611,685**	5,173,032	4,752,097	4,274,827	3,763,945
Cancellation, units	**401,094**	376,377	324,828	258,701	229,699
LTM attrition rate, %	**7.4%**	7.6%	7.2%	6.4%	6.5%
Net subscriber growth, units	**438,653**	420,935	477,270	510,882	417,233
Subscriber growth rate, net %	**8.5%**	8.9%	11.2%	13.6%	12.5%
Monthly average number of subscribers during the	**5,391,658**	4,964,490	4,522,759	4,017,721	3,518,094
Monthly average revenue per user (ARPU), EUR	**45.6**	44.2	43.4	42.4	41.2
Monthly adjusted EBITDA per customer (EPC), EUR	**33.1**	31.6	31.2	30.6	29.7
Annualised recurring revenue (ARR)	**3,068,106**	2,745,994	2,477,735	2,174,454	1,862,216
Annualised recurring revenue growth, %	**11.7%**	10.8%	13.9%	16.8%	12.6%
Customer acquisition segment					
Non-IFRS and IFRS financial data					
Customer acquisition revenue[1]	**367,368**	362,273	385,954	373,492	338,138
Customer acquisition adjusted EBITDA	**(627,470)**	(551,108)	(544,846)	(421,036)	(321,999)
Customer acquisition capital expenditures	**580,452**	577,457	583,738	546,440	451,374
Unaudited operating data					
New subscribers added (gross), units	**839,746**	797,312	802,098	769,583	646,932
Cash acquisition cost per new subscriber (CPA), EUR	**1,438**	1,415	1,407	1,257	1,195
Adjacencies segment					
Non-IFRS and IFRS financial data					
Adjacencies revenue[1]	**92,841**	92,404	82,910	91,682	60,185
Adjacencies adjusted EBITDA	**19,594**	6,309	2,424	(8,448)	(14,206)

1) IFRS financial data.

2) Starting in 2021 and in compliance with our Senior Facilities Agreement ("SFA") dated January 25th, 2021, Net Debt per SFA is reported on a post-IFRS basis. In order to be consistent with this agreement, 2020 figures have been adjusted and therefore differ from the figures reported in previous reports.

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	2024	2023
Operating profit according to consolidated income statement	**742,598**	602,958
Depreciation and amortisation add-back	**633,235**	580,461
Retirement of assets add-back	**126,014**	114,611
Separately disclosed items add-back	**32,149**	42,457
Adjusted EBITDA	**1,533,997**	**1,340,488**
Whereof adjusted EBITDA customer acquisition	**(627,470)**	(551,108)
Whereof adjusted EBITDA portfolio services	**2,141,872**	1,885,286
Whereof adjusted EBITDA adjacencies	**19,594**	6,309

Adjusted EBIT

Adjusted EBIT is earnings before interests, taxes and SDIs.

Calculation of adjusted EBIT

EUR thousands	2024	2023
Operating profit according to consolidated income statement	**742,598**	602,958
Separately disclosed items add-back	**76,428**	90,940
Adjusted EBIT	**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 average number of subscribers during the relevant period.

Calculation of ARPU

EUR thousands	2024	2023
Portfolio services segment revenue	**2,947,809**	2,635,294
Monthly average portfolio services segment revenue	**245,651**	219,608
Monthly average number of subscribers during the period, units	**5,391,658**	4,964,490
Monthly average portfolio services segment revenue divided by monthly average number of subscribers during the period – ARPU (EUR)	**45.6**	**44.2**

Monthly adjusted EBITDA per subscriber

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) by the average number of subscribers.

Calculation of EPC

EUR thousands	2024	2023
Portfolio services segment adjusted EBITDA	**2,141,872**	1,885,286
Monthly average portfolio services segment adjusted EBITDA	**178,489**	157,107
Monthly average number of subscribers during the period, units	**5,391,658**	4,964,490
Monthly average portfolio services segment adjusted EBITDA divided by monthly average number of subscribers during the period – EPC (EUR)	**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	2024	2023
Customer acquisition adjusted EBITDA	**(627,470)**	(551,108)
Customer acquisition capital expenditure	**(580,452)**	(577,457)
Customer acquisition cost	**(1,207,921)**	**(1,128,565)**
New subscribers added, units	**839,746**	797,312
Customer acquisition cost divided by new subscribers added (gross) - CPA (EUR)	**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	2024	2023
Cash acquisition cost per new subscriber ("CPA")	**1,438**	1,415
Monthly adjusted EBITDA per subscriber ("EPC")	**33.1**	31.6
CPA divided by EPC divided by 12	**3.6**	**3.7**

Annualised recurring revenue

Annualised recurring revenue ("ARR") represents the total subscribers in our portfolio at the end of the period, multiplied by average ARPU over the period, multiplied by 12.

Calculation of ARR

EUR thousands	2024	2023
Total subscribers (end of period), units	**5,611,685**	5,173,032
Monthly average revenue per user (ARPU), EUR	**45.6**	44.2
Total subscribers multiplied by ARPU, multiplied by 12	**3,068,106**	**2,745,994**

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 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 monthly average number of subscribers during the relevant period.

Cancellations
Total number of cancelled subscriptions during the period including cancellations of 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 monthly 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 monthly 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 consolidated income statement.

Separately disclosed items
Separately disclosed items (SDIs) are income and costs that have been recognised in the income statement 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. Such items could be projects related to organisation effectiveness, M&A, transformational and capital structure.

Subscriber growth rate
Number of subscribers at end of period divided by number of subscribers 12 months ago.

Annualised recurring revenue
The annualised recurring revenue ("ARR") in our portfolio. Calculated by taking the total subscribers in our portfolio at the end of the period, multiplied by average ARPU over the period, multiplied by 12 months.

Verisure Midholding AB (publ)
Visiting address:
Nordenskiöldsgatan 11A
211 19 Malmö
Sweden

Postal address:
Box 392
201 23 Malmö
Sweden