Bolagsverket

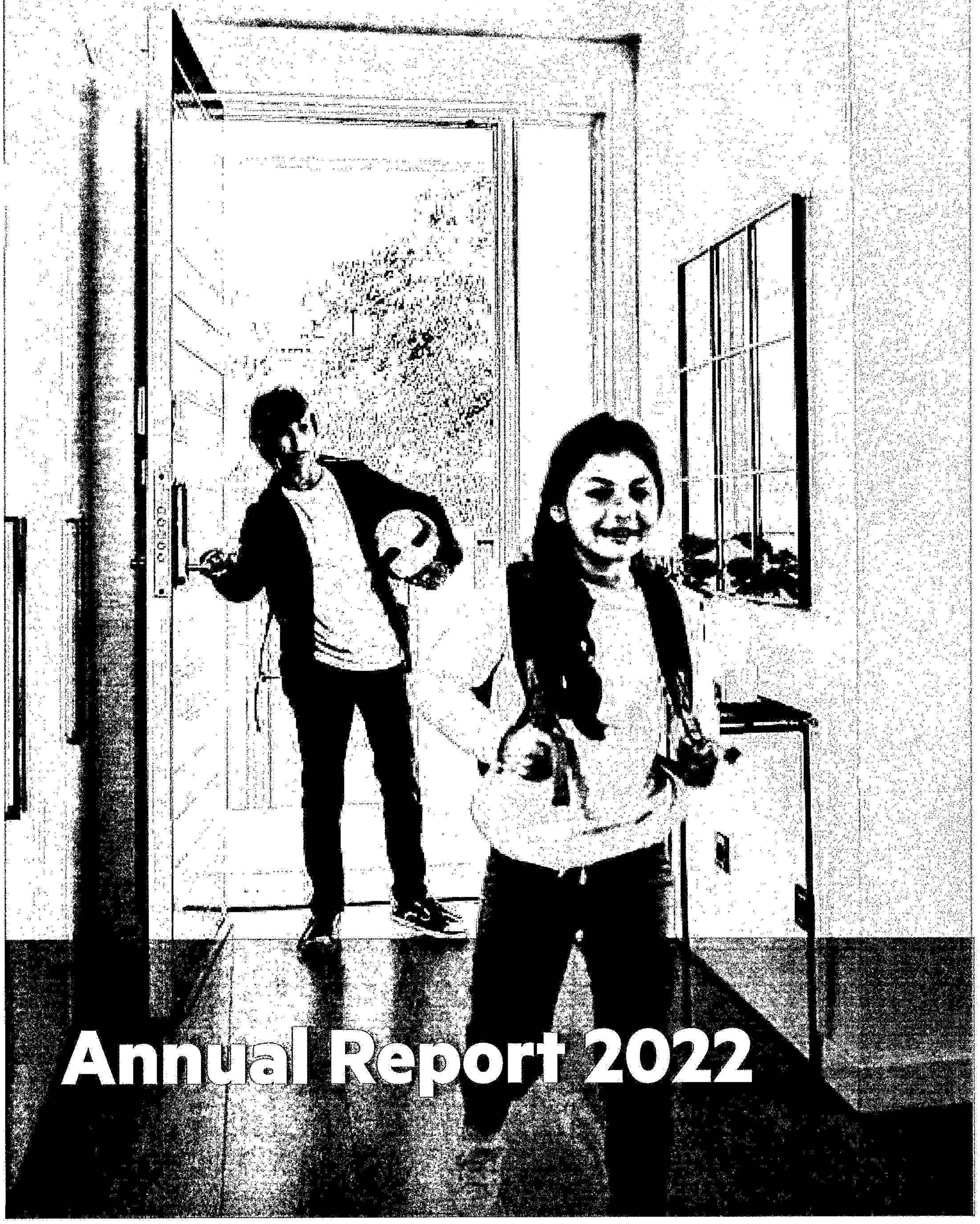
851 81 Sundsvall
0771-670 670
bolagsverket.se

"p0160_arsred_forelaggande"

20230811102324

SECTOR ALARM

Home of Safety



Annual Report 2022

2023081102325

Content

04
Sector Alarm in brief

06
History

08
Purpose and strategy

10
Message from the Founder

12
Group Stucture

14
Our employees

16
Board of Directors

18
Group Management

20
Message from the Board of Directors

26
Sector Alarm ESG Strategy and Report

Annual Accounts // 2022

Sector Alarm Holding AS Consolidated (IFRS)

46
Directors Report

50
Income statement

50
Statement of comprehensive income

51
Balance sheet

52
Cash Flow statement

53
Statement of changes in equity

54
Notes

Sector Alarm Holding AS (NGAAP)

83
Income statement

84
Balance sheet

86
Cash Flow Statement

87
Notes

Audit opinion

98
Audit opinion

Appendix

101
Alternative performance measures

20230811102326

Sector Alarm in brief

Sector Alarm is a leading provider of professionally monitored alarms for residential households and small businesses in Europe. Sector Alarm supply state of the art solutions when it comes to security and provide high quality and user-friendly products. Sector Alarm is constantly developing the alarm products, services and Alarm Receiving Centres to give the customers the best and fastest service imaginable.

635,000

More than 635,000 customer across Europe

95%

Over 95% customer satisfaction

3,000

More than 3,000 employees across Europe

25

Over 25 years' experience

6.9%

Market leading attrition

8

Countries

1.7

Billion NOK EBITDA Portfolio

#2

Sector Alarm - 2nd largest in security and safety in Europe

3.0

Billion NOK Revenue

20230811102327

History so far

1995 — Founded in Norway by Jørgen Dahl

2000 — Entered Sweden

2009 — 100,000 customers reached

2011 — Awarded the best customer service in Norway and acquired 50,000 customers from NOKAS in Norway

2013 — Entered Ireland through acquisition of PhoneWatch

2013 — 300,000 customers reached

2016 — Entered Finland through the acquisition of Turvatiimi and G4S small systems

2017 — Entered Spain through the acquisition of Alarma Universal, LIP and Alartec

2018 — Entered France through the acquisition of Afone Sécurité

2018 — Reached 500,000 customers

2019 — Sale of 30% minority stake to KKR

2021 — Entered Italy

Reached 600,000 customers

2022 — Entered Portugal through the acquisition of Seguranca 24

2022 — Launched new proprietory technology and hardware platform

20230811102328

Purpose and strategy

"Home of Safety"

The purpose of Sector Alarm is to provide safety for our customers and as the old saying goes, there is no place like home. It reflects the true feeling of being safe in a place surrounded by the people we care about. Our homes and our workplaces are where our lives happen, where our relationships grow and where we keep what we cherish the most. Sector Alarm will always be there for our customers, keeping their homes, businesses and loved ones safe. In that sense, Sector Alarm is truly a Home of Safety.

Sector Alarm is the second largest provider of professionally monitored alarms for residential households and small businesses in Europe and is well positioned to take advantage of the attractive market dynamics and growth opportunities in this space.

Sector Alarm has a clear strategy that aims to develop the portfolio and improve financial performance through growth in existing markets and expansion into new markets.

The strategy consists of three main targets and objectives:

1) Maximize the value of the Northern European operations
2) Accelerate growth and scale in Southern Europe
3) Expand into new European markets

The penetration for monitored alarms in Europe is about 5% and there are significant growth potential across all European countries.

The foundation for Sector Alarm's success is built around employing the right people, "Highways" and nurturing a unique Sales DNA and culture. We only work with people that share our values, live by them and make both our colleagues and customers feel empowered to succeed. As a consequence, our culture reinforces our capability to reach our business goals. We do invest a lot in our people, as we never fail to recognize how much our people invest in us. When it comes to staff motivation, loyalty and satisfaction, Sector Alarm is above the industry benchmark in Europe.

Sector Alarm has perfected well defined processes to best serve our customers and we measure and benchmark the quality of all activities continuously. For Sector Alarm this means that we stick to best practices – all the time. Combined with our relentless focus on improvement, this ensures efficiency and outstanding customer satisfaction.

The Sector Alarm Culture is unique. As we hire for attitude and train for skill, talents grow into new positions, internal career paths are developed and our culture benefits from dedicated ambassadors in all corners of the company. Sector Alarm has over time created an industrialized salesforce framework with a strong and unique culture that is very hard to replicate. Decades of learning ensure that the best talent is recruited and trained continuously so that we are always serving our customers at the highest levels.

Mission

We are the safety experts, delivering solutions to homeowners and small businesses across Europe. We empower people to stay safe through our excellent customer service.

Core Values

Customer-focused
Goal-focused
Willing to improve
Reliable.

Vision

Safe customers with happy smiles – every time.

The Right People

We have the right attitude and we are focused on achieving our goals.

The Highway

Staying on the highway means that we stick to best practices – all the time.

The Sales 'DNA'

A unique sales culture where each part of our sales organization follows a specific framework to ensure top performance

20230811102329

Message from the Founder

In Sector Alarm we believe that everyone should have the right to feel safe at home and at work. We are constantly improving our products and services to give our customers the best and fastest service imaginable. Guided by our vision, *"Safe customers, with happy smiles - every time"*, and living by our values we currently deliver peace of mind to more than 635,000 customers across Europe.

2022 was another extraordinary and challenging year for everyone, including us at Sector Alarm. Covid-19 was in February 2022 followed by the War in Ukraine and shortly thereafter also the cost-of-living crisis with high inflation and raising interest cost. Sector Alarm has been able to navigate the challenging macro environment faced in 2022.

Customer acquisition activities were at record high levels in 2022 despite the macro economic challenges including the tight labor market and cost of living crisis impacting sales volumes. The performance for Northern Europe was below the targets we set at the beginning of the year, while the activity level in Southern Europe continued to increase throughout the year, particularly in France and Italy. In total, Sector Alarm added ~80,000 new customers organically during 2022, an increase of more than 15% compared to 2021.

Sector Alarm continued to provide excellent service to its customer portfolio throughout the year, demonstrated by customer satisfaction ratings above industry average. The cost-of-living crisis in Europe drove an increased number of terminations in 2022, contributing to an attrition rate of 6.9%, up from 6.1%. Overall, Sector Alarm achieved a net customer growth of ~30,000 with a year-end customer base of over 635,000 customers. Most of this growth was driven by Southern Europe; however, organic customer growth for Northern Europe was also positive in 2022.

The expansion and growth in Southern Europe continued in 2022 with a number of branch openings in France, Spain, and Italy. In an effort to boost brand awareness in both France and Spain, we launched national TV campaigns to drive growth longer term. Furthermore, Sector Alarm entered the Portuguese market through the acquisition of Seguranca 24 in early 2022.

As part of the performance improvement program launched in late 2019, in January 2022, Sector Alarm launched a new technology and hardware platform (SAS) in Norway and by the end of 2022 we had successfully launched the platform across all 8 markets. New features of this platform include a state-of-the-art gateway (4G), portable two-way voice module, opportunities for smart home integration over time (Zigbee 3.0), and a new easy-to-use App.

Sustainability continues to be high on the agenda at Sector Alarm and in 2022 we joined the UN Global Compact Program to cement our dedication and commitment to sustainable development. Furthermore, we increased the share of electrical/hybrid vehicles to 46%, up from 24% and further enhanced our highways for refurbishment of hardware.

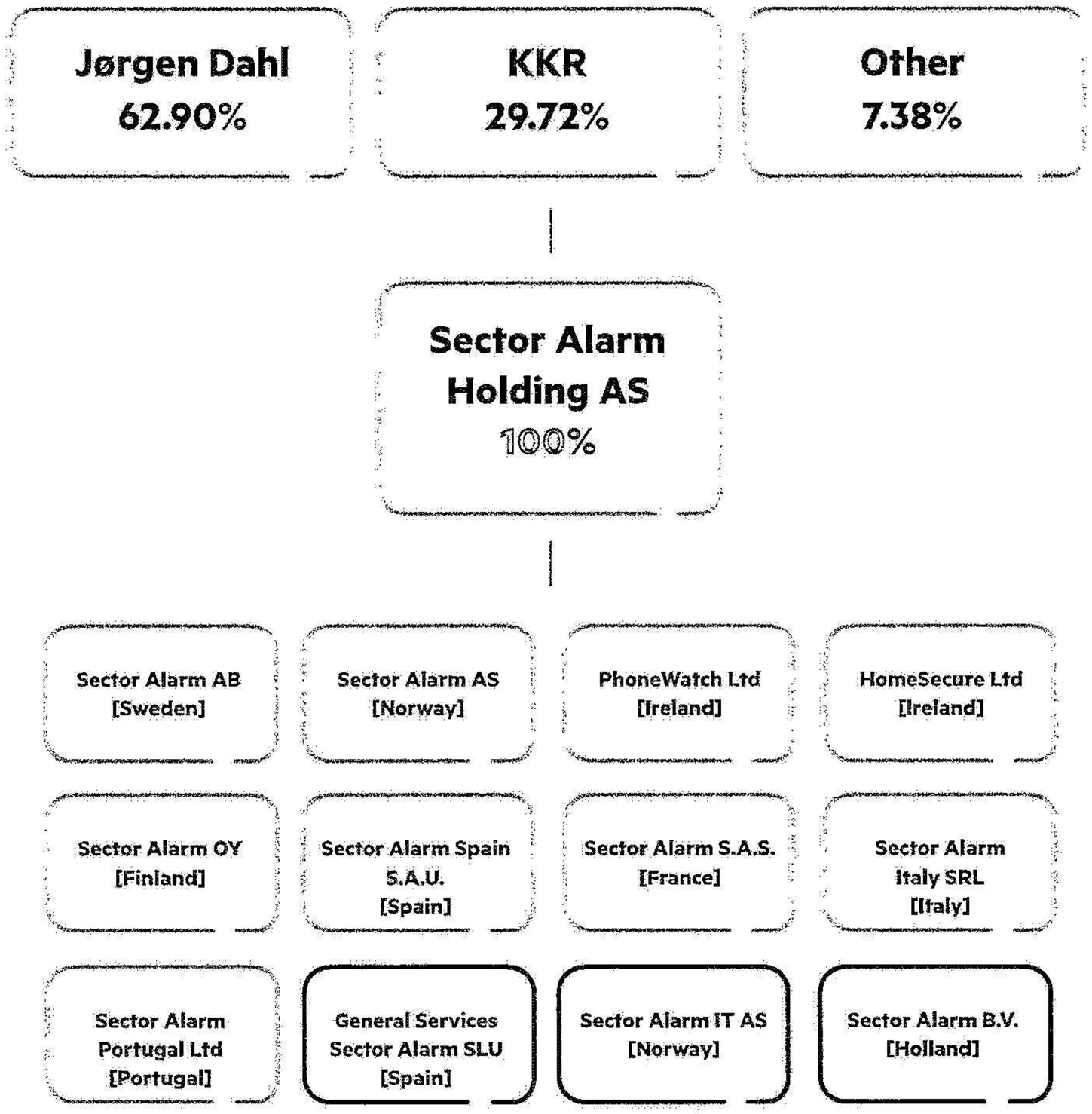
The financial performance for 2022 was solid although CPA and cash flows were under pressure due to significant investments in growth. Therefore, in February 2023 Sector Alarm decided to launch the "Growth & Improvement Program" with the intention to reduce costs and ensure more cost efficient and balanced growth going forward. In addition to re-prioritizing cost efficiency, the majority shareholders committed to a NOK 500 million capital injection in the form of equity by the end of Q2 2023 to support future growth and success for Sector Alarm.

What we achieved in 2022 would not have been possible without our dedicated and talented employees. I strongly believe that the uniqueness of our culture with "Right People" following "Highways" proved crucial in successfully navigating this environment for Sector Alarm.

All in all, I remain excited about the future and expect 2023 to be another solid year for Sector Alarm and our customers!

2023081102330

Group Structure



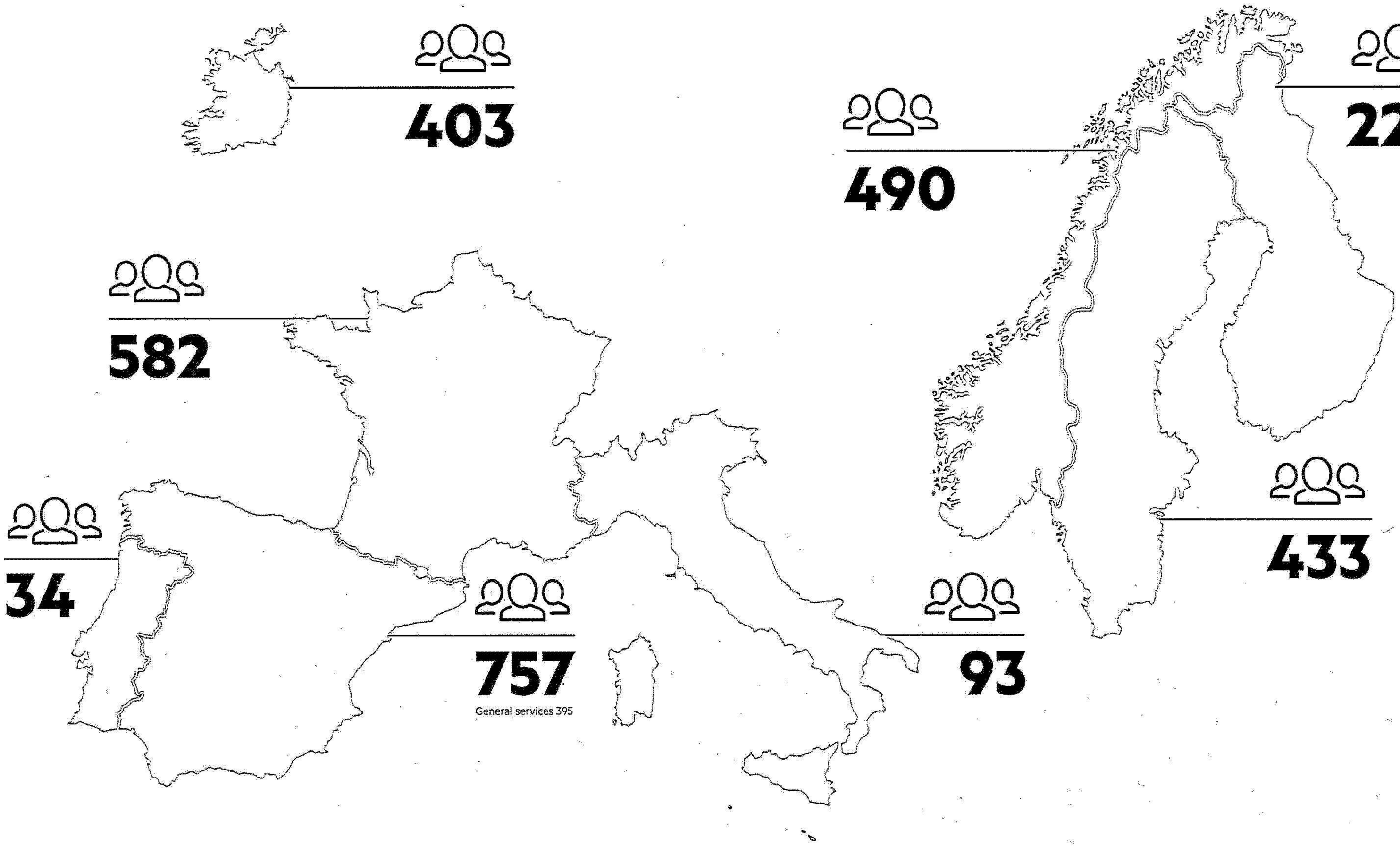
○ Operational companies

○ Support function (Group internal services)

Note: Sector Alarm Holding AS is fully owned by Sector Alarm Midco AS, which is owned by Sector Alarm TopCo AS and Sector Alarm Manco AS (special purpose vehicle for a Management Investment Program)

2023081102331

Our employees



403

582

34

757

General services 395

93

490

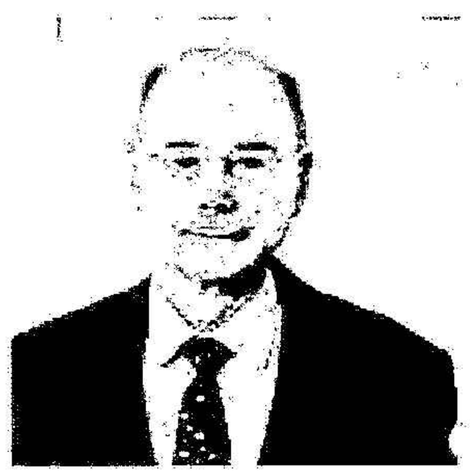
225

433

2023081102332

Board of Directors

Sector Alarm Topco AS



Nicolas Brun Lie
Chairman of the Board

Jenny Hermanson
Board member

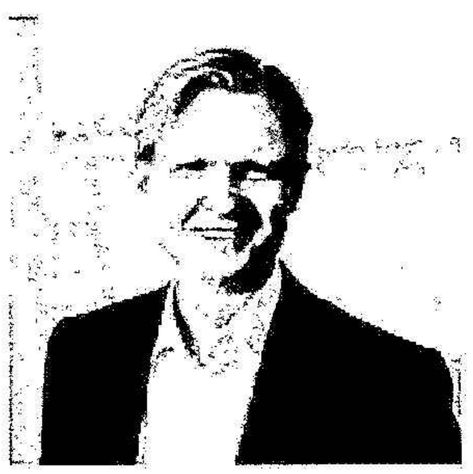
Amund Skarholt
Board member

Hans Årstad
Board member

Børge Johansen
Board member

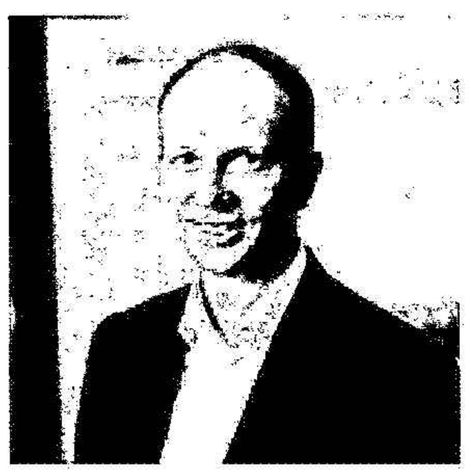
20230811025338

Group Management



Jørgen Dahl

Founder



Leif Mofro

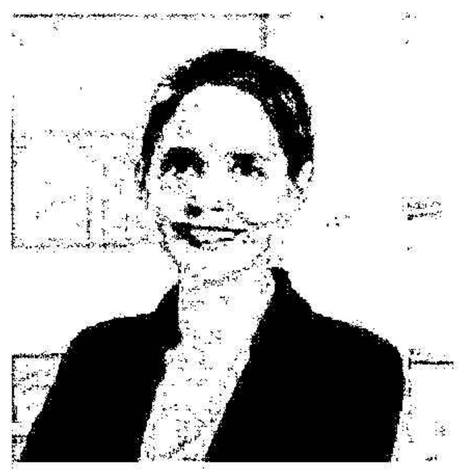
CTO / Chief Technical Officer
CO-founder

Bjørnar Bukholm

CFO / Chief Financial Officer

Viggo Skeisvoll

COO / Chief Operating Officer



Begoña González-Alemán Calleja

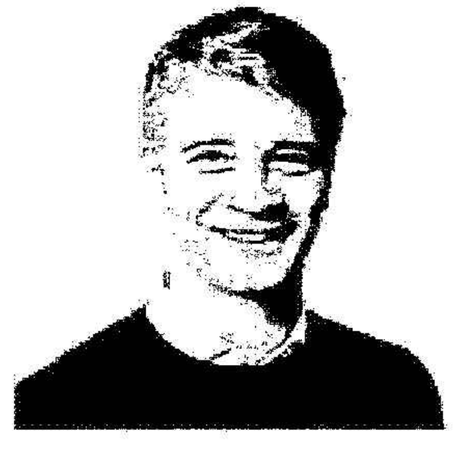
CMO / Chief Marketing Officer

Siv Farstad

CHRO / Chief Human Resource Officer

Staffan Andersson

CCO / Chief Commercial Officer



Lorenzo Bianchi

Chief Digital Transformation Officer

2023081102334

Message from the Board of Directors

2022 was a challenging, but also exciting and rewarding year for Sector Alarm. The aftermath of Covid-19 and the cost of living crisis created a challenging environment and impacted the performance throughout the year. Despite the unfavorable market conditions, Sector Alarm continued to perform well with record high revenues and new customers added.

Financial performance was solid in 2022 with record high revenues and portfolio EBITDA. In 2022, total revenues increased by 7% (9% in constant currency) compared to previous year to reach NOK 3,049 million, and the adjusted portfolio EBITDA increased 1% to NOK 1,713 million (up 3% in constant currency).

2022 EBITDA and cash flow were under pressure due to significant investment in growth; therefore, in February 2023 Sector Alarm decided to launch the "Growth & Improvement Program" with the intention to reduce costs and ensure more cost efficient and balanced growth going forward.

8
Countries

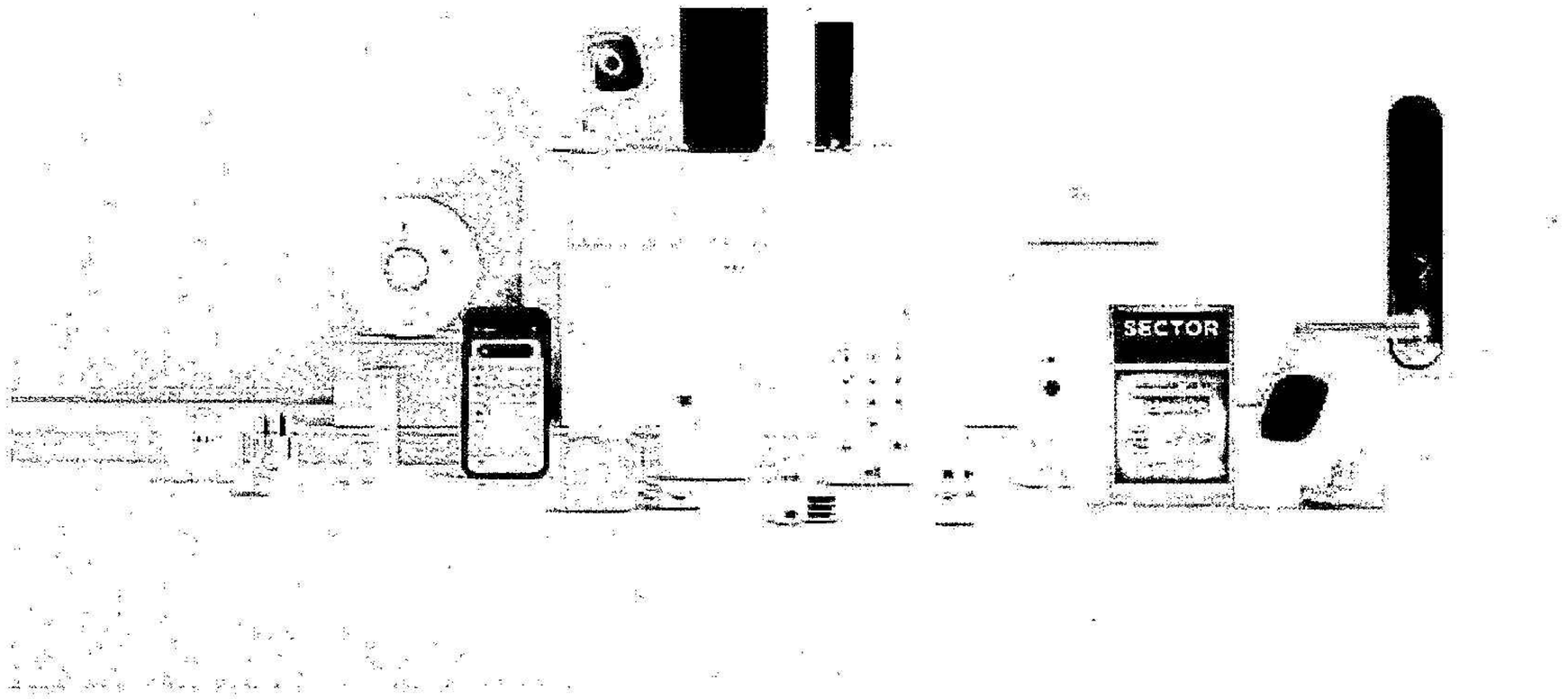
Highlights 2022

Sector Alarm continued to perform well achieving high customer satisfaction, positive net customer growth and fair financial performance despite the unfavourable marketing conditions. In addition, Sector Alarm expanded in existing geographies of France, Spain and Italy, while establishing the Sector Alarm brand in Portugal following the acquisition of Seguranca 24.

Customer satisfaction is at the heart of everything we do. At 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 excellent customer service throughout 2022 with customer satisfaction at industry leading levels with 4/5 star ratings on Trust Pilot across all our markets. The cost of living crisis in Europe drove an increased number of terminations in 2022, contributing to an attrition rate of 6,9%, up from 6.1% at year end 2021.

Customer acquisition activities were at record high levels in 2022 due to improved customer acquisition activity in Southern Europe, while customer acquisition activity in Northern Europe was largely in line with 2021. In total, Sector Alarm added ~80,000 new customers organically in 2022, up 15% compared to 2021. Sector Alarm ended the year with 635,000 customers, up from 603,000 customers in 2021. Customer acquisition growth was primarily organic with some growth resulting from the acquisition of Seguranca 24 in Portugal.

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, digitialization of the sales process, and the launch of a new proprietory technology and hardware platform across all markets.



20230811102335

Financial review 2022

Consolidated financial results

Adjusted Portfolio EBITDA was NOK 1,713 million in 2022, up 3% (in constant currency) compared to the same period last year, due to underlying positive development across all markets.

The customer base reached 635,286 customers at year-end 2022, up about 5% compared to year-end 2021. Sector Alarm recorded an organic net customer growth in 2022 of 28,542, up about 9% compared to last year due to improved performance for several of the markets, especially in Southern Europe.

77,099 new customers were added in 2022, up 16% compared to last year despite the unfavourable macro environment. The customer acquisition activity for Southern Europe strengthened in 2022, representing a materially higher share of new customers added than in 2021.

Customer satisfaction and attrition rates remained at an industry leading level. At the same time, the number of terminations increased about 18% y-o-y which is largely explained by the 5% increase in the customer base and the cost-of-living crisis in Europe which impacted number of terminations in the second half of 2022. Therefore, the attrition rate increased from 6.1% to 6.9% during the year.

Revenues were NOK 3,049 million in 2022, up 7% (up 9% in constant currency) compared to the same period last year driven by increased customer base and underlying ARPU improvement. Adjusted Portfolio EBITDA was NOK 1,713 million for 2022, up 1% (3% in constant currency) compared to last year due to positive development for the countries partly offset by materially higher group cost (especially IT cost). EPC was NOK 231, down 5% (down 3% in constant currency) due to increased group cost, country mix, short term supply chain challenges, launch of the new technology platform and normalization of call-out and travel cost following the Covid-19 pandemic.

NOK million	**2022**	2021
Revenues	3049	*2 851*
Portfolio revenue	2887	*2 706*
EBITDA	744	*1 064*
Adjusted EBITDA	856	*1 094*
Portfolio EBITDA	1671	*1 668*
Adjusted Portfolio EBITDA	1713	*1 698*
EBIT	218	*297*
Earnings for the period	-377	*265*
Capital expenditure[1]	261	*368*
Total customers	635 286	*603 026*
Net installs	77 099	*66 294*
Attrition rate[2]	6,9 %	*6,1%*
Net customer growth	28 542	*26 222*
ARPU	389	*388*
EPC	231	*244*
CPA	18 375	*15 346*

[1] Includes purchase of Segurança 24 Lda of MNOK 104 in Q1 2022 and HomeSecure of MNOK 269 in Q1 2021.

[2] Attrition rate for Q4 2021 and prior periods adjusted to reflect harmonization of methodology for calculation of net terminations across all Sector Alarm countries

Adjusted EBITDA was NOK 856 million in 2022, down 22% (down 19% in constant currency) compared to the same period last year due to significantly higher investment in new customers and growth. CPA was NOK 18,375, up 20% (up 22% in constant currency). The drivers for the high CPA were below target performance for some of the Northern European countries and high CPA in Southern Europe (which now represent a materially higher share of the installations) combined with increased "infancy attrition" and higher hardware cost explained by the new and improved technology platform and a material strengthening of the USD (hardware purchases largely in USD).
In 2022, there were NOK 112 million of adjustments to EBITDA. Adjustments to Portfolio EBITDA were NOK 42 million, mainly related to the Performance Improvement Program and the acquisition of Seguranca 24 in Portugal. Adjustments to New Customers EBITDA were NOK 70 million related to offline (TV) marketing campaigns in Spain and France.

Net financial items were negative with NOK 642 million for 2022, consisting mainly of net interest expenses of NOK 207 million, other financial expense of NOK 38 million and a net currency loss of NOK 397 million primarily related to the Term Loan B due to the depreciation of NOK against EUR.

Capital and financing

Consolidated interest-bearing debt was NOK 7,203 million at the end of 2022, consisting of the EUR 590 million Term Loan B (NOK 6,203 million), EUR 40 million (NOK 421 million) draw on the Revolving Credit Facility, NOK 70 million in a shareholder loan from Sector Alarm Topco AS, and NOK 509 million in financial leases. Cash and cash equivalents at the end of 2022 was NOK 125 million, down from NOK 308 million at the end of 2021.

Consolidated net interest-bearing debt was NOK 7,078 million at the end of 2022, up from NOK 5,982 at the end of 2021. The increase for net interest-bearing debt was driven by underlying negative cash flow, depreciation of the NOK against EUR increased the EUR 590 million Term Loan B by NOK 310 million and increased financial leases by NOK 140 million. The net leverage ratio was 8.1x at the end of the 2022, up from 5.5x at the end of 2021. The EUR 71.2 million Revolving Credit facility was drawn by EUR 40 million. The increase in the net leverage ratio is explained by both the reduction in Adjusted EBITDA and by the increase in consolidated net interest bearing debt.

Risk and risk management

A deliberate strategy and procedure for risk mitigation will, over time, impact profitability in a positive way. Governing bodies,

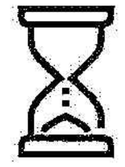
Adjusted Portfolio EBITDA

1,713

[NOK Million]

New installs

77,099



Attrition rate

6,9%

management and employees are aware of the challenging environment in which they operate and understand that it is our responsibility to implement measures to mitigate risks, and proactively try to reduce potential negative consequences of the macro environmnet.

Financial risks
The main financial risk exposures for Sector Alarm are currency and interest rate risks.
The main currency exposure and risk for Sector Alarm relates to a mismatch between currencies for positive cash flows and outstanding debt. Currently the key sources for positive cash flows are NOK and SEK while outstanding debt is largely in EUR. Sector Alarm 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 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 closely monitor currency risk. In addition, Sector Alarm is exposed to a strengthening of the USD against EUR, NOK and SEK as the price for Hardware is in USD.
The primary source of interest rate risk is the EUR 590 million Term Loan B ("TLB") and EUR 100 million revolving credit facility which have floating interest rates. As a general principle, Sector Alarm Holding AS should aim to reduce a portion of the floating rate exposure through interest rate swaps, but only if it's deemed as attractively priced. Currently there are no interest rate swaps in place.

Market and commercial risk
Sector Alarm is faced with market and commercial risk related to economic downturns, pandemics, changes in the competitive environment, new technology and consumer trends. Furthermore, the ongoing European expansion requires significant investment and management time.

An economic downturn in Europe may impact our business negatively as consumer spending are likely to decrease which in turn may impact our attrition rates and ability to attract new customers. On the other hand, during economic downturns there may also be increased unrest and as a consequence increased interest in our products.
The residential home and small business segment in Europe is fragmented and subject to significant competition and pricing pressures. The competitive environment has been relatively stable during the last few years in most of the markets in which Sector Alarm operates. Intensified competition either from existing competitors or new entrants could impact our attrition rate, ability to grow and pricing which could have a material adverse effect on our business and financial performance. With respect to competition from potential new entrants, we believe that players operating in the connected home market and telecommunications market are best situated to move into the alarm industry. Competition from do-it-yourself ("DIY") providers is enabled by improved technology and changes in consumer preferences, which may also increase in the future, and could serve as an entry point for new customers. Currently, Sector Alarm experiences very limited attrition to DIY providers or solutions.

Sector Alarm's growth plan is focused on expansion in existing countries with some expansion into new regions in Europe. Expanding into these geographies involves significant ramp-up investments to establish and introduce the brand to the new geography. Sector Alarm may not accurately predict such costs or may not accurately anticipate operational difficulties caused by local conditions, and therefore may not achieve the financial and strategic objectives for the operations in the new geographies in the short term.

Regulatory risk
Sector Alarm operates in a regulated industry that govern our operations, from the sales and installation process through to the monitoring and alarm verification process. Noncompliance with regulations could expose the company to fines, penalties and other liabilities and negative consequences. Sector Alarm Group maintains a strong focus on compliance and perform regular trainings and updates for employees to ensure that we comply with EU and national laws, as well as rules and regulations in the geographic region where we operate.

Class-action lawsuit in Norway
On 27 April 2021, Sector Alarm AS received a notice of class action from "Alarmkundeforeningen" pursuant to the Norwegian Dispute Act § 5-2. The class action refers to the administrative sanction issued by the Norwegian Competition Authority in 2019 for alleged infringements by Verisure and Sector Alarm of the Norwegian Competition Act. As announced in 2019, Sector Alarm decided to pay the sanction in order to focus on delivering alarm monitoring services although the company disagreed with the assessment and conclusion of the Norwegian Competition Authority. Both the Oslo District Court and the Appeals Court rejected the class action in 2021 and 2022 respectively. Alarmkundeforeningen appealed the decision to the Norwegian Supreme Court, who will review the case in May 2023.

Oslo, April 26, 2023
The Board of Directors of Sector Alarm Holding AS

Jørgen Dahl
Chairman of the board

Bjørnar Heiaas Bukholm
Member of the board

Sector Alarm ESG Strategy and Report

Sector Alarm's ESG Strategy and report covers key focus areas for driving sustainable development and long-term value creation. This report is based on a thorough analysis of Sector Alarm's value chain and stakeholders and provides insight into the most important activities that define Sector Alarm's ESG strategy and focus areas.

Sector Alarm ESG Strategy and focus areas

Sustainability has always been a top priority for Sector Alarm, providing safe homes and societies is the backbone of the business. Furthermore, Sector Alarm has an impact on the environment and climate, as well as the well-being of its employees. Sector Alarm's role in driving positive change in these areas defines the ESG strategy and focus areas.

Based on a structured assessment of the environmental, social and governance (ESG) impacts throughout Sector Alarm's value chain and related risks and opportunities, the following five strategic focus areas have been defined:

1) Safe societies
2) Resource efficiency
3) Great place to work
4) Business integrity
5) Smart home solutions

The first and last area concerns Sector Alarm's customers, while the three in the middle are linked to operations and supply chain management.

Sector Alarm is committed to the 17 UN Sustainable Development Goals. The goals guide Sector Alarm's ESG strategy and five of them are closely linked to the focus areas prioritized by Sector Alarm.

Sector Alarm is committed to continuously monitoring its main impacts on sustainability, as well as the sustainability concerns of key stakeholder groups. Sector Alarm has established an ESG taskforce, led by the Group CFO, consisting of senior representatives across all functional areas, to ensure that ESG is embedded in daily operations across all areas of the business. This ESG strategy and report will be reviewed and revised regularly in close dialogue with the Board of Directors and the Group Executive Management Team.

ESG impact and risk assessments

Transparency is at the center of Sector Alarm's reporting principles and a holistic approach on ESG is the foundation for establishing the identified focus areas. In accordance with international best practice and recommendations from the EU on non-financial reporting, Sector Alarm has conducted a double materiality assessment of ESG as a starting point for the ESG strategy and report. The double materiality assessment consisted of

(1) a value chain impact assessment and
(2) a financial materiality assessment of sustainability-related matters.

"In Sector Alarm, there is no contradiction between managing the impact on sustainable development and delivering financial results. In fact, addressing sustainability throughout the business is the premise for long-term value creation."

– Jørgen Dahl, Founder

Value chain impact assessment
The value chain impact assessment identified the adverse impacts of Sector Alarm's business activities on sustainable development. The most important impact points through the value chain include:

- Environmental footprint of the products throughout the product lifetime
- Greenhouse gas emissions from the car fleet
- Social impact on the safety of the customer portfolio and society at large
- Employee wellbeing and career opportunities
- Human and labour rights throughout the supply chain
- Business integrity and ethical business behavior
- Security and privacy of employee and customer data
- Business travel

Financial materiality assessment of sustainability-related matters
The financial materiality assessment considers risks and opportunities arising from stakeholder expectations and megatrends. Sector Alarm has investigated the sustainability concerns of investors, regulators, employees, customers, suppliers, and NGOs. Relevant megatrends include climate change, circular economy, biodiversity, transparency, and demographics. Below is a list of the sustainability risks and opportunities most relevant to Sector Alarm:

- Opportunity to become a leading provider of safe and smart homes, supporting increased quality of life for all customers
- Opportunity to promote a strong ESG profile to attract and retain talent
- Risk of supply chain being exposed to climate change as extreme weather events may disrupt production and logistics
- Risk of operations being exposed to climate change as prolonged heat waves, particularly in Southern Europe, may impact the health and safety of staff
- Regulatory risk as several cities impose zero-emission zones in city centers, requiring Sector Alarm to invest in zero-emission vehicles to continue to provide high-quality services
- Reputational and financial risk in case of data security and privacy breaches, requiring Sector Alarm to pay significant attention to the issue

ESG focus areas

Safe societies

Resource efficiency

Great place to work

Business integrity

Smart home solutions

* The appendix includes the complete value chain assessment, main risks and opportunities, as well as a short note on climate risks.

2023081102338

Safe societies

At the very core of Sector Alarm's business is the safety of customers and their homes. Sector Alarm provides more than 635,000 customers across Europe with safety solutions, including protection against burglaries, fires, and water leakage. The sales force and marketing campaigns inform potential and existing customers of how to manage safety hazards. As such, Sector Alarm contributes to a safer society by protecting and educating customers.

Saving lives

Sector Alarm's Alarm Receiving Centrals (ARCs) are best-in-class and respond within seconds of an alarm signal being received. In case of emergency, the ARC contacts and ensures dispatch of security guards and/or emergency services. In this way, Sector Alarm contribute to saving a high number of lives every year. In 2022, the average response time for priority alarms was 10.9 seconds, and 3,600 real incidents were responded to reducing impact on human life and economical loss.

Sector Alarm's ARCs are certified according to industry standards, the EN 50518:2019 standard representing the majority. Sector Alarm's ARCs are continuously well within the requirement of a 60 second response time for 98.5% of alarms. To ensure the safety of customers, the alarm systems functionality is continuously checked through several automated tests to ensure alarm reliability. To improve alarm quality, Sector Alarm assess root causes of false alarms and assists customers in maintenance and proper installation. Moreover, Sector Alarm works to increase the use of video camera and photo verification of alarms to avoid unnecessary dispatch of emergency services This improves the customer experience and reduces emissions while reducing costs. Lastly, Sector Alarm promotes safety awareness and is pleased to observe a downward trend in incidents in the areas where Sector Alarm is present, even among neighboring households which have not installed alarm systems.

In 2022 Sector Alarm launched a new state of the art proprietary technology platform with new features such as portable two voice modules, integrated contact and shock detector and ARC connection for existing portfolio of video products which could enable even better alarm handling.

Customer Satisfaction

Sector Alarm's vision, "Safe customers, with happy smiles – every time", guides all customer interaction. Customer satisfac- tion is continuously measured, and Sector Alarm consistently scores above the internal bench- mark of 95/100 and has a rating above 4.5 on Trust Pilot in all major markets

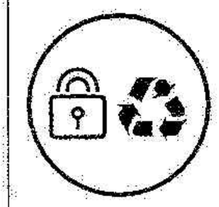
As an example, Sector Alarm in Norway has been awarded more than 20 prizes for outstanding customer service.

Sector Alarm's core values are embedded in the company culture and training programmes which helps ensure that customer care stays at top-of-mind across all business units. The success of Sector Alarm's customer centric focus is evident in an attrition rate of only 6.9% in 2022, which is best in class in the industry although up from 2021 due to increased number of terminations in the second half of 2022 which is largely explained by the cost of living crisis.

UN Sustainable Development Goals

Relevant areas in the value chain

- Customers and product use



Supporting policies and guidelines

- Emergency response guidelines
- Product maintenance guidelines
- Customer survey guidelines

Safe societies

KPI description	Unit of measurement	2021	**2022**	2025 target
Class 1 alarms handled	Number of alarms	*3 700*	3 600	n/a
Average response time	Seconds	*13.4*	10,9	15
Customer satisfaction	Maximum score 100	*95.7*	95.7	95
Potential life-saving incidents	Number of customers	*100*	66	n/a

2023081102339

Resource efficiency

The main source of Sector Alarm's emissions stems from driving in the communities we serve, related to sales, maintenance services, and emergency responses.

Furthermore, the alarm hardware impacts the climate and environment throughout its lifecycle, particularly during production and at end-of-life. Managing greenhouse gas emissions and increasing circular product attributes are important steps for Sector Alarm to reduce its environmental footprint and to support a sustainable future.

In 2022, Sector Alarm further enhanced the greenhouse gas emission reporting by splitting emission on portfolio and customer acquisition activities .

Reducing emissions

Sector Alarm's direct environmental impact is a result of five main factors:

1) The car fleet
2) Callouts (dispatch of security guards and/or emergency services to customers)
3) Offices (electricity)
4) Business travel
5) Hardware

During the last few years, Sector Alarm has taken significant steps towards reducing the impact of all these factors going forward.

Company Car Purchasing Guidelines , stating zero-emission or hybrid vehicles are the preferred option in any purchase if feasible, was rolled out in 2021. As per year-end 2022, 46% of Sector Alarm's car fleet is aligned with these requirements, a massive improvement compared to only 4% in 2020 and 24% in 2021. The share is targeted to continue to increase rapidly during the next few years and a 2025 target of 75% has been set.

Sector Alarm works diligently to reduce the emissions from callouts while maintaining the excellent service level valued by the customers. Additionally, Sector Alarm always plans and optimises routes and partners with professional companies who have defined goals and actions to reduce emissions from their car fleets. These efforts help reduce the number of callouts, kilometers driven and associated emissions.

Furthermore, a Green Travel Policy was implemented in Sector Alarm in 2021. All employees and temporary staff are required to reduce travel to an absolute minimum, book several meetings for the same journey, utilize public transport, rail, and zero-emission vehicles whenever possible, as well as fly economy class. Nonetheless, emissions from business travel per employee increased in 2022 compared to 2021 due to more normalized travel activity following the Covid-19 pandemic.

Increasing circularity

Home safety products and hardware impact the environment throughout the lifecycle and increasing the circular attributes of alarm components is central to reducing Sector Alarm's overall footprint.

When feasible, Sector Alarm seeks to refurbish and reuse alarm components while following strict quality requirements to ensure the safety of customers.

In 2022, Sector Alarm further enhanced the process for termination services (that was implemented in 2021) to enable increased refurbish- ment and reusage of alarm components to reduce the impact on the environment.

Sector Alarm has zero-tolerance for not recycling alarm components and batteries. Therefore, close to 100% of alarm systems (that are not refurbished/ re-used) and batteries collected from customers are recycled at local service stations. Regular quality controls are conducted to ensure full compliance with this policy.

Product lifetime requirements are included in relevant supplier contracts. Sector Alarm's work wear are sent back to the supplier at end-of-life for repair and recycling.

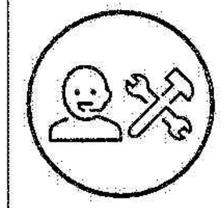
Resource efficiency

KPI description	Unit of measurement	2021	**2022**	2025 target
Electric and hybrid cars	% of fleet	24%	46%	>75%
Average emissions per car	gCO2e/km	110	108	<100
GHG emissions, scope 1	tCO2e	2 750	3 797	n/a
GHG emissions, scope 2	tCO2e	181	165	n/a
GHG emissions, scope 3	tCO2e	4 079	5 138	n/a
GHG intensity	tCO2e/installations		65,0	TBD
	tCO2e/customer		6,8	TBD
Product re-usage	% of product reusage	89%	95%	>90%
	# of products reused	18 230	3 400	n/a
Recycling of alarm components	% of alarm components reused / recycled	> 95%	> 95%	>99%
Recycling of batteries	% of alarm batteries recycled	> 95%	> 95%	>99%

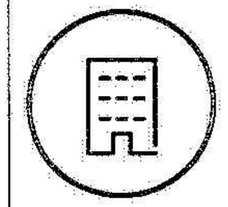
UN Sustainable Development Goals

Relevant areas in the value chain

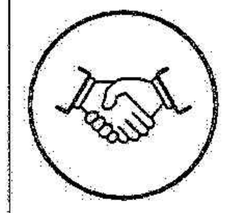
- Sales and installation



- Marketing and management



- Suppliers and raw materials



Supporting policies and guidelines

- Company Car Purchasing guidelines
- Green Travel Policy
- Product maintenance guidelines

20230811102340

Great place to work

Sector Alarm employs more than 3,000 people across eight countries with the majority working in sales or other customer facing roles. To succeed with the long-term ambitions and to make societies safer, Sector Alarm is dependent on dedicated and customer-focused employees. Therefore, Sector Alarm has a strong focus on training and development, motivation, and building a strong and unique culture that enables employees to perform their very best.

Diversity

In Sector Alarm, anyone can build a career, irrespective of their background. Sector Alarm is an equal opportunity employer and works to ensure an environment free of discrimination where everyone is treated equally regardless of gender, sexual orientation, disability, ethnicity, skin color, religion, or political opinion. 73% of the employees in Sector Alarm are men due to the fact that a large share of the roles is within sales and operations where the vast majority of applicants are men. However, Sector Alarm continuously strives to increase the percentage of women in these areas. For the wider management population, women represent 33% as per year end 2022, up from 26% in 2021.

Sector Alarm strongly believes that gender balance strengthens the company and actively seeks to increase diversity across the business. Consequently, a long-term target has been set to increase the female percentage to 35% across all levels of the organization.

Satisfaction and loyalty

Sector Alarm's growth ambition is dependent on the wellbeing of the employees. Sector Alarm regularly conducts employee satisfaction surveys to monitor the satisfaction, motivation and loyalty of employees with the aim to continuously improve.
In the most recent survey conducted in March 2023 Sector Alarm scored better than the industry benchmark and received a top in class rating for both employee satisfaction and motivation and employee loyalty.
In addition, the results improved compared to 2021 despite the survey being launched shortly after the Growth & Improvement Program was communicated to the wider organization.

Additionally, the survey concludes that Sector Alarm employees value the people-centered culture and that they are given responsibility at an early stage. Employees also value the leadership culture. In 2023, 72% of Sector Alarm's managers were rated "sterling" by their subordinates, the strongest rating for a manager. This leaves Sector Alarm well above the average score of around 40% across other companies participating in the ENNOVA framework.

Sector Alarm continuously works to strengthen its culture to make everyone feel welcome. For example, a Sector Alarm Culture Day is usually arranged every six months for all new employees and several other culture event such as kick-offs and gatherings take place during year.

Training and development

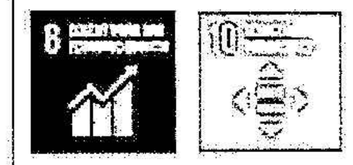
Continuous development of the workforce is important for Sector Alarm's growth and productivity. Guided by the slogan "hire for attitude and train for skills", Sector Alarm seeks talent that has sales in their DNA and willingness to improve. All sales representatives are enrolled in a unique training program combining on-the-job training with classroom courses provided by the in-house learning center, Sector Way Academy. The 5-step classroom programme focuses on relationship building, sales skills, and self-leadership, followed by field-training. As their careers progress, sales employees are enrolled in ongoing mentorship and future leadership programmes to support them throughout their careers.

Sector Way Academy is a proven success with nearly 50% of new leaders in 2022 were promoted from within Sector Alarm. Sector Alarm continues to digitalize the standard training material to make sure all employees could access relevant training. Sector Alarm will continue to adapt and digitalize the learning portfolio to meet the needs of current and future talent.

Great place to work

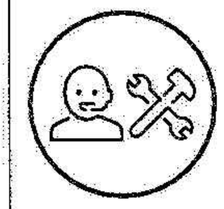
KPI description	Unit of measurement	2021	**2022**	2025 target
Employees	Number of employees	*2 757*	2 886	n/a
Gender diversity	% of all employees	*30% women, 70% men*	27% women, 73% men	>35% women
	% of managers	*26% women, 74% men*	33% women, 67% men	>35% women
	% of directors	*27% women, 73% men*	27% women, 73% men	>35% women
Gender paygap	% of all employees (excluding field sales and service engineers)	*27%*	16%	n/a
	% of managers	*9%*	6%	n/a
	% of directors	*15%*	20%	n/a
Employee satisfaction and motivation	Maximum score 100	*72*	77	>75 (top in class)
Employee loyalty	Maximum score 100	*82*	84	>85 (top in class)
Quality of leadership	% of managers rated as sterling manager	*65%*	72%	>65%
Turnover rate	All employees excluding Field Sales and service engineers	*35%*	n/a	n/a
Sick leave	%, total	*3.8%*	3,8%	<4%
Reported incidents	Number of incidents	*88*	123	n/a
Lost time incidents	Lost time injuries per million hours worked	*17,3*	23,1	<15
Leaders promoted from within	% total leaders	*52%*	48%	>50%
Organic job creation recruitements	Number of hires	*6 067*	6 589	n/a

UN Sustainable Development Goals

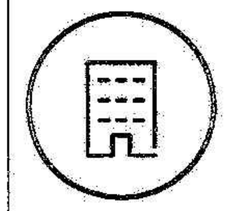


Relevant areas in the value chain

- Sales and installation



- Marketing and management



Supporting policies and guidelines

- Group HR policy
- Group Recruitment & Selection Policy
- Code of Conduct

20230811102341

Business Integrity

To maintain integrity as a home safety provider, ethical business behavior throughout Sector Alarm's operations is a must. Sector Alarm manages sensitive data and provides services to a vast number of customers. These topics should always be managed according to best practice. At Sector Alarm there is no compromise to ethical business conduct.

Integrity

Managing an increasing workforce across eight countries requires Sector Alarm to clearly communicate values and high ethical standards. During onboarding, new employees are introduced to "The Sector Way" and Sector Alarm's core values. Moreover, all employees are required to sign the Code of Conduct and complete complementary digital training. The Code of Conduct is publicly vailable on Sector Alarm's website and includes a wide range of topics, including, but not limited to:

- Antitrust and competition
- Anti-money laundering
- Anti-corruption and anti-bribery
- Gifts, entertainment, and hospitality
- Conflicts of interest
- Health and safety
- Human rights
- Equal employment opportunities and diversity

Employees are encouraged to raise concerns internally; however, Sector Alarm also has a publicly available, anonymous whistleblower channel to make sure anyone can feel safe speaking up against Code of Conduct breaches or other unethical behavior. 23 incidents were reported in 2022 of which all has been handled with care according to internal guidelines and our whistleblowing policy. Sector Alarm will continue to monitor the whistleblower channel and, according to best practice, ensure transparency should any serious incidents be reported.

Data protection and privacy

Sector Alarm handles confidential employee and customer data. The Privacy Policy is publicly available, and all employees are required to complete digital GDPR training. From 2021 onwards, all employees are also required to complete data security training. Moreover, each country has a dedicated Data Protection Officer to ensure that business activities adhere to data protection best practice.

Cyber Security

Tasked with ensuring the safety of its customers, Sector Alarm takes the security of critical systems and sensitive information very seriously. Cybersecurity is high on the company agenda and the Board of Directors is regularly updated on progress in the Cyber Security Program, as well as on key risks for the organization. All employees are required to complete cyber security awareness training – both as part of onboarding with the company, as well as on a continuous basis. In 2021, a detailed assessment of Sector Alarm's overall cyber security posture and maturity was assessed. Based on the assessment, a prioritized list of strategic initiatives was created to inform overall strategic planning. A Cyber Security Strategy was signed off by the Board of Directors, and considerable progress on delivering to the strategy has been made; including improved capabilities across Identification, Protection, Detection, Response, and Recovery

In 2022, one personal data breach was detected and reported to the relevant supervisory authority in line with estab- lished routines. The company also has experienced additional personal data breaches which were not deemed reportable to the supervisory authorities pursuant to applicable law, as they were unlikely to result in a risk to the privacy rights of the affected data subjects. Nevertheless, all personal data breaches are managed and logged internally in order to ensure proper handling as well as identification of lessons learned and mitigating actions.

Supply chain management

Most of Sector Alarm's hardware components are delivered by one supplier, providing an opportunity to closely monitor and engage in dialogue about Sector Alarm's ethical standards. However, to manage the wider supplier group an ESG and GDPR self-assessment was launched in 2021 and will be distributed and followed up with all relevant suppliers of which 66% completed the questionnaire in 2022

Among other things, the self-assessment includes questions on ESG governance and reporting, human rights, data protection, fundamental labor rights, and environmental impact. The next step is to collect and review the responses, and to follow up on those that do not meet Sector Alarm's expectations.

Furthermore, Sector Alarm introduced mandatory supplier screening against sanctions & anti-terror financing lists and adverse media reports in late 2021. In 2022 a full review and screening of all existing suppliers was conducted in order to identify any risks within the current supplier base. To further strengthen Sector Alarm's focus on supplier management, a Group Procurement Director was hired in 2022, starting in January 2023. Furthermore, in June 2022, the Board of Directors approved a Supplier Code of Conduct which is mandatory for all Sector Alarm's vendors and partners to comply with. The implementation of the Supplier Code of Conduct in new and existing supplier contracts has started, but is not yet completed. The Group Executive Management Team also adopted a Vendor Management & Outsourcing Policy in 2022, focusing on how to manage supplier onboarding and management process in compliance with internal policies as well as applicable laws and regulations.

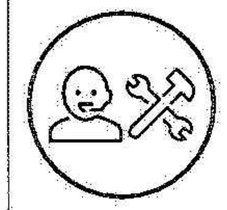
Business integrity

KPI description	Unit of measurement	2021	**2022**	2025 target
Code of Conduct signed	Percentage of employees who have signed the Code of Coduct	82%	88%	>95%
Whistleblower cases reported to the Board of Directors	Number of cases	9	23	n/a
Data breaches reported to the national authorities	Number of cases reported	6	1	n/a
Completed IT security training	Number of employees who have completed traning	54%	80%	>95%
Cyber security spend	% of revenues	0,4%	0,5%	n/a
Key material suppliers completed ESG and GDPR questionnaire	% of suppliers in scope who have completed questionnaire		66%	>85%
Supplier screening against sanctions & anti-terrorfinancing lists and adverse media reports	% of new suppliers screened		>95%	>95%

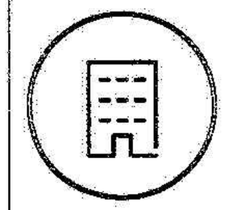
UN Sustainable Development Goals

Relevant areas in the value chain

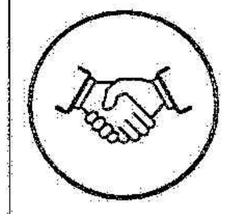
- Sales and installation



- Marketing and management



- Suppliers and raw materials



Supporting policies and guidelines

- Code of Conduct
- Whistleblower channel
- Privacy policy for customers and other third parties
- Privacy policy for employees
- Data Protection Policy
- Supplier ESG and GDPR questionnaire

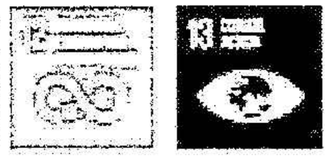
Smart home solutions

Smart home solutions are revolutionizing the ways people are managing and protecting homes, their health and environmental impacts. Already present in more than 635,000 homes and small businesses, Sector Alarm is in a unique position to help monitor and manage activities not only related to safety, but also to the environmental footprint of customers' everyday life through smart home solutions and devices. Sector Alarm has noticed a shift in the market as more and more customers are seeking smart home solutions and Sector Alarm is currently working on initiatives to capture opportunities in this space.

Managing energy consumption

Sector Alarm already offers smart home solutions that enable customers to reduce energy consumption and costs. For example, smart plugs allow customers to control lights and indoor temperatures remotely using the Sector Alarm app. In 2022, 14% of the customer portfolio had smart plugs, down from 17% in 2021 as smart plugs were not available at first when the new technology platform was launched . The smart home segment is a focus area for Sector Alarm and there are ongoing initiatives to launch functionalities that should enable customers to further reduce their environmental footprint.

UN Sustainable Development Goals



Relevant areas in the value chain

• Customers and product use

Supporting policies and guidelines

• n/a

Smart home solutions

KPI description	Unit of measurement	2021	**2022**	2025 target
Customers with Smart Home-enabled Sector Alarm products	Number of customers with smart home enabled products	98 382	87 719	
	% of portfolio with smart-home enabled products	17%	14%	>30%

Summary of main achievements in 2022.

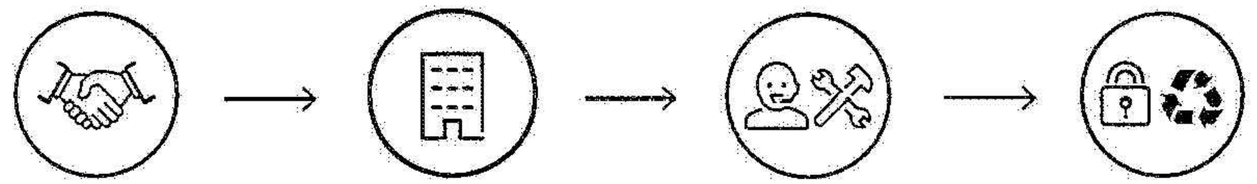
During the year Sector Alarm continued to take several important steps to strengthen the ESG focus and efforts with several specific projects and improvements

- Increased the share of zero-emission or hybrid vehicles increased from 24% in 2021 to 46% in 2022
- Further enhanced the process for termination services to enable increased recycling or reusage /refurbishment of alarm components allowing for reduced waste and environmental footprint
- Further strengthened the compliance and security focus in Sector Alarm, especially around cyber security, supplier screening and vendor management
- Further enhanced the greenhouse gas emission reporting by splitting emission on portfolio and customer acquisition activities.
- Signed up for the UN Global Compact Initiative to cement our dedication to a sustainable future

Sector Alarm will continue to strengthen our efforts to ensure that Sector Alarm remains in fore- front of ensuring sustainable development within our industry.

Sector Alarm's impact on sustainability throughout the value chain

The table below illustrates Sector Alarm's impact on sustainability throughout the value chain. The assessment is based on dialogue with employees, as well as external inputs from reporting standards (e.g. SASB) and sustainability experts. The list is not exhaustive. However, it serves the purpose of identifying the issues on which Sector Alarm has a higher impact and thus where efforts should be focused.



Environment

○ GHG emissions from production of fossil-based materials (plastic)	◌ Energy use in offices	○ Travel related to sales and maintenance activities	◌ Energy use of product in user phase
● Impact of raw material extraction and mining activities on local biodiversity	◌ Data processing and storage at own data centers	◌ Environmental impact of commercial merchandise	○ Product recycling and end-of-life management (hardware, batteries, plastic)
◌ Transportation of goods / products	● End-of life management of employee hardware	◌ Energy use of digital advertisement material	● Product packaging
● E-waste from hardware and battery production	● Business travel and employee commuting	● End-of-life management of uniforms	○ Product life time and longevity
◌ Local pollution in clothing production	◌ Cafeteria operations and food waste		● Energy efficiency at customer's home
◌ Energy consumption of data center services	◌ Recycling of office waste		

Social

○ Human and labour rights in the supply chain	● Labour rights and working conditions	● Labour rights and working conditions	○ Safety of customer's home and in civil society
● Health and safety in the supply chain	○ Employee skills and training	○ Employee skills and training	○ Product reliability
● Socioeconomic impacts of conflict mineral extraction and trade	○ Diversity and equality	○ Diversity and equality	◌ Ethical use of surveillance and security products
	◌ Health and safety	● Health and safety	

Governance

◌ Anti-corruption in the supply chain	◌ Anti-corruption and bribery	○ Business integrity	○ Customer data privacy
○ Supply chain transparency (quality, cyber security and data privacy)	○ Prohibition against anti-competitive behaviour		
	◌ Responsible marketing		
	○ Cyber security breaches		

○ High impact ● Medium impact ◌ Low impact

20230811023435

KPI index

Safe societies

KPI description	Unit of measurement	2020	2021	**2022**	2025 target	2030 target	Comments
Class 1 alarms handled	Number of alarms	3 360	3 700	3 600	n/a	n/a	Callouts to real incidents
Average response time	Seconds	14	13.4	10,9	15	15	20 seconds is the certification requirement
Customer satisfaction	Maximum score 100	95.8	95.7	95.7	95	95	Based on customer ratings on 1-6 scale where 6 = 100 and 1 = -50
Potential life-saving incidents	Number of incidents		100	66	n/a	n/a	# of customers woken up by the alarm, ARC or fire department

Resource efficiency

KPI description	Unit of measurement	2020	2021	**2022**	2025 target	2030 target	Comments
Electric and hybrid cars	% of fleet	4%	24%	46%	>75%	>90%	
Average emissions per car	gCO2e/km	117	110	108	<100	<90	
GHG emissions, scope 1	tCO2e	2 087	2 750	3 797	n/a	n/a	Sector Alarm car fleet
GHG emissions, scope 2	tCO2e		181	165	n/a	n/a	Elecricity usage in Sector Alarm offices
GHG emissions, scope 3	tCO2e		4 079	5 138	n/a	n/a	Other indirect emissions*
GHG intensity	tCO2e/new customer added (000)			65,0	TBD	TBD	Emissions split between Customer Acqusition and portfolio activities
	tCO2e/customer (000)			6,8	TBD	TBD	
	tCO2e/revenues (millions)		2,5	3,0	TBD	TBD	
Energy consumption	MWH		1 934	2058	TBD	TBD	Measured based on central unit for latest hardware and technology platform
	MWH/revenues (millions)		0,68	0,67	TBD	TBD	
Product re-usage	% of product reusage		89%	95%	>90%	>90%	
	# of products reused		18 230	3 400	n/a	n/a	
Recycling of alarm components	% of alarm components reused / recycled	>95%	>95%	>95%	>99%	>99%	
Recycling of batteries	% of alarm batteries recycled	>95%	>95%	>95%	>99%	>99%	

2023081102344

Great place to work

KPI description	Unit of measurement	2020	2021	**2022**	2025 target	2030 target	Comments
Employees	Number of employees	2 363	2 757	2 886	n/a	n/a	
Gender diversity	% of all employees	31% women, 69% men	30% women, 70% men	27% women, 73% men	>35% women	>35% women	
	% of managers	26% women, 74% men	26% women, 74 % men	33% women, 67 % men	>35% women	>35% women	
	% of directors	27% women, 73% men	27% women, 73% men	27% women, 73% men	>35% women	>35% women	
Gender paygap	% of all employees (excluding field sales and service engineers)	25%	27%	16%	n/a	n/a	(Average pay men - average pay female) / average pay men
		1%	9%	6%	n/a	n/a	
	% of managers	23 %	15%	20%	n/a	n/a	
Employee satisfaction and motivation	Maximum score 100	76	72	77	>75 (top in class)	>75 (top in class)	Last survey conducted in March 2023
Employee loyalty	Maximum score 100	85	82	84	>85 (top in class)	>85 (top in class)	Last survey conducted in March 2023
Quality of leadersip	% of managers rated sterling manager	71%	65%	72%	>65%	>65%	Last survey conducted in March 2023
Turnover rate	All employees excluding Field Sales and service engineers	34%	35%	n/a	n/a	n/a	Does not include contingent worker
Sick leave	%, total	4,3%	3,8%	3,8%	<4%	<4%	Excluding field sales
Reported incidents	Number of incidents	60	88	123	n/a	n/a	
Lost time incidents	Lost time injuries per million hours worked	13,8	17,3	23,1	<15	<15	
Leaders promoted from within	% total leaders	35%	52%	48%	>50%	>50%	
Organic job creation recruitements	Number of hires	5 082	6 067	6 589	n/a	n/a	

Smart home solutions

KPI description	Unit of measurement	2020	2021	**2022**	2025 target	2030 target	Comments
Customers with Smart Home-enabled Sector Alarm products	Number of customers with smart home enabled products	87 577	98 382	87 719	n/a	n/a	
	% of portfolio with smart-home enabled products	15%	17%	14%	>30%	>50%	

20230811102345

Business integrity

KPI description	Unit of measurement	2020	2021	2022	2025 target	2030 target	Comments
Code of Conduct signed	Percentage of employees who have signed the Code of Coduct	90%	82%	88 %	>95%	>95%	
Whistleblower cases reported to the Board of Directors	Number of cases	0	9	23	n/a	n/a	
Data breaches reported to the national authorities	Number of cases reported	3	6	1	n/a	n/a	
Completed IT security training	Number of employees who have completed traning		54%	80%	>95%	>95%	
Cyber security spend	% of revenues		0,4%	0,5%	n/a	n/a	
Key material suppliers completed ESG and GDPR questionnaire	% of suppliers in scope who have completed questionnaire			66%	>85%	>85%	
Supplier screening against sanctions & anti-terrorfinancing lists and adverse media reports	% of new suppliers screened			>95%	>95%	>95%	

20230811102346

Annual Accounts // 2022

Sector Alarm Holding AS Consolidated (IFRS)

20230811102347

Directors Report 2022

Sector Alarm Holding AS, headquartered in Oslo, provide professionally monitored alarm services for more than 635,000 residential households and small businesses through its subsidiaries in Norway, Sweden, Finland, Ireland, Spain, France, Italy and Portugal.

2022 was another extraordinary year for everyone, including us at Sector Alarm. Covid-19 was in February 2022 followed by the War in Ukraine and shortly thereafter also the cost-of-living crisis with high inflation and raising interest cost. Despite these challenging marketing conditions, we were able to navigate the year satisfactory and the business continued to perform well.

Customer acquisition activities were at record high levels in 2022 despite Sector Alarm clearly facing several challenges during the year with the tight labor market and the cost living crisis negatively impacting sales volumes. The performance for Northern Europe was below the targets we set at the beginning of the year, while the activity level in Southern Europe continued to increase throughout the year with especially France and Italy doing well. In total, Sector Alarm added close to 80,000 new customers organically during 2022, an increase of more than 15% compared to 2021.

Sector Alarm continued to provide an excellent service to our customer portfolio throughout the year, as demonstrated by our customer satisfaction ratings which is at industry leading levels. At the same time, the attrition rate increased from 6.1% to 6.9% during the year due to increased number of terminations in the second of half of the year, largely explained by the cost cost-of-living crisis in Europe. Overall, Sector Alarm achieved a net customer growth of about 30,000 with our year-end customer base counting more than 635,000 customers. Most of the growth was driven by Southern Europe, but organic customer growth for Northern Europe was also material in 2022. Furthermore, Sector Alarm entered the Portuguese market through the acquisition of Seguranca 24 in early 2022.

For the Group, revenues for 2022 were NOK 3.049 million. The earnings before tax were NOK -424 million. The annual profit was NOK -377 million. The Equity was NOK -1.866 million for 2022, but the value adjusted equity would be positive and considered sound. The consolidated interest-bearing debt was NOK 7.203 million at the end of 2022 and consisted mainly of the EUR 590 million Term Loan B, a loan from Sector Alarm TopCo and finance leases. The liquidity position is good, but the cashflow was negative NOK 174 million in 2022, which is an improvement of MNOK 114 from 2021. The negative cashflow is mainly driven by investment in organic growth and interest payments.

For Sector Alarm Holding AS (the parent), revenues were NOK 125 million in 2022. The earnings before tax were NOK 266 million and the annual profit was NOK 305 million. The Equity was NOK 4.373 million. The parent company's profits of NOK 305 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. In addition, changes in the interest rate of the Term Loan B will have effect both on the financial income and the cashflow. Reference is also made to the discussion of financial risk management in note 3.

In Sector Alarm Holding AS there was 37 employees at year end 2022, of which 30% were women. The Group had 2.886 employees of which 30% women. In Sector Alarm Holding AS all employees have full-time positions. The average parental leave for women were 20 weeks and 15 weeks for men. In Norway, women represented 21% of the workforce, in Sweden 25%, in Ireland 30%, in Finland 24%, in Spain 46%, France 25%, Italy 23% and in Portugal 27%. In the Group there were 1% of the workforce that had chosen not to declare gender. Sector Alarm endeavor equal

20230811102348

gender distribution and has female employees in management positions in all countries. Total sick leave in Sector Alarm was 3,8% in 2022 which is the same as in 2021. The Group had 123 reported incidents in 2022 compared to 80 incidents in 2021.

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.

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 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 "Likestillingsredegjørelse for Sector Alarm 2022" for further information.

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.

The monitored alarm services that Sector Alarm provide pollute the external environment to a minimum degree. All countries participate in recycling schemes for the handling of old and broken alarm hardware and strive to have a new and modern environmentally friendly fleet of vehicles. In 2022, Sector Alarm has not conducted any research activities, but is engaged in the continues development of products and services for the home security space. Please see the Group's ESG report for further details.

Sector Alarm has over the years implemented several measures to make sure the Group don't violate fundamental human rights and fair labor conditions through our own operations or through our partners. This work has been enforced with the Transparency Act that was implemented in Norway in 2022. The Group will be publishing a report that summarizes the steps taken, and the report will be published as part of Sector Alarm's ESG-report and included in the company's financial statements. In addition, it will be made available to the public in Norwegian at www.sectoralarm.no/apenhetsloven (for Sector Alarm Norway) and in English at www.sectoralarm.com/esg (for Sector Alarm Holding).

All entities in the Group are covered by a Director and Officers liability insurance of NOK 100 mill annually.

The Board of Directors makes continues 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.

The Board of Directors considers the outlook for Sector Alarm to be positive.

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 2022. The war on Ukraine is expected to have a limited impact Sector Alarm in 2023, while the cost-of-living crisis might have a slight effect on our growth ambition.

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 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.

Oslo, 26 April 2023

Jørgen Dahl
Chairman of the Board

Bjørnar Heiaas Bukholm
Board member

20230811102349

Income statement

Amounts in TNOK	Note	2022	2021
Revenue from contracts with customers	5	3 046 779	2 849 618
Other revenue	5	2 472	1 161
Total revenue		**3 049 251**	**2 850 779**
Personnel costs	6, 7	-1 482 651	-1 214 478
Other operating costs	8,9	-822 577	-572 411
Total operating costs		**-2 305 227**	**-1 786 889**
Operating profit before D&A (EBITDA)		**744 024**	**1 063 889**
Depreciation and amortization	10,11,12	-525 593	-767 075
Operating profit		**218 431**	**296 814**
Finance income	13,14	119 470	107 560
Finance cost	13,14	-761 743	-13 064
Net finance cost		**-642 273**	**94 496**
Profit before tax		**-423 842**	**391 310**
Income tax expense	15	46 720	-126 430
PROFIT FOR THE PERIOD		**-377 122**	**264 880**
Profit is attributable to:			
Owners of Sector Alarm Holding AS		-377 122	264 880
Non-controlling interests		0	0

Statement of comprehensive income

Amounts in TNOK	Note	2022	2021
Profit for the period		**-377 122**	**264 880**
Items that subsequently may be reclassified to profit or loss			
Remeasurement gain (loss) from net defined benefit liability		55 530	22 593
Currency translation differences		166 779	-213 031
Other comprehensive income		**222 309**	**-190 437**
Total comprehensive income for the year attributable to parent company shareholders		-154 813	74 442
Total comprehensive income for the period		**-154 813**	**74 442**

Balance sheet

Amounts in TNOK	Note	31.12.2022	31.12.2021
ASSETS			
NON CURRENT ASSETS			
Deferred tax asset	15	223 502	117 866
Intangible assets and goodwill	11	4 241 440	3 976 947
Property, plant and equipment	10,12	1 393 829	898 690
TOTAL NON CURRENT ASSETS		**5 858 771**	**4 993 504**
CURRENT ASSETS			
Derivative financial instruments	16	59	56
Trade and other receivables	16,17	239 439	206 585
Prepayments	16,17	123 703	106 083
Current tax receivables	15	17 865	
Cash and cash equivalents	16,18	125 378	307 686
TOTAL CURRENT ASSETS		**506 444**	**620 410**
TOTAL ASSETS		**6 365 215**	**5 613 914**
EQUITY			
Share capital	19,20	1 605	1 605
Share premium	19,20	589 872	589 872
Other equity		-2 457 615	-2 302 919
TOTAL EQUITY		**-1 866 138**	**-1 711 442**
NON CURRENT LIABILITIES			
Deferred tax	15	314 820	300 899
Loans and borrowings	16,21	6 572 643	5 827 442
Leasing liabilities	12,16,21	410 031	298 313
Employee benefits	6,16	12 578	70 271
Other non current liabilities	9, 16	86 802	10 482
SUM NON CURRENT LIABILITIES		**7 396 874**	**6 507 408**
CURRENT LIABILITIES			
Leasing liabilities	12,16,21	98 729	69 392
Current tax liabilities	15	0	60 702
Trade and other payables	16, 22	472 904	434 233
Contract liabilities	5,16, 21	262 845	253 621
SUM CURRENT LIABILITIES		**834 479**	**817 948**
SUM EQUITY & LIABILITIES		**6 365 215**	**5 613 914**

Oslo, 26 April 2023

Jørgen Dahl
Chairman of the board

Bjørnar Heiaas Bukholm
Member of the board

20230811102350

Cash flow statement

Amounts in TNOK	2022	2021
Earnings before tax	-423 842	391 310
Adjustments for net finance cost	642 129	-94 496
Adjustments for depreciation and amortization	525 593	767 075
Change in accounts receivable	-25 592	-8 438
Change in accounts payable	7 369	7 111
Change in other operating receivables/payables	-17 565	-21 313
Change in net pension assets/liabilities	7 398	-28 477
Income taxes (refund) paid	-132 943	-164 161
CASH FLOW OPERATING ACTIVITIES	**582 547**	**848 611**
Payment for acquisition of subsidiary	-87 175	-259 927
Proceeds from sales of property, plant and equipment	2 975	402
Acquisition of property, plant and equipment	-870 360	-578 036
Interests received	35 740	11 887
Other adjustments to investing activities	0	-604
CASH FLOW INVESTING ACTIVITIES	**-918 820**	**-826 279**
Change in other long term receivables and payables	6 320	-20 166
Change in long term loans from related parties	70 000	0
Proceeds from loans and borrowings	411 352	0
Repayment of loans and borrowings	0	-13 753
Payment of lease liabilites	-82 172	-70 476
Interests paid	-229 524	-195 667
Other adjustments to financing activities	-13 436	-10 033
CASH FLOW FINANCING ACTIVITIES	**162 541**	**-310 095**
Cash flows of discontinued operation	0	0
CASH FLOW TOTAL	**-173 732**	**-287 763**
Cash and cash equivalents at the beginning of the financial year	307 686	610 256
Effects of exchange rate changes on cash and cash equivalents	-8 576	-14 807
CASH AND CASH EQUIVALENTS AT END OF YEAR	**125 378**	**307 686**

Statement of changes in equity

Amounts in TNOK	Share *capital*	Other *equity*	Translation *reserve*	TOTAL	Non *controlling* interests	TOTAL *EQUITY*
Balance at 1 January 2021	**1 605**	**-2 162 763**	**376 496**	**-1 784 662**	**0**	**-1 784 662**
Profit for the period	0	264 880	0	264 880	0	264 880
Other comprehensive income	0	22 593	-213 031	-190 437	0	-190 437
Other changes	0	-1 223	0	-1 223	0	-1 223
Balance at 31 December 2021	**1 605**	**-1 876 513**	**163 466**	**-1 711 442**	**0**	**-1 711 442**
Balance at 1 January 2022	**1 605**	**-1 876 513**	**163 466**	**-1 711 442**	**0**	**-1 711 442**
Profit for the period	0	-377 122	0	-377 122	0	-377 122
Other comprehensive income	0	55 530	166 779	222 309	0	222 309
Other changes	0	117	0	117	0	117
Balance at 31 December 2022	**1 605**	**-2 197 988**	**330 244**	**-1 866 138**	**0**	**-1 866 138**

20230811102351

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, Ireland, Finland, Spain, France, Italy and Portugal. 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 Vitaminveien 1A, Oslo in Norway.

These consolidated financial statements were approved by the Board of Directors on 26 April 2023 for adoption by the Annual General Meeting on 26 April 2023.

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 2022 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 recognised 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:
a. the balance sheet is translated at the final exchange rate on the balance sheet date
b. 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)
c. 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 recognised 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.

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

20230811102352

Customer contracts
Customer contracts that arises 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 11 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 fulfil 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 allocatedto 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 liabilitites are classified as is a financial liabilities at FVTPL 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 changes 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.

202308110235S

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 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.

20230811102354

Example of a service which is normally considered to be a distinct performance obligations within the Group is installation service of 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 10 and 11. 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 acquistions. 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 in 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 historicevidence 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.

2.15 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.

2.16 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 cost 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 initiatives 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 depends 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 expence on a straight-line basis over the lease term.

20230811102355

2.17 Governmental Grants
The Group has during the financial year received governmental grant (SkatteFunn) of TNOK 4 750 (in 2021: 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 minimising 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 debit/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 Groups relationships. The Groups 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. See note 18 and note 21 for information regarding the Groups cash position and debt position at 31.12.2022.

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, but only if it's deemed as attractively priced. In addition, the hedging shall be based on the mean-reversion-principle, i.e. that interest rates tend to move towards their long-term historical average. This means that in periods with historically low interest rates the hedging ratio should be high, whereas in periods with historically high interest rates, the hedge ratio should be low.

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, 2022, 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 16. The same applies for 2021.

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 testet 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 11.

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.

	2022			2021		
Amounts in TNOK **Revenue from contracts with customers comprise of**	Revenue per product/ service line	Point in time	Over time	Revenue per product/ service line	Point in time	Over time
Revenue from subscriptions	2 794 076	0	2 794 076	2 604 480	0	2 604 480
Revenue from Upgrades	9 946	9 946	0	17 059	17 059	0
Revenue from Services	83 303	83 303	0	84 864	84 864	0
Revenue from Installation service	161 181	161 181	0	142 232	142 232	0
Other revenues	746	746	0	2 144	2 144	0
Total Revenue from contracts with customers	**3 049 251**	**255 175**	**2 794 076**	**2 850 779**	**246 298**	**2 604 480**

Movement in contract liability	**2022**	2021
Contract liability opening balance	**253 621**	**249 996**
Reduction due to revenue being recognized	-1 066 170	-900 741
Increase due to cash received and revenue deferred	1 075 395	904 365
Contract liability closing balance	**262 845**	**253 621**

Contract liabilities consists of prepayments from customers.

2023081102356

Note 6 / Personell costs

Amounts in TNOK	2022	2021
Wages and salaries	1 149 755	946 727
Social security contributions	246 557	196 743
Pension costs - defined contribution pension plans	37 107	32 510
Pension costs - defined benefit plans	6 012	5 946
Other benefits	43 220	32 552
Total	**1 482 651**	**1 214 478**
Number of FTEs	2 662	2 354
Pension costs - defined benefit plans		
Current value of the year's pension payments	5 103	5 255
Interest costs from pension commitment	909	691
Net pension costs including employers' contributions	**6 012**	**5 946**
Changes to the present value of the defined benefit obligation during the period under review		
Opening defined benefit obligation	221 981	224 630
Current service cost	5 044	5 164
Interest cost	2 977	1 638
Employee contributions	489	489
Net benefit paid out	-2 467	-999
Actuarial (gains)/losses – experience	1 329	3 656
Other	7 729	-6 155
Actuarial (gains)/losses – assumptions	-82 298	-6 443
Closing defined benefit obligation	**154 784**	**221 981**
Changes to the fair value of assets during the period under review		
Opening fair value of assets	151 710	125 882
Employer contributions	2 837	3 426
Employee contributions	489	489
Net benefits paid out	-2 467	-999
Interest income on Plan Assets	2 078	959
Actuarial gains/(losses) on assets	-18 230	23 034
Other	5 789	-1 082
Closing fair value of assets	**142 206**	**151 710**

Note 6 / Personell costs

Amounts in TNOK	2022	2021
Financial assumptions:		
Discount rate	3,65 %	1,35 %
Expected wage regulation	2,75 %	2,25 %
Expected pension increase	2,50 %	2,00 %

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

Amounts in TNOK	2022		2021	
Employee benefit expenses	**CEO**	**Board**	**CEO**	**Board**
Wages and salaries	3 075	1 100	2 643	1 100
Bonuses	724	0	358	0
Pension benefits	23	0	23	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 not any agreements on severance salaries to the Board or senior executives.

Note 7 / Governmental grants

The Group has during the financial year received governmental grant (SkatteFunn) of TNOK4 750 (in 2021: 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 3 934 (in 2021: 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 816 for 2022 and TNOK 1 268 for 2021) are recognized in profit and loss as credit to payroll costs.

The Grant is contingend by final approval by The Norwegian Directorate of Tax.

Note 8 / Other operating costs

Amounts in TNOK	2022	2021
Other operating costs		
Other operating costs	818 818	568 099
Auditors fees	3 759	4 312
Total	**822 577**	**572 411**
Auditor's fees		
Statutory audit	3 355	3 304
Other attestation services	240	838
Technical assistance and tax advice	123	128
Remuneration for other services	40	42
Total	**3 759**	**4 312**

20230811102357

Note 9 / Related parties

Sector Alarm Holding AS is controlled by Isanor AS (registered in Norway) which owns 62,90% of the Company's shares directly or indirectly. The shares in Isanor AS are owned by Jørgen Dahl.

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

a) Sales of products and services
There have been no sales of products or services to associated parties in 2021 or 2022. Employees are offered alarm subscriptions at discounted rates.

b) Loans to associated parties

Amounts in TNOK	2022	2021
Sector Alarm Manco AS	439	164
Sector Alarm Midco AS	925	1 177
Sector SPV AS	822	819
Sector Alarm Topco AS	1 255	1 255
Interests on loans from associated parties	69	24

No other loans were provided to shareholders or their companies in 2021 or 2022.

c) Loans from associated parties

Amounts in TNOK	2022	2021
Sector Alarm Topco AS	71 198	0
Interests on loans from associated parties	1 198	0

No other loans were provided from shareholders or their companies in 2021 or 2022.

d) Loans to senior employees

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

Note 10 / Property, plant and equipment

Amounts in TNOK	Buildings	Computer equipment	Furnishing and fittings	Vehicles	Alarm systems not in use	Customer contracts	Total
Balance at 31 December 2020	**113 881**	**35 141**	**93 260**	**1 123**	**133 357**	**0**	**376 762**
Translation differences	-5 133	-894	-3 023	-76	-5 304	-9 027	-23 457
Acquisitions	-279	23 289	15 718	930	25 968	225 807	291 433
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	-74 528
Balance at 31 December 2021	**103 235**	**33 596**	**83 156**	**1 109**	**159 050**	**195 186**	**575 331**
Acquisition cost	123 171	205 156	254 884	6 949	164 139	225 807	980 106
Accumulated depreciation and impairment	-19 937	-171 560	-171 728	-5 840	-5 090	-30 621	-404 775
Carrying amounts at 31 December 2021	**103 235**	**33 596**	**83 156**	**1 109**	**159 050**	**195 186**	**575 331**
Depreciation and impairment for the year	-5 517	-23 940	-22 609	-868	0	-21 594	-74 528
Useful life	30 years	3-5 years	3-5 years	3-5 years		8 years	

Amounts in TNOK	Buildings	Computer equipment	Furnishing and fittings	Vehicles	Alarm systems not in use	Customer contracts	Total
Balance at 31 December 2021	**103 235**	**33 596**	**83 156**	**1 109**	**159 050**	**195 186**	**575 331**
Translation differences	5 527	976	2 900	-5	7 355	24 950	41 704
Acquisitions	876	19 835	48 298	1 604	111 895	309 250	491 758
Acquisitions through business combinations	5 441	408	436	737	1 646	0	8 668
Disposals	0	-54	-2 777	0	0	0	-2 831
Depreciation for the year	-5 422	-18 982	-27 829	-1 005	0	-129 004	-182 242
Balance at 31 December 2022	**109 657**	**35 778**	**104 183**	**2 439**	**279 947**	**400 383**	**932 387**
Acquisition cost	135 962	228 117	305 339	9 175	285 087	569 431	1 533 111
Accumulated depreciation and impairment	-26 305	-192 338	-201 155	-6 736	-5 141	-169 048	-600 724
Carrying amounts at 31 December 2022	**109 657**	**35 778**	**104 183**	**2 439**	**279 947**	**400 383**	**932 387**
Depreciation and impairment for the year	-5 422	-18 982	-27 829	-1 005	0	-129 004	-182 242
Useful life	30 years	3-5 years	3-5 years	3-5 years		8 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.

2023081102358

Note 11 / Intangible assets and goodwill

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**	**3 976 948**
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	

Amounts in TNOK	Goodwill	Licenses, software, etc.	Brand	Customer contracts	Total
Balance at 31 December 2021	**1 177 508**	**80 746**	**151 990**	**2 566 703**	**3 976 948**
Translation differences	27 060	496	7 988	25 963	61 507
Acquisitions	0	85 995	0	292 662	378 656
Acquisitions through business combinations	44 485	200	0	38 790	83 475
Disposals	0	0	0	0	0
Amortization for the year	0	-49 116	0	-210 031	-259 146
Balance at 31 December 2022	**1 249 053**	**118 322**	**159 978**	**2 714 087**	**4 241 440**
Acquisition cost	1 249 053	277 975	159 978	5 450 492	7 137 499
Accumulated amortization	0	-159 654	0	-2 736 405	-2 896 059
Carrying amounts at 31 December 2022	**1 249 053**	**118 321**	**159 978**	**2 714 087**	**4 241 440**
Amortization and impairment for the year	0	-49 116	0	-210 031	-259 146
Useful life	Indefinite	3-5 years	Indefinite	15 years	

Customer contracts is amortised according churn data per customer portfolio. The customer portfolios varies in historical churn and between countries, but the average useful life for the Group was 15 years in 2022. Customer contracts as presented in the table above comprise of both customer contracts arising from business combinations or portfolio acquisitons 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, France and Portugal.

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 2022. 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 portofolio. The impairment tests results in a headroom of minimum 115% on all material portfolios. As such the impairment test did not reveal an indication of impairment.

Amounts in TNOK **2022**	Opening balance	Acquisition	Disposals	Translation differences	Closing balance
Norwegian portfolio	133 420	0	0	0	133 420
Swedish portfolio	365 319	0	0	-10 946	354 373
Irish portfolio	538 880	10 070	0	28 323	577 272
Finnish portfolio	116 472	0	0	6 122	122 593
Spanish portfolio	4 145	0	0	218	4 363
French portfolio	19 270	0	0	1 013	20 283
Portugese portfolio	0	34 916	0	1 831	36 747
Total	**1 177 506**	**44 986**	**0**	**26 559**	**1 249 051**

Amounts in TNOK **2021**	Opening balance	Acquisition	Disposals	Translation differences	Closing balance
Norwegian portfolio	133 420	0	0	0	133 420
Swedish portfolio	391 186	0	0	-25 867	365 319
Irish portfolio	544 914	19 025	0	-25 059	538 880
Finnish 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**	**-57 669**	**1 177 506**

20230811102359

Note 12 / Leasing

Amounts in TNOK **Amounts recognized in profit and loss**	**2022**	2021
Expenses related to contracts with exception for short term leases	2 067	883
Expenses related to contracts with exception for low value assets	746	454
Total	**2 812**	**1 336**
Short term lease liabilities	98 729	69 392
Long term lease liabilities	410 031	298 313
Total lease liabilities	**508 760**	**367 705**
Potential lease payments not included in lease liabilities.	33 434	28 918
Ext. and term. options reasonably certain to be exercised	0	0
Variable lease payments based on index or a rate	88 256	37 676
Interest cost	6 711	10 406
Total cash outflow	82 172	70 476
Incremental borrowing rate	3,50%	3,00%
The maturities for the long-term leasing liabilities are as follows:		
Between 1 and 2 years	69 500	45 047
Between 2 and 5 years	160 762	119 644
More than 5 years	179 769	133 621
Total	**410 031**	**298 313**

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	-35	-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**

Right of use assets	Cars	Office machines	Buildings	Total
Balance at 01 January 2022	**36 424**	**1 159**	**285 777**	**323 360**
Translation differences	2 237	15	9 508	11 760
Acquisitions	66 373	85	156 178	222 636
Disposals	-2 928	253	-9 434	-12 109
Depreciation and impairment for the year	-31 921	-1 597	-50 687	-84 205
Reclassification	0	0	0	0
Balance at 31 December 2022	**70 186**	**-86**	**391 342**	**461 442**

Note 13 / Other gains and losses

Amounts in TNOK	**2022**	2021
Realised currency derivatives in the year	0	0
Net currency gains and losses	-396 800	315 654
Other gains and losses	**-396 800**	**315 654**

Note 14 / Financial income and costs

Amounts in TNOK	**2022**	2021
Interest income	38 197	11 878
Other finance revenues	2 961	365
Interest costs	-245 491	-195 065
Other finance costs	-41 140	-38 336
Net currency gains/losses	-396 800	315 654
Net financial costs	**-642 273**	**94 496**
Currency gains	33 902	332 760
Currency losses	-430 702	-17 106
Sum net currency gains/losses	**-396 800**	**315 654**
Net currency gain/loss due to operations	-948	213
Net currency gain/loss due to finance items (i.e. loans)	-395 852	315 441
Sum net currency finance/operations split	**-396 800**	**315 654**
Net currency gain/loss on external balances	-321 218	307 024
Net currency gain/loss on intercompany balances	-75 581	8 630
Sum net currency ext/IC split	**-396 800**	**315 654**

20230811102360

Note 15 / Income tax

Amounts in TNOK

Tax expense	**2022**	2021
Current tax expense	-141 792	42 663
Change in deferred tax - origination and reversal of temporary differences	85 967	-33 583
Change in deferred tax - reduction in tax rate	0	0
Change in deferred tax - other	8 251	112 499
Changes in estimates related to prior years	853	1 077
Other	0	3 774
Tax expense continuing operations	**-46 720**	**126 430**

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

Reconciliation of effective tax rate	**2022**	2021
Profit before tax from continuing operations	-423 842	391 310
Income tax using Norwegian tax rate (22%)	-93 245	86 088
Effect of tax rates in foregin jurisdictions	-32 194	-23 354
Tax effect non deductible expenses	11 549	7 628
Tax effect current-year losses for which no deferred tax asset is reconised	68 270	9 708
Utilized loss carried forward	-1 954	0
Effect of changes in tax rate on deferred tax items	0	0
Changes in estimates related to prior years	853	1 077
Other effects	0	45 282
Income tax	**-46 720**	**126 430**
Effective tax rate	11 %	32%

The Group's 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.

Tax payable	**2022**	2021
Current tax of tax base before contribution	53 552	127 294
Prepaid taxes	-78 790	-118 724
Other including previous years tax payable	7 373	52 131
Total tax payable	**-17 865**	**60 702**

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 the Group intends to settle its 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:

	2022	2021
Deferred tax asset	223 502	117 866
Deferred tax liabilities	314 820	300 899
Net deferred benefit/liability (-) in the balance sheet	**- 91 318**	**-183 033**

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:	**2022**	2021
Balance at 1 January	**-183 033**	-161 909
Currency translation	5 748	12 466
Recognised in the period	85 967	-33 583
Changes in tax rate	0	0
Other	0	-7
Balance at 31 December	**-91 318**	**-183 033**

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

	2022		2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	5 350	233 553	3 202	214 901
Accounts receivables	886	0	872	0
Other provisions and accruals	1 317	1 196	17 306	0
Losses carried forward	379 198	0	175 198	0
Limitations of tax deductability of interest expense	37 767	0	32 651	0
Other	22 519	108 345	1 668	89 575
Total recognised deferred tax assets	**447 037**	**343 093**	**230 898**	**304 476**
Unrecognised deferred tax assets	-195 262	0	-109 455	0
Net deferred benefit/liability	**251 775**	**343 093**	**121 443**	**304 476**
Net deferred benefit/liability(-) in the balance sheet	**- 91 318**		**-183 033**	

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

The Group has losses carried forward of NOK 195 million in France, Spain, Ireland , Finland , Portugal and Italy was not recognized at 31 December 2022.

A deferred tax asset is recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

At the reporting date, the Group has unused tax losses of NOK 1700,4 million (2021: NOK 782,8 million) available for offset against future profits. A deferred tax asset has been recognised in respect of NOK 184,7 million (2021: NOK 66,2 million) of such losses. No deferred tax asset has been recognised in respect of the remaining NOK 194,4 million (2021: NOK 108,9 million) as it is not considered probable that there will be future taxable profits available. Included in unrecognised tax losses are losses of NOK 7 million that will expire in 2023, NOK 20 million in 2024, NOK 13 million in 2025, NOK 36 million in 2026, NOK 60 million in 2027 and NOK 339 million above 5 years. Other losses may be carried forward indefinitely.

20230811102361

Note 16 / 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 withhin Level 1 that are observable for assets or liabilities, wither directly or indriectly*
Level 3: Inputs for asstes or liabilities that are not based on observable inputs.
Equity Securities are valued based on level 1 inputs at year-end.
Derivative instruments – Interest swap

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 31.12.2022	Amortised cost	Fair value through profit or loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Total
Financial assets				
Accounts receivable	213 285	0	0	213 285
Other receivables	149 857	0	0	149 857
Cash and cash equivalents	125 378	0	0	125 378
Derivative financial instruments	0	59	0	59
Total financial assets	**488 520**	**59**	**0**	**488 579**
Financial liabilities (short and long term)				
Loans external	6 572 643	0	0	6 572 643
Leasing liability	508 760	0	0	508 760
Accounts payable	134 045	0	0	134 045
Other liabilities	701 085	0	0	701 085
Total financial liabilities	**7 916 533**	**0**	**0**	**7 916 533**

31.12.2021	Amortised cost	Fair value through profit or loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Total
Financial assets				
Accounts receivable	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 (current and non current)				
Loans external	5 827 442	0	0	5 827 442
Leasing liability	367 705	0	0	367 705
Accounts payable	126 044	0	0	126 044
Other liabilities	642 564	0	0	642 564
Total financial liabilities	**6 963 755**	**0**	**0**	**6 963 755**

Note 17 / Trade receivables and other receivables

Amounts in TNOK	**2022**	2021
Trade receivables	230 708	*202 268*
Allowance for impairment of trade receivables	-17 423	*-15 208*
Trade receivables net	**213 285**	***187 059***
Advance payments	123 703	*106 083*
Other receivables	26 154	*19 526*
Total accounts receivable and other receivables	**363 142**	***312 668***

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	**2022**	2021
Up to 60 days	24 431	*23 853*
More than 60 days	23 219	*19 567*
Total overdue trade receivables	**47 650**	***43 420***
Carrying amount of overdue trade receivables	30 228	*28 212*

Movement in bad debt allowance:		
Balance at 1 January	-15 208	*-19 139*
Net remeasurement of loss allowance	-5 768	*-3 827*
Amounts written off	3 554	*7 758*
Balance at 31 December	**-17 423**	***-15 208***

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.

2023081102362

Note 18 / Cash and cash equivalents

Amounts in TNOK	2022	2021
In the cash flow statement, cash and cash equivalents encompasses the following:		
Cash and cash equivalents	125 378	307 686
Of which restricted funds (tax withholding account):	449	22 946

Note 19 / Share capital and share premium

Amounts in TNOK	Number of shares (000)	Share capital	Treasury shares	Share premium	Total
Balance at 1 January 2022	**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 2022	**4 863**	**1 605**	**0**	**589 872**	**591 477**

See note 20 for list of the Company's shareholders.

Note 20 / Shareholders and shareholder information

The Company's share capital at 31.12.2022 consists of 4 863 354 shares at NOK 0,33 per share. Each share has one vote. There was one shareholder as at 31 December 2022.

Amounts in TNOK **Shareholders**	Number	Share
Sector Alarm Midco AS	4 863 354	100%
Dividends recognised as distributions to owners during the period	0	
Dividends per share	0	

Note 21 / 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 **Non current liabilities**	2022	2021
Loans and borrowings	6 572 643	5 827 442
Leasing liabilities	410 031	298 313
Total non current liabilities	**6 982 674**	**6 125 756**
Current liabilities		
Loans and borrowings	0	0
Leasing liabilities	98 729	69 392
Total current liabilities	**98 729**	**69 392**
Bank overdraft Facility	0	0
Total current loans including overdraft	**98 729**	**69 392**

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. 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 9,2x 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 5.00:1 and 25% of Excess cash flow if Net Debt Cover is greater than 4.50:1 but less than or equal to 5.00:1 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 2022.

In 2022 Sector Alarm utilized EUR 40 million of the 6-year senior secured credit facility.

No breaches of covenants have occured in 2022 or 2021.

20230811102363

Note 21 / Loans and borrowings

Amounts in TNOK	2022	2021
Term loan B	6 203 142	5 893 392
Senior secured credit facility	420 552	0
Other loans	0	0
Amendment fee	-51 051	-65 950
Total	**6 572 643**	**5 827 442**

The maturities for the long-term bank loans and interests are as follows:	**2022**	2021
Between 1 and 2 years	325 846	176 802
Between 2 and 5 years	7 365 241	6 446 249
More than 5 years	0	0
Total	**7 691 087**	**6 623 050**

	2022	2021
Security	**6 572 643**	**5 827 442**
Carrying amount of assets pledged as security		
Fixed assets	0	0
Customer contracts	0	0
Alarm systems not in use	0	0
Accounts receivable	0	0
Total	**0**	**0**

Shares in companies mentioned below, including intercompany loans and bank accounts in the companies have been pledged to secure borrowings of the Group at 31.12.2022:

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

Sector Alarm Holding AS has in 2022 provided a guarantee on the group's tax withholdings of NOK 25 million and office rent of NOK 11 million. In addition Sector Alarm Holding has issued a parent company guarantee as security for payment of car lease and office rent in some subsidiaries.

Note 22 / Other short-term liabilities

Amounts in TNOK	2022	2021
Trade payables	134 045	126 044
Payable to authorities	134 262	138 289
Other short-term liabilities	204 597	169 900
Prepaid from customers / deferred revenue	262 845	253 621
Total	**735 750**	**687 854**

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 risk is associated.

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

Note 23 / 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 votes	Annual profit ('000)	Equity ('000)
Sector Alarm AS	Norway	Monitored alarm services	100 %	100 %	NOK 284 273	NOK 53 397
Sector Alarm Drift AS	Norway	Monitored alarm services	100 %	100 %	NOK 3 648	NOK 144
Sector Alarm ALS AS	Norway	Monitored alarm services	100 %	100 %	NOK 946	NOK 229
SA Salg AS	Norway	Monitored alarm services	100 %	100 %	NOK 3 369	NOK 21 742
Sector Alarm IT AS	Norway	Group services	100 %	100 %	-NOK 5 228	NOK 53 888
Sector Alarm AB	Sweden	Monitored alarm services	100 %	100 %	SEK 28 922	SEK 1 066 863
SA Bevakning AB	Sweden	Monitored alarm services	100 %	100 %	-SEK 44	SEK 1 284
SA Försäljning AB	Sweden	Monitored alarm services	100 %	100 %	-SEK 267	SEK 2 380
Sector Alarm Service AB	Sweden	Monitored alarm services	100 %	100 %	-SEK 68	SEK 42 655
Sector Alarm Ireland AS	Norway	Monitored alarm services	100 %	100 %	NOK 455 079	NOK 998 144
PhoneWatch Ltd	Ireland	Monitored alarm services	100 %	100 %	EUR 14 637	EUR 70 964
HomeSecure Ltd	Ireland	Monitored alarm services	100 %	100 %	-EUR 599	EUR 2 228
Sector Alarm Europe AB	Sweden	Monitored alarm services	100 %	100 %	SEK 166 889	SEK 3 476 922
Sector Alarm Spain S.A.U	Spain	Monitored alarm services	100 %	100 %	-EUR 22 330	EUR 18 735
Sector Alarm SAS	France	Monitored alarm services	100 %	100 %	-EUR 20 914	EUR 34 822
Sector Alarm Oy	Finland	Monitored alarm services	100 %	100 %	-EUR 5 389	EUR 13 980
Sector Alarm Spain AS	Norway	Monitored alarm services	100 %	100 %	-NOK 16	NOK 13 313
General Services Sector Alarm SLU	Spain	Group services	100 %	100 %	EUR 711	EUR 5 763
Sector Alarm Real Estate SLU	Spain	Property	100 %	100 %	EUR 78	EUR 4 299
Sector Alarm Holland B.V.	Netherlands	Group services	100 %	100 %	EUR 37	EUR 2 146
Sector Alarm Italy SRL	Italy	Monitored alarm services	100 %	100 %	-EUR 5 321	EUR 1 211
Sector Alarm Portugal Lda	Portugal	Monitored alarm services	100 %	100 %	-EUR 286	EUR 3 623

See also note 24 regarding acquisition of subsidiary

20230811102364

Note 24 / Acquisition of subsidiary

Segurança 24
On January 1, 2022, the Group purchased 100% of the shares in Segurança 24 Lda, an alarm company incorporated in Portugal.
The acquired business's result has been consolidated into the Group's profit from 1 January, and the balance sheet has been consolidated into the Group's balance sheet as of 1 January 2021. Segurança 24 Lda has in 2022 contributed to the Group's revenues of NOK 17 million and NOK -1.5 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 that has arisen as part of the business acquisition is not tax deductible.

The fair value of trade receivables in Segurança 24 Lda at the acquisition date is NOK 634 thousand.

The table below shows the fair value of acquired assets and liabilities on the acquisition of Segurança 24 Lda (figures in NOK thousand at acquisition exchange rate)

Amounts in TNOK	Segurança 24 Lda
Intangible assets	200
Tangible fixed assets	7 022
Customer contracts	38 790
Goodwill	34 912
Stock	1 646
Sum non current assets	**82 570**
Accounts receivable	634
Other receivables	3 527
Bank and cash	26 883
Sum current assets	**31 044**
Sum assets	**113 614**
Other equity	104 484
Sum equity	**104 484**
Deferred tax	8 113
Other long-term liabilities	0
Sum non current liabilities	**8 113**
Accounts payable	632
Accounts payable - ic	0
Short-term, inter-company	0
Authorities etc	-302
Pre-paid from customers	0
Other short term liabilities	686
Sum current liabilities	**1 016**
Sum liabilities	**9 130**
Sum equity & liabilities	**113 614**
Consideration transferred	104 484
Fair value of net identifiable assets	69 572
Goodwill	**34 912**

Note 25 / Contingent assets and liabilities

Sector Alarm Spain S.A.U is involved in a despute 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 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 2022.

Annual Accounts / 2022

Sector Alarm Holding AS (NGAAP)

20230811102365

Income statement

Amounts in TNOK	Note	2022	2021
Revenues	1, 2	124 630	111 074
Personell costs	3	61 323	55 937
Depreciations and write-downs	4, 5	13 414	14 634
Other costs	6, 7	79 356	59 636
EBIT		**-29 464**	**-19 134**
Income from investments in subsidiaries	8, 9	793 976	388 405
Finance revenues	9	27 572	328 783
Finance revenues from group companies	1, 9	114 290	60 425
Finance costs	9, 10	-633 582	-211 467
Finance costs from group companies	1, 9	-7 046	-9 085
Net finance costs		**295 211**	**557 061**
Profit before tax		**265 748**	**537 927**
Tax expense	11	39 591	-114 107
Profit for the period		**305 338**	**423 820**
Allocations			
Allocated to other equity	12	305 338	423 820
Total allocated		**305 338**	**423 820**

20230811102366

Balance sheet

Amounts in TNOK	Note	2022	2021
ASSETS			
Non current assets			
Equipment, movables and inventory	4, 13	7 260	*10 488*
Brand and software	5	9 944	*15 301*
Deferred tax asset	11	79 372	*49 926*
Investments in group companies	8	8 538 812	*7 761 178*
Non current receivables from group companies	14	2 331 237	*2 284 930*
Total non current assets		**10 966 625**	***10 121 824***
Current assets			
Stock		0	*1 065*
Accounts receivable, group companies	14	100 963	*53 311*
Other current receivables		132	*132*
Other current receivables from group companies	14	913 414	*805 339*
Prepayments		2 666	*1 573*
Current tax receivable	11	10 160	
Cash and cash equivalents	15	102 915	*72 937*
Total current assets		**1 130 250**	***934 357***
TOTAL ASSETS		**12 096 875**	***11 056 181***

Amounts in TNOK	Note	2022	2021
EQUITY			
Contributed equity			
Share capital	12, 16	1 605	*1 605*
Share premium	12	589 839	*589 839*
Total contributed equity		**591 444**	***591 444***
Earned equity			
Other equity	12	3 781 811	*3 476 473*
Total earned equity		**3 781 811**	***3 476 473***
TOTAL EQUITY		**4 373 255**	***4 067 917***
LIABILITIES			
Non current liabilities			
Other non current liabilities	10	7 221	*7 997*
Liabilities to financial institutions	10, 13	6 572 643	*5 827 442*
Other non current liabilities to group companies	1, 14	71 198	*0*
Total Non current liabilities		**6 651 062**	***5 835 440***
Current liabilities			
Accounts payable		1 330	*12 485*
Accounts payable, group companies	14	18 882	*16 182*
Current tax liabilities	11	0	*56 878*
Accrued costs	17	52 217	*38 664*
Other current liabilities to group companies	14	1 000 128	*1 028 615*
Total current liabilities		**1 072 558**	***1 152 825***
TOTAL LIABILITIES		**7 723 620**	***6 988 264***
TOTAL EQUITY AND LIABILITIES		**12 096 875**	***11 056 181***

Oslo, 26.04.2023
The board of Sector Alarm Holding AS

Jørgen Dahl
Chairman of the board

Bjørnar Heiaas Bukholm
Member of the board

2023081102367

Cash Flow Statement

Amounts in TNOK	Note	2022	2021
Earnings before tax		265 748	537 927
Income taxes (refund) paid		-56 893	-55 076
Adjustment for finance costs		43 281	-168 953
Depreciations		13 414	14 634
Change in receivables on Group companies		299 376	-247 649
Change in accounts payables		-11 155	10 663
Change in liabilities to Group companies		-320 364	-260 536
Change in other accrual items		14 002	37 379
Cash flows from operating activities		**247 410**	**0**
Acquisition of equipment and stock		-4 829	-10 512
Dividends received		455 103	0
Payment of capital increase in subsidiaries		-777 633	-212 200
Cash flow from investing activities		**-327 359**	**-222 712**
Proceeds from loans and borrowings		411 352	0
Proceeds from increase in other liabilities		70 000	0
Interest paid		-206 259	-185 583
Interest received		103 639	11 959
Currency effect on cash in foreign currency		8 029	26 796
Change group cash pool		-276 833	571 403
Cash flow from financing activities		**109 927**	**424 575**
Cash flow total		**29 978**	**70 253**
Cash and cash equivalents at the beginning of the year		72 937	2 684
Cash and cash equivalents at end of year		**102 915**	**72 937**
Cash and cash equivalents		102 915	72 937
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 31.12.2022, 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 Group's 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 occured. 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.

20230811102368

Note 1 / Related party transactions

Amounts in TNOK

a) The company has had the following transactions with Group companies:	2022	2021
Sale of HR-services	25 472	19 521
Sale of management services	99 158	91 553
Interest income	114 290	60 425
Interest costs	-7 046	-9 085

b) Remuneration to senior executives. See note 3.

c) Loans to related parties	2022	2021
Sector Alarm Manco AS	439	164
Sector Alarm Midco AS	925	1 177
Sector SPV AS	822	891
Sector Alarm Topco AS	1 255	1 255

No loans have been granted to senior executives or board members. There have been no sales of products or services to associated parties in 2021 or 2022. Employees are offered alarm subscriptions at discounted rates.

d) Loans from related parties	2022	2021
Sector Alarm Topco AS	71 198	0

Note 2 / Revenues

Amounts in TNOK

Income specified by business area	2022	2021
HR services	25 472	19 521
Management fee	99 158	91 553
Total	**124 630**	**111 074**

Geographical breakdown of income	2022	2021
Norway	25 591	23 751
Sweden	33 030	39 510
Ireland	23 475	22 976
France	12 994	6 944
Spain	17 480	8 109
Finland	10 303	9 676
Italy	1 398	108
Portugal	359	0
Total	**124 630**	**111 074**

Note 3 / Personell costs

Amounts in TNOK

Salary costs	2022	2021
Salaries	52 710	50 258
Employment tax	8 022	7 055
Pension costs	1 144	729
Other benefits	-553	-2 105
Total	**61 323**	**55 937**

Number of fulltime employees	37	34

	CEO		Board of directors	
Employee benefit expenses	2022	2021	2022	2021
Salaries	3 075	2 643	1 100	1 100
Bonuses	724	358	0	0
Pension	23	23	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.

20230811102369

Note 4 / Fixed assets

Amounts in TNOK **Expected lifetime**	Computer equipment 3 years	Fixtures 5 years	Total
Acquisition cost 01.01	**10 527**	**15 098**	**25 625**
Additions	316	1 509	1 824
Disposals	0	0	0
Acquisition cost 31.12	**10 843**	**16 607**	**27 449**
Accumulated depreciations 01.01	**-5 607**	**-9 529**	**-15 136**
Depreciation and impairment for the year	-2 629	-2 424	-5 053
Depreciations on disposals	0	0	0
Accumulated depreciations 31.12	**-8 236**	**-11 953**	**-20 189**
Net book value 01.01	4 919	5 569	10 488
Net book value 31.12	**2 607**	**4 653**	**7 260**
The year's depreciation	-2 629	-2 424	-5 053
Impairment for the year	0	0	0

Leasing		
This year's rental / leasing costs machines	30	30
This year's rental costs for premises	3 594	3 594

Note 5 / Intangible assets

Amounts in TNOK **Expected lifetime**	Software 5 years	Total
Acquisition cost 01.01	**51 150**	**51 150**
Additions	3 004	3 004
Disposals	0	0
Acquisition cost 31.12	**54 154**	**54 154**
Accumulated depreciations 01.01	**-35 848**	**-35 848**
Depreciation and impairment for the year	-8 361	-8 361
Depreciations on disposals	0	0
Accumulated depreciations 31.12	**-44 209**	**-44 209**
Net book value 01.01	15 301	15 301
Net book value 31.12	**9 944**	**9 944**
Depreciations for the year	-8 361	-8 361

Note 6 / Commitments

Amounts in TNOK **Operational lease**	**2022**	2021
Maturity within 1 year	7 775	4 725
Maturity within 1 and 5 years	25 210	20 366
Maturity beyond 5 years	18 476	26 529
Total	**51 460**	**51 620**

Note 7 / Auditors fees

Amounts in TNOK **Expensed fees to auditors (excl VAT)**	**2022**	2021
Statutory audit	833	808
Other attestation services	240	838
Technical assistance and tax advice	0	0
Remuneration for other services	0	0
Total	**1 073**	**1 645**

Note 8 / Subsidiaries

Amounts in TNOK

Subsidiary	Business office	Share	Percentage of votes	Profit after tax 2022	Equity 2022	Net book value NOK
Sector Alarm IT AS	Oslo, Norway	100%	100%	NOK -6 375	NOK 53 206	44 671
Sector Alarm AS	Oslo, Norway	100%	100%	NOK 199 435	NOK 32 323	3 168 218
Sector Alarm Spain AS	Oslo, Norway	100%	100%	NOK -16	NOK 13 313	43 517
Sector Alarm Holland B.V.	Rotterdam, Netherlands	100%	100%	EUR 37	EUR 2 146	40 660
Sector Alarm Ireland AS	Oslo, Norway	100%	100%	NOK 455 079	NOK 998 144	1 425 071
Sector Alarm Oy	Helsinki, Finland	100%	100%	EUR -5 389	EUR 13 980	487 298
Sector Alarm Europe AB	Oslo, Norway	100%	100%	SEK 166 689	SEK 3 476 922	3 329 377
Total						**8 538 812**

Investments in subsidiaries are recognised according to the cost method in the company's financial statements.

Note 9 / Financial income and financial expenses

Amounts in TNOK	2022	2021
Interest income	27 520	11 959
Other financial income	0	0
Interest expense	-220 350	-182 903
Other financial costs	-28 616	-28 564
Foreign exchange gain	0	316 469
Foreign exchange loss	-384 616	0
Financial income from group companies	114 290	60 425
Financial expenses from group companies	-7 046	-9 085
Income from investment in subsidiaries	794 029	388 761
Net finance costs	**295 211**	**557 061**

Note 10 / Loan

Amounts in TNOK	2022	2021
Non current loan		
Term Loan B and utilized RCF	6 623 694	5 893 392
Amendment fee	-51 051	-65 950
Total non current loan	**6 572 643**	**5 827 442**
Current loan		
Term Loan B and RCF	0	0
Total current loan	0	0
Bank Overdraft facility	0	0
Total loans including overdraft facility	**6 572 643**	**5 827 442**

In 2022 Sector Alarm Holding AS utilized EUR 40 million of the RCF.

The loan agreement has a dividend limitation of 22.5 MEUR pr year and also a gearing covenant of 9,2x 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 5.00:1 and 25% of Excess cash flow if Net Debt Cover is greater than 4.50:1 but less than or equal to 5.00:1 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 2022.

	2022	2021
The maturity of non current loans is as follows		
Between 2 and 5 years	6 651 062	5 827 442
Total non current loan	**6 651 062**	**5 827 442**

	2022	2021
Other non current debt	7 221	7 997
Other non current liabilities to group companies	71 198	0
Total other non current liabilities	**78 419**	**7 997**

Note 11 / Income tax expense and deferred tax

Amounts in TNOK **Calculation of the tax base for the year**	2022	2021	Change
Result before tax	**265 748**	537 927	
Permanent differences	-792 258	-404 366	
Changes in temporary differences	1 593	-283 269	
Group contribution received	338 873	388 405	
Provided intra-group contribution	0	-11 808	
Interest limitation on tax deduction	0	31 647	
This year's tax base	**-186 045**	**258 537**	
Basis for tax payable	**-186 045**	**258 537**	
This year's tax expense divides into:			
Taxes payable on this year's tax base	-40 930	56 878	
Change in temporary differences	-350	62 319	
Too much/little allocated previous years	1 690	-726	
Taxes on group contribution not in P&L	0	2 598	
Deferred taxes on cut interest deduction	0	-6 962	
Total tax charge	**-39 591**	**114 107**	
Payable tax in the balance:			
Payable tax on this year's result	0	-25 973	
Payable tax on received Group contribution	0	85 449	
Payable tax on provided Group contribution	0	-2 598	
Payable tax on previous years	-10 160	0	
Total payable tax in the balance	**-10 160**	**56 878**	
Temporary differences			
Tangible assets	-3 355	-1 835	-1 520
Gains and losses account	290	362	-72
Long term liabilities	0	-73 750	73 750
Net temporary differences	**-3 065**	**-75 222**	**72 157**
Accumulated loss to be carried forward	-186 045	0	-186 045
Cut interest deduction	-171 670	-151 716	-19 954
Basis for net deferred benefit/liability	**-360 780**	**-226 938**	**52 203**
22% deferred tax	**-79 372**	**-49 926**	**29 445**
Net deferred benefit/liability in the balance sheet	-79 372	49 926	0

Explanation as to why the tax charge for the year does not amount to 22 % of the result before tax:			
Result before tax	265 748	537 927	
Estimated income tax according to nominal tax rate (22%)	58 464	118 344	
Other non-deductible expenses	-174 297	-88 961	
Tax on received (recognized) group contribution	74 552	85 449	
Correction tax payable previous years	1 690	-726	
Calculated tax charge	**-39 591**	**114 107**	

20230811102371

Note 12 / Equity

Amounts in TNOK	Share capital	Own shares	Share premium	Retained earnings	Total
Pr. 01.01.2022	**1 605**	**0**	**589 839**	**3 476 473**	**4 067 917**
Result of the year				305 338	305 338
Pr 31.12.2022	**1 605**	**0**	**589 839**	**3 781 811**	**4 373 256**

Note 13 / Pledges and guarantees

Amounts in TNOK	**2022**	2021
Bank overdraft facility	0	0
Term loan B	6 572 643	5 827 442

Shares in companies mentioned below, including intercompany loans and bank accounts in the companies have been pledged to secure borrowings of the Group at 31.12.2022:

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

Sector Alarm Holding AS has provided a guarantee on the group's tax withholdings of NOK 25 million and office rent of NOK 11 million. In addition Sector Alarm Holding has issued a parent company guarantee as security for payment of car lease and office rent in some subsidiaries.

Note 14 / Intercompany balances

Amounts in TNOK	Liabilities		Receivables	
	2022	2021	**2022**	2021
Short-term items				
Liabilities and receivables on group companies	1 019 010	*950 197*	675 504	*469 660*
Group Contribution made/received	0	*94 600*	338 873	*388 990*
Total	**1 019 010**	***1 044 797***	**1 014 377**	***858 650***
Long-term items				
Liabilities and receivables on group companies	71 198	*0*	2 331 237	*2 284 930*
Total	**71 198**	***0***	**2 331 237**	***2 284 930***

Liabilities and Receivables on group companies include draw of the group cashpool amounting to TNOK -501 138 for 31.12.2022.

Note 15 / Cash and cash equivalents

Amounts in TNOK	**2022**	2021
Cash and bank deposits	102 915	*72 937*
Of which restricted funds (Tax withholding account):	0	*2 498*

Sector Alarm Holding AS has a guarantee on tax withholdings of NOK 5,5 million.

Note 16 / Share capital and shareholder information

The company's share capital as of 31.12.2022 consists of 4 863 354 shares of NOK 0.33 each. Each share has one vote.

The company is controlled by Isanor AS (registered in Norway), which controls 62,90% of the company's shares.
The shares in Isanor AS are owned by Jørgen Dahl.

Shareholder overview as at 31.12.2022:	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 31.12.2022

Note 17 / Other current liabilities

Amounts in TNOK	**2022**	2021
Public taxes	3 775	*3 341*
Other provisions	48 442	*35 323*
Total	**52 217**	***38 664***

20230811102372

Annual Accounts / 2022

– Audit Opinion

2023081102373

KPMG AS
Sørkedalsveien 6
Postboks 7000 Majorstuen
0306 Oslo

Telephone +47 45 40 40 63
Fax
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Sector Alarm Holding AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Sector Alarm Holding AS, which comprise:

- The financial statements of the parent company Sector Alarm Holding AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Sector Alarm Holding AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as 31 December 2021, and its financial performance and its cash flows for the year then ended i accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:
Oslo, Alta, Arendal, Bergen, Bodø, Drammen, Elverum, Florø, Hamar, Haugesund, Knarvik, Kristiansand, Molde, Skien, Sandefjord, Sandnessjøen, Stavanger, Mo i Rana, Stord, Steinkjer, Tromsø, Trondheim, Tynset, Ålesund

Pennieo Dokumentinnkl. Lnb55 TJ0O FTN6 UBU0 OSKZ VE4N

obtained in the audit, or whether the Board of Directors' report and the other accompanying information otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

anagement is responsible for the preparation of financial statements that give a true and fair view in ordance with the Norwegian Accounting Act and accounting standards and practices generally oted in Norway, and for the preparation and true and fair view of the consolidated financial ents of the Group in accordance with International Financial Reporting Standards as adopted U, and for such internal control as management determines is necessary to enable the on of financial statements that are free from material misstatement, whether due to fraud or

g the financial statements, management is responsible for assessing the Company's and s ability to continue as a going concern, disclosing, as applicable, matters related to going he financial statements of the Company use the going concern basis of accounting insofar likely that the enterprise will cease operations. The consolidated financial statements of the the going concern basis of accounting unless management either intends to liquidate the o cease operations, or has no realistic alternative but to do so.

Responsibilities for the Audit of the Financial Statements

jectives are to obtain reasonable assurance about whether the financial statements as a whole ee from material misstatement, whether due to fraud or error, and to issue an auditor's report that udes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that n audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

Pennieo Dokumentinnkl. Lnb55 TJ0O FTN6 UBU0 OSKZ VE4N

2023081102374

KPMG

However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 27 April 2022
KPMG AS

Kjetil Kristoffersen
State Authorised Public Accountant
(This document is signed electronically)

Denne Dokumentmakket 16655 Tilhø FINN Utskrift 2/5/15

Appendix Alternative performance measures

This section describes the non-GAAP financial alternative performance measures (APM) that are used in the annual report.

Adjusted EBITDA and Adjusted Portfolio EBITDA

EBITDA is defined as Total income (Operating revenue and gain/(loss) on sale of assets) adjusted for Operating expenses excluding other gain/(loss). EBITDA Small system is used as an additional measure of the group's operational profitability, excluding the impact from financial items, taxes, depreciation and amortization related to the Small system business segment.

Adjusted EBITDA is defined as EBITDA excluding items not regarded as part of the underlying operational performance for the period

Attrition rate

The attrition rate is the number of terminations (adjusted for moves when the customers signs a new contract) in the last 12 months, divided by the average number of customers for the last 12 months.

Average Revenue per user

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

Terminations

Terminations is the total number of terminated contracts during the period. Customers that terminate their contract within the second 6 months are not counted as a termination.

Cash acquisition cost per new customers

Cash acquisition cost per new customer ("CPA") is the net investment required to acquire a customer, including costs related to the sales and marketing process, installation of the alarm and hardware costs adjusted for installation fees charged to the customer.

Monthly adjusted EBITDA per subscriber

Monthly adjusted EBITDA per subscriber ("EPC") is calculated by dividing the total Portfolio EBITDA by the monthly average number of customers.

New customers added

Total number of organic new customers adjusted for customers that have terminated their contract within the second 6 months after installation.

Net customer growth

The net customer growth is the change in the customer base from one period to the next.

Investor Relations contacts

Bjørnar Heteas Bukholm
Group CFO

bjornarbukholm@seadrillmail.com
+47 9807 2778

Seadrill Limited

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240449

Sector Alarm AB
Org nr 556597-1081

Årsredovisning för räkenskapsåret 2022

Styrelsen och verkställande direktören avger följande årsredovisning.

Innehåll Sida

- förvaltningsberättelse 2
- resultaträkning 5
- balansräkning 6
- kassaflödesanalys 8
- noter 9

Om inte annat särskilt anges, redovisas alla belopp i kronor. Uppgifter inom parentes avser föregående år.

Undertecknad VD i Sector Alarm AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 2023-05-~~16~~ 23

Årsstämman beslutade att godkänna styrelsens förslag till hur vinsten ska fördelas.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Göteborg 2022-05-~~16~~ 23

Martin Barden

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240S1

Förvaltningsberättelse

Information om verksamheten

Sector Alarm AB, med säte i Göteborg, är ett helägt dotterbolag till Sector Alarm Europe AB, Sverige, som i sin tur ägs till 100 % av Sector Alarm Group AS, Norge.

Bolaget bedriver försäljning, montering och underhåll av säkerhetsutrustning för privata hem samt små och medelstora företag. Bolaget har haft en stark expansion vilket inneburit etablering på fler än 30 orter från första verksamhetsåret (2000). Bolagets verksamhet utgår från Göteborg men bedrivs från Luleå i norr till Ystad i söder.

Omsättningen under räkenskapsåret ökade till 1.089.713 tkr (1.052.372 tkr). Resultat efter finansiella poster blev 285.149 tkr (330.950 tkr).

Händelser under räkenskapsåret

Ett år med fortsatt tillväxt i antal nya kunder som vi anslutit mot vår egen larmcentral. Vi har även fortsatt att framgångsrikt integrera tidigare förvärvade portföljer i vårt koncept för att ytterligare höja kundernas servicegrad och trygghet. Förutom fortsatt fokus på att växa verksamheten, har huvudfokus varit att bibehålla vår redan höga kundnöjdhet genom att ytterligare stärka vår erbjudande samt öka dialogen med våra befintliga kunder. Båda dessa senare fokusområden har gått över förväntan, där våra kunder ger oss ett betyg som markant överträffar branschen. Vi har också mer än väl träffat rätt i vår dialog med befintliga kunder där vi tydligt nu ser att lojaliteten ökar ytterligare.

Förväntad framtida utveckling och väsentliga riskfaktorer

Sector Alarm vill, genom fortsatt stark organisk tillväxt och därtill möjliga förvärv, positionera sig än starkare som det naturliga valet av hemlarm på den svenska marknaden. Vi kommer att under 2023 ytterligare öka takten i kundtillväxt via vår stärkta marknadsposition och alla våra duktiga medarbetare. Det är alla vi tillsammans som ger oss vår största konkurrensfördel. Vi har också som ambition att följa marknadens önskemål om framtida tjänsteutbud i den riktning som våra kunder och potentiella kunder anser önskvärt.

Styrelsen och ledning har analyserat de potentiella effekterna för företaget från krisen i Ukraina. Kortsiktigt har krisen inte haft någon direkt påverkan på verksamheten. Vid tidpunkten för årsredovisningens avgivande kan vi konstatera att det råder en betydande osäkerhet i omvärlden men det är emellertid svårt att uppskatta om krisen kan medföra några långsiktiga konsekvenser.

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240552

Operationella risker och osäkerhetsfaktorer

Bolaget verkar inom ett geografiskt område med många konkurrerande företag och allmänt hög konkurrens. Bolaget har många år i branschen och en organisation som är väl anpassad för verksamheten. Detta gör bolaget mycket konkurrenskraftigt trots den rådande situationen.

Finansiella risker

Det övergripande ansvaret för att hantera bolagets finansiella risker samt utveckla metoder och principer för att hantera finansiella risker ligger inom koncernledningen. Ledningen förväntar sig inte några förluster till följd av utebliven betalning från motparter utöver vad som reserverats som osäkra kundfordringar.

Koncernen innehar ett koncernkonto med en gemensam cashpool. För att hantera likvida medel utnyttjas vid behov koncernens cashpool.

Bolagets har valutarisker i EUR (internfakturering inom koncernen). Ledningen bedömer dock att dessa risker är begränsade och eventuell valutasäkring, för det fall sådan bedöms nödvändig, görs av koncernledningen.

Hållbarhetsrapport

Sector Alarm Group AS upprättar en separat hållbarhetsrapportering för hela koncernen.

Flerårsjämförelse

Bolagets ekonomiska utveckling i sammandrag.

	2022	2021	2020	2019	2018
Nettoomsättning, tkr	1 089 713	1 052 372	1 029 283	1 000 940	951 010
Resultat efter finansiella poster, tkr	285 149	330 950	297 452	297 292	270 543
Balansomslutning, tkr	1 405 754	1 262 645	1 383 071	1 095 632	1 058 893
Medelantal anställda, st	125	130	118	118	116

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240S3

Förändring av eget kapital

	Aktie-kapital	Reserv-fond	Fritt eget kapital	Summa eget kapital
Eget kapital 2021-12-31	1 100 000	8 900 000	122 910 235	132 910 235
Utdelning	-	-	-	-
Årets resultat	-	-	-7 177 583	-7 177 583
Eget kapital 2022-12-31	1 100 000	8 900 000	115 732 653	125 732 653

Förslag till vinstdisposition

Till årsstämmans förfogande står följande vinstmedel:

Balanserade vinstmedel	122 910 235
Årets resultat	-7 177 583
	115 732 653

Styrelsen föreslår att vinstmedlen disponeras så att

i ny räkning överförs	115 732 653
	115 732 653

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240354

Resultaträkning	**Not**	**2022**	**2021**
Nettoomsättning	3	1 089 713 028	1 052 372 368
Aktiverat arbete för egen räkning		129 689 850	122 685 700
		1 219 402 878	1 175 058 068
Rörelsens kostnader			
Varukostnad		-157 058 812	-127 931 103
Övriga externa kostnader	4, 5	-467 763 777	-409 491 461
Personalkostnader	6	-131 001 414	-132 030 845
Av- och nedskrivningar av materiella och immateriella anläggningstillgångar	7, 8, 9, 10	-178 545 812	-169 932 283
Summa rörelsens kostnader		-934 369 815	-839 385 692
Rörelseresultat		285 033 064	335 672 376
Resultat från finansiella poster			
Ränteintäkter och liknande intäkter	11	4 549 736	0
Räntekostnader och liknande kostnader	12	-4 433 771	-4 722 816
Summa resultat från finansiella poster		115 965	-4 722 816
Resultat efter finansiella poster		285 149 028	330 949 559
Bokslutsdispositioner	13	-292 326 611	-196 108 812
Skatt på årets resultat	14, 15	0	-29 115 340
Årets resultat		-7 177 583	105 725 407

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240555

Balansräkning	**Not**	**2022-12-31**	**2021-12-31**
Tillgångar			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Licenser	9	0	0
Goodwill	7	18 463 121	28 096 055
Nedlagt arbete på installationer	10	377 217 104	398 889 530
		395 680 225	426 985 585
Materiella anläggningstillgångar			
Inventarier och monterade alarm	8	218 954 899	206 686 796
Obrukade alarm	16	47 549 566	29 451 455
		266 504 465	236 138 251
Finansiella anläggningstillgångar			
Andelar i koncernföretag	17	45 200 000	45 200 000
Uppskjutna skattefordringar	15	44 631	44 631
		45 244 631	45 244 631
Summa anläggningstillgångar		707 429 321	708 368 467
Omsättningstillgångar			
Kortfristiga fordringar			
Kundfordringar		67 610 119	64 710 016
Fordringar hos koncernföretag	3	568 742 172	458 437 883
Aktuella skattefordringar		53 968 106	16 944 544
Övriga kortfristiga fordringar		21 707	43 140
Förutbetalda kostnader och upplupna intäkter	18	7 982 785	14 140 581
		698 324 889	554 276 165
Summa omsättningstillgångar		698 324 889	554 276 165
Summa tillgångar		1 405 754 210	1 262 644 632
Eget kapital och skulder			
Eget kapital			
Bundet eget kapital			
Aktiekapital	19	1 100 000	1 100 000
Reservfond		8 900 000	8 900 000
		10 000 000	10 000 000

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621124056

Balansräkning

	Not	2022-12-31	2021-12-31
Fritt eget kapital			
Balanserad vinst		122 910 235	17 184 828
Årets resultat		-7 177 583	105 725 407
		115 732 653	122 910 235
Summa eget kapital		125 732 653	132 910 235
Obeskattade reserver	20	658 770 117	690 477 633
Kortfristiga skulder			
Förskott från kunder		83 869 685	83 332 833
Leverantörsskulder		25 013 167	19 156 557
Skulder till koncernföretag	3	449 201 611	280 034 312
Aktuella skatteskulder		0	0
Övriga kortfristiga skulder		21 747 231	17 410 371
Upplupna kostnader och förutbetalda intäkter	21	41 419 746	39 322 690
Summa kortfristiga skulder		621 251 440	439 256 763
Summa eget kapital och skulder		1 405 754 210	1 262 644 632

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240357

Kassaflödesanalys	Not	2022	2021
Den löpande verksamheten			
Rörelseresultat		285 033 064	335 672 376
Justering för poster som inte ingår i kassaflödet mm	22	178 545 812	169 932 283
Erhållen ränta		4 448 736	0
Erlagd ränta		-4 433 771	-4 722 816
Betald/Erhållen inkomstskatt		-37 023 562	-92 566 759
		426 570 278	408 315 084
Förändring obrukade alarm		-18 098 111	-363 040
Förändring kundfordringar		-2 900 103	1 087 721
Förändring övriga kortfristiga fordringar		-104 125 059	91 442 992
Förändring förskott från kund		536 852	-2 124 086
Förändring leverantörsskulder		5 856 610	4 746 829
Förändring övriga kortfristiga rörelseskulder		-148 432 912	-28 376 277
Kassaflöde från den löpande verksamheten		159 407 555	474 729 224
Investeringsverksamheten			
Investeringar i installationer och inventarier		-159 508 555	-124 729 224
Försäljning av inventarier		101 000	0
Kassaflöde från investeringsverksamheten		-159 407 555	-124 729 224
Finansieringsverksamheten			
Utbetald utdelning		0	-350 000 000
Kassaflöde från finansieringsverksamheten		0	-350 000 000
Årets kassaflöde		0	0
Likvida medel vid årets slut	23	0	0

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621124058

Noter

Not 1 Redovisnings- och värderingsprinciper

Bolagets årsredovisning har upprättats enligt Årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Års- och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade i jämförelse med föregående år.

Intäkter
Vid försäljning av larm sker intäktsföring vid leveranstidpunkt. Sector Alarm AB ingår avtal som innebär installation av larm och anslutning till larmcentral. Fakturerade intäkter periodiseras månadsvis och till den del de ännu ej intäktsförts, skuldförs de som förskott från kund.

Inkomstskatter
Aktuella skatter värderas utifrån de skattesatser och skatteregler som gäller på balansdagen. Uppskjutna skatter värderas utifrån de skattesatser och skatteregler som är beslutade före balansdagen.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den utsträckning det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning.

Aktuell skatt, liksom förändring i uppskjuten skatt, redovisas i resultaträkningen om inte skatten är hänförlig till en händelse eller transaktion som redovisas direkt i eget kapital. Skatteeffekter av poster som redovisas direkt mot eget kapital, redovisas mot eget kapital.

På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

Immateriella tillgångar
Installation av larm
Vid leveranstidpunkt aktiveras installationsutgifter för utrustning och montering som materiell respektive immateriell tillgång i balansräkningen. Avskrivning av aktiverade installationer sker över genomsnittlig förväntad avtalsperiod. I resultaträkningen redovisas aktiverat arbete för egen räkning motsvarande årets utgifter för nyinstallerade larmanläggningar.

Koncessioner, patent, licenser, varumärken samt liknande rättigheter
Programvaror skrivs av på 5 år.

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240S9

Goodwill
Goodwill skrivs av linjärt över den beräknade nyttjandeperioden. Inkråmsgoodwill skrivs av på 10 år.

Materiella anläggningstillgångar
Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med avskrivningar. I anskaffningsvärdet ingår utgifter som direkt kan hänföras till förvärvet av tillgången.

När en komponent i en anläggningstillgång byts ut, utrangeras eventuell kvarvarande del av den gamla komponenten och den nya komponentens anskaffningsvärde aktiveras.

Tillkommande utgifter som avser tillgångar som inte delas upp i komponenter läggs till anskaffningsvärdet om de beräknas ge företaget framtida ekonomiska fördelar, till den del tillgångens prestanda ökar i förhållande till tillgångens värde vid anskaffningstidpunkten.

Utgifter för löpande reparation och underhåll redovisas som kostnader.

Realisationsvinst respektive realisationsförlust vid avyttring av en anläggningstillgång redovisas som Övrig rörelseintäkt respektive Övrig rörelsekostnad.

Materiella anläggningstillgångar skrivs av systematiskt över tillgångens bedömda nyttjandeperiod. När tillgångarnas avskrivningsbara belopp fastställs, beaktas i förekommande fall tillgångens restvärde.

Linjär avskrivningsmetod används för de materiella tillgångarna.

Följande avskrivningstider tillämpas:

Inventarier	5 år
Installationer	8-15 år
Datorer	3 år
Byggnadsinventarier	10 år
Inredning i bilar	4 år

Nedskrivningar av icke-finansiella tillgångar
När det finns en indikation på att en tillgångs värde minskat, görs en prövning av nedskrivningsbehov. Har tillgången ett återvinningsvärde som är lägre än det redovisade värdet, skrivs den ner till återvinningsvärdet. Vid bedömning av nedskrivningsbehov grupperas tillgångarna på de lägsta nivåer där det finns separata identifierbara kassaflöden (kassagenererande enheter). För tillgångar, andra än goodwill, som tidigare skrivits ner görs per varje balansdag en prövning av om återföring bör göras.

Leasingavtal
Samtliga leasingavtal där företaget är leasetagare redovisas som operationell leasing (hyresavtal), oavsett om avtalen är finansiella eller operationella. Leasingavgiften redovisas som en kostnad linjärt över leasingperioden.

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240360

Ersättningar till anställda
Kortfristiga ersättningar:
Kortfristiga ersättningar i bolaget utgörs av lön, sociala avgifter, betald semester och betald sjukfrånvaro. Kortfristiga ersättningar redovisas som en kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning.

Ersättningar efter avslutad anställning:
Företaget har endast avgiftsbestämda pensionsplaner vilket innebär att företaget betalar fastställda avgifter till ett annat företag, normalt ett försäkringsföretag, och har inte längre någon förpliktelse till den anställde när avgifterna är betalda. Storleken på den anställdes ersättningar efter avslutad anställning är beroende av de avgifter företaget har betalat och den kapitalavkastning som avgifterna ger.

Finansiella instrument
Bolaget tillämpar kapitel 11, värdering till anskaffningsvärde.

Finansiella instrument som redovisas i balansräkningen inkluderar kundfordringar och övriga fordringar, leverantörsskulder och låneskulder. Instrumenten redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor.
Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten.

Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Kundfordringar och övriga fordringar
Fordringar redovisas som omsättningstillgångar med undantag för poster med förfallodag mer än 12 månader efter balansdagen, vilka klassificeras som anläggningstillgångar. Fordringar tas upp till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar. Fordringar som är räntefria eller som löper med ränta som avviker från marknadsräntan och har en löptid överstigande 12 månader redovisas till ett diskonterat nuvärde och tidsvärdeförändringen redovisas som ränteintäkt i resultaträkningen.

Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Kvittning av finansiell fordran och finansiell skuld
En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast då legal kvittningsrätt föreligger samt då en reglering med ett

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621246061

nettobelopp avses ske eller då en samtida avyttring av tillgången och reglering av skulden avses ske.

Nedskrivningsprövning av finansiella anläggningstillgångar
Vid varje balansdag bedömer bolaget om det finns någon indikation på nedskrivningsbehov i någon utav de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående.

Aktier och andelar i dotterföretag
Aktier och andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer. Utdelning från dotterföretag redovisas som intäkt.

Obeskattade reserver
Obeskattade reserver redovisas med bruttobelopp i balansräkningen, inklusive den uppskjutna skatteskuld som är hänförlig till reserverna.

Bokslutsdispositioner
Förändringar av obeskattade reserver redovisas som bokslutsdispositioner i resultaträkningen.

Koncernbidrag redovisas som bokslutsdispositioner.

Kassaflödesanalys
Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medför in- eller utbetalningar.

Nyckeltalsdefinitioner
Soliditet
Eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt) i förhållande till balansomslutningen.

Not 2 Uppskattningar och bedömningar

Uppskattningar och bedömningar utvärderas löpande och baseras på historisk erfarenhet och andra faktorer, inklusive förväntningar på framtida händelser som anses rimliga under rådande omständigheter. Bolaget för löpande antaganden om framtiden. De uppskattningar som dessa antaganden resulterar i vill per definition sällan fullt ut överensstämma med det slutliga utfallet. Uppskattningar och antaganden som innebär en betydande risk för väsentliga justeringar av det redovisade värdet av tillgångar och skulder under nästkommande räkenskapsår diskuteras nedan.

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240062

Livslängd på tillgångar inklusive kundkontrakt
Livslängden för redovisade tillgångar fastställs utifrån en uppskattad tid fram till utrangering (vanliga anläggningstillgångar) eller uppsägning (kundkontrakt). Detta varierar mellan de olika typerna av tillgångar men bedöms vara mellan 3 och 10 år. Beräknad nyttjandeperiod för aktiverade kundkontrakt bygger primärt på historiska data och kännedom om marknadens utveckling. Bolaget har konstaterat att den genomsnittliga kunden har en livslängd på 13-15 år för egen portfölj medan de förvärvade portföljerna har en genomsnittlig livslängd på 13-20 år. Bolaget har valt att skriva av egen portfölj över 10 år, medan de förvärvade portföljerna skrivs av under 10-15 år.

Beräknad aktivering av kundkontrakt
Bolaget genomför varje år en beräkning av de direkta kostnaderna som är förknippade med signering av kontrakt och montering av alarmsystem (egna kundkontrakt). Baserat på denna beräkning tilldelas ett fast belopp på aktiverade kundkontrakt. Under 2022 har de faktiska direkta kostnaderna förknippade med aktiverade kontrakt ökat och det fasta beloppet per kundkontrakt är därför höjt.

Not 3 Transaktioner med närstående

Uppgifter om moderföretaget
Moderföretag i den största koncern där Sector Alarm AB är dotterföretag och koncernredovisning upprättas är Sector Alarm Group AS, org nr 918 307 680 med säte i Oslo, Norge. Adressen till Sector Alarm Group AS är Vitaminveien 1A, 0485 Oslo.

Inköp och försäljning mellan koncernföretag
Nedan anges årets inköp från och försäljning till koncernföretag.

	2022	2021
Inköp, (kr)	289 699 945	276 132 663
Försäljning, (kr)	35 799 557	56 250 524

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240630

	2022	2021
Kortfristiga fordringar på koncernföretag		
Sector Alarm Group AS	562 414 226	455 851 775
Sector Alarm France	0	257 844
Sector Alarm Finland OY	6 327 946	2 105 599
Utgående balans	568 742 172	458 437 883
Kortfristiga skulder till koncernföretag		
SA Bevakning AB	-7 904 302	-8 469 332
Sector Alarm Service AB	-58 054 944	-59 503 430
Sector Alarm Försäljnings AB	-11 697 878	-14 058 714
General Services Sector Alarm SLU	-5 748 490	-3 354 598
Sector Alarm Holding AS	-21 504 153	-7 123 673
Sector Alarm AS	-308 203	-425 383
Sector Alarm Europe AB	-324 034 126	-175 884 877
Sector Alarm Holland BV	-19 139 876	-10 827 527
Sector Alarm IT AS	-809 639	-386 778
Utgående balans	-449 201 611	-280 034 312

Övrigt

I separata noter finns upplysningar om
- löner mm till styrelse och VD
- ställda säkerheter för koncernföretag

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240641

Not 4 Operationella leasingavtal

	2022	2021
Framtida minimileaseavgifter, som ska erläggas avseende icke uppsägningsbara leasingavtal:		
Förfaller till betalning inom ett år	1 964 553	15 175 844
Förfaller till betalning senare än ett men inom 5 år	20 536 747	7 877 712
Förfaller till betalning senare än 5 men inom 10 år	84 688 333	0
	107 189 633	23 053 556
Under perioden kostnadsförda leasingavgifter	31 817 516	26 011 053

Den operationella leasingen består i allt väsentligt av hyrda fastigheter/lokaler. Avtalet om hyra av den största lokalen löper på fem år med möjlighet för företaget att förlänga med ytterligare 3 år i taget. Övriga avtal för hyra av lokaler löper i allmänhet på ett till tre år. Storleken på de framtida leasingavgifterna baseras på befintliga avtal per 31 dec 2022. Uppgifterna i denna not inkluderar även finansiella leasingavtal, vilka redovisas som operationella. Förutom hyra av lokaler, avser avtalen leasing av inventarier för kontorsmiljö och bilar för transportändamål. Inventarierna leasas normalt på ett till tre år med möjlighet till förlängning med ett år i taget. Bilar leasas på tre eller fyra år.

Not 5 Ersättning till revisorerna

	2022	2021
KPMG AB		
Revisionsuppdraget	338 226	370 970
Summa	338 226	370 970

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240065

Not 6 Löner, andra ersättningar och sociala kostnader

	2022	2021
Medelantalet anställda		
Kvinnor	50	57
Män	75	73
Totalt	125	130
Löner, ersättningar, sociala avgifter och pensionskostnader		
Löner och ersättningar till styrelsen och verkställande direktören (varav bonus 257 tkr (257 tkr))	2 764 941	2 456 662
Löner och ersättningar till övriga anställda	77 041 894	80 243 391
	79 806 835	82 700 053
Sociala avgifter enligt lag och avtal	26 586 200	28 833 809
Pensionskostnader för styrelsen och verkställande direktören	490 440	483 396
Pensionskostnader för övriga anställda	7 125 335	9 198 321
Totalt	114 008 810	121 215 579
Styrelseledamöter och ledande befattningshavare		
Antal styrelseledamöter på balansdagen		
Män	2	2
Totalt	2	2
Antal verkställande direktörer och andra ledande befattningshavare		
Män	1	1
Totalt	1	1

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240566

Not 7 Goodwill

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	96 329 337	96 329 337
Utgående ackumulerade anskaffningsvärden	96 329 337	96 329 337
Ingående avskrivningar	-68 233 282	-58 600 348
Årets förändringar		
-Avskrivningar	-9 632 934	-9 632 934
Utgående ackumulerade avskrivningar	-77 866 216	-68 233 282
Utgående restvärde enligt plan	18 463 121	28 096 055

Not 8 Inventarier och monterade alarm

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	767 016 944	695 731 220
Årets förändringar		
-Inköp	72 471 005	71 285 724
Utgående ackumulerade anskaffningsvärden	839 487 949	767 016 944
Ingående avskrivningar	-392 660 741	-357 601 974
Årets förändringar		
-Avskrivningar	-41 932 651	-35 058 767
Utgående ackumulerade avskrivningar	-434 593 392	-392 660 741
Ingående nedskrivningar	-167 669 407	-154 287 922
-Nedskrivningar	-18 270 251	-13 381 486
Utgående ackumulerade nedskrivningar	-185 939 658	-167 669 407
Utgående restvärde enligt plan	218 954 899	206 686 796

Not 9 Licenser

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	1 095 544	1 095 544
Utgående ackumulerade anskaffningsvärden	1 095 544	1 095 544
Ingående avskrivningar	-1 095 544	-1 095 013
Årets avskrivningar	0	-531
Utgående ackumulerade avskrivningar	-1 095 544	-1 095 544
Utgående restvärde enligt plan	0	0

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240067

Not 10 Nedlagt arbete på installationer

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	1 202 198 502	1 148 755 002
Årets aktiveringar	87 037 550	53 443 500
Utgående ackumulerade anskaffningsvärden	1 289 236 052	1 202 198 502
Ingående avskrivningar	-522 622 607	-446 752 925
Årets avskrivningar	-72 199 150	-75 869 682
Utgående ackumulerade avskrivningar	-594 821 757	-522 622 607
Ingående nedskrivningar	-280 686 365	-244 697 481
Årets nedskrivningar	-36 510 826	-35 988 884
Utgående ackumulerade nedskrivningar	-317 197 191	-280 686 365
Utgående restvärde enligt plan	377 217 104	398 889 530

Not 11 Ränteintäkter och liknande resultatposter

	2022	2021
Ränteintäkter	4 448 736	0
Ränteintäkter koncernföretag	0	0
Försäljning av anläggningstillgångar	101 000	0
Summa	4 549 736	0

Not 12 Räntekostnader och liknande resultatposter

	2022	2021
Räntekostnader	-403 778	-1 414 720
Räntekostnader koncernföretag	-4 029 993	-3 308 097
Summa	-4 433 771	-4 722 816

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240068

Not 13 Bokslutsdispositioner

	2022	2021
Skillnad mellan bokförda avskrivningar och avskrivningar enligt plan	31 707 516	26 495 944
Erhållet koncernbidrag	0	0
Lämnat koncernbidrag	-324 034 127	-175 884 877
Avsättning till periodiseringsfond	0	-46 719 879
Summa	-292 326 611	-196 108 812

Not 14 Skatt på årets resultat

	2022	2021
Aktuell skatt för året	0	-29 115 340
Uppskjuten skatt	0	0
Summa	0	-29 115 340
Redovisat resultat före skatt	-7 177 583	134 840 747
Skatt beräknad enligt gällande skattesats (20,6%)	1 478 582	-27 777 194
Skatteeffekt av övriga ej avdragsgilla kostnader	-1 188 006	-1 095 691
Skatteeffekt av schablonränta på periodiseringsfond	-290 576	-242 455
Skatteeffekt tidigare period	0	0
Redovisad skattekostnad	0	-29 115 340

Not 15 Uppskjuten skatt

	2022-12-31	2021-12-31
Skillnaden mellan å ena sidan den inkomstskatt som har redovisats i resultaträkningen samt å andra sidan den inkomstskatt som belöper sig på verksamheten utgörs av		
uppskjuten skattefordran på kostnad återförd i beskattningen och avdragsgill kommande år	44 631	44 631
	44 631	44 631

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240669

Not 16 Obrukade alarm

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	29 451 455	29 088 415
Årets förändringar		
-Inköp	127 894 329	94 523 484
-Årets förbrukning	-109 796 218	-94 160 444
Utgående ackumulerade anskaffningsvärden	47 549 566	29 451 455
Utgående restvärde enligt plan	47 549 566	29 451 455

Not 17 Andelar i koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärde	194 138 940	194 138 940
Utgående ackumulerat anskaffningsvärde	194 138 940	194 138 940
Ingående nedskrivningar	-148 938 940	-148 938 940
Utgående ackumulerade nedskrivningar	-148 938 940	-148 938 940
Utgående redovisat värde	45 200 000	45 200 000

	Org nr	Säte
SA Bevakning AB	556648-3243	Göteborg
Sector Alarm Försäljnings AB	556750-9434	Göteborg
Sector Alarm Service AB	556602-1423	Göteborg

	Kapital-andel %	Rösträtts-andel %	Antal aktier	Bokfört värde 22-12-31	Bokfört värde 21-12-31
SA Bevakning AB	100	100	1 000	100 000	100 000
Sector Alarm Försäljnings AB	100	100	1 000	100 000	100 000
Sector Alarm Service AB	100	100	10 700 078	45 000 000	45 000 000
Summa				45 200 000	45 200 000

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240700

Not 18 Förutbetalda kostnader och upplupna intäkter

	2022-12-31	2021-12-31
Förutbetalda lönekostnader	0	1 105 920
Övriga poster	7 982 785	13 034 661
	7 982 785	14 140 581

Not 19 Aktiekapital

Aktiekapitalet består av 1 100 000 st aktier med kvotvärde 1 kr.

Not 20 Obeskattade reserver

	2022-12-31	2021-12-31
Ackumulerad skillnad mellan bokförda avskrivningar och avskrivningar enligt plan	376 657 127	408 364 643
Periodiseringsfonder	282 112 990	282 112 990
Summa	658 770 117	690 477 633

Not 21 Upplupna kostnader och förutbetalda intäkter

	2022-12-31	2021-12-31
Upplupna personalrelaterade kostnader	28 959 935	30 765 916
Övriga poster	12 459 811	8 556 773
Summa	41 419 746	39 322 690

Not 22 Justering för poster som inte ingår i kassaflödet, mm

	2022	2021
Avskrivningar och nedskrivningar	178 545 812	169 932 283
Summa	178 545 812	169 932 283

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240711

Not 23 Likvida medel

	2022-12-31	2021-12-31
Medel på koncernkonto	562 414 226	455 851 779

Saldot på koncernkontot redovisas i balansräkningen som en fordran alternativt skuld till koncernföretag.

Not 24 Ställda säkerheter

	2022-12-31	2021-12-31
För egna skulder		
Företagsinteckningar	5 000 000	5 000 000
Summa ställda säkerheter	5 000 000	5 000 000

Sector Alarm AB har som en del av koncernen ställt en säkerhet till koncernens externa långivare.

Not 25 Förslag till vinstdisposition

Till årsstämmans förfogande står följande vinstmedel:

Balanserade vinstmedel	122 910 235
Årets resultat	-7 177 583
	115 732 653

Styrelsen föreslår att vinstmedlen disponeras så att

i ny räkning överförs	115 732 653
	115 732 653

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621240772

Not 26 Ägarförhållande

Sector Alarm AB är ett helägt dotterbolag till Sector Alarm Europe AB, Sverige.

Med koncernföretag avses samtliga företag som ingår i den koncern vari Sector Alarm Group Holding AS, org nr 918 307 680 med säte i Oslo i Norge, är moderbolag och i vilket koncernredovisning upprättas. Adressen till Sector Alarm Group AS är Vitaminveien 1A, 0485 Oslo. Sector Alarm AB tillämpar undantagsregeln ÅRL 7 Kap 2§ och upprättar därmed ingen koncernredovisning.

Not 27 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har skett efter räkenskapsårets slut.

Göteborg 2023-05-22

DocuSigned by:
Martin Barden
3D3460F4A5BF4A0...
Martin Barden
Verkställande direktör

DocuSigned by:
Viggo Skeisvoll
B8B5D95F4F57487...
Viggo Skeisvoll

DocuSigned by:
Bjørnar Bukholm
CA5F159981374CD...
Bjørnar Bukholm
Ordförande

Vår revisionsberättelse har lämnats 2023-05-23.

KPMG AB

DocuSigned by:
7326BF141A414EC...
Johan Kratz
Auktoriserad revisor

DocuSign Envelope ID: C5035561-ECFE-4DEA-B3EF-BB19326674AC

20230621124073

Revisionsberättelse

Till bolagsstämman i Sector Alarm AB , org. nr 556597-1081

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Sector Alarm AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Sector Alarm AB s finansiella ställning per den 31 december 2022 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Sector Alarm AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

20230621240 74

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Sector Alarm AB för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Sector Alarm AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.
Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Göteborg 2023-05-23

KPMG AB

DocuSigned by:
7326BF141A414EC...
Johan Kratz
Auktoriserad revisor

DocuSign

Certificate Of Completion

20230621240 75

Envelope Id: C5035561ECFE4DEAB3EFBB19326674AC
Status: Completed
Subject: Complete with DocuSign: Sector Alarm AB ÅR 2022.pdf, Sector Alarm RB 2022(4056040.1).pdf
Source Envelope:
Document Pages: 25
Signatures: 5
Certificate Pages: 6
Initials: 0
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC+01:00) Amsterdam, Berlin, Bern, Rome, Stockholm, Vienna

Envelope Originator:
Filippa Öljemark
PO Box 50768
Malmö, SE -202 71
filippa.oljemark@kpmg.se
IP Address: 195.84.56.2

Record Tracking

Status: Original
5/22/2023 10:49:08 AM

Holder: Filippa Öljemark
filippa.oljemark@kpmg.se

Location: DocuSign

Signer Events

Bjørnar Bukholm
bjornar.bukholm@sectoralarm.com
Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:
Bjørnar Bukholm
CA5F159981374CD...

Signature Adoption: Pre-selected Style
Using IP Address: 193.214.232.74

Timestamp

Sent: 5/22/2023 10:57:13 AM
Viewed: 5/22/2023 11:05:28 AM
Signed: 5/22/2023 11:05:35 AM

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Norway
Transaction Unique ID: 38ac609c-6bcc-5898-b70f-2bef3be22764
Country or Region of ID: NO
Result: Passed
Performed: 5/22/2023 11:05:12 AM

Electronic Record and Signature Disclosure:
Accepted: 5/22/2023 11:05:28 AM
ID: a6172aeb-a707-469e-b66d-12c1a637767a

Viggo Skeisvoll
viggo.skeisvoll@sectoralarm.com
Security Level: Email, Account Authentication (None)

DocuSigned by:
B8B5D95F4F57487...

Signature Adoption: Drawn on Device
Using IP Address: 104.28.105.25
Signed using mobile

Sent: 5/22/2023 10:57:11 AM
Viewed: 5/22/2023 12:30:36 PM
Signed: 5/22/2023 12:31:39 PM

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Norway
Transaction Unique ID: ef942cd9-dbe5-5e15-abf5-3f52b2510be7
Country or Region of ID: NO
Result: Passed
Performed: 5/22/2023 12:30:23 PM

Electronic Record and Signature Disclosure:
Accepted: 5/22/2023 12:30:36 PM
ID: 7a970b58-b7c7-4024-9581-482b738cee09

20230621240076

Signer Events	Signature	Timestamp
Martin Deybarden martin.barden@sectoralarm.se MD Sweden Security Level: Email, Account Authentication (None)	DocuSigned by: Martin Deybarden 3D3460F4A5BF4A0...	Sent: 5/22/2023 12:31:43 PM Resent: 5/22/2023 3:07:17 PM Viewed: 5/22/2023 4:07:56 PM Signed: 5/22/2023 4:08:42 PM
	Signature Adoption: Pre-selected Style Using IP Address: 195.58.117.2	

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: e08aa6f0-7203-53c0-838a-8f7ecbe20a39
Country or Region of ID: SE
Result: Passed
Performed: 5/22/2023 4:07:42 PM

Electronic Record and Signature Disclosure:
Accepted: 5/22/2023 4:07:56 PM
ID: 04c92aee-9d95-4fc3-b3e6-2267ae81dee4

Johan Kratz johan.kratz@kpmg.se KPMG AB Security Level: Email, Account Authentication (None)	DocuSigned by: Jk 7326BF141A414EC...	Sent: 5/22/2023 4:08:54 PM Viewed: 5/23/2023 8:58:46 AM Signed: 5/23/2023 8:58:59 AM
	Signature Adoption: Uploaded Signature Image Using IP Address: 195.84.56.2	

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: b24d287d-c60f-59e2-a10a-0ad99b8be9f1
Country or Region of ID: SE
Result: Passed
Performed: 5/23/2023 8:58:33 AM

Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 394038ae-9eb9-5b22-a9e9-285ce47f934f
Country or Region of ID: SE
Result: Passed
Performed: 5/23/2023 9:08:52 AM

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	**Status**	**Timestamp**
Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**

Witness Events	Signature	Timestamp
Notary Events	**Signature**	**Timestamp**

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/22/2023 10:57:13 AM
Envelope Updated	Security Checked	5/22/2023 3:07:17 PM
Certified Delivered	Security Checked	5/23/2023 8:58:46 AM
Signing Complete	Security Checked	5/23/2023 8:58:59 AM
Completed	Security Checked	5/23/2023 8:58:59 AM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

20230621174077

20230621240 78

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, KPMG AB (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

20230621240 79

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact KPMG AB:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: dpreporting@kpmg.se

To advise KPMG AB of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at dpreporting@kpmg.se and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from KPMG AB

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to dpreporting@kpmg.se and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with KPMG AB

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

20230621240800

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to dpreporting@kpmg.se and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify KPMG AB as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by KPMG AB during the course of your relationship with KPMG AB.