



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 889 158 212
Organisasjonsform: Aksjeselskap
Foretaksnavn: SECTOR ALARM HOLDING AS
Forretningsadresse: Vitaminveien 1A
0485 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Lars-Henrik Budalen
Dato for fastsettelse av årsregnskapet: 27.04.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 28.07.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenues	15,16	111 074 000	128 062 000
Sum inntekter		111 074 000	128 062 000
Kostnader			
Personell costs	8	55 937 000	55 830 000
Depreciations and write-downs	1,2	14 634 000	13 055 000
Other costs	9	59 636 000	91 797 000
Sum kostnader		130 207 000	160 682 000
Driftsresultat		-19 133 000	-32 620 000
Finansinntekter og finanskostnader			
Income from investment in subsidiaries	14	388 405 000	1 410 499 000
Renteinntekt fra foretak i samme konsern	17	60 425 000	74 722 000
Financial revenues	17	328 783 000	100 901 000
Sum finansinntekter		777 613 000	1 586 122 000
Rentekostnad til foretak i samme konsern	17	9 085 000	84 326 000
Annen rentekostnad	7,17	211 467 000	703 688 000
Sum finanskostnader		220 552 000	788 014 000
Netto finans		557 061 000	798 108 000
Ordinært resultat før skattekostnad		537 928 000	765 488 000
Tax expense	4	114 107 000	-50 149 000
Ordinært resultat etter skattekostnad		423 821 000	815 637 000
Årsresultat		423 821 000	815 637 000
Overføringer og disponeringer			
Allocated to other equity	12	423 821 000	815 637 000
Sum overføringer og disponeringer		423 821 000	815 637 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Brand and software	2	15 301 000	15 603 000
Utsatt skattefordel	4	49 926 000	104 799 000
Sum immaterielle eiendeler		65 227 000	120 402 000
Varige driftsmidler			
Equipment, movables and inventory	1	10 488 000	15 373 000
Sum varige driftsmidler		10 488 000	15 373 000
Finansielle anleggsmidler			
Investering i datterselskap	14	7 761 178 000	9 602 787 000
Lån til foretak i samme konsern	3	2 284 930 000	231 121 000
Sum finansielle anleggsmidler		10 046 108 000	9 833 908 000
Sum anleggsmidler		10 121 823 000	9 969 683 000
Omløpsmidler			
Varer			
Stock		1 065 000	
Sum varer		1 065 000	
Fordringer			
Prepayments		1 573 000	1 900 000
Other short-term receivables		132 000	132 000
Konsernfordringer	3	858 650 000	611 002 000
Sum fordringer		860 355 000	613 034 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	5	72 937 000	2 684 000
Sum bankinnskudd, kontanter og lignende		72 937 000	2 684 000
Sum omløpsmidler		934 357 000	615 718 000
SUM EIENDELER		11 056 180 000	10 585 401 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Shareholders equity	12,13	1 605 000	1 605 000
Overkurs	12	589 839 000	589 839 000
Sum innskutt egenkapital		591 444 000	591 444 000
Opptjent egenkapital			
Other equity	12	3 476 473 000	3 052 653 000
Sum opptjent egenkapital		3 476 473 000	3 052 653 000
Sum egenkapital		4 067 917 000	3 644 097 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	7	5 827 442 000	6 096 629 000
Other long term liabilities	7	7 997 000	5 473 000
Sum annen langsiktig gjeld		5 835 439 000	6 102 102 000
Sum langsiktig gjeld		5 835 439 000	6 102 102 000
Kortsiktig gjeld			
Leverandørgjeld		12 485 000	8 904 000
Tax payable	4	56 878 000	54 312 000
Kortsiktig konserngjeld	3	1 044 797 000	726 848 000
Accrued cost	6	38 664 000	49 138 000
Sum kortsiktig gjeld		1 152 824 000	839 202 000
Sum gjeld		6 988 263 000	6 941 304 000
SUM EGENKAPITAL OG GJELD		11 056 180 000	10 585 401 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenues from contracts with customers	5	2 849 618 000	2 704 074 000
Other revenue	25	1 161 000	
Sum inntekter		2 850 779 000	2 704 074 000
Kostnader			
Personell costs	15,25	1 214 478 000	1 084 682 000
Depreciation and amortization	6,7.19	767 075 000	379 149 000
Other operating costs	16,20	572 411 000	504 971 000
Sum kostnader		2 553 964 000	1 968 802 000
Driftsresultat		296 815 000	735 272 000
Finansinntekter og finanskostnader			
Finance income	14,17	107 560 000	142 876 000
Sum finansinntekter		107 560 000	142 876 000
Finance cost	14,17	13 064 000	757 660 000
Sum finanskostnader		13 064 000	757 660 000
Netto finans		94 496 000	-614 784 000
Ordinært resultat før skattekostnad		391 311 000	120 488 000
Income tax expense	13	126 430 000	13 881 000
Ordinært resultat etter skattekostnad		264 881 000	106 607 000
Årsresultat		264 881 000	106 607 000
Minoritetsinteresser		0	0
Årsresultat etter minoritetsinteresser		264 881 000	106 607 000
Remeasurement gain (loss) from net defined liability		22 593 000	-26 597 000
Currency translation difference		-213 031 000	236 943 000
Sum resultatkomponenter for IFRS-foretak		-190 438 000	210 346 000
Totalresultat		74 443 000	316 953 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
Overføringer og disponeringer			
Allocated to other equity		74 443 000	316 953 000
Sum overføringer og disponeringer		74 443 000	316 953 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	13	117 866 000	121 361 000
Intangible assets and goodwill	7	3 976 947 000	4 137 006 000
Sum immaterielle eiendeler		4 094 813 000	4 258 367 000
Varige driftsmidler			
Property, plant and equipment	6,19	898 690 000	681 240 000
Sum varige driftsmidler		898 690 000	681 240 000
Sum anleggsmidler		4 993 503 000	4 939 607 000
Omløpsmidler			
Varer			
Fordringer			
Trade and other receivables	8,22,2 5	206 585 000	196 533 000
Prepayments	8,22	106 083 000	94 162 000
Sum fordringer		312 668 000	290 695 000
Investeringer			
Derivative financial instruments	22	56 000	59 000
Sum investeringer		56 000	59 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	9	307 686 000	610 256 000
Sum bankinnskudd, kontanter og lignende		307 686 000	610 256 000
Sum omløpsmidler		620 410 000	901 010 000
SUM EIENDELER		5 613 913 000	5 840 617 000

BALANSE - EGENKAPITAL OG GJELD



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Egenkapital			
Innskutt egenkapital			
Share capital	10,18	1 605 000	1 605 000
Overkurs	10,18	589 872 000	
Sum innskutt egenkapital		591 477 000	1 605 000
Opptjent egenkapital			
Share premium	10,18		589 872 000
Other equity	10,18	-2 302 919 000	-2 376 139 000
Sum opptjent egenkapital		-2 302 919 000	-1 786 267 000
Sum egenkapital		-1 711 442 000	-1 784 662 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	15	70 271 000	98 748 000
Utsatt skatt	13	300 899 000	283 271 000
Other non current liabilities	22,25	10 482 000	4 491 000
Sum avsetninger for forpliktelser		381 652 000	386 510 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	12,22	5 827 442 000	6 108 518 000
Leasing liabilities	15	298 313 000	289 255 000
Sum annen langsiktig gjeld		6 125 755 000	6 397 773 000
Sum langsiktig gjeld		6 507 407 000	6 784 283 000
Kortsiktig gjeld			
Loans and borrowings	22		2 277 000
Leverandørgjeld	11,22	434 233 000	421 658 000
Current tax liabilities	13	60 702 000	101 722 000
Leasing liabilities	12,19, 22	69 392 000	65 343 000
Contract liabilities	5,11	253 621 000	249 996 000
Sum kortsiktig gjeld		817 948 000	840 996 000
Sum gjeld		7 325 355 000	7 625 279 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
SUM EGENKAPITAL OG GJELD		5 613 913 000	5 840 617 000



Skatteetaten

Vår dato
20.02.2020

Din/Deres dato
15.01.2020

Saksbehandler
Joakim Engebretsen

800 80 000
Skatteetaten.no

Din/Deres referanse

Telefon
92251412

Org.nr
974761076

Vår referanse
2020/5058720

Postadresse
Postboks 9200 Grønland
0134 OSLO

SECTOR ALARM HOLDING AS
Postboks 113 Grefsen
0409 OSLO

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for Isanor Invest AS, org.nr. 989 153 269.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden siteres:

Isanor Invest AS (org nr 989 153 269) er morselskap for blant annet det norske Sector Alarm konsernet. Sector Alarm Holding AS (org.nr 889 158 212, morselskap i Sector Alarm konsernet) vil som følge av ny ekstern finansiering via Wilmington Trust som er basert i London være pliktig å levere revidert årsregnskap til långiver og har derfor fått dispensasjon til å levere regnskap og årsregnskap på engelsk.

Siden Isanor Invest AS's konsernregnskap i stor grad består av konsernregnskapet til Sector Alarm Holding AS gjenbrukes det meste av regnskapsinformasjon og noter når man utarbeider konsernregnskap for Isanor Invest AS. Det vil derfor være praktisk både for selskapet og revisor at begge selskaper rapporterer på engelsk. Selskapet ønsker derfor å søke om å få levere årsregnskap og årsberetning på engelsk.

Isanor Invest AS har en aksjonær som har gitt sitt samtykke (Jørgen Dahl som også er CEO i Sector Alarm konsernet) og det er vurdert slik at det ikke finnes andre regnskapsbrukere som negativt vil påvirkes av at årsregnskap og årsberetning utarbeides på engelsk språk.



Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte, kunder og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at selskapet er morselskap til et selskap som har fått dispensasjon til å levere årsregnskap og årsberetning på engelsk. Det er vurdert slik at det ikke finnes andre regnskapsbrukere som vil påvirkes negativt av at årsberetning og årsregnskap utarbeides på engelsk språk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Roar Thorbjørnsen
underdirektør
Innsats, storbedrift
Skatteetaten

Joakim Engebretsen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

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Annual Accounts / 2021

Sector Alarm Holding AS Consolidated (IFRS)



Directors Report 2021

Sector Alarm Holding AS, headquartered in Oslo, provide professionally monitored alarm services for more than 600,000 residential households and small businesses through its subsidiaries in Norway, Sweden, Finland, Ireland, Spain, France, Italy and Portugal.

2021 has been one of the most challenging, exciting and rewarding years in the history of Sector Alarm. Firstly, Sector Alarm continued to navigate the Covid-19 challenges with high customer satisfaction, improved attrition rates, positive net customer growth and solid financial performance. In addition, Sector Alarm expanded geographically in Spain and France, acquired HomeSecure in Ireland, entered Italy in April and Portugal in the beginning of 2022 through the acquisition of Seguranca 24. All in all – a very busy and rewarding year for Sector Alarm.

Customer satisfaction is at the heart of everything we do. In Sector Alarm, we know that without happy and satisfied customers we will not succeed nor live up to our vision "Safe customers, with happy smiles - every time". Sector Alarm continued to provide an excellent customer

service throughout 2021 with customer satisfaction at industry leading levels. The attrition rate improved from 6.6% at year-end 2020 to 6.1% at year-end 2021.

Customer acquisition activities were impacted by the Covid-19 situation and associated government restrictions throughout the year. Despite these challenges Sector Alarm were able to add nearly 70,000 new customers to the portfolio, about 20%

compared to 2020. Sector Alarm ended the year with 603,000 customers, up from about 560,000 customers due to net customer growth of nearly 45,000 of which about 25,000 organically and 19,000 through the acquisition of HomeSecure in Ireland.

The performance improvement program launched in late 2019 remains a key focus area for Sector Alarm. During the year, Sector Alarm focused on strengthening customer relationship management, digitalization of the sales journey, digital marketing capabilities and developed a new proprietary technology and hardware platform which will be launched across all markets in 2022.

For the Group, revenues for 2021 were NOK 2,851 million. The earnings before tax were NOK 391 million. The annual profit was NOK 265 million. The Equity was NOK -1,711 million for 2021, but the value adjusted equity would be positive and considered

sound. The consolidated interest-bearing debt was NOK 5,976 million at the end of 2021 and consisted mainly of the EUR 590 million Term Loan B and financial leases. The liquidity position is solid, but the cashflow was negative NOK 288 million in 2021, down from NOK 323 million in 2020 mainly driven by increased investment in organic growth and the acquisition of HomeSecure in Ireland.

For Sector Alarm Holding AS (the parent), revenues were NOK 111 million in 2021. The earnings before tax were NOK 538 million and the annual profit was NOK 424 million. The Equity was NOK 4,068 million. The parent company's profits of NOK 424 million will be allocated to other equity.

The main financial risk for Sector Alarm is currency exposure and relate to a mismatch between currencies for positive cash flows and outstanding debt. Currently the main sources for positive

cash flows are NOK and SEK while outstanding debt is largely in EUR following the refinancing in the Term Loan B market in June 2019. Sector Alarm is therefore exposed to EUR appreciation that would imply higher NOK and/or SEK payments in the future to manage the debt. Reference is also made to the discussion of financial risk management in note 3.

In Sector Alarm Holding AS there was 34 employees at year end 2021, of which 32% were women. The Group had 2,581 employees (not including consultants) of which 30% women. In Sector Alarm Holding AS all employees have full-time positions. The average parental leave for women were 32 weeks and 12 weeks for men. In Norway, women represented 25% of the workforce, in Sweden 28%, in Ireland 30%, in Finland 29%, in Spain 39%, France 28% and in Italy 21%. In the Group there were 1% of the workforce that had chosen not to declare gender. Sector Alarm

<p>endeavor equal gender distribution and has female employees in management positions in all countries. Total sick leave in Sector Alarm was 3,8% in 2021 compared to 4,3% in 2020. The Group had 88 reported incidents in 2021 compared to 60 incidents in 2020.</p> <p>Sector Alarm works on an ongoing basis to prevent discrimination that may be an obstacle to equality. Gender equality is part of the systematic HSE activities and takes place in collaboration with the employees, represented by the safety service and the working environment committee (AMU). Sector Alarm's Code of Conduct states that efforts shall be made to ensure that all employees have a working environment that is free from discrimination, harassment and bullying.</p> <p>Sector Alarm strives for equal employment opportunities and diversity in the workplace. This requirement applies in relation to all unequal treatment, exclusion, or preference of an</p>	<p>individual or group, for example based on gender, race, disability, age, religion, sexual orientation, political views, national, ethnic or social origin. Sector Alarm follows these principles in all areas of employment, including when we recruit, hire, train, promote and reward our employees. Please see the document "Likes-fillingsredegjørelse for Sector Alarm 2021" for further information and a detailed analysis of remuneration between genders.</p> <p>The work environment in Sector Alarm is good and the most recent Employee Survey confirms that Sector Alarm is better than the industry benchmark when it comes to staff motivation, loyalty and satisfaction. The Employee Survey is also the basis for continuous improvements.</p> <p>The monitored alarm services that Sector Alarm provide pollute the external environment to a limited degree. All countries participate in recycling schemes for the handling of old and broken alarm hardware and strive to have a</p>	<p>new and modern environmentally friendly fleet of vehicles. In 2021, Sector Alarm has not conducted any research activities, but is engaged in the continued development of products and services for the home security space.</p> <p>All entities in the Group are covered by a Director and Officers liability insurance of NOK 100 million annually.</p> <p>The Board of Directors makes continuous assessments of the market outlook in the countries that the Group operates in. The penetration for monitored alarms in Europe is about 5% and the Board of Directors sees significant growth potential across all European countries, also in the Nordics. Sector Alarm is the second largest provider of professionally monitored alarms for Small Systems in Europe and is well positioned to take advantage of the attractive market dynamics and growth opportunities in this space. Sector Alarm has a solid foundation in Northern Europe and the operations</p>	<p>in Norway, Sweden and Ireland deliver solid financial results. The Finnish, Spanish and French operation continues to show positive development and has become an important contributor to the growth. The newly established Italian market is still in a ramp up phase. In line with the expansion strategy, Sector Alarm entered the Portuguese market through the acquisition of Securanta 24 in January 2022.</p> <p>The Board of Directors considers the outlook for Sector Alarm to be positive.</p>	<p>The Board of Directors are not aware of any matters after the end of the financial year that will have a material bearing on the company's position and earnings for 2021. Both the war on Ukraine and Covid-19 is expected to have a limited impact Sector Alarm in 2022.</p> <p>The Board of Directors considers the presented Annual Accounts to give an accurate view of Sector Alarms financial position at year end and operations throughout the year. In accordance with section 3-3a of</p>	<p>the Norwegian Accounting Act, the Board of Directors confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on a going concern basis.</p>
Oslo, 27 April 2022					
 Bjørnar Heiaas Bukholm Chairman of the Board		 Jørgen Dahl CEO			
 Nils Viggo Skeisvoll Board member					



Balance sheet

Amounts in TNOK	Note	31.12.2021	31.12.2020
ASSETS			
NON CURRENT ASSETS			
Deferred tax asset	13	117 866	121 361
Intangible assets and goodwill	7	3 976 947	4 137 006
Property, plant and equipment	6, 19	898 690	687 240
TOTAL NON CURRENT ASSETS		4 993 504	4 939 607
CURRENT ASSETS			
Derivative financial instruments	22	56	59
Trade and other receivables	8, 22, 25	206 585	196 533
Prepayments	8, 22	106 083	94 162
Cash and cash equivalents	9	307 686	610 256
TOTAL CURRENT ASSETS		620 410	901 010
TOTAL ASSETS		5 613 914	5 840 617
EQUITY			
Share capital	10, 18	1 605	1 605
Share premium	10, 18	589 872	589 872
Other equity		-2 302 919	-2 376 139
TOTAL EQUITY		-1 711 442	-1 784 661
NON CURRENT LIABILITIES			
Deferred tax	13	300 899	283 271
Loans and borrowings	12, 22	5 827 442	6 108 518
Leasing liabilities	12, 19, 22	298 313	289 255
Employee benefits	15	70 271	98 748
Other non current liabilities	22, 25	10 482	4 489
SUM NON CURRENT LIABILITIES		6 507 408	6 784 282
CURRENT LIABILITIES			
Loans and borrowings	22		2 277
Leasing liabilities	12, 19, 22	69 392	65 343
Current tax liabilities	13	60 702	101 722
Trade and other payables	11, 22	434 233	421 658
Contract liabilities	5, 11	253 621	249 996
SUM CURRENT LIABILITIES		817 948	840 996
SUM EQUITY & LIABILITIES		5 613 914	5 840 617

Oslo, 27 April 2022

Viggo Skarvold

Nils Viggo Skeisvoll
Board member

Jørgen Dahl

CEO

Bjornar Heiaas Bukholm

Chairman of the board

Income statement

Amounts in TNOK	Note	2021	2020
Revenue from contracts with customers	5	2 849 638	2 704 074
Other revenue	25	1 161	
Total revenue		2 850 799	2 704 074
Personnel costs	15, 25	-1 214 478	-1 086 682
Other operating costs	16, 20	-572 411	-504 971
Total operating costs		-1 786 889	-1 591 653
Operating profit before D&A (EBITDA)		1 063 889	1 112 420
Depreciation and amortization	6, 7, 19	-767 075	-379 149
Operating profit		296 814	733 271
Finance income	14, 17	107 560	142 876
Finance cost	14, 17	-13 064	-757 660
Net finance cost		94 496	-614 784
Profit before tax		391 310	120 466
Income tax expense	13	-126 430	-13 881
PROFIT FOR THE PERIOD		264 880	106 605
Profit is attributable to:			
Owners of Sector Alarm Holding AS		264 880	106 605
Non-controlling interests		0	0

Statement of comprehensive income

Amounts in TNOK	Note	2021	2020
Profit for the period		264 880	106 605
<i>Items that subsequently may be reclassified to profit or loss</i>			
Remeasurement gain (loss) from net defined benefit liability		22 593	-26 597
Currency translation differences		-213 031	236 943
Other comprehensive income		-190 437	210 345
Total comprehensive income for the year attributable to parent company shareholders		74 442	316 951
Total comprehensive income for the period		74 442	316 951

Cash flow statement

Amounts in TNOK	2021	2020
Earnings before tax	391 310	120 485
Adjustments for net finance cost	-94 496	614 786
Adjustments for depreciation and amortization	767 075	379 151
Change in accounts receivable	-8 438	9 686
Change in accounts payable	7 111	16 975
Change in net pension assets/liabilities	-21 313	40 217
Change in net pension assets/liabilities	-28 477	0
Income taxes (refund) paid	-164 161	-113 830
CASH FLOW OPERATING ACTIVITIES	848 811	1 009 466
Proceeds from sales of investment in subsidiaries	0	2 122
Payment for acquisition of subsidiary	-259 927	0
Increase in investment in subsidiaries	0	52
Proceeds from sales of property, plant and equipment	402	-252
Acquisition of property, plant and equipment	-578 036	-475 217
Interests received	11 887	13 299
Other adjustments to investing activities	-604	-2 491
CASH FLOW INVESTING ACTIVITIES	-826 279	-462 486
Change in other long term receivables and payables	-20 166	3 583
Change in long term loans from related parties	0	-6 671
Proceeds from loans and borrowings	0	-52
Repayment of loans and borrowings	-13 753	-9 982
Payment of lease liabilities	-70 476	-59 268
Interests paid	-195 667	-200 133
Other adjustments to financing activities	-10 033	-11 634
CASH FLOW FINANCING ACTIVITIES	-510 095	-284 186
CASH FLOW TOTAL	-287 763	322 824
Cash and cash equivalents at the beginning of the financial year	610 256	270 298
Effects of exchange rate changes on cash and cash equivalents	-14 807	17 134
CASH AND CASH EQUIVALENTS AT END OF YEAR	307 686	610 256

Statement of changes in equity

Amounts in TNOK	Share capital	Other equity	Translation reserve	Non controlling interests	TOTAL EQUITY
Balance at 1 January 2020	1 605	-2 245 652	139 554	-2 104 493	0
Profit for the period	0	106 605	0	0	106 605
Other comprehensive income	0	-26 597	236 943	0	210 346
Dividends	0	0	0	0	0
Other changes	0	2 881	0	0	2 881
Balance at 31 December 2020	1 605	-2 162 763	376 496	-1 784 662	0
Balance at 1 January 2021	1 605	-2 162 763	376 496	-1 784 662	0
Profit for the period	0	264 880	0	0	264 880
Other comprehensive income	0	22 593	-213 031	0	-190 437
Dividends	0	0	0	0	0
Other changes	0	-1 223	0	0	-1 223
Balance at 31 December 2021	1 605	-1 876 513	163 466	-1 711 442	0



Notes

Amounts in TNOK

Note 1 / General information

Sector Alarm Holding AS (the Company) and its subsidiaries (the Group) provide professionally monitored alarms for residential households and small businesses in Europe. The Group operates in Norway, Sweden, Finland, Spain, France and Italy. Sector Alarm Holding AS is the parent company of the Group and provides centralized services and corporate governance on behalf of the Group. The principal activities of the Company and its subsidiaries are described in note 5 Revenue.

The registered headquarter of Sector Alarm Holding AS is located at Vikimivåen 1A, Oslo in Norway.

These consolidated financial statements were approved by the Board of Directors on 27 April 2022 for adoption by the Annual General Meeting on 27 April 2022.

Note 2 / Significant accounting principles

The following section describes the significant accounting principles applied when preparing these consolidated financial statements. These principles are consistently applied for all periods presented unless otherwise stated.

2.1 Framework for presentation of the financial statement

The consolidated financial statements for 2021 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by The European Union (EU).

The consolidated financial statements are based on a historical cost principle, except for derivatives measured at fair value through profit or loss.

Preparation of financial statements in accordance with IFRS requires use of estimates. Furthermore, the application of the company's accounting principles requires management to exercise judgements. Significant estimates and judgements are described in note 4.

2.2 Consolidation principles

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has the rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Business combinations are accounted for using the acquisition method when control is transferred to the Group. The consideration transferred is measured at fair value, as are the identifiable net assets acquired. Included in the consideration is also the fair value of all assets or liabilities arising from an agreement of contingent consideration. Expenses related to the business combination are expensed as incurred. Any non-controlling interests are measured at their proportionate share of the acquired entity's net identifiable assets at the date of acquisition.

If the sum of the consideration, the carrying amount of non-controlling interests and the fair value at the acquisition date of previous ownership interests exceeds the fair value of net identifiable assets in the acquired company, the difference is recognized in the balance sheet as goodwill. Cf. note 2.5. If the sum is lower than the company's net assets, the difference is recognized immediately in the consolidated income statement.

Intra-group transactions, balances and unrealized profits and losses between group companies are eliminated. The financial statements of the subsidiaries are restated when necessary to achieve compliance with the Group's accounting principles.

2.3 Foreign currency translation

Functional currency and presentation currency

Transactions in foreign currencies are translated into the respective functional currencies of the respective Group companies. The consolidated financial statements are presented in NOK, which is both the functional currency and the presentation currency of the parent company.

Transactions and balance sheet items

Transactions in foreign currency are translated into the functional currency using the exchange rates at the dates of the transactions. Currency gains and losses from translating monetary items (assets and liabilities) in foreign currency, are recognized in the consolidated income statement using the exchange rates at the reporting date.

Translation differences related to working capital are presented as other gains and losses. Translation differences related to loans are presented as a financial item.

Group companies

Income statements and balance sheets for Group entities (none with hyperinflation) with operational currencies that differ from the presentation currency are translated as follows:

- The balance sheet is translated at the final exchange rate on the balance sheet date
- The income statement is translated at the average exchange rate (if the average does not provide a reasonable estimate of the accumulated effects of using the transaction exchange rate, the transaction exchange rate is used)
- Translation differences are recognized in other comprehensive income and appear in the item currency translation differences.

On consolidation, the difference between translation of net investment in foreign companies is recognized in other comprehensive income and as a separate item in equity. When selling parts of foreign companies, the translation difference recognized in other comprehensive income is recognized in the profit and loss as a part of the gain or loss on the sale.

Assets and liabilities arising from business combinations are regarded as assets and liabilities in the acquired unit and are translated at the exchange rate on the balance sheet date.

2.4 Property, plant and equipment

Property, plant and equipment are recognized at cost less any accumulated depreciation or impairment losses. The costs include costs that are directly associated with the acquisition of the asset. Subsequent expenditures are added to the asset's carrying amount or are recognised separately in the balance sheet when it is probable that future financial benefits from the expense will flow to the Group and the expense can be measured reliably. The carrying amount of replaced parts are recognised on the income statement. Other repair and maintenance costs are recognized in the income statement during the period in which the expenses are incurred.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The useful lifetime of the assets, and their residual value, is assessed on each balance sheet date and are amended if necessary. When the carrying amount of an asset is higher than the estimated recoverable amount, the value is written down to the recoverable amount. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

2.5 Intangible assets

Goodwill

Goodwill arising from the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Licences

Licences that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.



Customer contracts

Customer contracts that arise from business combinations or acquisition of alarm portfolios are recognized at fair value or cost at the time of acquisition. Acquired customer contracts are amortized and impairment tested using the same principles as for capitalised contract cost as presented in note 2.14. See also note 2.8 regarding impairment.

Customer contracts presented in the balance sheet and in note 7 consists of customer contracts arising from business combinations or acquisition of alarm portfolios, and customer contracts arising from organic sales. For the latter this consists of the capitalised cost to obtain and to fulfill contracts with customers. Principles for capitalising cost from organic sales are presented in note 2.14.

The amortisation period covers the expected useful life, which is based on churn per customer portfolio.

Brand

Brands that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

2.6 Assets held for sale

Non-current assets or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held-for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

2.7 Financial instruments

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets

On initial recognition, a financial asset is classified and measured at amortised cost, Fair Value Over Comprehensive Income (FVOCI) - debt investment, FVOCI - equity investment or Fair Value Through Profit or Loss (FVTPL). Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. The Group currently holds derivatives that are classified as FVTPL, all other financial liabilities are classified as a financial liabilities at FVTPL. They are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group derecognises a financial asset or financial liability when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Derivative financial instruments and hedge accounting

The Group have in certain periods designated certain non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

When a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the change in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

2.8 Impairment

Non-derivative financial assets

The Group recognises loss allowances for Expected Credit Losses (ECL) on:

- financial assets measured at amortised cost
- debt investments measured at FVOCI
- contract assets

The Group measures loss allowances at an amount equal to Lifetime ECLs for all financial assets, which includes loss allowances for trade receivables (including lease receivables) and contract assets. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets.

For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



2.9 Cash and cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.10 Share capital and share premium

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

2.11 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. If any, it is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

2.12 Pension obligations, bonus schemes and other compensation schemes for employees

Pension obligations

The employees of the companies in the Group have defined contribution pension schemes or pension insurance policies in accordance with current collective agreements that correspond to defined contribution pensions depending on where they are employed. Employees in Ireland have a closed benefit scheme and a defined contribution scheme for new employees.

For defined contribution plans, the Group pays deposits to public or privately managed insurance plans for pensions on a mandatory, contractual or voluntary basis. The Group has no further payment obligations after the deposits have been paid. Deposits are accounted for as labor costs when they fall due. Prepaid deposits are recognized as an asset to the extent that the deposit can be reimbursed or reduce future payments.

A defined benefit plan will typically define an amount that an employee will receive from the time of retirement, usually depending on age, number of years in work and salary. The obligation for the defined benefit plans is the present value of the liability at the balance sheet date, less the fair value of the pension assets. The gross liability is calculated by independent actuaries using the linear method by the calculation. Gross liability is discounted to present value by using the interest rate on high-quality corporate bonds issued in the currency to which the obligation is to be paid, and with approximately the same maturity as the payment horizon of the obligation. In countries that do not have a liquid market in their bonds, the market interest rate is applied to government bonds.

Gains and losses arising from the recalculation of the liability as a result of estimate deviations and changes in actuarial assumptions are recognized in the equity through other comprehensive income in the period in which they arise. Effect of changes in the scheme benefits are recognized in the income statement immediately.

Severance pay

Severance pay is paid when the employment contract is terminated by the Group before the normal retirement date or when an employee voluntarily accepts to terminate such remuneration. The Group recognizes severance pay when it is demonstrably obliged to either terminate the employment contract with current employees in accordance with a formal, detailed plan that the Group cannot withdraw, or to provide severance pay as a result of an offer made to encourage voluntary departure. Final payments due more than 12 months after the balance sheet date are discounted to present value. Final remuneration is recognized in the income statement over the notice period.

Profit sharing and bonus schemes

The Group recognizes a provision where there are contractual obligations or where there is a past practice that creates a self-imposed obligation.

2.13 Provisions

The Group recognizes provisions on legal requirements when there is a legal or self-imposed obligation as a result of past events and there is a probability that the obligation will be settled in the form of a transfer of financial resources and the amount of the obligation can be estimated with a sufficient degree of reliability.

In cases where there are several obligations of the same nature, the probability that the obligation will be settled is determined by assessing the group as a whole. Provisions for the group are recognized even though the likelihood of settlement related to the group's individual elements may be low.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

2.14 Revenue from contracts with customers

Revenues from contracts with customers primarily comprise sale of

- Revenue recognised over time: Subscription revenue
- Revenue recognised at a point in time: Upgrades, Services, Installation fees and other revenue

Recognition and measurement

When the Group enters into an agreement with a customer, the goods and services promised in the contract are identified as separate performance obligations to the extent that the customer can benefit from the goods or services either on their own or together with other resources that are readily available to the customer, and that the goods and services are separately identifiable from other promises in the contract. Goods and services that do not meet the criteria to be identified as separate performance obligations are aggregated with



other goods and/or services in the agreement, until a separate performance obligation is identified. Example of a service which is normally considered to be a distinct performance obligation within the Group is installation service or additional hardware to subscribers of alarm monitoring services.

The Group determines the transaction price to be the amount of consideration which it expects to be entitled in exchange for transferring the promised goods and services to the customer, net of discounts and sales related taxes. Sales related taxes are regarded as collected on behalf of the authorities. For corporate customers the Group adjusts the transaction price for a significant financing component if, at contract inception, the expected period between the transfer of a good or service to the customer and when the customer pays for that good or service is more than one year, unless the timing of the transfer of those goods or services is at the discretion of the customer (i.e. prepaid services).

For contracts with corporate customers the consideration promised in a contract can include a variable amount, if so the Group estimates the amount of consideration which it expects to be entitled. An amount of variable consideration is included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The transaction price is allocated to each performance obligation in the contract on a relative stand-alone selling price basis. The stand-alone selling price for each performance obligation is determined according to the prices that the group would achieve by selling the same goods or services to a similar customer on a stand-alone basis. Except when the Group has observable evidence that the entire discount included in a contract relates to only one or more, but not all, performance obligations in a contract, the Group allocates the discount proportionately to all performance obligations in the contract.

Revenue is recognised when the respective performance obligations in the contract are satisfied and payment remains probable.

Revenue from alarm monitoring services is generally recognised over time during the period to which the service relates. The effects of significant financing components are recognised over the payment period. Revenue from installation service of additional hardware to subscribers of alarm monitoring, is normally recognised at the point in time when the installation service is completed.

Capitalised contract cost

Costs incurred that are incremental to obtaining a contract with a customer, and are expected to be recovered, are recognised as contract acquisition cost. Contract acquisition costs include, for example, certain commissions or bonuses to employees or dealers, directly related to the contracts obtained on behalf of the Group.

Costs directly related to fulfilling a specified contract with a customer, which generate or enhance resources that will be used in fulfilling the performance obligations in the contract, are recognised as contract fulfilment cost assets to the extent they are expected to be recovered. The costs are expensed in the period in which the related revenue is recognised. Contract fulfilment costs include equipment and costs incurred for connection and installation of equipment on customer premises, including direct labour and material costs.

Capitalised contract cost is presented as customer contracts in the consolidated balance sheet and in note 7. The transfer of goods and services is considered to be in accordance with the expected customer life, and amortisation is performed according to historical churn data consistent with the principle for customer contracts obtained through business combinations and portfolio acquisitions. In addition the capitalised contract cost is tested annually for impairment as part of the impairment testing of goodwill as presented in note 2.5.

Presentation and impairment

If recognised revenue exceeds amounts received or receivable from a customer, a contract asset is recognised. If amounts received or receivable from a customer exceed revenue recognised for a contract, for example if the Group receives an advance payment from a customer, a contract liability is recognised. Contract assets and contract liabilities are expected to be realised within the Group's normal operating cycle and are classified as current within trade and other receivables and trade and other payables respectively. Contract assets are adjusted for provision for impairment in accordance with the expected credit loss model.

The Group applies the simplified approach for contract assets, measuring the loss allowance at an amount equal to lifetime expected credit losses. Impairment for expected credit losses is recognised in the income statement and updated at each reporting date. The impairment is calculated by taking into account the historic evidence of the level of bad debt experienced for customer types.

Contract assets are transferred to receivables when rights become unconditional. Receivables from contracts with customers are presented separately from contract assets. The effects of significant financing components are presented as interest income, separately from revenue from contracts with customers in the statement of comprehensive income.

The internal reporting of the Group does not differentiate customer contracts arising from business combinations or portfolio acquisitions and customer contracts arising from capitalised contract cost, and as a result, the two elements are presented aggregated in the consolidated balance sheet and note 7.

215 Interest and dividend income

Interest income is accrued on a time proportionate basis that reflects an effective yield on the asset and is included in financial income in the income statement. Dividend income from investments is recognised when the Group's rights to receive payment have been established (declared by the General Meeting or otherwise) and classified as financial income.

216 Leases

The Group has applied IFRS 16 using the modified retrospective approach from 1 January 2018 without restating previous periods.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the lease of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle or remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for 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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Group reasonably certain to exercise, lease payments in an option renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early

The lease liability is measured at 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, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed asset lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



2.17 Governmental Grants

The Group has during the financial year received governmental grant (Skattefunn) of TNOK 4,750 related to research and development project in Sector Alarm IT. The Grant is accounted for in accordance with IAS 20 so that the grant is recognized in profit and loss over the period in which expenses that the grant is intended to compensate are recognized.

Note 3 / Financial risk management

3.1 Credit risk

The Group manages credit risk by assessing the creditworthiness of customers at the time of sale. There are local variations in the countries in which the Group operates. The individual subsidiaries have established procedures for following-up credit with the various customer groups. Pre-billing and increased use of direct debits contribute to increased security for timely payments. The Group has outsourced parts of billing management in Norway, Sweden and Finland, including issue of reminders and debt collection follow-up, which also contributes to minimizing the credit risk. Historically, the Group has had very limited losses on accounts receivable and this trend seems to be continuing. The Group also performs ongoing assessment of new payment systems, such as payment using debt/payment/credit cards, which will also result in further reduction of credit risk.

3.2 Liquidity risk

The Group's approach to managing liquidity risk is to secure access to sufficient liquidity to meet liabilities under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's relationships. The Group's liquidity risk is considered as a low due to the resilient business model with strong cash flow from the existing customer portfolio combined with flexible growth for new customer acquisition. At 31.12.2021 the Group has NOK 308 million in cash and cash equivalents and the EUR 100 million RCF was undrawn.

3.3 Currency risk

The main currency exposure and risk relate to a mismatch between currencies for positive cash flows and outstanding debt. Currently the main sources for positive cash flows are NOK and SEK while outstanding debt is largely in EUR following the refinancing in the Term Loan B market in June 2019. Sector Alarm Holding AS is therefore exposed to EUR appreciation that would imply higher NOK and/or SEK payments in the future to manage the debt (interest cost and refinancing/repayment). Over time it's expected that the currency exposure will be reduced as cash flows in EUR will increase over time due to continued growth and expansion outside Norway and Sweden. Sector Alarm has decided not to hedge the exposure for the time being, but to rather monitor the development. In addition, Sector Alarm Holding AS is exposed to a strengthening of the USD against EUR, NOK and SEK as the prices for hardware is in USD.

3.4 Financial risk

The primary source of interest rate risk is the EUR 590 million Term Loan B and EUR 100 million credit facility (TLB) with floating interest rate. As a general principle, Sector Alarm Holding AS should aim to reduce a portion of the floating rate exposure through interest rate swaps. However, Sector Alarm Holding AS has decided not to hedge the exposure for the time being due to the negative EURIBOR in combination with the 0% interest rate floor in the TLB loan agreement, which means that to eliminate the negative EURIBOR, Sector Alarm Holding AS would need to buy a floor with a cost of about 50 bps.

3.5 Risk related to capital management

The goal of the Group with regard to capital management is to protect continued operations to ensure return for owners and other stakeholders, and maintain an optimal capital structure to reduce capital costs. The capital in Sector Alarm consists mainly of the customer portfolio which is managed with the intention of long-term return for the company's shareholders.

3.6 Information on fair value

Financial assets measured at fair value are divided into the following levels:

- Listed price in active market (level 1)
- Valuation based on other observable factors (price) either directly or indirectly for the financial asset or liability (level 2)
- Valuation based on factors not derived from observable markets (level 3).

The fair value of financial instruments that are not traded in an active market is determined using valuation methods. These methods use observable data where available. If all the essential data required to fix the fair value of an instrument is observable data, the instrument is included in level 2.

As of December 31, 2021, the Group has no financial assets or liabilities at level 1 or 3 that are measured at fair value in the balance sheet. The only instrument in level 2 is the interest derivative as specified in note 22. The same applies for 2020.

Note 4 / Important accounting estimates and judgmental items

Estimates and discretionary assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered likely under current circumstances. The Group prepares estimates and makes assumptions related to the future. The accounting estimates that result from this will per definition rarely be fully consistent with the final outcome. Estimates and assumptions that represent a significant risk of material changes in the carrying amount of assets and liabilities during the next financial year are discussed below.

Impairment of goodwill, other intangible assets and contract cost

The Group's recognised goodwill and other intangible assets are tested annually for impairment based on an estimation of value in use. See further details regarding impairment of goodwill and intangible assets in note 2.8 and note 7.

Note 5 / Revenue recognition

In the following tables revenue from contracts with customers is disaggregated by major products and service lines and timing of revenue recognition.

Revenue from contracts with customers comprise of	2021			2020		
	Revenue per product/service line	Point in time	Over time	Revenue per product/service line	Point in time	Over time
Amounts in TNOK						
Revenue from subscriptions	2 604 480	0	2 604 480	2 470 340	0	2 470 340
Revenue from Upgrades	17 059	17 059	0	23 564	23 564	0
Revenue from Services	84 864	84 864	0	75 880	75 880	0
Revenue from Installation service	142 232	142 232	0	126 346	126 346	0
Other revenues	983	983	0	7 944	7 944	0
Total Revenue from contracts with customers	2 849 518	245 138	2 604 480	2 704 074	233 735	2 470 340
Movement in contract liability						
Contract liability opening balance					249 996	249 284
Reduction due to revenue being recognized					-900 741	-249 284
Increase due to cash received and revenue deferred					904 365	249 996
Contract liability closing balance					253 621	249 996

Contract liabilities consists of prepayments from customers.



Note 6 / Property, plant and equipment

Amounts in TNOK	Buildings	Computer equipment	Furnishing and fittings	Vehicles	Alarm systems not in use	Total
Balance at 31 December 2019	97 043	38 547	87 302	1 545	302 723	327 160
Translation differences	5 707	1 680	3 461	14,7	5 070	16 065
Acquisitions	13 301	17 290	31 089	208	25 564	87 451
Acquisitions through business combinations	0	0	0	0	0	0
Disposals	0	-523	-465	0	0	-988
Depreciation for the year	-2 169	-21 854	-28 127	-777	0	-52 927
Balance at 31 December 2020	113 881	35 544	93 260	1 123	133 357	376 762
Acquisition cost	129 047	186 921	247 191	6 232	138 463	707 884
Accumulated depreciation and impairment	-15 165	-151 780	-153 931	-5 110	-5 136	-351 122
Carrying amounts at 31 December 2020	113 881	35 544	93 260	1 123	133 357	376 762
Depreciation and impairment for the year	-2 169	-21 854	-28 127	-777	0	-52 927
Useful life	30 years	3-5 years	3-5 years	3-5 years		

Amounts in TNOK	Buildings	Computer equipment	Furnishing and fittings	Vehicles	Alarm systems not in use	Total
Balance at 31 December 2020	113 881	35 544	93 260	1 123	133 357	0
Translation differences	-5 133	-894	-3 023	-76	-5 304	-9 027
Acquisitions	-279	23 289	15 718	930	25 968	225 807
Acquisitions through business combinations	494	0	0	0	5 029	5 523
Disposals	-212	0	-190	0	0	-402
Depreciation for the year	-5 517	-23 940	-22 609	-868	0	-21 594
Balance at 31 December 2021	103 235	33 596	83 156	1 109	159 050	195 186
Acquisition cost	123 171	205 156	254 884	6 949	164 139	225 607
Accumulated depreciation and impairment	-19 937	-171 560	-171 728	-5 840	-5 090	-30 621
Carrying amounts at 31 December 2021	103 235	33 596	83 156	1 109	159 050	195 186
Depreciation and impairment for the year	-5 517	-23 940	-22 609	-868	0	-21 594
Useful life	30 years	3-5 years	3-5 years	3-5 years		

Alarm systems not in use applies to alarm systems purchased for installation. These are not depreciated until they are installed and then classified as capitalised customer contracts.

Note 7 / Intangible assets and goodwill

Amounts in TNOK	Goodwill	Licenses, software, etc.	Brand	Customer contracts	Total
Balance at 31 December 2019	1 138 970	52 223	88 774	2 501 264	3 781 132
Translation differences	77 282	699	5 459	147 140	230 580
Acquisitions	0	9 406	0	374 709	384 115
Acquisitions through business combinations	0	0	0	0	0
Disposals	0	0	0	0	-180
Amortization for the year	0	-20 754	0	-237 887	-258 641
Balance at 31 December 2020	1 216 153	41 575	94 233	2 785 046	4 137 007
Acquisition cost	1 216 153	132 013	94 233	4 005 426	5 447 824
Accumulated amortization	0	-90 438	0	-1 220 380	-1 310 818
Carrying amounts at 31 December 2020	1 216 153	41 575	94 233	2 785 046	4 137 007
Amortization and impairment for the year	0	-20 754	0	-237 887	-258 641
Useful life	Indefinite	3-5 years	Indefinite	17 years	

Amounts in TNOK	Goodwill	Licenses, software, etc.	Brand	Customer contracts	Total
Balance at 31 December 2020	1 216 153	41 575	94 233	2 785 046	4 137 007
Translation differences	-57 682	-510	-4 375	-102 305	-164 872
Acquisitions	0	59 859	0	232 456	292 315
Acquisitions through business combinations	19 037	0	62 132	258 264	339 433
Disposals	0	0	0	0	0
Amortization for the year	0	-20 177	0	-606 758	-626 935
Balance at 31 December 2021	1 177 508	80 746	151 990	2 566 703	3 976 947
Acquisition cost	1 177 508	191 098	151 990	4 496 146	6 016 742
Accumulated amortization	0	-110 352	0	-1 929 443	-2 039 795
Carrying amounts at 31 December 2021	1 177 508	80 746	151 990	2 566 703	3 976 947
Amortization and impairment for the year	0	-20 177	0	-606 758	-626 935
Useful life	Indefinite	3-5 years	Indefinite	17 years	

Customer contracts is amortised according to churn data per customer portfolio. The customer portfolios varies in historical churn and between countries, but the average useful life for the Group was 17 years in 2021. Customer contracts as presented in the table above comprise of both customer contracts arising from business combinations or portfolio acquisitions and contracts arising from organic sales, where the latter comprise of the capitalised contract cost in accordance with cost to obtain and cost to fulfil contracts with customers. For further details see note 2.5 regarding business combinations and 2.14 regarding revenue from contracts with customers.

Impairment test goodwill and intangible assets

All goodwill is acquired through purchases, and has been of strategic importance in retaining and strengthening the market positions of the Group. The goodwill is linked to cost savings and economies of scale as a result of coordination with the Group's operations in the relevant markets and utilization of the Group's experience and industry knowledge. The goodwill is allocated to the portfolios in Norway, Sweden, Finland, Ireland, Spain and France.



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Goodwill is not amortised. However, goodwill is tested for impairment at least annually, or when there are identified impairment indicators. An impairment assessment was performed at 31 December 2021. The group use the estimated recoverable value of the customer portfolio as an indicator for the total value of the customer portfolio and goodwill combined. The recoverable value were calculated using a value in use approach were using recurring annual revenue and a multiple based on comparable market transactions adjusted for key assumptions on size and quality of the portfolio. The impairment tests results in a headroom of minimum 170% on all material portfolios. As such the impairment test did not reveal an indication of impairment.

Amounts in TNOK	Opening balance	Acquisition	Disposals	Translation differences	Closing balance
2021	133 420	0	0	0	133 420
Norwegian portfolio	391 186	0	0	-25 867	365 319
Swedish portfolio	544 914	19 025	0	-25 059	538 880
Irish portfolio	122 086	0	0	-5 614	116 472
Spanish portfolio	4 345	0	0	-200	4 145
French portfolio	20 199	0	0	-929	19 270
Total	1 216 150	19 025	0	-37 669	1 177 506
Amounts in TNOK	Opening balance	Acquisition	Disposals	Translation differences	Closing balance
2020	133 420	0	0	0	133 420
Norwegian portfolio	353 961	0	0	37 225	391 186
Irish portfolio	513 349	0	0	31 565	544 914
Spanish portfolio	115 014	0	0	7 072	122 086
French portfolio	4 093	0	0	252	4 345
Total	1 118 866	0	0	77 284	1 216 150

Note 8 / Trade receivables and other receivables

Amounts in TNOK	2021	2020
Trade receivables	292 268	197 657
Allowance for impairment of trade receivables	-15 298	-19 139
Trade receivables net	187 059	178 518
Advance payments	106 083	94 162
Other receivables	19 526	18 015
Total accounts receivable and other receivables	312 668	290 695

For short-term receivables, the carrying amount is considered to be a reasonable approximation of fair value.

Total overdue accounts receivable in the Group are associated with a large number of independent customers. The age distribution of these receivables is:

Amounts in TNOK	2021	2019
Up to 60 days	23 853	23 618
More than 60 days	19 567	25 452
Total overdue trade receivables	43 420	49 070
Carrying amount of overdue trade receivables	28 212	29 932

Movement in bad debt allowance:	2021	2020
Balance at 1 January	-19 139	-14 690
Net remeasurement of loss allowance	-3 827	-13 501
Amounts written off	7 758	9 052
Balance at 31 December	-15 208	-19 139

Write down and reversal of write down on trade receivable are included in other operating costs.

The maximum exposure to credit risk at time of reporting is the fair value of each class of trade receivable stated above. Receivables consist of a large number of receivables from individual customers with no credit rating. The company uses external partners to recover the receivables and there are, historically, low levels of losses on receivables. All new customers undergo a credit check before installation.

Note 9 / Cash and cash equivalents

In the cash flow statement, cash and cash equivalents encompasses the following:

Amounts in TNOK	2021	2020
Cash and cash equivalents	307 686	610 563
Of which restricted funds	22 946	11 556

Note 10 / Share capital and share premium

Amounts in TNOK	Number of shares (000)	Share capital	Treasury shares	Share premium	Total
Balance at 1 January 2021	4 863	1 605	0	589 872	591 477
Capital increase	0	0	0	0	0
Treasury shares acquired	0	0	0	0	0
Treasury shares cancelled	0	0	0	0	0
Balance at 31 December 2021	4 863	1 605	0	589 872	591 477

See note 18 for list of the Company's shareholders.

Note 11 / Other short-term liabilities

Amounts in TNOK	2021	2020
Trade payables	126 044	111 401
Payable to authorities	138 289	123 778
Other short-term liabilities	169 900	186 478
Prepaid from customers / deferred revenue	253 621	249 996
Total	687 854	671 653

Other short-term liabilities consists largely of accrued vacation pay in line with governmental requirements and accruals for vendor invoices not yet processed and little or no risks is associated.

No liabilities above mature past 12 months. The carrying amount is considered to be a reasonable approximation of fair value.

Note 12 / Loans and borrowings

The external financing in the group is mainly obtained by Sector Alarm Holding AS, which provides funding to the companies throughout the Group. Until the refinancing of the Group in the TLB market in June 2019 the external financing was accordingly arranged by Sector Alarm Group AS.

Amounts in TNOK	2021	2020
Non current liabilities		
Loans and borrowings	5 827 442	6 108 518
Leasing liabilities	298 313	289 255
Total non current liabilities	6 125 756	6 397 773

Current liabilities	2021	2020
Loans and borrowings	0	2 277
Leasing liabilities	69 392	65 343
Total current liabilities	69 392	67 620
Bank overdraft facility	0	0
Total current loans including overdraft	69 392	67 620

In June 2019, Sector Alarm refinanced existing debt by successfully issuing a EUR 590 million 7-year senior secured Term Loan B and a EUR 100 million 6-year senior secured credit facility (unused). The Term Loan B was issued at EURIBOR +350 bps with a 0% floor at par. In February 2020, Sector Alarm successfully concluded a repricing of the EUR 590 million Term Loan B with the margin being reduced from 350 bps to 300 bps and was issued at par with a 0% floor.

The new loan agreement has a dividend limitation of 22.5 MEUR per year. The 100 EUR million revolving credit facility has a gearing covenant of 2x Enterprise value/EBITDA if the facility is drawn 40% or more.

There are no fixed annual instalments for the EUR 590 million Term Loan B. However, Sector Alarm is required to prepay 50% of Excess Cash Flow (as defined in the Term Loan B Facility Agreement) if Net Debt Cover (as defined in the Term Loan B Facility Agreement) greater than 5.001 and 25% of Excess cash flow if Net Debt Cover is greater than 4.501 but less than or equal to 5.001 within 20 Business Days of delivery of Annual Financial Statements. The conditions regarding Excess Cash Flow and Net Debt Cover is applicable from the Annual Financial Statements for the financial year 2021.

No breaches of covenants have occurred in 2021 or 2020.

Amounts in TNOK	2021	2020
Term loan B	5 892 392	6 177 477
Other minor bank loans	0	14 167
Amendment fee	65 950	80 848
Total	5 827 442	6 110 796

The maturities for the long-term bank loans and interests are as follows:

	2021	2020
Between 1 and 2 years	176 802	186 727
Between 2 and 5 years	6 446 249	745 645
More than 5 years	0	6 195 450
Total	6 623 050	7 127 802

	2021	2020
Security	5 827 442	6 110 796
Carrying amount of assets pledged as security		
Fixed assets	0	95 930
Total	0	95 930

Office building in General Services Sector Alarm SLU was in 2020 pledged to secure borrowings in General Services Sector Alarm SLU.

In addition shares in companies mentioned below, including intercompany loans and bank accounts in the companies have been pledged to secure borrowings of the Group at 31.12.2021

Sector Alarm Holding AS
Sector Alarm Ireland AS
PhoneWatch Ltd
Sector Alarm AB
Sector Alarm AS

A payment guarantee of TNOK 24 481 has been provided by Sector alarm Holding AS to Group hardware supplier at 31.12.2021.



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Note 13 / Income tax

Amounts in TNOK	2021	2020
Tax expense		
Current tax expense	42 463	109 954
Change in deferred tax - origination and reversal of temporary differences	-33 583	-104 837
Change in deferred tax - reduction in tax rate	0	-12 191
Change in deferred tax - other	112 499	35 450
Changes in estimates related to prior years	1 077	-215
Other	3 774	-13 981
Tax expense continuing operations	126 430	13 881

In other comprehensive income, the remeasurement gain (loss) from the net defined benefit liability has a tax effect included in tax expenses.

	2021	2020
Reconciliation of effective tax rate		
Profit before tax from continuing operations	391 310	120 485
Income tax using Norwegian tax rate (22%)	86 088	26 507
Effect of tax rates in foreign jurisdictions	-23 354	-27 734
Tax effect non deductible expenses	7 628	-19 618
Tax effect current-year losses for which no deferred tax asset is recognised	9 708	50 681
Utilized loss carried forward	0	-168
Effect of changes in tax rate on deferred tax items	1 077	-12 191
Changes in estimates related to prior years	45 282	-3 382
Other effects		
Income tax	126 430	13 881
Effective tax rate	32%	12%

The Groups reconciliation of the effective tax rate is based on its domestic tax rate, with a reconciling item in respect of tax rates applied by Group companies in other jurisdictions.

	2021	2020
Tax payable		
Current tax of tax base before contribution	127 294	133 247
Prepaid taxes	-118 724	-85 469
Other including previous years tax payable	52 131	53 945
Total tax payable	60 702	101 722

Deferred tax

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. The following is the analysis of the Group's current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2021	2020
Deferred tax asset	117 866	121 361
Deferred tax liabilities	300 899	283 271
Net deferred benefit/(liability) (€) in the balance sheet	-183 033	-161 910

The following information presents how deferred tax liability and deferred tax asset are before netting in the balance sheet.

Changes in deferred tax/deferred tax asset in the balance sheet:		2021	2020
Balance at 1 January		-161 909	-259 797
Currency translation		12 466	-19 413
Recognised in the period		-33 583	104 837
Changes in tax rate		0	12 191
Other		-7	272
Balance at 31 December		-183 033	-161 910

Specification of the tax effect of temporary differences and losses carried forward:

	2021	2020
Property, plant and equipment	3 202	214 401
Account's receivables	872	0
Other provisions and accruals	17 306	0
Losses carried forward	175 198	137 590
Limitations of tax deductibility of interest expense	32 651	0
Other	1 668	89 575
Total recognised deferred tax assets	230 898	304 476
Unrecognised deferred tax assets	-109 455	0
Net deferred benefit/(liability) (€) in the balance sheet	121 443	304 476
		141 161
		-161 910

The deferred tax benefit is included in the balance sheet on the basis of future income.

The Group has losses carried forward of NOK 109 million in France, Spain and Finland was not recognized at 31 December 2021. A deferred tax asset is recognized for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that a future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

At the reporting date, the Group has unused tax losses of NOK 782.8 million (2020: NOK 625.5 million) available for offset against future profits. A deferred tax asset has been recognised in respect of NOK 66.2 million (2020: NOK 32.9 million) of such losses. No deferred tax asset has been recognised in respect of the remaining NOK 108.9 million (2020: NOK 104.7 million) as it is not considered probable that there will be future taxable profits available. Included in unrecognised tax losses are losses of NOK 28 million that will expire in 2022, NOK 7 million in 2023, NOK 20 million in 2024, NOK 13 million in 2025, NOK 36 million in 2026 and NOK 307 million above 5 years. Other losses may be carried forward indefinitely.

Note 14 / Other gains and losses

Amounts in TNOK	2021	2020
Realised currency derivatives in the year	0	0
Net currency gains and losses	315 654	-367 389
Other gains and losses	315 654	-367 389

Note 15 / Personnel costs

Amounts in TNOK	2021	2020
Wages and salaries	946 727	844 922
Social security contributions	196 743	171 755
Pension costs - defined contribution pension plans	32 510	32 180
Pension costs - defined benefit plans	5 946	5 135
Other benefits	32 552	30 690
Total	1 214 478	1 084 682

Number of FTEs excluding discontinued operations

	2 354	2 050
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Pension costs - defined benefit plans

Current value of the year's pension payments	2021	2020
Current value of the year's pension payments	5 255	4 149
Interest costs from pension commitment	691	966
Net pension costs including employers' contributions	5 946	5 115

Changes to the present value of the defined benefit obligation during the period under review

	2021	2020
Opening defined benefit obligation	224 630	170 784
Current services cost	5 164	4 052
Interest cost	1 638	2 502
Employee contributions	489	482
Net benefit paid out	-999	-806
Actuarial gains/losses - experience	3 656	-1 246
Other	-6 155	6 290
Actuarial gains/losses - assumptions	-6 443	42 572
Closing defined benefit obligation	211 981	224 630

Changes to the fair value of assets during the period under review

	2021	2020
Opening fair value of assets	125 882	102 250
Employer contributions	3 426	2 241
Employee contributions	489	482
Net benefits paid out	-999	-806
Interest Income on Plan Assets	959	1 539
Actuarial gains/(losses) on assets	23 034	20 176
Other	-1 082	0
Closing fair value of assets	151 710	125 882

Financial assumptions:

	2021	2020
Discount rate	1,35%	0,75%
Expected wage regulation	2,25%	1,75%
Expected pension increase	2,00%	1,50%

The actuarial assumptions are based on the commonly used assumptions within insurance with regard to demographic factors.

	2021		2020	
Employee benefit expenses	CEO	Board	CEO	Board
Wages and salaries	2 643	1 100	2 600	1 100
Bonuses	358	0	358	0
Pension benefits	23	0	22	0
Other benefits	0	0	0	0

No loans or securities have been provided to the CEO, Chairman of the Board or other related parties. There are no agreements on severance salaries to the Board or senior executives.

Note 16 / Other operating costs

Amounts in TNOK	2021	2020
Other operating costs	568 099	501 216
Other operating costs		
Auditors fees	4 312	3 755
Total	572 411	504 971

Auditor's fees	2021	2020
Statutory audit	3 304	2 194
Other attestation services	838	128
Technical assistance and tax advice	128	1 401
Remuneration for other services	42	32
Total	4 312	3 755

Note 17 / Financial income and costs

Amounts in TNOK	2021	2020
Interest income	11 878	16 577
Other finance revenues	365	1 469
Interest costs	-195 065	-214 800
Other finance costs	-38 336	-50 643
Net currency gains/losses	315 654	-367 389
Net financial costs	94 496	-614 784
Currency gains	332 760	123 180
Currency losses	-17 106	-490 569
Sum net currency gains/losses	315 654	-367 389
Net currency gain/loss due to operations	213	-6 644
Net currency gain/loss due to finance items (i.e. loans)	315 441	-360 745
Sum net currency finance/operations split	315 654	-367 389
Net currency gain/loss on external balances	307 024	-362 689
Net currency gain/loss on intra-company balances	8 630	-4 700
Sum net currency ext/nc split	315 654	-367 389

Note 18 / Shareholders and shareholder information

The Company's share capital at 31.12.2021 consists of 4,862,354 shares at NOK 0.33 per share. Each share has one vote. There was one shareholder as at 31 December 2021.

Amounts in TNOK	Number	Share
Shareholders		100%
Sector Alarm Midco AS	4,862,354	100%
Dividends recognised as distributions to owners during the period	0	
Dividends per share	0	

Note 19 / Leasing

Amounts in TNOK	2021	2020
Amounts recognized in profit and loss		
Expenses related to contracts with exception for short term leases	883	573
Expenses related to contracts with exception for low value assets	454	10
Variable lease payments based on index or a rate	37 676	38 294
Total	39 012	36 877
Short term lease liabilities	69 392	65 343
Long term lease liabilities	298 313	289 255
Total lease liabilities	367 705	354 598
Potential lease payments not included in lease liabilities.	28 918	35 283
Interest cost	10 406	10 406
Total cash outflow	70 476	59 268
Incremental borrowing rate	3,00%	3,00%
The maturities for the long-term leasing liabilities are as follows:	2021	2020
Between 1 and 2 years	45 047	47 191
Between 2 and 5 years	119 644	119 512
More than 5 years	133 621	122 552
Total	298 313	289 255

Right of use assets	Cars	Office machines	Buildings	Total
Balance at 01 January 2020	43 550	991	256 467	301 008
Translation differences	2 925	39	8 940	11 904
Acquisitions	15 042	1 307	59 473	75 822
Disposals	-9 928	-561	-6 186	-16 675
Depreciation and impairment for the year	-24 323	-275	-42 984	-67 582
Balance at 31 December 2020	27 267	1 502	275 709	304 478

Right of use assets	Cars	Office machines	Buildings	Total
Balance at 01 January 2021	27 267	1 502	275 709	304 478
Translation differences	-1 443	-7 934		-9 413
Acquisitions	32 933	515	62 187	95 635
Disposals	-87	0	-1 642	-1 729
Depreciation and impairment for the year	-22 245	-823	-42 544	-65 612
Reclassification	2 639	-7	-2 632	0
Balance at 31 December 2021	36 424	1 159	285 777	323 360



Note 20 / Related parties

Sector Alarm Holding AS is controlled by Isanor AS (registered in Norway) which owns 62,99% of the company's shares directly or indirectly. The shares in Isanor AS are owned by Jørgen Dahti (CEO).

The Group has been involved in transactions with the following associated parties:

Amounts in TNOK

a) Sales of products and services

There have been no sales of products or services to associated parties in 2020 or 2021. Employees are offered alarm subscriptions at discounted rates.

b) Loans to associated parties

	2021	2020
Sector Alarm Manco AS	164	0
Sector Alarm Midco AS	1 177	0
Sector SPV AS	819	808

No other loans were provided by shareholders or their companies in 2020 or 2021.

c) Interests on loans from associated parties

	2021	2020
Sum	24	39

No other loans were provided by shareholders or their companies in 2020 or 2021.

d) Loans to senior employees

No loans have been given to senior employees or Board members.

Note 21 / Subsidiaries

The Group comprises the parent company, Sector Alarm Holding AS and the following directly and indirectly owned subsidiaries:

Company	Country	Area of business	Ownership share	Share of Annual profit (000)	Equity (000)
Sector Alarm AS	Norway	Monitored alarm services	100%	NOK 233 598	NOK 26 646
Sector Alarm Drift AS	Norway	Monitored alarm services	100%	NOK 3 377	NOK 1 144
Sector Alarm ALS AS	Norway	Monitored alarm services	100%	NOK 913	NOK 229
SA Salg AS	Norway	Monitored alarm services	10%	NOK 3 308	NOK 21 742
Sector Alarm IT AS	Norway	Group services	100%	NOK 4 987	NOK 46 168
Sector Alarm AB	Sweden	Monitored alarm services	100%	SEK 72 573	SEK 1 037 941
SA Bevakning AB	Sweden	Monitored alarm services	100%	-SEK 31	SEK 1 328
SA Forsällning AB	Sweden	Monitored alarm services	100%	-SEK 283	SEK 2 647
Sector Alarm Service AB	Sweden	Monitored alarm services	100%	-SEK 38	SEK 42 723
Sector Alarm Ireland AS	Norway	Monitored alarm services	100%	-NOK 7	NOK 998 144
PhoneWatch Ltd	Ireland	Monitored alarm services	100%	EUR 16 008	EUR 93 831
HomeSecure Ltd	Ireland	Monitored alarm services	100%	-EUR 443	-EUR 1 233
Sector Alarm Europe AB	Sweden	Monitored alarm services	100%	SEK 103 708	SEK 2 466 788
Sector Alarm Spain S.A.U	Spain	Monitored alarm services	100%	-EUR 13 263	EUR 15 065
Sector Alarm SAS	France	Monitored alarm services	100%	-EUR 10 723	EUR 13 736
Sector Alarm Oy	Finland	Monitored alarm services	100%	-EUR 6 999	EUR 19 369
Sector Alarm Spain AS	Norway	Monitored alarm services	100%	-NOK 6	NOK 13 313
General Services Sector Alarm SLU	Spain	Group services	100%	EUR 487	EUR 5 052
Sector Alarm Real Estate SLU	Spain	Property	100%	EUR 105	EUR 4 221
Sector Alarm Holland BV	Netherlands	Group services	100%	EUR 22	EUR 2 109
Sector Alarm Irish SRL	Italy	Monitored alarm services	100%	-EUR 1 988	EUR 1 022

Effective 01.01.2020 Sector Alarm Holding AS merged with fully owned subsidiaries Sector Alarm Group Holding AS, Sector Alarm Group AS and Sector Alarm Sverige AS. At 15.10.2020 The Group founded Sector Alarm Italy SRL. In 2020, The company is fully owned by Sector Alarm Europe AB and was not operational for the financial year 2020. Sector Alarm France SARL, merged with fully owned subsidiary Sector Alarm SAS at 01.01.2021.

See also note 24 regarding acquisition of subsidiary

Note 22 / Financial instruments

The Group has the following financial instruments:

Financial assets/liabilities at amortised cost:

Financial assets: Accounts receivables, other current receivables and cash and cash equivalents.

Financial liabilities: Includes most of the Group's financial liabilities including debt to credit institutions, trade payables and other current and non-current financial liabilities.

Financial assets/liabilities at fair value through profit and loss (FVTPL):

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in fair value

Level 1: Quoted prices (unadjusted) in active markets for identical financial instruments

Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly

Level 3: Inputs for assets or liabilities that are not based on observable inputs.

The Groups subscription rights are valued based on level 2 inputs received from Nokar related to the company's financial performance and shareholder transactions.

Equity Securities are valued based on level 1 inputs at year-end.

Derivative instruments – Interest swap



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The table below shows the various financial assets and liabilities, grouped in the different categories of financial instruments according to IFRS 9.

Amounts in TNOK 31.12.2021	Amortised cost	Fair value through profit or loss (FV/PL)	Fair value through income (FVOCI)	Total
Financial assets				
Trade receivables	187 059	0	0	187 059
Other receivables	125 609	0	0	125 609
Cash and cash equivalents	307 686	0	0	307 686
Derivative financial instruments	0	56	0	56
Total financial assets	620 354	56	0	620 410
Financial liabilities (short and long term)				
Loans external	5 827 442	0	0	5 827 442
Leasing liability	367 705	0	0	367 705
Account's payable	126 044	0	0	126 044
Other liabilities	622 512	0	0	622 512
Total financial liabilities	6 943 703	0	0	6 943 703

31.12.2020	Amortised cost	Fair value through profit or loss (FV/PL)	Fair value through other comprehensive income (FVOCI)	Total
Financial assets				
Accounts receivable	178 518	0	0	178 518
Other receivables	112 177	0	0	112 177
Cash and cash equivalents	610 256	0	0	610 256
Derivative financial instruments	0	59	0	59
Total financial assets	900 951	59	0	901 010
Financial liabilities (current and non current)				
Loans external	6 110 796	0	0	6 110 796
Leasing liability	354 598	0	0	354 598
Account's payable	111 401	0	0	111 401
Other liabilities	661 975	0	0	661 975
Total financial liabilities	7 238 769	0	0	7 238 769

Note 23 / Contingent assets and liabilities

Sector Alarm Spain S.A.U is involved in a dispute regarding the settlement for purchase of customers from two Spanish companies. The parties do agree on the amount to be settled, but the dispute is for when the settlement is to take place. Sector Alarm Spain S.A.U has filed a law suit to get a settlement for the total receivable of MEUR 5,6 (incl VAT). The probability of winning our case is considered by our advisors to be good.

Note 24 / Acquisition of subsidiary

HomeSecure
On March 17, 2021, the Group purchased 100% of the shares in HomeSecure Limited, an alarm company incorporated in Ireland. The acquired business's result has been consolidated into the Group's profit from 1 April, and the balance sheet has been consolidated into the Group's balance sheet as of 31 March 2021. HomeSecure Limited has in 2021 contributed to the Group's revenues of NOK 54 million and NOK -4,5 million to the Group's result before tax.

Goodwill originating from the business combination is primarily related to anticipated synergies from ongoing operations, and the benefit of integrating the entire business into the Group. Goodwill has arisen as part of the business acquisition is not tax deductible.
The fair value of trade receivables in HomeSecure at the acquisition date is NOK 103 thousand.
The table below shows the fair value of acquired assets and liabilities on the acquisition of HomeSecure (figures in NOK thousand at acquisition exchange rate).

	HomeSecure
Intangible assets	62 132
Tangible fixed assets	494
Customer contracts	258 264
Goodwill	19 037
Stock	5 029
Sum non current assets	344 956
Account's receivable	103
Other receivables	3 159
Bank and cash	8 633
Sum current assets	11 895
Sum assets	356 852
Other equity	268 561
Sum equity	268 561
Deferred tax	36 776
Other non current liabilities	12 807
Sum non current liabilities	49 583
Account's payable	7 532
Account's payable - inter-company	13 351
Current liabilities- inter-company	0
Authorities etc	6 937
Pre-paid from customers	0
Other current liabilities	10 888
Sum current liabilities	38 708
Sum liabilities	88 291
Sum equity & liabilities	356 852
Consideration transferred	268 561
Fair value of net identifiable assets	249 523
Goodwill	19 037

Note 25 / Governmental grant

The Group has during the financial year received governmental grant (Skattefråm) of TNOK 4 750 related to research and development project in Sector Alarm IT. The grant is accounted for in accordance with IAS 20 so that the grant is recognized in profit and loss over the period in which expenses that the grant is intended to compensate are recognized. Share of the grant related to capitalized external consultancy fees on the project of TNOK 3 482 are recognized in profit and loss over the lifetime of the project while the share of the grant related to internal hours incurred (TNOK 1 268) are recognized in profit and loss as credit to payroll costs.
The grant is contingent by final approval by The Norwegian Directorate of Tax.

Note 26 / Events after the reporting date

There are no known events after the balance sheet date that would have significant effect of the financial statement for 2021.



Income statement

Amounts in THOK	Note	2021	2020
Revenues	15, 16	111 074	128 062
Personnel costs	8	55 937	55 630
Depreciations and write-downs	12	14 634	13 055
Other costs	9	59 636	91 797
EBIT		-49 134	-72 621
Income from investments in subsidiaries	14	388 405	1 410 499
Finance revenues	17	328 783	100 901
Finance revenues from group companies	17	60 425	74 722
Finance costs	7, 17	-211 467	-703 688
Finance costs from group companies	17	-9 085	-84 326
Net finance costs		557 041	798 108
Profit before tax		537 927	765 487
Tax expense	4	-114 107	50 149
Profit for the period		423 820	815 637
Allocations			
Allocated to other equity	12	423 820	815 637
Total allocated		423 820	815 637

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Sector Alarm Holding AS (NGAAP)



Balance sheet

Amounts in TNOK	Note	2021	2020
ASSETS			
Non-current assets			
Equipment, movables and inventory	1	10 488	15 373
Brand and software	2	15 301	19 603
Deferred tax asset	4	49 926	104 799
Investments in group companies	14	7 761 178	9 602 787
Long-term receivables from group companies	3	2 284 930	231 121
Total non-current assets		10 121 824	9 969 683
Current assets			
Stock		1 065	0
Accounts receivable, group companies	3	53 311	66 799
Other short-term receivables		132	132
Other short-term receivables from group companies	3	805 339	544 242
Prepayments		1 573	1 900
Cash and cash equivalents	5	72 937	2 684
Total current assets		934 357	615 778
TOTAL ASSETS		11 056 181	10 585 461

Amounts in TNOK	Note	2021	2020
EQUITY			
Contributed equity			
Shareholders equity	12, 13	1 605	1 605
Share premium	12	589 839	589 839
Total contributed equity		591 444	591 444
Earned equity			
Other equity	12	3 476 473	3 052 653
Total earned equity		3 476 473	3 052 653
TOTAL EQUITY		4 067 917	3 644 097
LIABILITIES			
Long term liabilities			
Other long-term liabilities	7	7 997	5 473
Liabilities to financial institutions	7	5 827 442	6 096 629
Total non-current liabilities		5 835 440	6 102 102
Current liabilities			
Accounts payable		12 485	1 622
Accounts payable, group companies	3	16 182	7 082
Tax payable	4	56 878	54 312
Accrued costs	6	38 664	49 138
Other short-term liabilities to group companies	3	1 028 615	726 648
Total current liabilities		1 152 825	839 202
TOTAL LIABILITIES		6 988 265	6 941 304
TOTAL EQUITY AND LIABILITIES		11 056 181	10 585 461

Oslo, 27 April 2022

Viggo Skarvold

Nils Viggo Skarvold
Board member

Bjornar Heiaas Bukholm

Bjornar Heiaas Bukholm
Chairman of the board

Jørgen Dahl
CEO

Cash flow statement

Amounts in TNOK	2021	2020
Cash flow from operating activities		
Profit/Loss before tax	537 927	765 487
Taxes paid	-55 076	0
Net financial items	-168 953	-798 334
Depreciations	14 634	13 055
Change in receivables on Group companies	-247 849	-269 883
Change in accounts payables	10 663	-635
Change in liabilities to Group companies	-260 536	519 033
Change in other accrual items	37 379	19 826
Net cash flows from operating activities	-131 680	248 560
Cash flow from investing activities		
Acquisition of equipment and stock	-10 512	-14 673
Payment of capital increase in subsidiaries	-212 200	-304 723
Cash from merger	0	-190 577
Payment of group contribution	0	200 000
Net cash from investing activities	-222 712	-309 974
Cash flow from financing activities		
Interest paid	-185 583	-186 792
Interest received	11 959	6 234
Currency effect on cash in foreign currency	26 796	-8 216
Change group cash pool	571 403	250 859
Net cash flows from financing activities	424 575	62 086
Net change in cash and cash equivalents	70 253	662
Cash and cash equivalents at the start of the period	2 684	2 022
Cash and cash equivalents at end of period	71 937	2 684
Cash and cash equivalents	72 937	2 684
Overdraft facility	0	0

Notes

Amounts in TNOK

Accounting principles

The financial statement is prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway.

Revenue recognition

Revenues from sale of services is recognised when delivered. All revenues are related to sale of services to subsidiaries.

Balance sheet items

Current assets and current liabilities comprise items related to purchase and sale of goods. For items other than accounts receivable, items that fall due within one year of the transaction date are included. Fixed assets are assets intended for permanent ownership and use. Long-term debt is debt that matures later than one year after the transaction date.

Current assets are valued at the lower of cost and fair value. Short-term debt is capitalized at the nominal amount at the time of establishment.

Fixed assets are valued at cost. Fixed assets are depreciated according to a reasonable depreciation plan. Fixed assets are written down to fair value in the event of impairment that is not expected to be temporary. Long-term debt with the exception of other provisions is capitalized at nominal amount at the time of establishment.

Receivable

Accounts receivables and other receivables are recognised at denominated value.

Intangible assets

Intangible assets (brand names and licenses / software) are capitalized at cost and amortized on a straight-line basis over their expected useful lives.

Fixed assets

Tangible fixed assets are capitalized and depreciated over the useful life of the fixed assets if they have assumed a useful life of more than 3 years and have a cost price exceeding NOK 15 000. Maintenance of fixed assets is expensed as operating costs on an ongoing basis, while costs or improvements are added to the acquisition cost of the fixed asset and depreciated in line with the fixed asset.

Pension

The employees of the company have a defined contribution pension schemes that meet the requirements for compulsory occupational pension (OTP) according to Norwegian law.

Currency items

Foreign currency items are valued at the exchange rate at the end of the financial year.

Financial market risk

The company has only intra-group customers and has historically not had any losses on claims. Investments in subsidiaries are monitored on an ongoing basis, and corrective measures are implemented if operations deviate from the plan. As of 31st 2021, the company has cash and unused credit facilities that are sufficient in relation to expected payments and expected organic growth.

Cash flow

The cash flow statement has been prepared using the indirect method. Bank accounts that is part of the Groups cash pool scheme are classified as receivables and liabilities to Group companies.

Income tax

The tax expense in the income statement includes both the tax payable for the period and the change in deferred tax. Deferred tax is calculated at 22 % on the basis of the temporary differences that exist between accounting and tax values, as well as tax loss carryforwards at the end of the financial year. Tax-increasing and tax-reducing temporary differences that reverse or can reverse in the same period are offset and the tax effect is calculated on the net basis.



Subsidiaries
Subsidiaries are assessed according to the cost method in the financial statement. The investment is valued at the acquisition cost of the shares unless an impairment has occurred. Group contributions to subsidiaries, less tax deductions, are recognized as an increased cost price for the shares. Dividends / group contributions are recognized in the same year as they are allocated in the subsidiary. When dividends / group contributions significantly exceed the share of retained earnings after the acquisition, the excess part is considered repayment of invested capital and the value of the investment is deducted from the balance sheet.

Note 1 / Fixed assets

Amounts in TNOK	Computer equipment	Fixtures	Total
Expected lifetime	3 years	5 years	
Acquisition cost 01.01	9 815	15 077	24 892
Additions	712	21	733
Disposals		0	0
Acquisition cost 31.12	10 527	15 098	25 625
Accumulated depreciations 01.01	-2 362	-7 156	-9 518
Depreciation and impairment for the year	-3 245	-2 373	-5 618
Depreciations on disposals	0	0	0
Accumulated depreciations 31.12	-5 607	-9 529	-15 136
Net book value 01.01	7 452	7 921	15 373
Net book value 31.12	4 920	5 569	10 489
The year's depreciation	-3 245	-2 373	-5 618
Impairment for the year	0	0	0
Leasing			
This year's rental / leasing costs machines	42		42
This year's rental costs for premises	741		741

Note 2 / Intangible assets

Amounts in TNOK	Software	Total
Expected lifetime	5 years	
Acquisition cost 01.01	42 436	42 436
Additions	8 714	8 714
Disposals	0	0
Acquisition cost 31.12	51 150	51 150
Accumulated depreciations 01.01	-26 832	-26 832
Depreciation and impairment for the year	-9 016	-9 016
Depreciations on disposals	0	0
Accumulated depreciations 31.12	-35 848	-35 848
Net book value 01.01	15 603	15 603
Net book value 31.12	15 301	15 301
Depreciations for the year	-9 016	-9 016
Impairment for the year	0	0

Note 3 / Intercompany balances

Amounts in TNOK	Liabilities		Receivables	
	2021	2020	2021	2020
Short-term items				
Liabilities and receivables on group companies	950 197	733 930	469 660	202 056
Group Contribution made/received	94 600	0	388 990	408 146
Total	1 044 797	733 930	858 650	610 202
Long-term items				
Liabilities and receivables on group companies	0	0	2 284 930	231 121
Total	0	0	2 284 930	231 121

Liabilities and Receivables on group companies include draw of the group cashpool amounting to TNOK -777 972 for 31.12.2021.



Note 4 / Income tax expense and deferred tax

Amounts in TNOK	2021	2020	
Calculation of the tax base for the year	537 927	765 487	
Result before tax	-404 366	-1 407 405	
Permanent differences	-283 269	355 961	
Changes in temporary differences	388 405	408 146	
Group contribution received	-11 808	0	
Provided intra-group contribution	31 647	117 841	
Interest limitation on tax deduction			
This year's tax base	238 537	240 050	
Basis for tax payable	238 537	240 050	
This year's tax expense divides into:			
Taxes payable on this year's tax base	56 878	52 807	
Change in temporary differences	62 319	-78 311	
Too much/ little allocated previous years	-726	1 280	
Taxes on group contribution not in P&L	2 598	0	
Deferred taxes on cur interest deduction	-6 962	-25 925	
Total tax charge	114 107	-50 149	
Payable tax in the balance:			
Payable tax on this year's result	-25 973	-35 480	
Payable tax on received Group contribution	85 449	89 792	
Payable tax on provided Group contribution	-2 598	0	
Total payable tax in the balance	56 878	54 312	
Temporary differences	2021	2020	Change
Tangible assets	-1 835	-1 109	726
Gains and losses account	362	453	91
Long term liabilities	-73 750	-357 835	-284 085
Net temporary differences	-75 222	-358 491	-283 269
Cur interest deduction	-151 716	-120 069	31 647
Basis for net deferred benefit/liability	-226 938	-478 560	-251 622
22% deferred tax	-49 926	-105 283	-55 357
Deferred tax benefit/liability not recognized in balance sheet		-1 047	
Net deferred benefit/liability in the balance sheet	-49 926	-104 236	-56 310

Explanation as to why the tax charge for the year does not amount to 22 % of the result before tax:

	2021	2020
Result before tax	537 927	765 487
Estimated income tax according to nominal tax rate (22%)	118 344	168 407
Other non-deductible expenses	-88 961	-309 629
Tax on received (recognized) group contribution	85 449	89 792
Correction tax payable previous years	-726	1 280
Calculated tax charge	114 107	-50 149

Note 5 / Cash and cash equivalents

Amounts in TNOK	2021	2020
Cash and bank deposits	72 937	2 684
Of which restricted funds (Tax withholding account)	2 498	2 684

Note 6 / Other current liabilities

Amounts in TNOK	2021	2020
Public taxes	3 341	3 632
Other provisions	35 323	45 706
Total	38 664	49 338

Note 7 / Loan

Amounts in TNOK	2021	2020
Long-term loan		
Term Loan B	5 893 392	6 177 477
Amendment fee	-65 950	-80 848
Total long-term loan	5 827 442	6 096 629
Short-term loan		
Term Loan B	0	0
Total long-term loan	0	0
Bank overdraft facility	0	0
Total loans including overdraft facility	5 827 442	6 096 629



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In June 2019, Sector Alarm refinanced existing debt by successfully issuing a EUR 590 million 7-year senior secured Term Loan B and a EUR 100 million 6-year senior secured credit facility (omitted). The Term Loan B was issued at EIRIBOR +350 bps with a 0% floor at par. In February 2020, Sector Alarm successfully concluded a repricing of the EUR 590 million Term Loan B with the margin being reduced from 350 bps to 300 bps and was issued at par with a 0% floor.

The new loan agreement has a dividend limitation of 22.5 MEUR pr year and also a gearing covenant of 92x Enterprise value/EBITDA if the Revolving Credit Facility is drawn 40% or more.

There are no fixed annual instalments for the EUR 590 million Term Loan B. However, Sector Alarm is required to prepay 50% of Excess Cash Flow (as defined in the Term Loan B Facility Agreement) if Net Debt cover (as defined in the Term Loan B Facility Agreement) greater than 5.001 and 25% of Excess cash flow if Net Debt Cover is greater than 4.501 but less than or equal to 5.001 within 20 Business Days of delivery of Annual Financial Statements. The conditions regarding Excess Cash Flow and Net Debt Cover is applicable from the Annual Financial Statements for the financial year commencing on 1 January 2020.

Amounts in TNOK	2021	2020
The maturity of long-term loans is as follows:		
3-5 years	5 827 442	6 096 629
Total long-term loan	5 827 442	6 096 629

Amounts in TNOK	2021	2020
Other long-term debt	7 997	5 473
Total other long-term liabilities	7 997	5 473

Note 8 / Personell costs

Amounts in TNOK	2021	2020
Salary costs	50 258	47 656
Employment tax	7 055	6 557
Pension costs	729	606
Other benefits	2 105	1 010
Total	55 937	55 830

Number of fulltime employees	34	35
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	CEO		Board of directors	
Employee benefit expenses	2021	2020	2021	2020
Salaries	2 643	2 600	1 100	1 100
Bonuses	358	358	0	0
Pension	23	22	0	0
Other benefits	0	0	0	0

No loans or securities have been provided to the CEO, Chairman of the Board or other related parties. There are no agreements on severance salaries to the Board or senior executives.

Note 9 / Auditors fees

Amounts in TNOK	2021	2020
Expensed fees to auditors (excl VAT)	898	409
Statutory audit	838	1 029
Other attestation services	0	0
Technical assistance and tax advice	0	0
Remuneration for other services	0	0
Total	1 645	1 438

Note 10 / Pledges

Amounts in TNOK	2021	2020
Bank overdraft facility	0	0
Term loan B	5 827 442	6 096 629

Shares in companies mentioned below, including intercompany loans and bank accounts in the companies have been pledged to secure borrowings of the Group at 31.12.2021

Sector Alarm Ireland AS
 PhotoVard/Ltd
 Sector Alarm AB
 Sector Alarm AS

In addition a payment guarantee of TNOK 24 681 has been provided to Group hardware supplier.

Note 11 / Commitments

Amounts in TNOK	2021	2020
Operational lease	4 725	5 340
Maturity within 1 year	20 366	20 650
Maturity within 1 and 5 years	26 529	34 798
Maturity beyond 5 years	51 620	60 988

Note 12 / Equity

Amounts in TNOK	Share capital	Own shares	Share premium	Retained earnings	Total
Pr. 01.01.2021	1 605	0	589 839	3 052 653	3 644 097
Result of the year				423 820	423 820
Equity as of 31.12.2021	1 605	0	589 839	3 476 473	4 067 917

See note 14 for further information.



Note 13 / Share capital and shareholder information

The company's share capital as of 31.12.2021 consists of 4,863,354 shares of NOK 0.13 each. Each share has one vote. The company is controlled by Isator AS (registered in Norway), which controls 62.99% of the company's shares. The shares in Isator AS are owned by Jørgen Dahl (CEO).

Shareholder overview as at 31.12.2021:	Number	Share
Sector Alarm Midco AS	4 863 354	100.00%
Total	4 863 354	100.00%

Own shares
The sale and purchase of own shares in Sector Alarm Holding AS takes place at market prices. Sector Alarm Holding AS does not own any own shares per 31.12.2021.

Note 14 / Subsidiaries

Subsidiary	Business office	Share	Percentage of votes	Profit after tax 2021	Equity 2021	Net book value NOK
Sector Alarm IT AS	Oslo, Norway	100%	100%	NOK 5 021	NOK 47 379	44 671
Sector Alarm AS	Oslo, Norway	100%	100%	NOK 221 924	NOK 27 531	3 168 218
Sector Alarm Spain AS	Oslo, Norway	100%	100%	NOK - 6	NOK 13 314	43 517
Sector Alarm Holland BV	Rotterdam, Netherlands	100%	100%	EUR 22	EUR 2 109	40 660
Sector Alarm Ireland AS	Oslo, Norway	100%	100%	NOK - 7	NOK 998 114	1 425 071
Sector Alarm Oy	Helsinki, Finland	100%	100%	EUR - 6 699	EUR 19 369	487 299
Sector Alarm Europe AB	Oslo, Norway	100%	100%	SEK 103 708	SEK 2 486 788	2 551 743
Total						7 761 378

Investments in subsidiaries are recognised according to the cost method in the company's financial statements. For changes in ownership in subsidiaries please see note 18.

Note 15 / Related party transactions

Amounts in TNOK
The company has had the following transactions with Group companies:

	2021	2020
Sale of HR-services	19 521	24 794
Sale of management services	91 553	103 268
Interest income	60 425	74 722
Interest costs	- 9 085	- 64 326

b) Remuneration to senior executives

See note 8.

○ Loans to related parties

	2021	2020
Sector Alarm Manco AS	1 64	0
Sector Alarm Midco AS	1 177	0
Sector SPV AS	891	808

No loans have been granted to senior executives or board members. There have been no sales of products or services to associated parties in 2020 or 2021. Employees are offered alarm subscriptions at discounted rates.

Note 16 / Revenues

Amounts in TNOK
Income specified by business area

	2021	2020
HR services	19 521	24 794
Management fee	91 553	103 268
Total	111 074	128 062

Geographical breakdown of income

	2021	2020
Norway	23 751	36 662
Sweden	39 510	44 072
Ireland	22 976	23 290
France	6 944	5 116
Spain	8 109	9 092
Finland	9 676	9 630
Italy	108	0
Total	111 074	128 062



Note 17 / Financial income and financial expenses

	2021	2020
Amounts in TNOK		
Interest income	11 959	6 234
Other financial income	0	0
Interest expense	-182 903	-399 504
Other financial costs	-28 564	-40 512
Foreign exchange gain	316 469	94 666
Foreign exchange loss	0	-463 671
Financial income from group companies	60 425	74 722
Financial expenses from group companies	-9 085	-84 326
Income from investment in subsidiaries	388 761	1 410 499
Net finance costs	557 061	790 108

Note 18 / Merger, acquisitions and divestments

Effective 01/01/2020 Sector Alarm Holding AS merged with fully owned subsidiaries Sector Alarm Group Holding AS, Sector Alarm Group AS and Sector Alarm Sverige AS. The transaction has been booked using continuity method as all were controlled and owned by Sector Alarm Holding. Tax positions in the merged companies are transferred in their entirety to Sector Alarm Holding AS. 100% of the shares in Sector Alarm AB were sold to Sector Alarm Europe AB subsequent of the merger. The transaction resulted in recognition of a MNOK 1 002 gain in Sector Alarm Holding AS and was financed with a loan from Sector Alarm Holding AS to Sector Alarm Europe AB.

	2021
Amounts in TNOK	
Sales price shares in Sector Alarm AB	3 920 986
Book value of shares in Sector Alarm AB	2 918 633
Gain on sale of shares	1 002 353

Note 19 / Events following the balance sheet date

There are no known events after the balance sheet date that would have significant effect of the financial effect for 2021

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- Audit Opinion



Investor Relations contacts

Bjørnar Heiaas Bukholm
Group CFO

bjornar.bukholm@sectoralarm.com
+47 98 07 27 78

[Sectoralarm.com](https://www.sectoralarm.com)