20240614275O1

Styrelsen och verkställande direktören för

**Avarn Security AB**

Org nr 556256-8138

får härmed avge

# Årsredovisning

för räkenskapsåret 1 januari - 31 december 2023

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Undertecknad styrelseledamot i Avarn Security AB intygar, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultaträkningen och balansräkningen fastställts på årsstämman den 2024-06-12. Årsstämman beslutade att godkänna styrelsens förslag till hur resultatet ska fördelas.

Ort och datum

Stockholm 2024-06-12

.....

Mikael Olsson

20240614275O2

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Styrelsen och verkställande direktören för

**Avarn Security AB**

Org nr 556256-8138

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# Förvaltningsberättelse

## Allmänt om verksamheten

### Ägarförhållanden

Bolaget ägs av Avarn Security Holding AB, 559311-4571, ett systerbolag till Avarn Security AS.
Bolaget ingår i en koncern där Avarn Security Group Holding AS, org. nr 926 867 970 med säte i Oslo, Norge är moderbolag.

### Information om verksamheten

Avarn Security AB är en helhetsleverantör av säkerhetslösningar och tar ett långsiktigt totalansvar för kundens säkerhet och trygghet. Bolaget erbjuder produkter och tjänster inom hela kedjan – förebygga, skydda, hantera tillträde, övervaka och åtgärda.

Den huvudsakliga verksamheten i Avarn Security AB utgörs av bemannade säkerhetslösningar.
Bolagets operativa verksamhet är beroende av och kan påverkas av myndighetsbeslut avseende till exempel tillstånd för privata företag att bedriva bevakningsverksamhet. Bolagets riskexponering ligger inom ramen för nivån för säkerhetsbranschen som helhet.

| Resultat och ställning översikt (Tkr) | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Nettoomsättning | 3 430 378 | 3 161 610 | 2 778 852 | 2 049 477 |
| Resultat efter finansiella poster | 125 212 | 60 597 | 134 141 | -41 546 |
| Rörelsemarginal | 3,3% | 1,7% | 4,7% | -2,2% |
| Balansomslutning | 1 427 709 | 1 251 210 | 1 274 131 | 896 073 |
| Soliditet | 7,1% | 6,6% | 6,5% | 7,2% |
| Medelantal anställda* | 4 462 | 4 023 | 3 642 | 2 690 |

**genomsnittligt antal heltidsanställda*

### Nyckeltalsdefinitioner

*Rörelsemarginal*
Rörelseresultatet i procent av nettoomsättningen.

*Soliditet*
Justerat eget kapital i procent av balansomslutning.

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### Väsentliga händelser efter räkenskapsårets utgång
Det osäkra säkerhetspolitiska läget i Europa förväntas få följder på ekonomin även i Sverige. Hur detta påverkar säkerhetsmarknaden i allmänhet och Avarn i synnerhet är dock svårbedömt.

### Hållbarhetsredovisning enligt årsredovisningslagen
Bolaget har upprättat en hållbarhetsredovisning vilken finns tillgänglig på bolagets webbsida.

### Framtida utveckling
Vi bedömer att marknaden för bemannade säkerhetslösningar kommer att vara stabil med en tillväxt givet förändringar och ökat behov i samhället. Det osäkra politiska läget i Europa förväntas ge ökad fokus på säkerhet generellt. Bolaget fortsätter att fokusera på effektivisering av verksamheten och att erbjuda marknaden innovativa lösningar tillsammans med moderbolaget. Kassaflödet bedöms som tillfredsställande och likviditeten bedöms som god, bolaget har även tillgång till nödvändig finansiering från moderbolaget.

### Väsentliga risker och osäkerhetsfaktorer
Bolaget bedömer att verksamheten bedrivs utan normalt väsentliga risker eller osäkerhetsfaktorer. I början av år 2022 försämrades det säkerhetspolitiska läget i Europa väsentligt vilket sedan dess påverkat marknaden även i Sverige. Bolaget bedömer dock att efterfrågan på säkerhetstjänster kommer att vara fortsatt stabil under 2024.

### Miljö
Bolaget är sedan 2003 ISO certifierat avseende ISO 9001:2015 Ledningssystem för kvalitet, ISO 45001:2018, Ledningssystem för arbetsmiljö samt ISO 14001:2015 Ledningssystem för miljö. Därutöver innehar bolaget certifikat SSF 136:5 Larmcentraler samt EN 50518 Europeisk standard för larmcentraler. Det innebär att vi arbetar processtyrt och med hållbar utveckling ur ett kvalitets-, miljö- och arbetsmiljöperspektiv i samtliga delar i företaget.
Vi har fastställt företagets betydande miljöaspekter, har beslutade mål för kvalitet, miljö och arbetsmiljö samt arbetar systematiskt med ständig förbättring.

### Förändringar i eget kapital

| | Aktie-kapital | Reserv-fond | Fond för utvecklingsutgifter | Balanserad vinst | Årets resultat | Totalt |
|---|---|---|---|---|---|---|
| Eget kapital 2022-01-01 | 5 000 | 1 000 | 527 | 58 255 | 58 472 | 123 254 |
| Överföring föregående års resultat | | | | 58 472 | -58 472 | – |
| Utdelning | | | | -70 000 | | -70 000 |
| Årets resultat | | | | | 29 151 | 29 151 |
| **Eget kapital 2022-12-31** | **5 000** | **1 000** | **527** | **46 727** | **29 151** | **82 405** |

| | Aktie-kapital | Reserv-fond | Fond för utvecklingsutgifter | Balanserad vinst | Årets resultat | Totalt |
|---|---|---|---|---|---|---|
| Eget kapital 2023-01-01 | 5 000 | 1 000 | 527 | 46 727 | 29 151 | 82 405 |
| Överföring föregående års resultat | | | | 29 151 | -29 151 | – |
| Antecipierad utdelning | | | | 3 000 | | 3 000 |
| Årets resultat | | | | | 5 708 | 5 708 |
| **Eget kapital 2023-12-31** | **5 000** | **1 000** | **527** | **78 878** | **5 708** | **91 113** |

### *Förslag till disposition beträffande bolagets vinst*

| | |
|---|---|
| Styrelsen föreslår att till förfogande stående medel | |
| Balanserad vinst | 75 877 549 |
| Antecipierad utdelning | 3 000 000 |
| Årets vinst | 5 708 061 |
| **kronor** | **84 585 610** |

| | |
|---|---|
| Disponeras enligt följande | |
| Till aktieägarna utdelas 1.060 kr per aktie = 53.000.000 kr | 53 000 000 |
| Balanseras i ny räkning | 31 585 610 |
| ***kronor*** | ***84 585 610*** |

### Styrelsens yttrande över den föreslagna vinstutdelningen
Styrelsen anser att den föreslagna vinstutdelningen är försvarlig med hänsyn till de krav som verksamhetens art, omfattning och risker ställer på storleken av det egna kapitalet, likviditet och ställning i övrigt.
Den föreslagna värdeöverföringen kan därmed försvaras med hänsyn till vad som anförts i ABL 17 kap 3 § 2-3 st. (försiktighetsregeln).

Vad beträffar företagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande bokslutskommentarer.

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## Resultaträkning

| *Belopp i Tkr* | *Not* | 2023-01-01<br>2023-12-31 | 2022-01-01<br>2022-12-31 |
|---|---|---|---|
| Nettoomsättning | 2, 6 | 3 430 378 | 3 161 610 |
| Aktiverat arbete för egen räkning | | – | – |
| Övriga rörelseintäkter | | 27 428 | 10 994 |
| | | **3 457 806** | **3 172 604** |
| ***Rörelsens kostnader*** | | | |
| Övriga externa kostnader | 3, 5, 6 | -451 512 | -434 563 |
| Personalkostnader | 4 | -2 847 733 | -2 641 758 |
| Avskrivningar av materiella och immateriella anläggningstillgångar | 7 | -46 222 | -43 318 |
| **Rörelseresultat** | | **112 339** | **52 965** |
| ***Resultat från finansiella poster*** | | | |
| Ränteintäkter och liknande resultatposter | | 23 869 | 10 320 |
| Räntekostnader och liknande resultatposter | | -10 996 | -2 688 |
| **Resultat efter finansiella poster** | | **125 212** | **60 597** |
| ***Bokslutsdispositioner*** | | | |
| Lämnade koncernbidrag | | -178 619 | -807 |
| Bokslutsdispositioner | 8 | 58 682 | -21 500 |
| **Resultat före skatt** | | **5 275** | **38 290** |
| Skatt på årets resultat | 9 | 433 | -9 139 |
| **Årets resultat** | | **5 708** | **29 151** |

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## Balansräkning

| *Belopp i Tkr* | *Not* | 2023-12-31 | 2022-12-31 |
|---|---|---|---|
| **TILLGÅNGAR** | | | |
| **Anläggningstillgångar** | | | |
| ***Immateriella anläggningstillgångar*** | 10 | | |
| Balanserade utgifter för utvecklingsarbeten och liknande arbeten | | – | 76 |
| Koncessioner, patent, licenser, varumärken samt liknande rättigheter | | 16 003 | 23 895 |
| Övriga immateriella anläggningstillgångar | | – | 150 |
| Kundkontrakt | | 46 000 | 70 000 |
| Goodwill | | – | 523 |
| Pågående utvecklingsarbete | | 4 593 | 1 328 |
| | | **66 596** | **95 972** |
| ***Materiella anläggningstillgångar*** | 11 | | |
| Förbättringsutgifter på annans fastighet | | 14 022 | 16 515 |
| Inventarier, verktyg och installationer | | 20 190 | 23 463 |
| | | **34 212** | **39 978** |
| ***Finansiella anläggningstillgångar*** | | | |
| Andelar i koncernföretag | 12 | 616 | 616 |
| Uppskjuten skattefordran | 17 | 4 874 | 4 442 |
| | | **5 490** | **5 058** |
| **Summa anläggningstillgångar** | | **106 298** | **141 008** |
| **Omsättningstillgångar** | | | |
| Färdiga varor och handelsvaror | | 2 973 | 3 306 |
| | | **2 973** | **3 306** |
| ***Kortfristiga fordringar*** | | | |
| Kundfordringar | 13 | 571 643 | 532 294 |
| Fordringar hos koncernföretag | 14 | 664 383 | 510 096 |
| Skattefordringar | | 22 797 | 1 639 |
| Fordringar hos kreditinstitut | | – | – |
| Övriga fordringar | | 812 | – |
| Förutbetalda kostnader och upplupna intäkter | 15 | 55 967 | 53 485 |
| | | **1 315 602** | **1 097 514** |
| ***Kortfristiga placeringar*** | 14 | 1 823 | 3 168 |
| ***Kassa och bank*** | 14, 20 | 1 013 | 6 214 |
| **Summa omsättningstillgångar** | | **1 321 411** | **1 110 202** |
| **SUMMA TILLGÅNGAR** | | **1 427 709** | **1 251 210** |

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## Balansräkning

| *Belopp i Tkr* | *Not* | 2023-12-31 | 2022-12-31 |
|---|---|---|---|
| EGET KAPITAL OCH SKULDER | | | |
| ***Eget kapital*** | | | |
| *Bundet eget kapital* | | | |
| Aktiekapital (50 000 aktier) | | 5 000 | 5 000 |
| Fond för utvecklingsutgifter | | 527 | 527 |
| Reservfond | | 1 000 | 1 000 |
| | | 6 527 | 6 527 |
| *Fritt eget kapital* | | | |
| Balanserad vinst eller förlust | | 75 878 | 46 727 |
| Antecipierad utdelning | | 3 000 | – |
| Årets resultat | | 5 708 | 29 151 |
| | | 84 586 | 75 878 |
| | | 91 113 | 82 405 |
| ***Obeskattade reserver*** | 16 | | |
| Ackumulerade avskrivningar utöver plan | | 12 818 | 28 900 |
| Periodiseringsfonder | | – | 42 600 |
| | | 12 818 | 71 500 |
| ***Kortfristiga skulder*** | | | |
| Förskott från kunder | | 108 578 | 113 619 |
| Leverantörsskulder | | 52 148 | 75 792 |
| Skulder till koncernföretag | | 179 593 | 299 |
| Skulder till kreditinstitut | | 133 377 | 121 866 |
| Övriga skulder | | 205 929 | 186 659 |
| Upplupna kostnader och förutbetalda intäkter | 18 | 644 153 | 599 070 |
| | | 1 323 778 | 1 097 305 |
| SUMMA EGET KAPITAL OCH SKULDER | 19 | 1 427 709 | 1 251 210 |

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## Kassaflödesanalys

| *Belopp i Tkr* | *Not* | 2023-01-01<br>2023-12-31 | 2022-01-01<br>2022-12-31 |
|---|---|---|---|
| **Den löpande verksamheten** | | | |
| Rörelseresultat | | 112 339 | 52 965 |
| Justeringar för poster som inte ingår i kassaflödet | | | |
| Avskrivningar och nedskrivningar | 7 | 46 220 | 43 318 |
| Förändring av avsättningar | | -58 682 | 21 500 |
| Realisationsresultat | | -545 | 112 |
| | | 99 332 | 117 895 |
| Erhållen ränta | | 23 869 | 10 320 |
| Erlagd ränta | | -10 996 | -2 688 |
| Betald skatt | | 433 | -12 506 |
| **Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital** | | 112 638 | 113 021 |
| *Kassaflöde från förändringar i rörelsekapital* | | | |
| Förändring av varulager | | 333 | -3 142 |
| Förändring av rörelsefordringar | | -80 815 | -92 058 |
| Förändring av kortfristiga skulder | | 226 473 | 279 867 |
| **Kassaflöde från den löpande verksamheten** | | 258 629 | 297 688 |
| **Investeringsverksamheten** | | | |
| Förvärv av immateriella anläggningstillgångar | 10 | -3 264 | -6 473 |
| Förvärv av materiella anläggningstillgångar | 11 | -8 045 | -18 554 |
| Förvärv/Avyttring av finansiella anläggningstillgångar | | -432 | -574 |
| Försäljning av inventarier | | 776 | 1 252 |
| **Kassaflöde från investeringsverksamheten** | | -10 965 | -24 349 |
| **Finansieringsverksamheten** | | | |
| Utbetald utdelning | | 3 000 | -70 000 |
| Utbetalt koncernbidrag | | -178 619 | -807 |
| Periodiseringsfond | | 58 682 | -21 500 |
| **Kassaflöde från finansieringsverksamheten** | | -116 937 | -92 307 |
| **Årets kassaflöde** | | 130 727 | 181 032 |
| **Likvida medel vid årets början** | | 448 115 | 267 083 |
| **Likvida medel vid årets slut** | 14 | 578 842 | 448 115 |

I likvida medel ovan ingår förutom kassa och bank även medel på cashpool konto samt kortfristiga placeringar.

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# Noter

## Not 1 Redovisnings- och värderingsprinciper

*Belopp i Tkr om inget annat anges*

### Allmänt

Årsredovisningen har upprättats i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

### Klassificering

Anläggningstillgångar, långfristiga skulder och avsättningar består i allt väsentligt enbart av belopp som förväntas återvinnas eller betalas efter mer än tolv månader räknat från balansdagen.

*Omsättningstillgångar och kortfristiga skulder består i allt väsentligt enbart av belopp som förväntas* återvinnas eller betalas inom tolv månader från balansdagen.

### *Värderingsprinciper m m*

Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

### Intäkter

Intäkter har upptagits till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Larmavtalsknutna inkomster intäktsförs linjärt över kontraktsperioden.

### Immateriella och materiella anläggningstillgångar

Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde med avdrag för ackumulerade avskrivningar och eventuella nedskrivningar.

Linjär avskrivning görs på avskrivningsbart belopp (anskaffningsvärde med avdrag för beräknat restvärde) över tillgångarnas nyttjandeperiod enligt följande:

| | |
|---|---|
| Balanserade utgifter för utvecklingsarbeten | 5 år |
| Koncessioner, patent, licenser, varumärken och liknande rättigheter | 3 - 10 år |
| Goodwill | 5 - 10 år |
| Förbättringsutgifter på annans fastighet | 3 - 10 år |
| Inventarier, verktyg och installationer | 3 - 10 år |

Aktiveringsmodellen tillämpas för internt upparbetade immateriella tillgångar

### Fordringar

Fordringar upptas till det lägsta av anskaffningsvärde och det belopp varmed det beräknas inflyta.

### Förskott från kunder

Larmavtalsknutna inkomster intäktsförs linjärt över kontraktsperioden. Inkomster hänförliga till *framtida perioder skuldförs i balansräkningen under posten "Förskott från kunder".*

### Fordringar och skulder i utländsk valuta

*Fordringar och skulder i utländsk valuta har omräknats till balansdagens kurs. Kursvinster och* kursförluster på rörelsens fordringar och skulder tillförs rörelseresultatet. Vinster och förluster på finansiella fordringar och skulder redovisas som finansiella poster.

### Likvida medel

Likvida medel omfattar kassa och tillgodohavanden hos bank samt kortfristiga placeringar med en ursprunglig löptid på högst tre månader.

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**Skatt inklusive uppskjuten skatt**
Redovisade inkomstskatter innefattar skatt som ska betalas eller erhållas avseende aktuellt år, justeringar avseende tidigare års aktuella skatt samt förändringar i uppskjuten skatt.

Värdering av samtliga skatteskulder/-fordringar sker till nominella belopp och görs enligt de skatteregler och skattesatser som är beslutade eller som är aviserade och med stor säkerhet kommer att fastställas.

För poster som redovisas i resultaträkningen, redovisas även därmed sammanhängande skatteeffekter i resultaträkningen. Skatteeffekter av poster som redovisas direkt mot eget kapital, redovisas mot eget kapital.

Uppskjuten skatt beräknas enligt balansräkningsmetoden på alla temporära skillnader som uppkommer mellan redovisade och skattemässiga värden på tillgångar och skulder. De temporära skillnaderna har huvudsakligen uppkommit genom avskrivning av förbättringsåtgärder på annans fastighet.

**Avsättningar, eventualförpliktelser och eventualtillgångar**
En avsättning redovisas i balansräkningen när företaget har ett formellt eller informellt åtangande som en följd av en inträffad händelse och det är troligt att ett utflöde av resurser krävs för att reglera åtagandet och en tillförlitlig uppskattning av beloppet kan göras.

**Leasing**
Samtliga leasingavtal redovisas som operationella. Leasingavgifter avseende operationella leasingavtal redovisas som kostnad i resultaträkningen och fördelas linjärt över avtalets löptid.

**Koncernuppgifter**
Bolaget ingår i en koncern i vilken Avarn Security Group Holding AS, org. nr 926 867 970 med säte i Norge är moderbolag. Enligt ÅRL 7 kap 2§ upprättas inte koncernredovisning då överordnat moderbolag upprättar koncernredovisning över samtliga dotterbolag.

**Not 2 Nettoomsättningens fördelning på verksamhetsgrenar och geografiska marknader**

| | 2023 | 2022 |
|---|---|---|
| Bevaknings- och bevakningsrelaterade tjänster | 3 205 058 | 2 945 631 |
| Larmcentralstjänster | 125 689 | 116 629 |
| Parkeringstjänster | 99 631 | 99 350 |
| *Summa* | **3 430 378** | **3 161 610** |

All försäljning sker i Sverige.

**Not 3 Operationella leasingavtal**

Framtida minimileaseavgifter som skall erläggas avseende icke uppsägningsbara leasingavtal.

| | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Förfaller till betalning inom ett år | 52 274 | 54 599 |
| Förfaller till betalning senare än ett men inom fem år | 41 991 | 49 406 |
| **Totalt** | **94 265** | **104 005** |
| | | |
| **Under perioden kostnadsförda leasingavgifter** | **65 385** | **69 328** |

För bolaget inkluderar uppgifterna i denna not även finansiella leasingavtal, vilka redovisas som operationella.

Förutom hyra av lokaler, avser avtalen leasing av kontorsutrustning och bilar. Inventarier leasas normalt på tre eller fyra år med möjlighet till förlängning med ett år eller utköp. Bilar leasas på två eller tre år med möjlighet till utköp.

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## Not 4 Personal

| | 2023 | 2022 |
|---|---|---|
| *Medelantalet anställda* | | |
| Män | 3 237 | 2 913 |
| Kvinnor | 1 224 | 1 110 |
| **Summa** | **4 461** | **4 023** |
| | | |
| *Löner och andra ersättningar* | | |
| Styrelsen och verkställande direktören | 4 038 | 4 584 |
| *(Varav tantiem och liknande ersättningar till styrelse och VD)* | *330* | *1128* |
| Övriga anställda | 2 026 341 | 1 903 252 |
| **Summa** | **2 030 379** | **1 907 836** |
| | | |
| *Sociala avgifter och pensionskostnader* | | |
| Pensionskostnader för styrelsen och verkställande direktören | 910 | 1 109 |
| Pensionskostnader övriga anställda | 130 727 | 116 208 |
| Sociala avgifter enligt lag och avtal | 655 617 | 595 444 |
| **Summa** | **787 254** | **712 761** |

För verkställande direktören gäller vid uppsägning från bolagets sida en uppsägningstid om 12 månader och därutöver ett kontant avgångsvederlag motsvarande tolv månaders anställningsförmåner.

| *Könsfördelning i företagsledning:* | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Fördelning mellan kvinnor och män i företagets styrelse: | | |
| *Kvinnor* | 1 | 1 |
| Män | 3 | 3 |
| **Totalt** | **4** | **4** |
| | | |
| Fördelning mellan kvinnor och män i företagsledningen: | | |
| Kvinnor | 4 | 3 |
| Män | 6 | 7 |
| **Totalt** | **10** | **10** |

## Not 5 Arvoden till revisorer

| | 2023 | 2022 |
|---|---|---|
| PricewaterhouseCoopers AB | | |
| Revisionsuppdrag | 1075 | 420 |
| Revisionsverksamhet utöver revisionsuppdraget | 75 | – |
| **Summa** | **1 150** | **420** |

## Not 6 Inköp och försäljning mellan koncernbolag

Av årets inköp avser 29,2% (26,5%) inköp från andra koncernbolag.

Av årets försäljning avser 1,2% (1,6%) försäljning till andra koncernbolag.

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| Not 7 Av- och nedskrivningar | 2023 | 2022 |
|---|---|---|
| *Avskrivningar* | | |
| Inventarier | -9 285 | -5 823 |
| Goodwill avskrivningar | -523 | -1 809 |
| Övriga immateriella anläggningstillgångar | -24 150 | -24 200 |
| Förbättringsutgifter på annans fastighet | -4 295 | -5 439 |
| Koncessioner, patent, licenser, varumärken och liknande rättigheter | -7 892 | -5 860 |
| Balanserade utgifter för utvecklingsarbeten och liknande | -76 | -187 |
| **Summa** | **-46 221** | **-43 318** |

| Not 8 Bokslutsdispositioner | 2023 | 2022 |
|---|---|---|
| Förändring av skillnad mellan bokförda avskrivningar och avskrivningar enligt plan | -16 082 | 5 900 |
| Förändring av periodiseringsfond/upplösning av periodiseringsfond | -42 600 | 15 600 |
| **Summa** | **-58 682** | **21 500** |

| Not 9 Skatt på årets resultat | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Aktuell skatt | – | -9 713 |
| Förändring av uppskjuten skatt avseende temporära skillnader | 433 | 574 |
| **Skatt på årets resultat** | **433** | **-9 139** |
| | | |
| **Redovisat resultat före skatt** | **5 275** | **38 290** |
| | | |
| Skatt beräknad enligt gällande skattesats | -1 087 | -7 888 |
| Skatteeffekt ej avdragsgilla kostnader | -1 427 | -649 |
| Skatteeffekt av schablonränta | -170 | -28 |
| Övertaget negativt räntenetto | 2 684 | – |
| Uppskjuten skatt avseende temporära skillnader | -433 | -574 |
| | **-433** | **-9 139** |

Not 10 Immateriella anläggningstillgångar

| *Goodwill* | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Ingående ackumulerade anskaffningsvärden | 147 112 | 147 112 |
| Nyanskaffningar | – | – |
| **Utgående ackumulerade anskaffningsvärden** | **147 112** | **147 112** |
| | | |
| Ingående ackumulerade avskrivningar | -145 594 | -143 785 |
| Årets avskrivningar | -523 | -1 809 |
| **Utgående ackumulerade avskrivningar** | **-146 117** | **-145 594** |
| | | |
| Ingående nedskrivningar | -995 | -995 |
| **Bokfört värde** | **–** | **523** |

| *Kundkontrakt* | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Ingående ackumulerade anskaffningsvärden | 120 000 | 120 000 |
| Nyanskaffningar | – | – |
| **Utgående ackumulerade anskaffningsvärden** | **120 000** | **120 000** |
| | | |
| Ingående ackumulerade avskrivningar | -50 000 | -26 000 |
| Årets avskrivningar | -24 000 | -24 000 |
| **Utgående ackumulerade avskrivningar** | **-74 000** | **-50 000** |
| **Bokfört värde** | **46 000** | **70 000** |

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| *Koncessioner, patent, licenser, varumärken och liknande rättigheter* | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Ingående ackumulerade anskaffningar | 37 103 | 30 201 |
| Nyanskaffningar | – | 6 902 |
| **Utgående ackumulerade anskaffningsvärden** | **37 103** | **37 103** |
| | | |
| Ingående ackumulerade avskrivningar | -13 208 | -7 347 |
| Årets avskrivningar | -7 892 | -5 861 |
| **Utgående ackumulerade avskrivningar** | **-21 100** | **-13 208** |
| | | |
| **Bokfört värde** | **16 003** | **23 895** |

| *Balanserade utgifter för utvecklingsarbeten och liknande arbeten* | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Ingående ackumulerade anskaffningsvärde | 4 650 | 4 650 |
| Nyanskaffningar | – | – |
| **Utgående ackumulerade anskaffningsvärden** | **4 650** | **4 650** |
| | | |
| Ingående ackumulerade avskrivningar | -4 574 | -4 387 |
| Årets avskrivningar | -76 | -187 |
| **Utgående ackumulerade avskrivningar** | **-4 650** | **-4 574** |
| | | |
| **Bokfört värde** | **–** | **76** |

| *Övriga immateriella anläggningstillgångar* | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Ingående ackumulerade anskaffningsvärde | 1 000 | 1 000 |
| Nyanskaffningar | – | – |
| **Utgående ackumulerade anskaffningsvärden** | **1 000** | **1 000** |
| | | |
| Ingående ackumulerade avskrivningar | -851 | -650 |
| Årets avskrivningar | -149 | -200 |
| **Utgående ackumulerade avskrivningar** | **-1 000** | **-850** |
| | | |
| **Bokfört värde** | **–** | **150** |

| *Pågående utvecklingsarbete* | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Ingående ackumulerade anskaffningsvärde | 1 328 | 3 008 |
| Nyanskaffningar | 3 265 | 7 716 |
| Aktiveringar | – | -8 145 |
| Omklassificeringar | – | -1 251 |
| **Utgående ackumulerade anskaffningsvärden** | **4 593** | **1 328** |
| | | |
| **Utgående balans** | **4 593** | **1 328** |

| **Not 11 Materiella anläggningstillgångar** | 2023-12-31 | 2022-12-31 |
|---|---|---|
| | | |
| *Inventarier, verktyg och installationer* | | |
| Ingående ackumulerade anskaffningsvärden | 120 634 | 114 371 |
| Nyanskaffningar | 6 243 | 17 879 |
| Omklassificeringar | – | -5 037 |
| Avyttringar/utrangeringar | -1 290 | -6 579 |
| **Utgående ackumulerade anskaffningsvärden** | **125 587** | **120 634** |
| | | |
| Ingående ackumulerade avskrivningar | -97 171 | -102 853 |
| Avyttringar/utrangeringar | 1 059 | 6 467 |
| Omklassificeringar | – | 5 037 |
| Årets avskrivningar | -9 285 | -5 822 |
| **Utgående ackumulerade avskrivningar** | **-105 397** | **-97 171** |
| **Bokfört värde** | **20 190** | **23 463** |
| | | |
| *Förbättringsutgifter på annans fastighet* | | |
| Ingående ackumulerade anskaffningsvärden | 50 700 | 47 493 |
| Nyanskaffningar | 1 802 | 675 |
| Omklassificeringar | – | 2 532 |
| **Utgående ackumulerade avskrivningar** | **52 502** | **50 700** |
| | | |
| Ingående ackumulerade avskrivningar | -34 185 | -26 214 |
| Omklassificering | – | -2 532 |
| Årets avskrivning | -4 295 | -5 439 |
| **Utgående ackumulerade avskrivningar** | **-38 480** | **-34 185** |
| **Bokfört värde** | **14 022** | **16 515** |

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| Not 12 Finansiella anläggningstillgångar | 2023-12-31 | 2022-12-31 |
|---|---|---|
| *Andelar i koncernföretag* | | |
| Ingående ackumulerade anskaffningsvärde | 2 666 | 2 666 |
| **Utgående ackumulerade anskaffningsvärden** | **2 666** | **2 666** |
| | | |
| Ingående ackumulerade nedskrivningar | -2 050 | -2 050 |
| **Utgående ackumulerade nedskrivningar** | **-2 050** | **-2 050** |
| **Bokfört värde** | **616** | **616** |

**Specifikation av företagets innehav av andelar i koncernföretag**

| | | | 2023-12-31 | 2022-12-31 |
|---|---|---|---|---|
| *Dotterföretag / Org nr / Säte* | *Antal andelar* | *Andel i % i)* | *Redovisat värde* | *Redovisat värde* |
| **Synenergy Ab, 556855-0742, Stockholm** | 2 000 | 100 | 616 | 616 |
| | | | **616** | **616** |

**Not 13 Uppskattningar och bedömningar**

Bedömning av Kundfordringar och avsättning för eventuella kundförluster görs löpande individuellt per Kund.
Hänsyn tas till Kunds betalningsförmåga baserat på historisk data samt information från kreditinstitut.

| Not 14 Likvida medel | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Kassamedel | 10 | 23 |
| Banktillgodohavanden | 1 003 | 6 191 |
| Korta placeringar | 1 823 | 3 168 |
| Medel på koncernkonto | 576 006 | 438 734 |
| **Summa likvida medel** | **578 842** | **448 116** |

| Not 15 Förutbetalda kostnader och upplupna intäkter | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Förutbetalda hyror | 6 034 | 6 562 |
| Upplupna intäkter | 9 632 | 17 195 |
| Övriga poster | 40 301 | 29 728 |
| **Summa förutbetalda kostnader och upplupna intäkter** | **55 967** | **53 485** |

| Not 16 Obeskattade reserver | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Ackumulerade avskrivningar utöver plan | 12 818 | 28 900 |
| Periodiseringsfond 2021 | – | 42 600 |
| **Summa obeskattade reserver** | **12 818** | **71 500** |

**Obeskattade reserver**

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

| Not 17 Uppskjutna skatter | 2023-12-31 | 2022-12-31 |
|---|---|---|
| **Uppskjuten skattefordran** | | |
| Temporär skillnad befarade kundförluster | 300 | 255 |
| Temporär skillnad förbättringsutgifter annans fastighet | 4 574 | 4 187 |
| **Summa uppskjutna skattefordringar** | **4 874** | **4 442** |

| Not 18 Upplupna kostnader och förutbetalda intäkter | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Semesterlöneskuld | 254 438 | 239 976 |
| Sociala avgifter semesterlöneskuld | 79 290 | 72 137 |
| Upplupna löner | 186 074 | 173 421 |
| Övriga poster | 124 351 | 113 536 |
| **Summa upplupna kostnader och förutbetalda intäkter** | **644 153** | **599 070** |

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| Not 19 Ställda säkerheter | 2023-12-31 | 2022-12-31 |
|---|---|---|
| För egna skulder till kreditinstitut | | |
| Företagsinteckningar | 67 568 | 67 568 |
| **Summa ställda säkerheter** | **67 568** | **67 568** |

**Not 20 Eventualförpliktelser**

Avarn Security AB har, tillsammans med övriga 20 bolag som omfattas, ett solidariskt ansvar för Avarn Security Group Holding AS-koncernens cashpool limit som per 2023-12-31 uppgick till 275 000 000 NOK. Avarn Securitys tillgodohavande i cashpoolen uppgår per 2023-12-31 till 576 MSEK. Avarn Security AB har sålt kundfordringar till kreditinstitut för vilka bolaget står för 10 procent av risken om kunden inte betalar. Per 2023-12-31 uppgick den risken till ett belopp om 21 640 tkr (17 091 tkr).

**Not 21 Väsentliga händelser efter bokslutsdagen**

Inga väsentliga händelser har skett efter årets slut.

Stockholm den dag som framgår av vår elektroniska signatur

Vidar Berg
*Ordförande*

Mikael Olsson
*Ledamot*

David Larsson
*Verkställande direktör*

Merethe Nodtvedt Jacobsen
*Ledamot*

Vår revisionsberättelse har lämnats den dag som framgår av vår elektroniska signatur
PricewaterhouseCoopers AB

Martin By
*Auktoriserad revisor*

Signerat 2024-05-28 09:02:25 UTC

# Deltagare

**AVARN SECURITY AB** 556256-8138 Sverige

*Signerat med Svenskt BankID* — *2024-05-24 12:28:11 UTC*

Namn returnerat från Svenskt BankID: David Larsson — Datum

David Larsson
Verkställande direktör

Leveranskanal: E-post

*Signerat med Svenskt BankID* — *2024-05-24 12:00:55 UTC*

Namn returnerat från Svenskt BankID: MIKAEL OLSSON — Datum

Mikael Olsson
Ledamot

Leveranskanal: E-post

*Signerat med Norskt BankID* — *2024-05-24 10:33:02 UTC*

Namn returnerat från Norskt BankID: Jacobsen, Merethe Nødtvedt — Datum

Merethe Nodtvendt Jacobsen
Ledamot

Leveranskanal: E-post

*Signerat med Norskt BankID* — *2024-05-24 10:54:18 UTC*

Namn returnerat från Norskt BankID: Berg, Vidar — Datum

Vidar Berg
Ordförande

Leveranskanal: E-post

**PRICEWATERHOUSECOOPERS AB** 556067-4276 Sverige

*Signerat med Svenskt BankID* — *2024-05-28 09:02:25 UTC*

Namn returnerat från Svenskt BankID: Per Martin Viktor By — Datum

Martin By
Auktoriserad revisor

Leveranskanal: E-post

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# Revisionsberättelse

Till bolagsstämman i Avarn Security AB, org.nr 556256-8138

## Rapport om årsredovisningen

### Uttalanden

Vi har utfört en revision av årsredovisningen för Avarn Security AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Avarn Security ABs finansiella ställning per den 31 december 2023 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 för Avarn Security AB.

### 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 Avarn Security 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.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

## 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 Avarn Security AB för år 2023 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 Avarn Security AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

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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. Den 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.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

*Stockholm den dag som framgår av vår elektroniska signatur*

PricewaterhouseCoopers AB

Martin By
Auktoriserad revisor

# Deltagare

**PRICEWATERHOUSECOOPERS AB** 556067-4276 Sverige

*Signerat med Svenskt BankID* — *2024-05-28 08:57:49 UTC*

Namn returnerat från Svenskt BankID: Per Martin Viktor By — Datum

Martin By

Auktoriserad revisor

Leveranskanal: E-post

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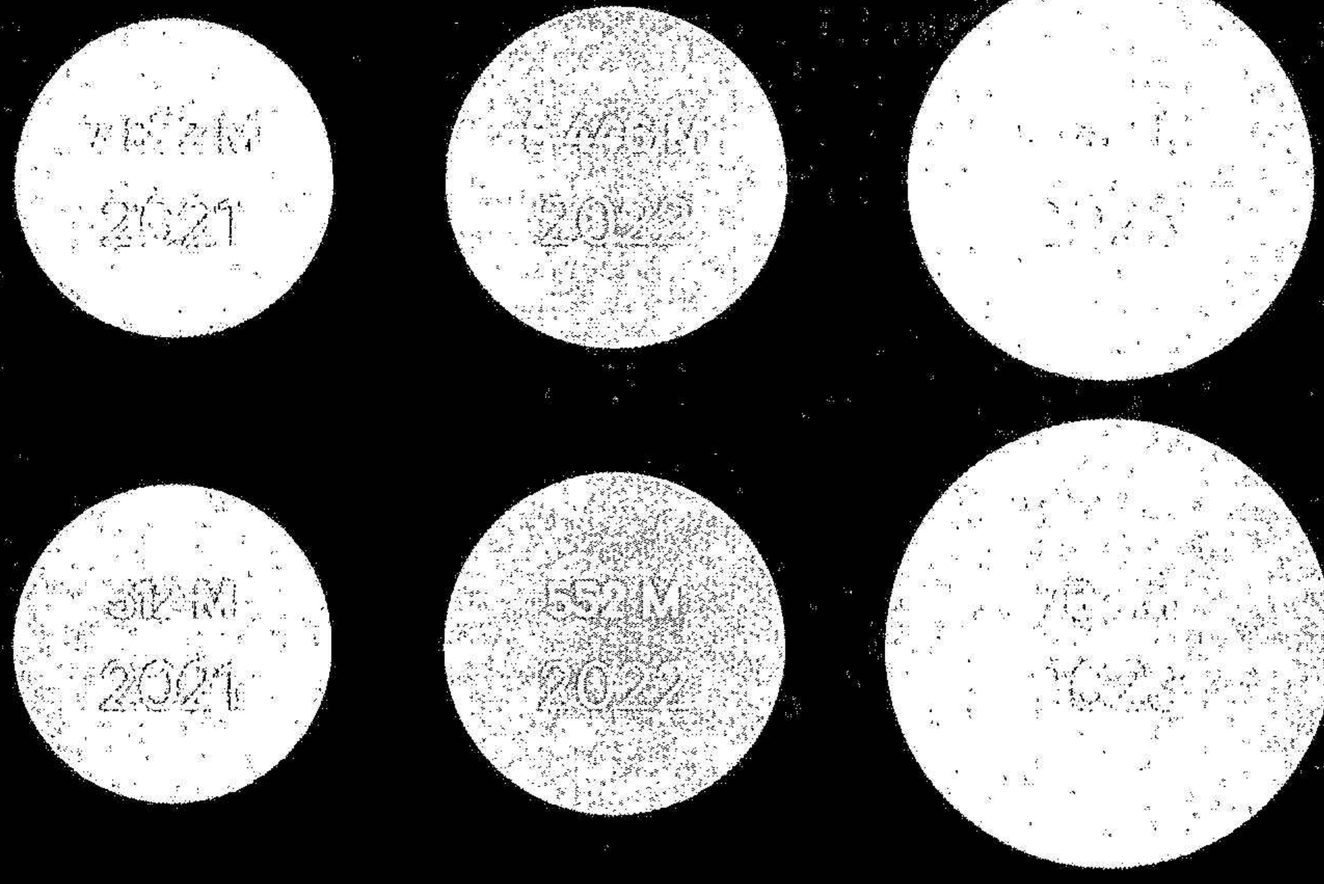
# KEY FIGURES

Revenue




EBITDA




## VISION

To deliver first-class security solutions.

## MISSION

To help our customers succeed by creating
a smooth and secure operational environment.

## VALUES

Commitment, Compassion, Collaboration.

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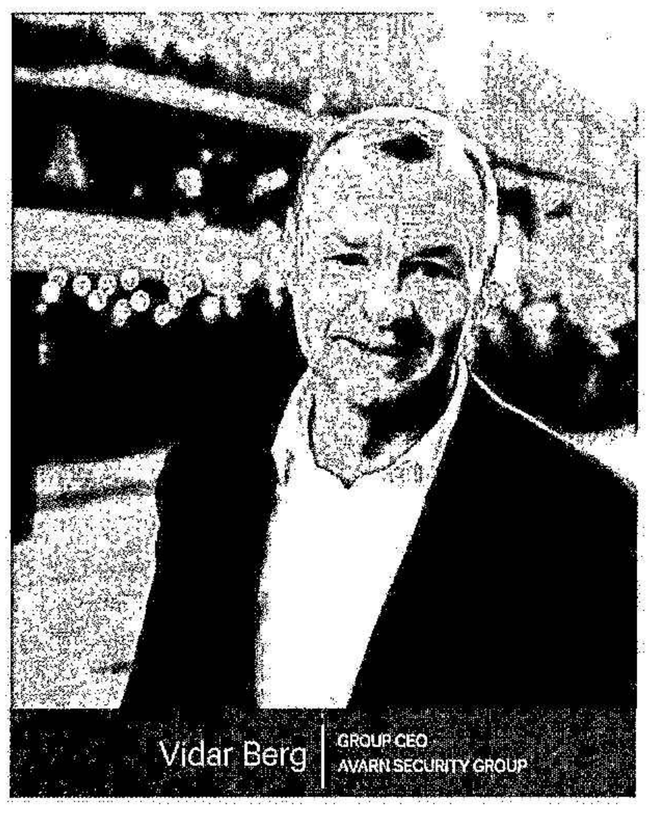
# CEO statement for 2023

Avarn Security Group continues strong revenue and profit margin progress in 2023, and both Avarn Security and Nokas Cash Handling have proven to be resilient and surpassed expectations. The results are driven by high organic sales, improved productivity and solid operational quality in all services.

Organic sales growth is solid at 13,8% YOY, from mNOK 8 446 to mNOK 9 605 (excl. sale of shares). The positive revenue growth is driven by right price to wage cost balance, together with significant volume growth in all business units.

The profitability in 2023 is a continued sign of a stable growing and operationally robust business in all countries and service lines. Sustainable price and productivity measures are implemented the last couple of years which account for significant increases in the results. Organic EBITDA growth at 24% YOY, from mNOK 552 to mNOK 680 (excluding gain from sale of shares) is supported by all geographies and service lines.

We continue to make good progress in the journey towards becoming "Best-in-class" and the ambition of being "Best-in-class" appears both reasonable and within reach. Avarn is taking the next step in this journey by leveraging our Nordic scale and better meeting customer needs through integrated security as a service offering, while keeping pace with emerging technologies. We will continue to focus on higher profitability for new contracts, overall improvement of productivity and accelerating profitable growth by commercialising new concepts.



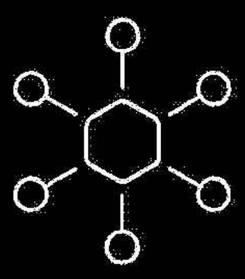

Avarn continues to take steps to future-proof our business by investing in technology and exploring new opportunities specifically within cybersecurity, automation, and artificial intelligence (AI), among others. We strongly believe that these technologies are critical enablers to further strengthen and improve our internal operations as well as differentiate our services in the market.

At Avarn Security, we care about our employees and our impact on the environment, and in 2023 we have made significant progress in bringing sustainability to the forefront of our operations and strategy. We focus on social responsibility and sustainability and are committed to aligning our practices with the United Nations' sustainable development goals (SDGs).

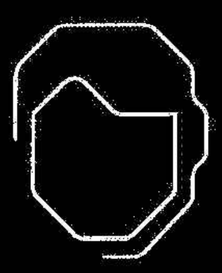
Please read more about our Nordic transformation strategy, innovation and digitalisation and sustainability focus in separate sections in the annual report.

# What we do

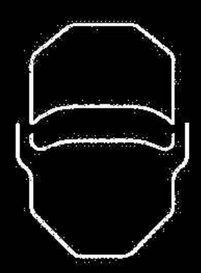
Creating security and safety is our passion – we secure people and valuables.



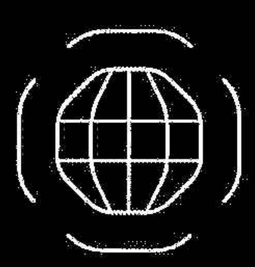
Intelligent security technology



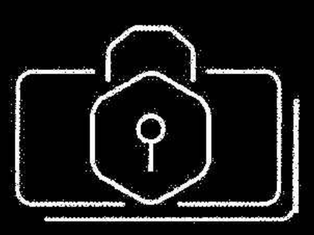
Alarm monitoring services



Manned security services



Risk solutions



Cash processing and transportation

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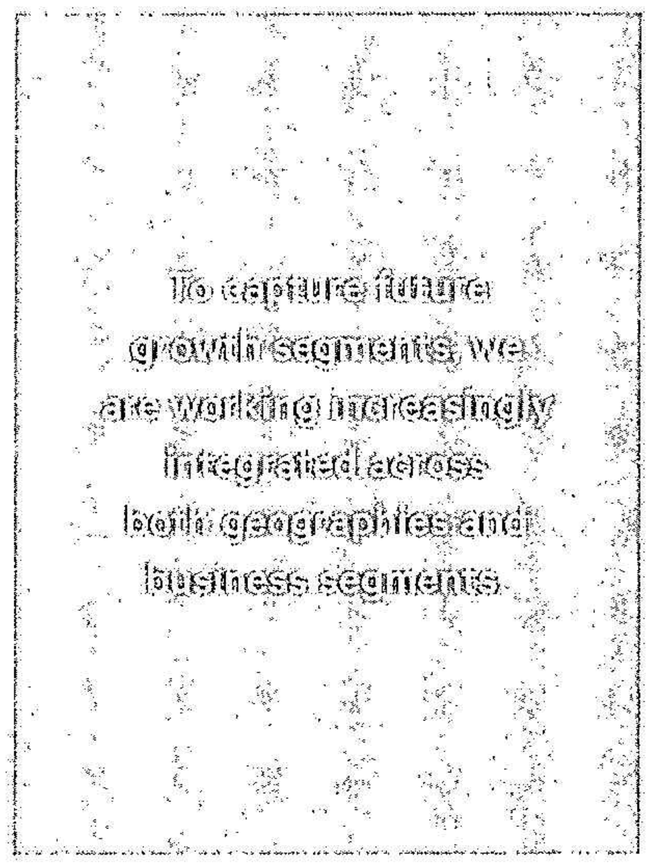
# Nordic Transformation

With the ambition of becoming Best-in-Class strongly in focus, Avarn is taking the next step in this journey by leveraging our Nordic scale and acting integrated across our business.

In 2021, Avarn Security embarked on journey toward a "Best-in-Class" ambition across our performance and solutions. In 2024 we are taking our next step in the Best-in-Class journey, now focusing on "Nordic Best-in-Class" transformation. This builds on the results achieved since the 2021 launch of the Best-in-Class strategic plan, adapting to the recent shifts in market trends, the latest technological advancements, and new consumer behaviours. We are uniting Avarn Security Group under a common north star, capitalising on the Nordic scale we have established over the past years of growth and transformation.

We also see that the traditional physical security industry is changing:

- **Evolving security risks in the market:** intrinsic need for security solutions, particularly driven by the evolving security risks in the Nordic region, coupled with stricter regulatory obligations
- **Technological developments:** a historically conservative industry is being disrupted by new technologies like artificial intelligence, cloud technology, and increasing use of devices like drones and robots to perform services
- **Changing customer demands:** customers are transitioning from single services to favouring comprehensive security as a service (SaaS) offerings
- **Physical and IT security moving closer together:** the overlap between IT and OT security is bigger than ever, with connected devices playing the major role in newer security deliveries




Avarn Security Group has grown to a scale where driving our business with more harmonisation and standardisation across the group will unlock the next level of performance. To capture future growth segments, we are working increasingly integrated across both geographies and business segments. At the same time, we have a relentless focus on continuous improvement of our core business. Our efforts have three main focus areas:

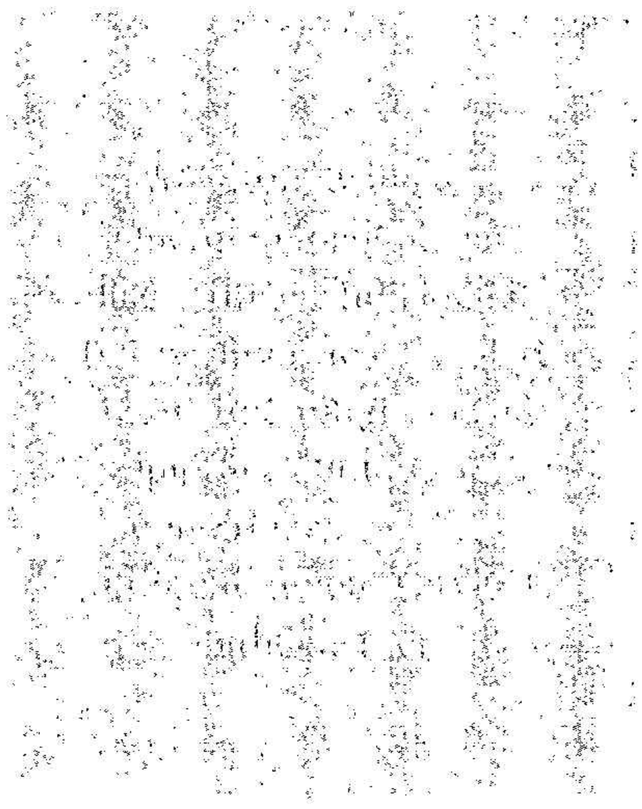
1. Maximise the value potential of our core business by focusing on profitability and scale
2. Integrate the full breadth of our product and service portfolio to meet more needs of more customers by offering security as a service (SaaS)
3. Future-proof our operations and offering by taking a clear position on new technologies and developing new product concepts to deploy across the group.

# Innovation and digitalisation

In a changing security industry, Avarn continues to take steps to future-proof our business by investing in technology and exploring new opportunities specifically within cybersecurity, automation and artificial intelligence (AI). Whilst these are emerging technology areas, we strongly believe they represent critical enablers for us to strengthen and improve our internal operations as well as differentiate our services in the market. Below, we share our perspective and our efforts within AI.

There is no doubt that AI represents a shift towards automation of security processes and that it offers significantly enhanced threat detection accuracy and improved response time. The advancement within AI brings enhanced proactive monitoring, problem detection, anomalies filtering/ranking and support decision making Whilst the potential appears limitless, we explore, develop and invest in AI-solutions tailored to and in accordance with the Nordic and European environment, regulations and scenarios.

We have put in place an iterative process which is focused on identification and feasibility analysis of opportunities for internal and external efficiencies before it is taken to pilot testing and internal upskilling before it finally moves to a full-scale implementation and ongoing operations across our geographies.



The following illustration shows six areas where Avarn firmly believes AI will make an impact in the physical security market which we hence either have initiated or planned for further exploration and piloting

We believe AI will improve margins by enabling us to deliver existing products and services more efficiently, and that our efforts to deliver this to early-adopters will bolster Avarn's position as the leading company in the industry.

# AI to impact 6 aspects of physical security market

### Video Surveillance Analytics:
Leveraging deep-learning on real-time anomalies detection to reduce manual CCTV surveillance.

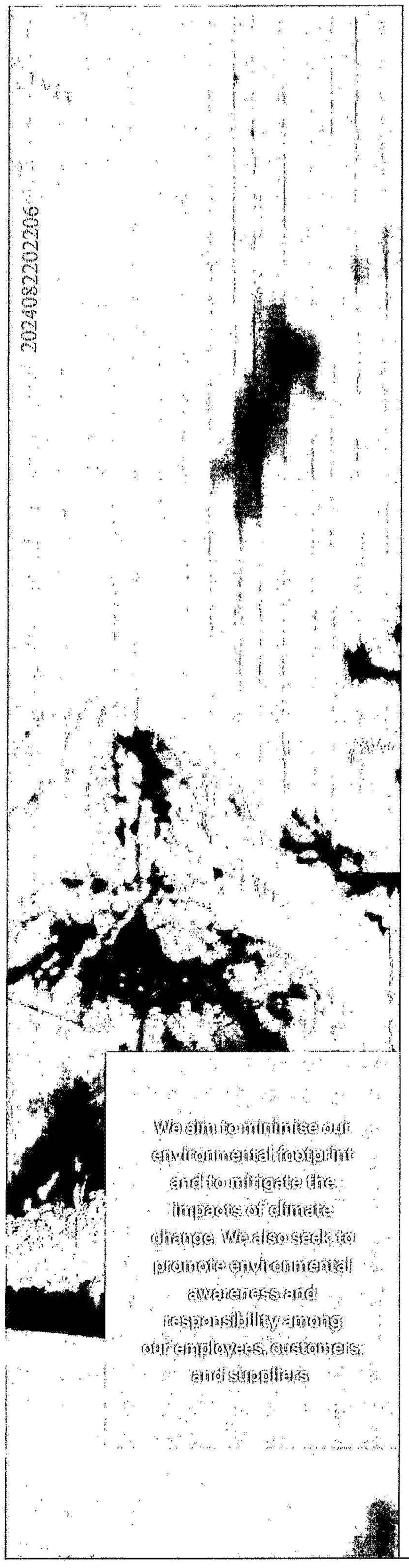
### Automation of Tasks:
That can be carried out by AI algorithms, like searching for the same person on different videos.

### Access Control System:
Are intelligent all-inclusive solutions for physical security to diagnose problems and recommend solutions.

### Crowd Monitoring:
Harnessing AI to track each person in packed areas extrapolating its activity or behaviour.

### Robot & Drone Patrol:
Can be employed to monitor, leaving security officers on standby in case of potential threats.

### Decision Making Capabilities:
Might be sped up thanks to pre-set routines presented to human decision maker in a specific threat event.




# Sustainability

At Avarn Security, we care about our employees and our impact on the environment, and in 2023 we made significant progress in bringing a sustainability focus to the forefront of our operations and strategy.

Avarn Security is focused on social responsibility and sustainability and is committed to aligning our practices with the United Nations' sustainable development goals (SDGs). We have pledged to actively pursue SDGs 3, 4, 5, 8, 9, 10, 12, 13, and 17, and have now tailored each of these to ensure they are recognisable and relevant to our own business areas.

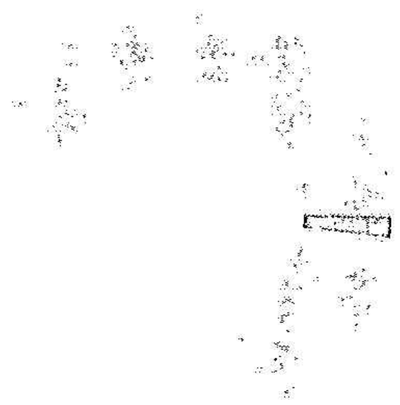
To gauge our overall performance and progress in the area of sustainability as a whole, we obtain an annual assessment by the globally trusted body EcoVadis. This provides us with an objective view on our approach to sustainability and a benchmark towards other companies, as well as specific improvements to take into consideration. We see increasing demand from customers and other partners for this type of validation and will continue our efforts in this area.

In 2023 we also secured a sustainability-linked loan, which will give Avarn Security improved financing terms for achieving several time-bound sustainability performance targets, as well as increased accountability in our sustainability work. This also demonstrates our strategic commitment to sustainability as an enabler of financial success.

## Environmental

We aim to minimise our environmental footprint and to mitigate the impacts of climate change by reducing our greenhouse gas emissions, energy consumption, water usage, and waste generation. We also seek to promote environmental awareness and responsibility among our employees, customers, and suppliers, and to offer innovative and eco-friendly security solutions. As part of our commitment to reduce climate change, we use science-based targets to establish goals and reduce emissions, and to make strict demands on our suppliers' environmental goals, methods, and results.

To document that our climate actions have the desired effect, we have committed to having these approved and followed up by the Science Based Targets initiative (SBTi). SBTi is a collaboration between CDP (Carbon Disclosure Project), UN Global Compact, World Resources Institute, and World Wide Fund for Nature. Application for approval of our climate targets by SBTi has been submitted and validation is expected in the first half of 2024.



SOURCES OF AVARN SECURITY'S $CO_2$ EMISSIONS

- Purchased goods 42.1%
- Buildings 2.7%
- Transport and travel 8.6%
- Energy consumption 1.6%
- Direct emissions 15.9%
- Waste 0%
- Purchased services 29%

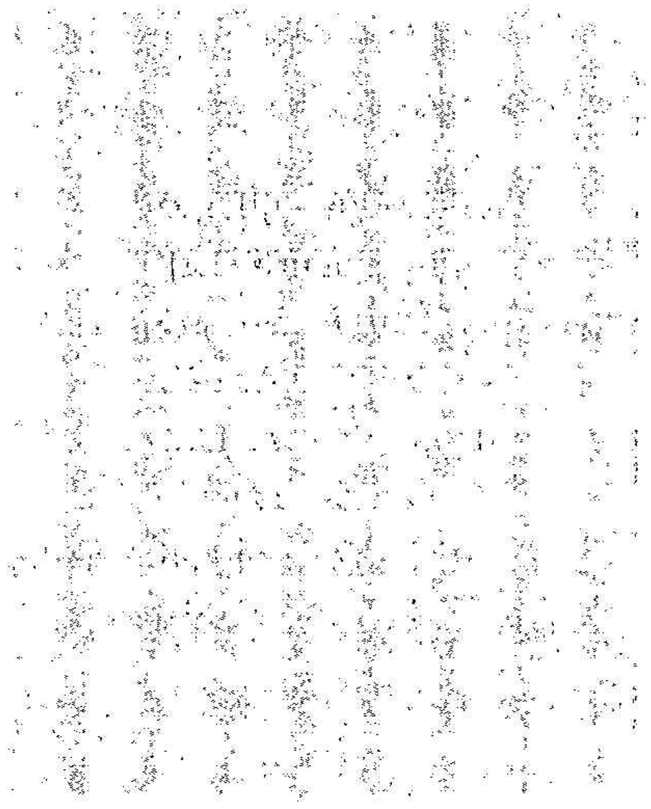
Our primary impact on Scope 1 $CO_2$ emissions is through fuel consumption by vehicles used in operations. We therefore are closely monitoring the decarbonisation of our vehicle fleet and made significant progress in 2023 in increasing the share of electric vehicles from 10.3% in 2022 to 18.6% in 2023, despite the total number of vehicles remaining stagnant from 2022 to 2023

Our largest impact on $CO_2$ emissions, 82%, comes through indirect sources in our supply chain. To address these indirect emissions, we have initiated a programme to prioritise suppliers who are committed to reducing their own environmental impact. We are doing so by requesting those suppliers with the highest absolute share of our indirect $CO_2$ emissions (more than 1000 $tCO_2$/year) to commit to the SBTi, of which 15% have now committed to SBTi. Going forward we are prioritising new suppliers which are committed to SBTi, to build accountability for reducing our indirect emissions

For more detailed information about our climate accounting, see the Appendix

## Social and Governance

Avarn Security continues to set high standards for how we conduct our business, relate to society, and treat our customers and employees. We have initiated mapping of all our suppliers using the Worldfavor platform to analyse and understand the current state and progress of our supply chain on sustainability topics, such as human rights, corruption, and water stress. We are also requesting suppliers to sign a new Supplier Code of Conduct, to ensure alignment with Avarn's values and commitment to equality, human rights and ethics.



Internally, we hold ourselves to the highest ethical standards and provide training to employees in our Code of Conduct, Health and Safety routines, Fair competition and more. Avarn Security strives to be a great place to work, by promoting equality, supporting collective bargaining agreements for our employees, and ensuring a safe working environment. See the Appendix for a selection of key metrics regarding our workforce.

Additionally, Avarn Security has been granted a number of ISO certifications that further underline our commitment to transparency and responsible business operations. See more about these in the Appendix

## Looking ahead

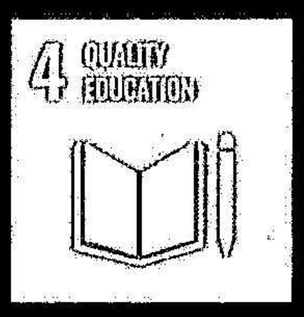
In the coming period, Avarn Security will seek to continue enhancing its sustainability performance. We are committed to reporting on our progress and impact in accordance with the new Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) from the first financial year where this is required

For additional metrics and details regarding sustainability in Avarn Security, see the Appendix

# Selected UN Sustainable Development Goals tailored to Avarn Security

### Focus on employee health

Create a good and safe working environment supported by policies, striving for high employee satisfaction and low sick leave.

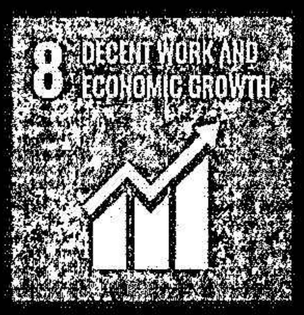



### Vocational training relevant for working life

We provide quality vocational and on the job training in our fields of operation, as well as opportunities for continuous education and leadership development.

### Be the preferred employer in the markets we operate in

We believe diversity makes us stronger, and strive to be an inclusive workplace. Focused in particular on increasing the share of women in leadership positions, as well as our workforce in general.

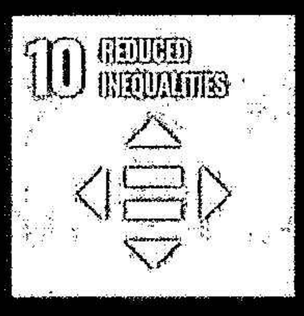



### Be the preferred employer in the markets we operate in

Create opportunities in a safe and modern working environment, with a proactive approach to prevent absences and burnout.

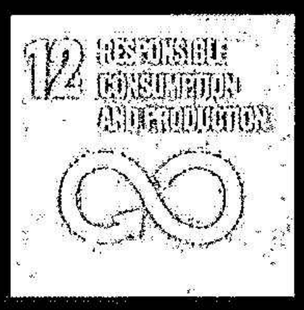
### Innovation and digitalisation

Digitalisation and smart use of technology to further service development in all business areas, across business areas and in line with customer needs.




### Contribute to a safer and diverse society

Everyone shall have the same rights and opportunities for work and career development. There is zero tolerance for discrimination based on gender, race, ethnicity, culture, religion, sexual orientation or disabilities.




### Make demands to suppliers and partners in the value chain

Require sustainability goals for suppliers, sub-suppliers and partners in order to take control of our indirect impacts.

### Take responsibility for our environmental impact

Strive to become carbon neutral through a broad set of measures, including the use of new technology, reduction of travel, facility building and location optimisation , and replacement to fossil free vehicles, in addition to environmental requirements for our suppliers.

### Better together

Participate in and spearhead cooperation with partners to make the security sector more sustainable and drive positive change in the communities in which we operate.

# The Board of directors report 2023 for Avarn Security Group Holding AS

## Operations and locations

Avarn Security Group is a strategic and responsible security partner for corporate customers and public sector organisations. Avarn Security secures people and values, with a mission to help customers succeed by creating smooth and secure operational environments. The Group provides security services and solutions in the Nordic market, with main operations in Norway, Sweden, Denmark and Finland. The head office is in Oslo, Norway

Avarn Security delivers an important part of the infrastructure of a modern society. The Group has the responsibility for safety across many customers and at airports, nuclear power plants, shopping malls, train and subway stations  Through services in Nokas Cash Handling, the Group also ensures that cash can be used as a legal, accessible and alternative means of payment.

The business is run according to the company values and has an ongoing focus on the work of quality assurance throughout all parts of the business. Avarn Security's vision is to be a full-service security provider and to deliver first-class security solutions Three core values are rooted in daily work. Commitment, Compassion and Collaboration.

These values are important guiding principles in the business and form the basis of all decisions, services and products Internally, these core values help to maintain a steady course, as the Group works to uphold its commitment to customers

Avarn Security is an important player in the Nordic security and cash handling market. With solid operations and footprints in the Nordic market, together with a strong common culture, the Group is prepared for further growth. This will primarily be achieved through profitable organic growth, commercialisation of new concepts and digitalisation .

Avarn Security continues strong revenue
and profit margin growth in 2023.

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## Comments related to the consolidated financial statements

Avarn Security Group continues strong revenue and profit margin growth in 2023. The results are driven by high organic sales, improved productivity and solid operational quality.

Total revenue increased by 15% in 2023 compared to 2022. The positive revenue growth is driven by margin threshold discipline, together with significant volume growth across all service lines.

The profitability and improving cash flow in 2023 is a continued sign of a stable growing and operationally robust business in all countries and all service lines, resilient to dynamic market conditions. EBITDA improved by 38% in 2023 compared to 2022, from mNOK 552 in 2022 to mNOK 762 in 2023. Cash flow from operations improved by 41%, from mNOK 472 in 2022 to mNOK 664 in 2023.

The difference between cash flow from operations and EBITDA is related to the sale of Semac AS.

Semac AS was sold during the year in order to streamline the business and focus on the Group's core operations. In addition, the shares held by non-controlling interests in the Group in Finland were acquired by the Group during the year, which enhances the Group's ability the achieve its strategic goals.

## Comments related to the parent company

Avarn Security Group Holding AS is the parent company of the Group. The company does not have any employees and does not carry out any business activities besides owning shares in subsidiaries. Net income for the company increased from mNOK 25 in 2022 to mNOK 461 in 2023, which was caused primarily by dividends from subsidiaries. Cash from operating activities amounted to mNOK –3, which is equal to EBITDA of mNOK –3.

The profitability and improving cash flow in 2023 is a continued sign of a stable growing and operationally robust business in all countries and all service lines, resilient to dynamic market conditions.

## Financial risk

The Group is exposed to financial risks in different ways. The Group has implemented actions to mitigate and manage these risks, and the Board of Directors monitors these risks continuously. The Board of Directors considers these risks acceptable.

The Group has taken out liability insurance that applies to all companies within the Group, in addition to its board members and general managers. The insurance covers the possible responsibility towards the company and third parties. The insurers are Zurich Insurance plc and W.R. Berkley Insurance AG (S).

### Market risk

The Group is exposed to exchange rate risk, primarily SEK, DKK and EUR, as a portion of the Group's revenue is in foreign currency. The company's current strategy does not include extensive use of financial instruments to mitigate these risks. Also, a portion of the Group's bank financing is denominated in foreign currency, however, the Group also holds foreign currency cash which offsets this currency risk. In addition, the Group also has intra-group loans between countries with different functional currencies, which also exposes the Group to currency risk. Furthermore, Nokas holds foreign currency deposits as part of their operation, but hedging instruments are used to mitigate the exposure from fluctuating exchange rates.

The company is exposed to changes in interest rates since the company's debt carries a floating interest rate.

### Credit risk

The risk for losses from receivables is considered low. Receivables comprise mainly of accounts receivables, which are distributed across many customers, of which public enterprises represent a significant share. Furthermore, the Group has a repurchasing agreement in which a portion of the Group's accounts receivable are acquired by DNB Bank upon invoicing, which reduces the credit risk on accounts receivable. The Group has not yet experienced significant losses on receivables.

### Liquidity risk

The Group's liquidity has improved substantially compared to previous years,

EBITDA improved by 38% in 2023 compared to 2022,
from mNOK 552 in 2022 to mNOK 762 in 2023.

primarily driven by a high cash-conversion ratio. More specifically, inventory levels are at acceptable levels, invoicing occurs frequently, overdue receivables are closely monitored and payment terms on both in- and outgoing invoices are optimised. In addition, the repurchasing agreement and an overdraft facility is employed to always ensure adequate liquidity.

## Going concern

We confirm that the financial statements have been prepared on the basis of going concern. This assumption is based on the current financial state, profit forecasts for the future years combined with the Group's long-term strategic goals. The Group's financial position is sound.

In general, the security market is growing in all Nordic countries. Avarn Security is experiencing increasing revenues in all countries.

## Allocation of net income

The Board of Directors has proposed the net income of Avarn Security Group Holding AS to be attributed to:

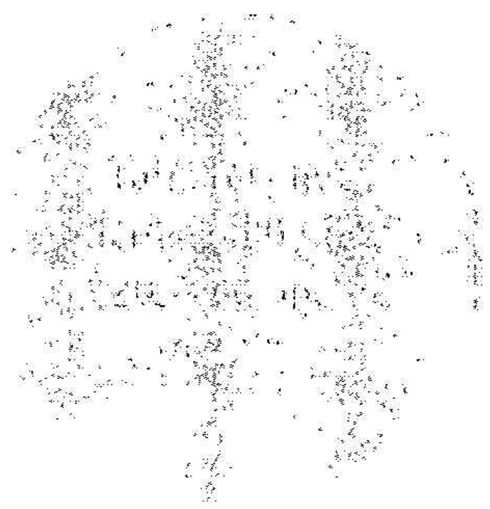
| | |
|---|---|
| Retained earnings | mNOK 270 |
| **Net income allocated** | **mNOK 270** |

## Share buyback programme

The Board of directors has proposed a share buyback programme in which shares of approximately mNOK 400 will be purchased from the shareholders of Avarn Security Group Holding AS. The programme is approved by the Extraordinary general meeting. The Board of directors plans to continue the share buyback programme over the next years, and the amount is expected to increase considerable over those years.

## Sustainability and working environment

We are focused on social responsibility and sustainability and have committed to align our practices with the United Nations' sustainable development goals (SDGs). We have pledged to actively pursue a number of these SDGs, and have tailored each of these to ensure they are recognizable and relevant to our own business areas. This is to ensure a common understanding of our own impact and guide our sustainability goals and initiatives. Details of this can be found in the more detailed section on Sustainability in this Annual Report.



To mention some initiatives, Avarn Security Group has set clear ambitions regarding environmental impact and have committed to having these targets validated by the Science Based Targets initiative (SBTi). We have clear actions to reduce our direct emissions, such as replacing fossil fuel cars with electric cars, where this is economical and practical. As an example, we have increased the share of electric vehicles by 9% in 2023 compared to 2022, with the total number of vehicles remaining stable

Avarn Security Group also has set environmental demands for our partners and sub-contractors, requesting all of our suppliers which generate a significant share of our emissions footprint to commit to reducing their own footprint and having their targets for doing so validated by SBTi. During the last year we have implemented common KPIs for measuring and reporting both environmental and other sustainability related targets, where business units on country level are reporting quarterly.

The working environment is considered good. The HR efforts support our strategic aim of being the preferred employer in the security & safety industry. Avarn Security Group works actively to curb gender inequality and prevent discrimination of any kind, whether related to gender, disability, ethnicity, national origin, skin colour, religion or outlook on life. We work actively as a company to promote equality and prevent discrimination in our workplace, both within recruitment, pay and working conditions, promotion, development opportunities, facilitation and the opportunity to combine work and family life. Several activities have been applied to increase our active and including work profile. This is based on our approach to employees and their connection to the workplace – "The whole person, all of the time".

Avarn Security is a collective bargaining company and the guardianship agreement has equal pay for women and men. Our commission schemes are gender-neutral and the wage level is the same for women and men in management and commercial functions on same level.

Cash flow from operations improved by 11%,
from mNOK 586 in 2022 to mNOK 664 in 2023.

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As for information on the Group's compliance to the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act), reference is given to the Group's website, where such information is provided.

For details on sick leave, incidents of work-related accidents during the year, proportion of women, including gender pay differences, reference is given to the Appendix.

## Cyber security

In today's digital age, cyber risk is an ever-present threat to businesses of all sizes. At Avarn Security Group, we take this threat seriously and have implemented several measures to assess and reduce cyber risk.

The most extensive measure is an ongoing implementation project for ISO27001 (Information Security Management System, ISMS). Implementation and certification of the ISO27001 framework will help ensure that our management systems for information security are up-to-date and effective to protect against potential threats, and to protect our customers' critical information.

We regularly carry out risk assessments and identify potential vulnerabilities in our systems and processes. These assessments help us prioritise our efforts and allocate resources to address the most pressing risks. We also have controls and routines to limit risk and uncover potential threats. These include regular vulnerability assessments, execution of annual penetration tests by professional external suppliers, robust security measures and ongoing monitoring of our systems and networks.

In addition to our internal efforts, we also work closely with our partners, suppliers and authorities to ensure appropriate measures to protect against cyber risks. Important in this regard is connection to the Security Operations Center (SOC), notification services about vulnerabilities and cyber incidents, as well as being actively present in professional environments for the exchange of relevant information.

Overall, our approach to cyber risk is proactive and comprehensive. We are committed to protecting our company, our customers and our partners from potential harm caused by cyber threats.

Vidar Berg
CEO

Amund Skarholt
Chairman

Terje Askvig
Board member

Bjørnar Olsen
Board member

Pål Asbjørn Vindegg
Board member

Knut-Johannes Berg
Employee representative

Christian Søvik Svensen
Employee representative

Oslo, 24 April, 2024

Photo: Avarn Security

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# Consolidated statement of profit and loss and other comprehensive income

| | | | |
|---|---|---|---|
| Revenue | 4 | 9 605 | 8 446 |
| Gain from sale of shares | 5 | 82 | - |
| **Total revenue** | | 9 687 | 8 446 |
| | | | |
| Cost of materials | 4 | -1 076 | -947 |
| Personnel expenses | 6 | -7 081 | -6 336 |
| Other operating expenses | 6 | -768 | -612 |
| **EBITDA** | | 762 | 552 |
| Depreciation and amortisation | 10,11,12 | -418 | -384 |
| **EBIT** | | 343 | 168 |
| Net Finance | 7 | -65 | -122 |
| **EBT** | | 278 | 46 |
| Income tax expense | 8 | -8 | -13 |
| **Net income (loss)** | | 270 | 33 |
| | | | |
| *Attributable to* | | | |
| Equity holders of the parent company | | 255 | 24 |
| Non-controlling interests | | 15 | 9 |
| | | | |
| *Other comprehensive income to be reclassified to profit or loss in subsequent periods* | | | |
| Currency translation differences in foreign operations | | 56 | 31 |
| | | | |
| *Other comprehensive income not to be reclassified to profit or loss in subsequent periods* | | | |
| Actuarial gain/loss on defines benefit pension plans | 13 | -61 | 30 |
| Tax effects | | 13 | -7 |
| **Other comprehensive income** | | 8 | 55 |
| | | | |
| **Total comprehensive income (loss)** | | 278 | 88 |
| Equity holders of the parent company | | 254 | 75 |
| Non-controlling interests | | 24 | 13 |

# Consolidated statement of financial position

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| Amounts in NOK millions | Note | 2023 | 2022 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| **Intangible assets** | | | |
| Goodwill | 9,10 | 1 680 | 1 604 |
| Brand | 9,10 | 158 | 147 |
| Customer portfolio | 10 | 327 | 373 |
| Other intangible assets | 10 | 179 | 126 |
| Deferred tax assets | 8 | 84 | 76 |
| **Total intangible assets** | | 2 428 | 2 326 |
| **Tangible assets** | | | |
| Right-of-use assets | 11 | 473 | 496 |
| Property, plant and equipment | 12 | 480 | 518 |
| **Total tangible assets** | | 953 | 1 015 |
| Non-current financial assets | 13 | 7 | 6 |
| **Total financial assets** | | 7 | 6 |
| **Total non-current assets** | | 3 388 | 3 347 |
| **Current assets** | | | |
| Inventory | 14 | 125 | 90 |
| Accounts receivables | 15 | 1 221 | 980 |
| Other receivables | | 444 | 311 |
| Cash and cash equivalents | 16 | 479 | 320 |
| **Total current assets** | | 2 269 | 1 700 |
| **Total assets** | | 5 657 | 5 047 |

# Consolidated statement of financial position

## Equity and liabilities

| | | | |
|---|---|---|---|
| **Equity** | | | |
| Paid in capital | 17 | **1 054** | 1 042 |
| Shareholder loan - equity portion | | **–** | 308 |
| Other equity | | **163** | -374 |
| Non-controlling interests | | **21** | 118 |
| **Total equity** | | **1 238** | 1 095 |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | 8 | **100** | 124 |
| Pension liabilities | 6 | **66** | 3 |
| Lease liabilities | 11 | **292** | 322 |
| Interest bearing debt | 18 | **491** | 72 |
| Other non-current liabilities | | **2** | 29 |
| **Total non-current liabilities** | | **951** | 549 |
| **Current liabilities** | | | |
| Lease liabilities | 11 | **212** | 200 |
| Interest bearing debt | 18 | **182** | 816 |
| Accounts payable | | **386** | 285 |
| Tax payable | 8 | **24** | 26 |
| Public duties payable | | **724** | 681 |
| Other current liabilities | 19 | **1 940** | 1 395 |
| **Total current liabilities** | | **3 468** | 3 403 |
| **Total equity and liabilities** | | **5 657** | 5 047 |

Vidar Berg
CEO

Amund Skarholt
Chairman

Terje Askvig
Board member

Bjørnar Olsen
Board member

Pål Asbjørn Vindegg
Board member

Knut-Johannes Berg
Employee representative

Christian Søvik Svensen
Employee representative

**Oslo, 24 April, 2024**

# Consolidated statement of changes in equity

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| Amounts in NOK million | Share capital | Share premium | Additional paid-in capital | Shareholder loan | Retained earnings | Foreign currency translation differences | Total equity owners of the parent | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| Opening balance 1.1.2022 | 6 | 1 036 | -274 | 308 | -220 | 21 | 878 | 99 | 976 |
| Income (loss) for the period | | | | | 24 | | 24 | 9 | 33 |
| Other comprehensive income | | | | | 23 | 28 | 51 | 3 | 55 |
| **Transactions with owners** | | | | | | | | | |
| Capital increase from non-controlling interests | | | | | 24 | | 24 | 6 | 30 |
| Closing balance 31.12.2022 | 6 | 1 036 | -274 | 308 | -149 | 49 | 977 | 118 | 1 095 |

[1] The Group conducted a reorganisation in 2021, in which the former parent company of the Group, Avarn Security AS, was replaced by Avarn Security Group Holding AS as the new parent. Since the *Share premium* of the new parent differed from the former, this is presented as a reclassification from *Share premium* to *Additional paid-in capital*. See note 4 for further details on the Group's reorganisation.

[2] See note 18 – Financial instruments for details of the shareholder loan issued in 2021.

| Amounts in NOK million | Paid-in capital | Share-holder loan | Retained earnings | Foreign currency translation differences | Total equity owners of the parent | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|
| Opening balance 1.1.2023 | 1 042 | 308 | -423 | 49 | 977 | 118 | 1 095 |
| Income (loss) for the period | | | 255 | | 255 | 15 | 270 |
| Other comprehensive income | | | (48) | 47 | -1 | 9 | 8 |
| **Transactions with owners** | | | | | | | |
| Acquisition of non-controlling interests[1] | | | | | – | -109 | -109 |
| Derecognition of non-controlling interest – Sale of Semac AS | | | | | | -11 | -11 |
| Settlement of shareholder loan | 12 | (308) | 283 | | -14 | | -14 |
| Dividends paid to non-controlling interests | | | | | | -1 | |
| Closing balance 31.12.2023 | 1 054 | – | 68 | 96 | 1 217 | 20 | 1 238 |

[1] Acquisition of non-controlling interests in Avarn Holding OY.

# Consolidated statement of cash flows

| | | | |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Earnings before taxes | | 278 | 46 |
| Tax paid for the period | | -26 | -37 |
| Loss / gain from sale of fixed assets | | -3 | -1 |
| Gain from sale of shares | 5 | -82 | -1 |
| Depreciation and amortisation | | 418 | 384 |
| Net interest expense | 7 | 113 | 87 |
| Change in inventory, acc. rec. and acc. pay | | -177 | 29 |
| Net payment to/received from pension fund and liability | | – | -0 |
| (Dis)agio on financial liabilities | | 3 | 4 |
| Change in other accruals | | 140 | -31 |
| **Net cash from operating activities** | | 664 | 472 |
| | | | |
| **Cash flow from investing activities** | | | |
| Proceeds from sale of fixed assets | | 25 | 15 |
| Investments in fixed and intangible assets | 10, 12 | -124 | -86 |
| Proceeds from sales of shares in Semac AS | 5 | 94 | 3 |
| Net investment - other financial assets | | – | -22 |
| Interest received | 7 | 15 | 13 |
| Net cash from investing activities | | 11 | -77 |
| **Net cash from investing activities** | | -120 | -77 |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from interest-bearing debt | 18 | 600 | 25 |
| Repayment of interest-bearing debt | 18 | -769 | -147 |
| Interest paid | 7 | -124 | -97 |
| Payments on lease liabilities | 11 | -228 | -233 |
| Net repayment of overdraft facilities | 18 | -26 | -32 |
| Acquisition of non-controlling interests | | -102 | – |
| Dividend paid to non-controlling interests | | -1 | -4 |
| Net proceeds from cash cycle financing (Cash Handling) | 19 | 181 | -12 |
| Repayment of shareholder loan (liability portion) | 18 | -51 | -22 |
| **Net cash from financing activities** | | -521 | -522 |
| | | | |
| **Net increase / decrease in cash and cash-equivalents** | | 154 | -127 |
| | | | |
| Cash and cash equivalents 01.01 | 16 | 320 | 437 |
| Foreign currency translation on cash and cash equivalents | | 4 | 11 |
| **Cash and cash equivalents 31.12** | 16 | 479 | 320 |

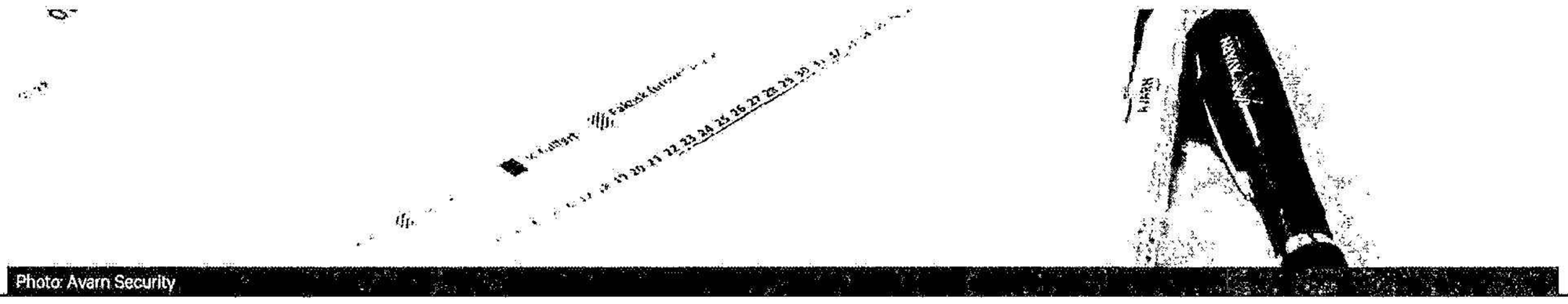

Photo: Avarn Security

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## NOTE 1 – GENERAL INFORMATION

Avarn Security Group Holding AS ("the company") and its subsidiaries (together "the Group") is a leading Nordic security provider with operations in Norway, Sweden, Denmark and Finland. The company is a limited liability company domiciled in Norway with headquarters in Alf Bjerckes vei 1, Oslo.

An overview of subsidiaries included in the consolidated financial statements is provided in note 20 – Overview of subsidiaries.

All figures in the notes are presented in NOK millions, unless otherwise stated.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Framework for financial reporting

This note provides a list of the significant accounting policies adopted in the preparation of the consolidated financial statement. These policies have been consistently applied to all accounting periods presented, unless otherwise stated.

The consolidated financial statements of Avarn Security Group Holding AS have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRIC), as adopted by the European Union.

The consolidated financial statements have been prepared on a historical cost basis.

Preparation of financial statements in compliance with IFRS requires the use of estimates. Application of the Group's accounting principles also require management to use judgement. Areas significantly influenced by judgement, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in note 3 – Critical accounting estimates and judgements.

The consolidated financial statements have been prepared under the going concern assumption.

### 2.2 Changes in accounting policies and financial notes

There have been no changes in accounting policies with significant impact on the figures for 2023.

### 2.3 Principles of consolidation

**a) Associated companies**
Holdings in associated companies are reported using the equity method.

### 2.4 Foreign currency translation

**a) Functional and presentation currency**
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian kroner (NOK), which is both the functional currency of the parent company and the presentation currency of the Group.

**b) Transactions and balance sheet items**
The results and financial positions of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date
- income and expenses for each statement of profit or are translated at average exchange rates for the quarter, and
- all resulting exchange differences are recognised in other comprehensive income.

### 2.5 Intangible assets

**a) Goodwill**
Goodwill is measured by including non-controlling interests share of goodwill. Goodwill is monitored per cash generating unit. Goodwill is tested for impairment annually or more frequently if certain events occur or changes to conditions indicate a possible impairment need. The carrying value of goodwill is compared to the recoverable amount, which is the higher of fair value less costs of disposal and value in use. Any impairment is immediately reported as an expense and is not reversed.

**b) Brand**
Brand is an intangible asset and is assessed to have indefinite useful life. Brand has been identified during the purchase price allocation of an acquisition, and has been capitalised on the basis of this.

**c) Software**
Software assets have finite useful life and are reported at the acquisition cost less accumulated amortisation and impairments.

**d) Customer portfolio**
Customer portfolio is an intangible asset assessed to have finite useful life. Customer portfolio has been identified during the purchase price allocation of an acquisition, or as a direct purchase of a customer portfolio. Customer portfolio is subsequently measured at cost less accumulated amortisation.

### 2.5 Property, plant and equipment

Property, plant and equipment is accounted for at acquisition cost less depreciation. Acquisition cost includes costs directly related to the acquisition of the fixed asset. Depreciation is calculated on a straight-line basis.

### 2.6 Investments and other financial assets

FINANCIAL INSTRUMENTS

The classification of financial assets upon initial recognition depends on the characteristics of the contractual cash flows of the asset, and which business model the Group uses as a basis for the management of its financial assets. Upon initial recognition, the Group recognises a financial asset either at fair value, in which transaction costs are expenses in profit or loss or at amortised cost, in which transactions costs are included in the capitalised amount.

The Group classifies its financial assets into two categories:

- those to be measured at amortised cost.
- those to be measured subsequently at fair value through profit or loss.

FINANCIAL LIABILITIES

**Initial recognition**
Upon initial recognition, financial liabilities are recognised at fair value in addition to any directly attributable transaction costs

**Subsequent measurement**
After initial recognition, interest-bearing liabilities are measured at amortised cost using the effective interest method Gains and losses are recognised in profit or loss when the liability is derecognised Financial liabilities are measured at their nominal amount if the effect of discounting is insignificant

**Classification of financial instruments**
Financial instruments as classified as either equity or debt, based on an assessment of the characteristics of the instruments and the substance of the contractual agreement If the financial instrument conveys features such as lack of an obligation to repay to the holders of the instrument or options to convert into equity, the Group would generally assess this to represent traits of equity. As such, the financial instrument will then upon initial recognition be classified as equity, either partially, or in its entirety

**Loss provisions on financial assets**
The Group uses the simplified method for calculating loss provisions for accounts receivable and contract assets The Group measures the provision for losses based on lifetime expected credit losses The Group has created a loss matrix based on historical credit losses, adjusted for forward-looking factors

## 2.7 Inventory

Inventory are booked at the lower of cost and net realisable value Acquisition cost is assigned using the FIFO method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale

## 2.8 Accounts receivable

Accounts receivable are measured at fair value on initial recognition. In subsequent measurement, accounts receivables are assessed at amortised cost using the effective interest rate, less expected credit losses The Group's method of calculating expected credit loss is described in note 15 - Accounts receivable. Information on the Group's exposure to credit risk and currency risk is described in note 18 – Financial instruments

## 2.9 Cash and cash equivalents

All physical cash held in the cash handling division as part of the cash cycle, is classified as cash and cash equivalents

## 2.10 Tax payable and deferred tax

Income tax expense consists of tax payable and changes in net deferred tax The current tax expense is calculated on the basis of the tax regulations in force on the balance sheet day in the countries in which the parent company and its subsidiaries are active and generate taxable revenue

Deferred tax is calculated on temporary differences between taxable and carrying amounts of assets and liabilities Deferred tax is determined using tax rates and tax laws that have been adopted or are substantially adopted on the balance sheet date, and that are assumed to be used when the deferred tax asset is realised or when the deferred tax is settled Deferred tax assets are recognised in the balance sheet to the extent that future taxable profit is sufficient to utilise the deductible temporary differences

Deferred tax assets and deferred taxes are off-set if there is intention and a legally enforceable right to off-set tax assets against tax liabilities, and deferred tax assets and deferred tax apply to income tax imposed on the same entity by the same tax authority.

## 2.11 Employee benefits

The Group operates various post-employment schemes, both defined contribution plan and defined benefit plans

## 2.14 Revenue recognition

Avarn sells security services related to guarding, systems security, monitoring, aviation security and cash handling See note 4 for further information related to the business streams.

## 2.15 Leases

**Recognition of leases and exceptions**
At the time of implementation of a lease agreement, the Group recognises a lease liability and a corresponding right-of-use for all its leases, with exception of the following:

- Short-term leases (a lease term of 12 months or less)
- Low value assets

In these cases, the Group recognises the lease payments as other operating expenses in the income statement when they are incurred

## 2.16 Cash flow statement

The cash flow statement is prepared using the indirect method The reported cash flow solely contains transactions giving rise to payments

## Note 3 Critical Accounting Estimates and Judgments

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will not necessarily equal the actual outcome The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below

## 3.1 Estimated impairment of goodwill and brand

The Group tests annually whether goodwill and brand has suffered any impairment (see note 9 - Goodwill and brand – Impairment test, for details) The recoverable amounts of all cash generating units have been determined based on value-in-use calculations reported in continuing operations These calculations require the use of estimates Value

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in use must in part be based on management's evaluation, including determining the discount rate, estimates of future performance, revenue generating capacity of the assets, margins, required maintenance capex, overall costs and assumptions on future market conditions.

### 3.2 Deferred tax asset

Deferred tax assets are recognised in the balance sheet to the extent that it is probable that future taxable profit will be available to which the deductible temporary differences can be utilised. Consequently, judgement is required in order to forecast for taxable earnings.

### 3.3 Revenue recognition

Revenue from fixed-price contracts is recognised over time to the stage of completion of the contract activity at the end of the reporting period. An expected loss on the fixed-price contract is recognised as an expense immediately. The recognition of revenue and expenses by reference to the stage of completion of a contract is referred to as the percentage of completion method. Under this method, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed. This method requires the management to make an estimate of the stage of completion for each fixed-price contract. The method is based on the proportion of contract costs incurred for work performed to date, relative to the estimated total contract costs.

Photo: Avarn Security

## NOTE 4 – REVENUE FROM CONTRACT WITH CUSTOMERS

| Revenue 2023 | Norway | Sweden | Denmark | Finland | Total |
|---|---|---|---|---|---|
| Guarding | 1 448 | 2 692 | | 1 047 | 5 188 |
| Aviation | 793 | 546 | | 0 | 1 339 |
| Systems | 496 | 558 | | 181 | 1 235 |
| Monitoring | 209 | 124 | | 65 | 398 |
| Skan-Kontroll | 261 | 0 | | 0 | 261 |
| Cash handling | 298 | 85 | 441 | 284 | 1 108 |
| **Total revenue from contracts with customers** | **3 504** | **4 006** | **441** | **1 578** | **9 529** |
| Other revenue | 51 | 18 | 6 | 1 | 76 |
| **Total revenue** | **3 555** | **4 024** | **447** | **1 578** | **9 605** |

| Revenue 2022 | Norway | Sweden | Denmark | Finland | Total |
|---|---|---|---|---|---|
| Guarding | 1 260 | 2 531 | | 962 | 4 753 |
| Aviation | 631 | 306 | | 0 | 937 |
| Systems | 441 | 501 | | 147 | 1 089 |
| Monitoring | 185 | 105 | | 54 | 344 |
| Skan-Kontroll | 255 | 0 | | 0 | 255 |
| Cash handling | 282 | 77 | 403 | 280 | 1 042 |
| **Total revenue from contracts with customers** | **3 053** | **3 519** | **403** | **1 443** | **8 419** |
| Other revenue | 4 | 8 | 11 | 4 | 27 |
| **Total revenue** | **3 057** | **3 527** | **414** | **1 447** | **8 446** |

| Assets and liabilities related to contract with customers | 2023 | 2022 |
|---|---|---|
| Current contract assets related to System contracts | 108 | 87 |
| Loss allowance | – | -10 |
| **Total contract assets** | **108** | **77** |
| Current liabilities relating to System contracts | 38 | 24 |
| **Total contract liabilities** | **38** | **24** |

Disclosure of future performance obligations are not disclosed since remaining contract duration is less than 12 months.

Revenue is recognised from satisfaction of performance obligations in line with the amount one has the right to invoice, and disclosure of future performance obligations are therefore not disclosed

### Guarding

The Group's Guarding business consists of on-site and mobile guarding, comprising of sales of services, emergency calls and mobile inspections

Revenues are recognised over time of delivery of the service which coincides with the time the Group is entitled to the revenue. Revenue is recognised at the sum to which an entity has a right to invoice, as this corresponds with the value to the customer of the entity's completed performance to date, in line with IFRS 15, B16.

### Aviation

The Group's Aviation business consists of security services at airports, in which revenue is based both based on hours and passengers passing security checkpoints. Revenue is subsequently recognised based on a combination of hours delivered or number of passengers passing security checkpoints.

### Systems

The Group's System business consists of sales of technical facilities, including installation/assembly, equipment and service assignments. When delivering stand-alone goods, the delivery obligation is usually considered fulfilled at the time of delivery of the goods to the customer, and the income is recognized at this time.

Some contracts with customers contain several delivery obligations, such as sales of materials and associated installation services, as well as ongoing monitoring service. However, the customer can not use the item without associated installation and ongoing monitoring. Ongoing monitoring is a distinct delivery obligation, however, this service can not be performed by anyone other than the Group itself. The customer can therefore not use or obtain benefits from the individual delivery obligations separately, and such contracts are recognized and measured as one delivery obligation

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The Groups system division delivers installation contracts that are treated as construction contracts. In construction contracts, the outcome can be estimated in a reliable manner, and the recognized amount is based on the degree of completion. Contract assets are recognized by calculating the degree of completion based on input factors in the contract, measured against the total expected income and costs agreed in the contract. If it is probable that the contract costs will exceed the contract revenues, the expected loss is recognized immediately. In cases where the outcome of the contract cannot be measured reliably, the contract revenue is set equal to the contract cost.

### Monitoring

Surveillance services are usually provided as subscriptions and are recognised as income over time as specified in the agreement. Emergency response to alarm signals at the customer are recognised as income at the time the response is made.

### Skan-Kontroll

The Group's Guarding business consists of on-site and mobile guarding, comprising of sales of services, emergency calls and mobile inspections. Revenues are recognised over time of delivery of the service which coincides with the time the Group is entitled to the revenue. Revenue is recognised at the sum to which an entity has a right to invoice, as this corresponds with the value to the customer of the entity's completed performance to date, in line with IFRS 15, B16.

### Cash handling

The Group's Cash Handling business consists of services within the handling of physical cash, including cash management solutions, transportation of cash and operation of the Group's or customers' ATMs. Transaction income from ATMs, including currency margin income, is recognised as income at the time the transactions are completed. Fixed subscription revenues from, among others, autoCash machines and the operation of banks' ATMs are recognised over time (approximately linear distribution over the agreement period). Revenues from transport operations are recognised as income at the time of the completion of the operation. Income from cash counting and settlement, central bank deposits and sale of currency is recognised as income when the transactions have been completed.

## NOTE 5 – SALE OF SEMAC AS

On May 30th 2023, the Group sold all its shares, representing 60%, of Semac AS. Profit and loss figures for Semac AS have been included in the Group's consolidated financial statements until the transaction date, on which the Group then recognised a net gain of mNOK 78 from the sale of all its shares. The net gain consists of proceeds from the sale, after deduction of net assets for Semac AS and transaction costs.

Gain from the sale of Semac AS has been calculated as follows

| Figures in mNOK | |
|---|---|
| Net sales price (after transactions expenses) | 94 |
| Book value of Semac AS at the transaction date attributable to owners of the parent (excluding NCI share) | 16 |
| **Net gain for owners of the parent company** | **78** |

## NOTE 6 – PERSONNEL EXPENSES AND AUDITOR REMUNERATION

| Personnel expenses | 2023 | 2022 |
|---|---|---|
| Salary and fees | 5 495 | 4 979 |
| Payroll tax | 1 037 | 914 |
| Pension expense | 399 | 336 |
| Other personnel expenses | 150 | 107 |
| Total personnel expenses | 7 081 | 6 336 |
| | | |
| Average number of full-time-equivalents | 11 066 | 10 488 |

| Remuneration to the Group CEO and Chairman of the Board | Group CEO | Chairman |
|---|---|---|
| Salary | 4,7 | 0,5 |
| Bonus | 1,7 | |
| Pension expense | 0,3 | |
| Other personnel expenses | 0,4 | |
| Total | 7,0 | 0,5 |

The Group CEO, Vidar Berg, is entitled to a salary for one year after resigning from his position.
The Group CEO has a result-oriented bonus contract, limited to maximum 50% of his base salary.
In addition, the CEO is entitled to a bonus from a long-term incentive plan (LTE), provided that the valuation of the Group exceeds certain thresholds.

| | 2023 | 2022 |
|---|---|---|
| Loans to employees | 1 | 1 |

The Interest rate for employee loans is calculated on the basis of market interest rate

| Remuneration to external auditor | 2023 | 2022 |
|---|---|---|
| Statutory audit | 8,8 | 5,4 |
| Attestation services | 0,3 | 0,4 |
| Tax services | 0,7 | 0,2 |
| Other non-audit services | 1,6 | 0,3 |
| Total | 11,4 | 6,3 |

## Pensions

The Group's pension obligation in Norway satisfies the requirements of the Norwegian Act on Mandatory Occupational Pensions. Most employees of the Group are covered by a defined contributions plan. In addition, The Group has a (i) Closed defined benefits scheme and (ii) Contractual early retirement scheme (AFP). The AFP scheme is regarded as a defined benefit multi-company scheme, but is accounted for as a defined contribution plan until reliable and sufficient information is available so that the Group can account for its proportionate share of pension costs, pension obligations and pension assets in the scheme. The Group's liabilities / receivables in this scheme are thus not capitalised. The closed defined benefits scheme originates from an acquisition several years ago in the cash handling division.

See table below for details on the number of people in the scheme as well as figures in the consolidated financial statements.

| Defined benefits plan – Recognised in profit and loss | 2023 | 2022 |
|---|---|---|
| Pension cost – Defined benefits plan | -1 | -1 |

| Defined benefits plan – Recognised in balance sheet | 2023 | 2022 |
|---|---|---|
| Plan assets at the end of the year | 379 | 411 |
| Defined benefit obligation at the end of the year | -437 | -413 |
| Payroll tax | -8 | -1 |
| Net obligation (-) / asset (+) at the end of the year | -66 | -3 |

| Movements in net obligation during the year | 2023 | 2022 |
|---|---|---|
| Net obligation at the beginning of the year | -3 | 411 |
| Remeasurements recognised over OCI | -61 | -413 |
| Pension cost recognised in P&L | -1 | -1 |
| Net obligation at the end of the year | -66 | 3 |

| Number of people in the scheme | 2023 | 2022 |
|---|---|---|
| Number of deferred pension rights | 113 | 120 |
| Number of employees | 1 | 2 |
| Number of pensioners | 134 | 130 |

## NOTE 7 – FINANCE INCOME AND EXPENSES

| | 2023 | 2022 |
|---|---|---|
| Interest income | 15 | 13 |
| Net currency gain | 59 | |
| Total finance income | 74 | 13 |
| | | – |
| Interest expenses | -99 | -75 |
| Net currency loss | – | -6 |
| Interest expenses on lease liabilities | -29 | -25 |
| Other finance expenses | -11 | -26 |
| Total finance expenses | -140 | -135 |
| | | - |
| Net financial expenses | -65 | -122 |

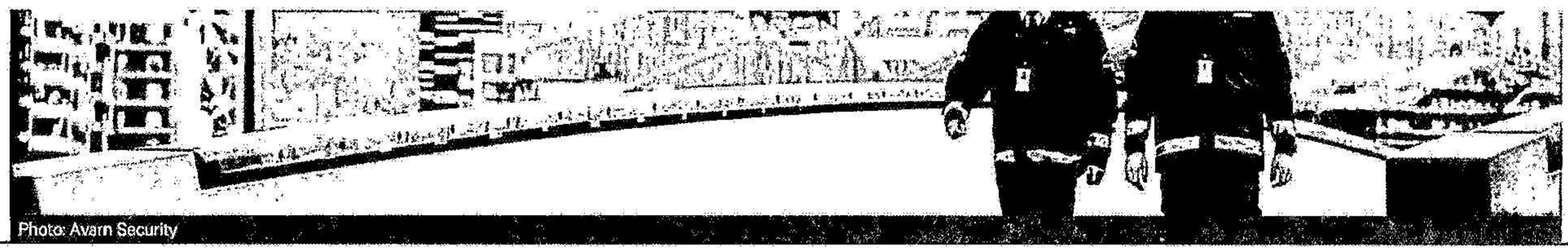

Photo: Avarn Security

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## NOTE 8 – TAXES

| | 2023 | 2022 |
|---|---|---|
| **Income tax expense recognised in profit and loss** | | |
| Tax payable | -17 | -20 |
| Change in deferred tax on profit and loss | 6 | 9 |
| Correction of previous years' tax expense | 3 | -1 |
| **Income tax expense** | -8 | -13 |
| Effective tax rate | -3% | -28% |
| **Income tax on items recognised in other comprehensive income (OCI)** | | |
| Change in deferred tax | 13 | -7 |
| **Total tax on items over (OCI)** | 13 | -7 |
| **Reconciliation of tax expense** | | |
| Profit before tax | 278 | 46 |
| Tax at 22% (Tax rate of parent company) | -61 | -10 |
| Tax expense | -8 | -13 |
| Difference | 53 | -3 |
| **Difference explained by** | | |
| Utilisation of tax loss carried forward not recognised | 25 | – |
| Permanent differences | 16 | |
| Correction of previous years tax expense | 3 | -1 |
| Other | 10 | -2 |
| **Total explanation** | 53 | -3 |
| Tax payable at year end in the balance sheet | 24 | 26 |
| **Movement in net deferred tax** | | |
| Net deferred tax (asset) at the beginning of the year | -47 | -51 |
| Movements in net deferred tax expensed in profit and loss | 6 | 9 |
| Movements in net deferred tax recognised in OCI | 13 | -7 |
| Correction of tax from previous years | 3 | |
| Foreign currency translation differences in net deferred tax | 7 | 2 |
| **Net deferred tax (asset) at the end of the year** | -16 | -47 |
| **Significant components of deferred tax assets** | | |
| Tax loss carried forward | 12 | 20 |
| Non-deductible interest expenses | 20 | 19 |
| Accruals | 16 | 26 |
| Non-current assets | 5 | 4 |
| Leases | 4 | 3 |
| Pension liability | 13 | 1 |
| Other | 15 | 2 |
| **Total deferred tax assets** | 85 | 76 |
| **Significant components of deferred tax liabilities** | | |
| Deferred tax on intangible assets | 98 | 111 |
| Other items | 2 | 13 |
| **Total deferred tax liabilities** | 100 | 124 |
| **Net deferred tax asset (+) / liability (-)** | -16 | -47 |

| | 2023 | | 2022 | |
|---|---|---|---|---|
| **Specification of tax loss carried forward** | | Of which recognised as deferred tax asset | | Of which recognised as deferred tax asset |
| Norway | – | – | 1 | 0 |
| Sweden | 31 | 6 | 121 | 20 |
| Denmark | 372 | 6 | 327 | – |
| Finland | 109 | – | 113 | – |
| **Total** | 512 | 12 | 562 | 20 |

Deferred tax asset has not been recognised on the basis of tax loss carried forward in Finland and in the cash handling division in Denmark.

The Group's assessment is that it is uncertain whether future taxable profit will not be sufficient to fully utilise the tax loss carried forward for entities in these two countries. Tax loss carried forward in Sweden has been recognised as deferred tax asset

| Tax rates: | 2023 | 2022 |
|---|---|---|
| Norway | **22,0%** | 22,0% |
| Sweden | **20,6%** | 20,6% |
| Denmark | **22,0%** | 22,0% |
| Finland | **20,0%** | 20,0% |

Tax loss can be carried forward for an indefinite period in Norway, Sweden and Denmark, but maximum ten years in Finland

See table below for maturity schedule of tax loss carried forward.

| Year of expiry | Amount |
|---|---|
| 2024 | 2 |
| 2025 | 0 |
| 2026 | 0 |
| 2027 | 6 |
| More than five years | 100 |
| No expiration date | 403 |
| **Total** | **512** |

### OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules which will come into effect starting from January 1 2025. Under the legislation, the Group is liable to pay a top-up tax for the difference between their effective tax rate per jurisdiction and the 15% minimum rate. Since all countries of the Group have a statutory tax rate above 15%, the Group does not expect Pillar Two to have effect on the Group. However, the rules are complex and the Group does therefore not have a complete picture of the quantitative effects of the Group's taxable income

## NOTE 9 – GOODWILL AND BRAND IMPAIRMENT TEST

Goodwill and brand in the Group amounted to mNOK 1 838 as of December 31, 2023. The most significant share of goodwill is related to the acquisition of Avarn Security Holding AS in 2019, the acquisition of G4S Holding (Norway) AS in 2014 and the acquisition of Svensk Bevakningstjanst AB in 2014. Brand is related to the acquisition of Avarn Security Holding AS in 2019.

Goodwill and brand both have indefinite useful life, and are therefore tested for impairment annually, in which the value in use of each *cash generating unit* (CGUs) is estimated. The Groups Operating Segments, as defined in IFRS 8, consist of *Norway, Sweden, Finland, Cash Handling* and *Skan-Kontroll*, and this is furthermore the lowest level at which goodwill and brand is monitored for internal management purposes

| Book value end of 2023 | Goodwill | Brand | Total |
|---|---|---|---|
| Norway | 422 | - | 422 |
| Sweden | 583 | 82 | 665 |
| Finland | 468 | 76 | 543 |
| Cash Handling | 187 | - | 187 |
| Skan-Kontroll | 21 | - | 21 |
| **Total** | **1 680** | **158** | **1 838** |

The Group tests goodwill and brand for impairment at least annually, or when there are indications of impairment. The assessment was last performed as of 30.09.2023. However, there are no material changes to assumptions or booked values in the period until 31.12.2023. Management's conclusion is that there is no need for impairment as of 31.12.23 since the recoverable amount exceeds the book value of goodwill and brand. The recoverable amount is determined based on an assessment of the company's value in use. The value in use is calculated by discounting expected future cash flows after tax, using a relevant risk-adjusted discount rate after tax.

### The following assumptions have been used when calculating the value in use as of 30.09.2023

| 2023 | Norway | Sweden | Finland | Skan-Kontroll | Cash Handling |
|---|---|---|---|---|---|
| Discount rate (after tax) | 9,3% | 9,3% | 9,3% | 9,3% | 11,4% |
| Long-term growth rate | 2,5% | 2,5% | 2,5% | 2,5% | 0,0% |

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The calculation of the value in use for the cash-generating units is calculated based on projections of budgets approved by management and the board for the next four years. Management and the board of directors expect increase in both revenue and EBITDA margin over the coming four years. The remaining period of the calculation is based on moderate growth corresponding to the long-term growth rate.

### Sensitivity analysis for the key assumptions

As of the date of the impairment assessment, a sensitivity analysis has been performed in which the assumptions on EBITDA-margin in the impairment test have been changed. The table below displays the percentage point reduction in EBITDA-margin possible before indicating an impairment need. The calculation of value in use was too a minor extent sensitive to increses in the discount rate (WACC) used.

| 2023 | Norway | Sweden | Finland | Skan-Kontroll | Cash |
|---|---|---|---|---|---|
| Assumed EBITDA margin in impairment assessment | 8,6% | 6,5% | 5,2% – 6,5% | 6,6% | 17,1% – 22% |
| EBITDA margin triggering impairment | 4,8% | 5,1% | 4,6% | 5,6% | 12,0% |
| Headroom – expressed in percentage points | 3,8% | 1,4% | 0,6% – 1,9% | 1,0% | 5,1% |

Headroom with regards to EBITDA is lowest for Skan-Kontroll and Finland, and details for assumptions are provided for these GCUs below. EBITDA margin for 2024 is estimated based on a thorough estimate of revenue and costs, in which detailed forecasts are made for all business divisions. For Skan-Kontroll, the EBITDA margin for 2024 is assumed to be the same for the entire forecast period, including the terminal year. For Finland, the EBITDA margin is assumed to increase from 5,2% in 2024, to 6,5% for the remaining years. This is assumed to be reasonable because improvement projects have been implemented, which are expected to result in (i) reduced overhead costs, caused by both less FTEs and reduced IT-expenses, (ii) increased sale of digital services with increased margins, and (iii) sales price increases exceeding the cost base. Overall, we expect the margin in Finland to move towards Norway and Sweden, given that the products and services offered as similar as in Norway and Sweden.

## 2022

| Book value 2022: | Goodwill | Brand | Total |
|---|---|---|---|
| Norway | 422 | - | 422 |
| Sweden | 557 | 78 | 636 |
| Finland | 415 | 67 | 483 |
| Cash Handling | 175 | - | 175 |
| Skan-Kontroll | 21 | - | 21 |
| Total | 1 590 | 146 | 1 736 |

### The following assumptions have been used when calculating the value in use as of 30.09.2022

| 2022 | Norway | Sweden | Finland | Skan-Kontroll | Cash Handling |
|---|---|---|---|---|---|
| Discount rate | 9,0% | 7,7% | 8,3% | 9,0% | 10,7% |
| Long-term growth rate | 2,5% | 2,5% | 2,5% | 2,5% | 0,0% |
| Risk-free interest rate | 3,3% | 1,9% | 2,6% | 3,3% | 3,3% |
| Market premium | 5,0% | 5,0% | 5,0% | 5,0% | 5,0% |

The calculation of the value in use for the cash-generating units is calculated based on projections of budgets approved by the management and the board for the next four years. Management and the board of directors expect increase in both revenue and EBITDA margin over the coming four years. The remaining period of the calculation is based on moderate growth corresponding to the long-term growth rate. EBIT and EBITDA used in the value-in-use calculation is based on management's assumptions on the revenue developments, as well as gross margin and operating margin.

### Sensitivity analysis for the key assumptions

As of the date of the impairment assessment, a sensitivity analysis has been performed in which the assumptions on EBITDA-margin in the impairment test have been changed. The table below displays the percentage point reduction in EBITDA-margin possible before indicating a need for impairment. Furthermore, an increase of WACC by 1%-point, from 8,3% to 9,3% in Finland, would trigger an impairment need. A larger increase in WACC is necessary to trigger an impairment need for the other countries.

| 2022 | Norway | Sweden | Finland | Skan-Kontroll | Cash |
|---|---|---|---|---|---|
| Reduction of EBITDA margin[1] before triggering impairment | 3,8% | 2,4% | 0,5% | 8,0% | 5,0% |

[1] *Expressed as percentage points*

## NOTE 10 – INTANGIBLE ASSETS

| | Software & other intangible assets[1] | Customer portfolio | Brand | Goodwill | Total 31.12 |
|---|---|---|---|---|---|
| Acquisition cost 31.12 2021 | 236 | 749 | 146 | 1 590 | 2 720 |
| Additions (intangible assets) | 67 | - | - | - | 67 |
| Additions (acquired companies) | - | 22 | - | - | 22 |
| Foreign currency translation adjustment | 15 | 6 | 2 | 13 | 36 |
| Acquisition cost 31.12 2022 | 318 | 776 | 147 | 1 604 | 2 846 |
| Reclassifications[2] | 38 | | | | 38 |
| Additions (intangible assets) | 59 | - | - | - | 59 |
| Disposals | -12 | - | - | - | -12 |
| Foreign currency translation adjustment | 3 | 45 | 10 | 76 | 135 |
| Acquisition cost 31.12 2023 | 407 | 821 | 158 | 1 680 | 3 066 |
| | | | | | |
| Accumulated depreciation 31.12.2021 | -148 | -334 | - | - | -482 |
| Foreign currency translation adjustment | -2 | -5 | - | - | -7 |
| Depreciation for the year | -43 | -64 | - | - | -107 |
| Accumulated amortisation 31.12 2022 | -192 | -404 | - | - | -596 |
| Foreign currency translation adjustment | -0 | -23 | - | | -23 |
| Amortisation for the year | -46 | -68 | - | | -114 |
| Amortisations on disposed assets during the year | 11 | | | | 11 |
| Accumulated depreciation 31.12 2023 | -228 | -495 | - | - | -722 |
| | | | | | |
| Net book amount 31.12 2023 | 179 | 327 | 158 | 1 680 | 2 343 |
| Net book amount 31.12 2022 | 126 | 373 | 147 | 1 604 | 2 250 |

[1] Software and other intangible assets consists mainly of capitalised expenses for IT-software.
[2] Reclassifications have been made between development costs/software and Property, plant and equipment

| | | |
|---|---|---|
| Economic life | Up to 5 years | Up to 13 years |
| Depreciation schedule | Linear | Linear |

Customer portfolio originates primarily from acquired companies, and has been identified through purchase price allocations. A minor portion of the customer portfolio has been acquired directly as an asset purchase. Customer portfolio is depreciated over 6-13 years

Intangible assets assumed to have an indefinite useful life, comprise of goodwill and brand. These have been tested for impairment without any indication of impairment. See note 9 – Goodwill and brand impairment test for details.

Photo: Avarn Security

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## NOTE 11 – LEASES

| Right-of-use assets | Buildings | Equipment | Vehicles | Total |
|---|---|---|---|---|
| Book value of right-to-use assets 31.12.2022 | 291 | 64 | 141 | 496 |
| Foreign currency translation adjustment | 8 | 4 | 5 | 17 |
| Additions of right-of-use assets | – | 40 | 111 | 151 |
| Adjustments | 52 | -6 | -7 | 39 |
| Depreciation | -92 | -41 | -96 | -228 |
| Disposals | – | – | -2 | -2 |
| Book value of right-to-use assets 31.12.2023 | 259 | 62 | 152 | 473 |
| Lowest of remaining rental period or economic life | 1-25 years | 1-10 years | 1-5 years | |
| Depreciation method | Linear | Linear | Linear | |

| Lease liabilities | Total |
|---|---|
| Total lease liabilities 31.12.2022 | 521 |
| Foreign currency translation adjustment | 19 |
| New lease liabilities recognised in the period | 151 |
| Adjustments | 39 |
| Payments on lease liabilities | -227 |
| Interest paid on lease liabilities | -29 |
| Interest expense on lease liabilities | 29 |
| Derecognition of lease liabilities | -0 |
| Total lease liabilities 31.12.2023 | 503 |
| | |
| Short-term lease liabilities | 212 |
| Long-term lease liabilities | 292 |

| Undiscounted lease liabilities | |
|---|---|
| Less than 1 year | 217 |
| 1-2 year | 142 |
| 2-3 year | 83 |
| 3-4 year | 50 |
| 4-5 year | 34 |
| More than 5 years | 29 |
| Total undiscounted lease liabilities 31.12.2023 | 554 |

| Right-of-use assets | Buildings | Equipment | Vehicles | Total |
|---|---|---|---|---|
| Book value of right-to-use assets 31.12.2021 | 286 | 102 | 122 | 510 |
| Foreign currency translation adjustment | 2 | 5 | 1 | 8 |
| Additions of right-of-use assets | 48 | – | 91 | 139 |
| Adjustments | 49 | – | 3 | 51 |
| Depreciation | -94 | -42 | -75 | -212 |
| Disposals | – | – | -0 | -0 |
| Book value of right-to-use assets 31.12.2022 | 291 | 64 | 141 | 496 |
| Lowest of remaining rental period or economic life | 1-25 years | 1-10 years | 1-5 years | |
| Depreciation method | Linear | Linear | Linear | |

| Lease liabilities | Total |
|---|---|
| **Total lease liabilities 31.12.2021** | **535** |
| Foreign currency translation adjustment | 5 |
| New lease liabilities recognised in the period | 138 |
| Adjustments | 52 |
| Payments on lease liabilities | -208 |
| Interest paid on lease liabilities | -25 |
| Interest expense | 25 |
| Derecognition of lease liabilities | -0 |
| **Total lease liabilities 31.12.2022** | **521** |
| | 0 |
| Short-term lease liabilities | 208 |
| Long-term lease liabilities | 313 |
| | |
| **Undiscounted lease liabilities and overdue payments** | **0** |
| Less than 1 year | 212 |
| 1-2 year | 156 |
| 2-3 year | 90 |
| 3-4 year | 53 |
| 4-5 year | 41 |
| More than 5 years | 59 |
| **Total undiscounted lease liabilities 31.12.2022** | **611** |

## NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

| | Land & buildings | Machinery & equipment | Fixtures & fittings | Total 31.12 |
|---|---|---|---|---|
| Acquisition cost 01.01.2022 | 387 | 627 | 778 | 1 792 |
| Foreign currency translation adjustment | -8 | 14 | 19 | 26 |
| Additions | 0 | 38 | 25 | 63 |
| Disposals | - | -10 | -4 | -14 |
| Acquisition cost 31.12.2022 | 379 | 670 | 819 | 1 867 |
| Foreign currency translation adjustment | 28 | -6 | -6 | 16 |
| Reclassifications | -36 | 50 | -14 | - |
| Reclassifications intangible assets[1] | - | -38 | - | -38 |
| Additions | - | 37 | 27 | 65 |
| Disposals | - | -8 | -2 | -10 |
| Acquisition cost 31.12.2023 | 371 | 705 | 824 | 1 901 |
| | | | | |
| Accumulated depreciation 01.01.2022 | -30 | -528 | -690 | -1 248 |
| Foreign currency translation adjustment | -13 | 2 | -7 | -18 |
| Depreciation for the year | -14 | -52 | -30 | -96 |
| Depreciation of acquired companies for the year | - | 9 | 4 | 13 |
| Accumulated depreciation 31.12.2022 | -57 | -569 | -723 | -1 349 |
| Foreign currency translation adjustment | -7 | 2 | 3 | -2 |
| Reclassifications | 24 | -15 | -9 | - |
| Depreciation for the year | -14 | -34 | -29 | -77 |
| Accumulated depreciation of sold assets | - | 5 | 1 | 6 |
| Accumulated depreciation 31.12.2023 | -54 | -611 | -757 | -1 421 |
| | | | | |
| Net book amount 31.12.2023 | 317 | 94 | 68 | 479 |
| Net book amount 31.12.2022 | 322 | 101 | 96 | 518 |
| | | | | |
| Economic life | Up to 25 years | Up to 5 years | Up to 5 years | |
| Depreciation schedule | Linear | Linear | Linear | |

[1] *Reclassifications have been made between development costs/software and Property, plant and equipment.*

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## NOTE 13 – FINANCIAL ASSETS

Financial assets consist of the following items.

| Other non-current receivables | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Investments in associated companies[1] | 4 | 4 |
| Other receivables and long-term investments | 3 | 2 |
| **Total** | **7** | 6 |

[1]The Group has made investments into the following associated companies

| Investments in associated companies – 2023 | Nokas Teknikk Sør AS | Vadla Trygghets-byrå AS | Total |
|---|---|---|---|
| Ownership | 34% | 34% | |
| Carrying value at year end | 4 | 0 | 4 |

| Investments in associated companies – 2022 | Nokas Teknikk Sør AS | Vadla Trygghets-byrå AS | Alarm 24 AS | Total |
|---|---|---|---|---|
| Ownership | 34% | 34% | 50% | |
| Carrying value at year end | 4 | 0 | 0 | 4 |

## NOTE 14 – INVENTORY

| | 2023 | 2022 |
|---|---|---|
| Purchased goods for resale | 120 | 89 |
| Supplies inventory | 10 | 3 |
| Total | 130 | 91 |
| Provision for obsolescence | -5 | -2 |
| *Book value of inventory* | 125 | 90 |

## NOTE 15 – ACCOUNTS RECEIVABLE

| | 2023 | 2022 |
|---|---|---|
| Accounts receivables – Notional amount | 1 230 | 983 |
| Loss allowance | -9 | -3 |
| Accounts receivable – Carrying value at year end | 1 221 | 980 |

| | 2023 | 2022 |
|---|---|---|
| Loss allowance at 01.01 | 3 | 10 |
| Change in loss allowance during the year | 6 | -7 |
| Loss allowance at 31.12 | 9 | 3 |

| Ageing profile of accounts receivable as of 31.12 | 2023 | 2022 |
|---|---|---|
| Not due | 949 | 895 |
| Less than 30 days | 263 | 74 |
| 30-60 days | 14 | 8 |
| 60-90 days | 3 | 2 |
| More than 90 days | 1 | 4 |
| Total | 1 230 | 983 |
| Credit loss recognised in profit and loss during the year | -6 | 2 |

### Factoring agreement

The Group has an agreement with DnB Bank ASA in which a certain portion of the Groups accounts receivables in Norway and Sweden is purchased by DnB Bank ASA. The agreement with DnB Bank ASA covers customers with a certain level of expected invoiced amount and adequate credit assessment. The day subsequent to invoicing the Group receives payment from DnB Bank ASA for the invoiced amount of all eligible accounts receivable. As such, the Group has transferred the contractual right to receive the cash flows from the accounts receivable, and consequently, the ownership of the asset, and corresponding risk of ownership. As such, accounts receivable are therefore derecognised from the balance sheet at the point in time DnB Bank ASA obtains the right of payment from the customer in line with IFRS 9

For the remaining portion of accounts receivable, the purpose of the Group is to collect the contractual cash flow as these accounts receivable do not meet the requirement for sale to DnB Bank ASA, and hereby they fall into the category "Hold and collect" according to IFRS 9

### Credit losses

On basis of the above, The Group has made a limited provision for losses on receivables. The Group uses a simplified method for calculating loss allowance for receivables, in which the expected credit loss is based on forward-looking factors for the individual customer, combined with general macroeconomic prospects. Expected credit losses on accounts receivables are based on an assessment of age profile, historical losses and on an individual level. The Group measures expected losses for each reporting period. The Group's maximum credit risk related to accounts receivable is represented by the notional value. The Group's accounts receivables are assessed on the balance sheet date and expected loss is recognised as Other operating expenses during the period.

## NOTE 16 – CASH AND CASH EQUIVALENTS

| | 2023 | 2022 |
|---|---|---|
| Bank deposits | 106 | 134 |
| Restricted cash[1] | 72 | 64 |
| Cash in cash cycle[2] | 301 | 123 |
| **Total** | 479 | 320 |

[1] Restricted cash consists primarily of employee withholding tax

[2] Cash in cycle consists of physical cash in the cash handling division.

Photo: Avarn Security

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## NOTE 17 – SHARE CAPITAL AND SHAREHOLDERS INFORMATION

### Share capital

| Share capital – Avarn Security Group Holding AS of 31.12.2023 | No. of shares | Par value (NOK) | Total |
|---|---|---|---|
| Ordinary shares | 415 961 | 15,45 | 6 427 |
| **Total** | **415 961** | **15,45** | **6 427** |

All shares give the same right in the company.

### Ownership structure

The largest shareholders of Avarn Security Group Holding AS as of 31.12.2023 were as follows:

| Name of entity | Shares | Ownership | Voting share |
|---|---|---|---|
| SANOK INVEST AS | 81 722 | 19,6% | 19,6% |
| STIFTELSEN FRITT ORD | 76 968 | 18,5% | 18,5% |
| WFW INVEST AS | 41 928 | 10,1% | 10,1% |
| NOMAD HOLDING AS | 36 713 | 8,8% | 8,8% |
| TTC INVEST AS | 28 222 | 6,8% | 6,8% |
| RG HOLDING AS | 23 789 | 5,7% | 5,7% |
| INAK 3 AS | 22 397 | 5,4% | 5,4% |
| DNB BANK ASA | 8 759 | 2,1% | 2,1% |
| ALDEN AS | 7 786 | 1,9% | 1,9% |
| SYNCRON AS | 7 183 | 1,7% | 1,7% |
| TROVATOR AS | 6 814 | 1,6% | 1,6% |
| AREPO AS | 5 263 | 1,3% | 1,3% |
| MURI INVEST AS | 4 953 | 1,2% | 1,2% |
| SINGCOMP AS | 3 356 | 0,8% | 0,8% |
| GJERMUNDSEN CORPORATE AS | 3 000 | 0,7% | 0,7% |
| TSI AS | 2 815 | 0,7% | 0,7% |
| OLSEN | 2 800 | 0,7% | 0,7% |
| JANINE AS | 2 770 | 0,7% | 0,7% |
| BO-BO INVEST AS | 2 500 | 0,6% | 0,6% |
| JORAD AS | 2 214 | 0,5% | 0,5% |
| **Total – Top 20 shareholders** | 371 952 | 89,4% | 89,4% |
| Total others | 44 009 | 10,6% | 10,6% |
| **Total number of shares outstanding** | **415 961** | **100,0%** | **100,0%** |

### Shares owned by members of the board and CEO

| Name | Position | No. of shares | Ownership |
|---|---|---|---|
| Vidar Berg | CEO | 167 | 0,0% |
| Amund Skarholt | Chairman | 678 | 0,1% |
| Bjørnar Olsen | Board member | 2 800 | 0,7% |
| Inak 3 AS[1] | - | 23 789 | 5,4% |

[1] Bjørnar Olsen, Board Member of Avarn Security Group Holding AS, holds shares in Bo-Bo Invest, which in turn is a shareholder of Inak 3 AS.

See table below for maturity schedule of subscription rights issued.

| Expiration date: | No. of independent subscription rights |
|---|---|
| 22.06.2028 | 467 536 |

All subscription rights not exercised within the subscription period will lapse with no value, and the holder will not be entitled to any compensation.

## NOTE 18 – FINANCIAL INSTRUMENTS

### Financial risk

The Group makes use of bank loans and overdraft facilities as financing instruments. The purpose of these financial instruments is to ensure capital for investments and liquidity necessary for the Group's operations. In addition, the Group has financial instruments such as trade receivable, trade payable, etc. that are directly related to the Group's daily operations.

Routines for risk management have been adopted at the board level and are implemented by the Chief Financial Officer.

The most important financial risk the Group is exposed to is liquidity risk. In addition, the Group also faces interest rate risk, currency risk and credit risk. The Group's management has an ongoing assessment of these risks and establishes guidelines on how these are to be managed.

### (i) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when they are due. The Group's strategy for managing liquidity risk is to have sufficient cash at all times to be able to meet its financial obligations at maturity, either under normal or extraordinary circumstances, without risking unacceptable losses and harming the Group's reputation.

The following table provides an overview of the maturity schedule for the Group's financial liabilities.

The table below provides an overview of the maturity profile of all financial liabilities (undiscounted)

| 2023 | Maturity schedule – Financial liabilities | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1–2 years | 2–4 years | More than 4 years | Total |
| Bank financing DNB | | | | | |
| Facility A – NOK | 75 | 71 | 73 | – | 218 |
| Facility B – EUR | 14 | 14 | 181 | – | 208 |
| Facility B – SEK | 11 | 11 | 217 | | 239 |
| Lease payments | 217 | 142 | 133 | 62 | 554 |
| Overdraft facility - DNB | 88 | – | – | – | 88 |
| Overdraft facility – Danske Bank | 34 | | – | – | 34 |
| Trade payable | 386 | | – | | 386 |
| Cash cycle financing | 284 | – | – | – | 284 |
| Total | 823 | 237 | 604 | 62 | 2 011 |

| 2022 | Maturity schedule – Financial liabilities | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1–2 years | 2–3 years | More than 4 years | Total |
| Bank financing DNB | | | | | |
| Facility A, tranche 1 – SEK | 156 | | – | – | 156 |
| Facility B, tranche 1 – NOK | 470 | – | – | – | 470 |
| Revolving Credit Facility | 24 | | – | – | 24 |
| Bank financing Finland – OP Bank | 18 | 72 | – | – | 89 |
| Lease payments | 212 | 156 | 143 | 100 | 611 |
| Subordinated loan Finland - Shareholder loan | | 27 | – | – | 27 |
| Shareholder loan – Avarn Security Group Holding AS[1] | 10 | – | – | – | 10 |
| Overdraft facility – DNB | 144 | – | – | – | 144 |
| Overdraft facility – Danske Bank | 4 | | – | – | 4 |
| Trade payable | 285 | – | – | – | 285 |
| Cash cycle financing | 104 | – | – | – | 104 |
| Total | 1 426 | 255 | 143 | 100 | 1 924 |

The Group is measured by the following covenant requirements for the loans in DNB,

(i) Gearing ratio
(ii) Interest cover

The Group was not in breach with its covenants with as of year end.

For the financing from Danske Bank, the financial covenant is the following:

(i) Equity share > 15%

The Group is subject to the following margin above the reference rate for the loans in DNB and Danske Bank:

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| Financing | Margin |
|---|---|
| Facility A – NOK | 2,50% |
| Facility B – SEK | 2,75% |
| Facility B – EUR | 2,75% |
| Overdraft facility DNB | 1,62% |
| Overdraft facility Danske Bank | 2,15% |

### (ii) Credit risk

The Group is mainly exposed to credit risk related to accounts receivables and other current receivables.

The Group reduces its exposure to credit risk by requiring all counterparties that receive credit from the Group, typically customers, to be subject to an assessment of creditworthiness.

The Group has guidelines to ensure that sales are only made to customers who have not had significant issues with payments previously, and that outstanding amounts do not exceed the determined credit limits.

The Group's assessment of expected credit losses on trade receivable is described in note 15 – Accounts receivable.

### (iii) Market risk – Interest rate risk

The Group's exposure to interest rate risk arises from its financing activities.

The Group's interest bearing debt carries a floating interest rate, exposing the Group to the risk of increased interest cost.

The following table shows the Group's sensitivity to potential changes in interest rates. The calculation includes all financial instruments carrying a floating interest, and shows the effect on profit and loss from changes in interest rates, based on the book value as of year end 2023.

| Financial year | Changes in interest rates (%-points) | Effect on P&L |
|---|---|---|
| 2023 | +0,25% | -2 |
| | +0,50% | -3 |
| | +0,75% | -5 |
| 2022 | +0,25% | -3 |
| | +0,50% | -5 |
| | +0,75% | -8 |

### (iv) Market risk – currency risk

The Group is exposed to currency fluctuations against the Norwegian Kroner (NOK) due to sales in several different countries with different functional currencies, in addition to external financing in foreign currency, as well as intra-group loans. Profit after tax for the Group is affected by changes in exchange rates as the result from foreign companies is converted to NOK by use of the average exchange rate for the period. Within the cash handling division, the Group enters into forward contracts on a continuous basis to reduce currency risk for the cash which is part of the cash cycle.

Since a potion of the Group's turnover is in SEK and EUR, the Group has drawn a share of the financing in both SEK and EUR to reduce currency risk. The following table shows the Group's sensitivity to potential changes in exchange rates on its financial instruments denominated in foreign currency.

Effect on profit and loss and equity (before tax) from changes in foreign currency exchange on financial instruments

| Change in fx-rates – NOK/SEK | Effect on P&L | Change in fx-rates – NOK/DKK | Effect on P&L | Change in fx-rates – NOK/EUR | Effect on P&L |
|---|---|---|---|---|---|
| 10% | -43 | 10% | 3 | 10% | -4 |
| 5% | -22 | 5% | 2 | 5% | -2 |
| -5% | 22 | -5% | -2 | -5% | 2 |
| -10% | 43 | -10% | -3 | -10% | 4 |

The Group has cash pool arrangements with overdraft facilities in both DNB and Danske Bank. The cash pool arrangement in DNB covers most companies in Norway, in addition to Sweden, Finland and Denmark. The cash pool arrangement in Danske Bank covers Nokas Verdihåndtering AS and its subsidiaries. See table below for amounts drawn in each cash pool arrangement as of year end. As of 31.12.2023 there are no restrictions on the use of the Group's unutilised credit facilities.

### Provider of financing

| Provider of financing | Total credit | Drawn at year end | Unutilised at year end |
|---|---|---|---|
| DNB – Multicurrency cash pool arrangement | 275 | 88 | 187 |
| DNB – RCF | 200 | – | 200 |
| Danske Bank – Intra-day credit for Nokas Verdihåndtering AS | 60 | 0 | 60 |
| Danske Bank – Cash pool arrangement | 75 | 34 | 41 |
| **Total** | **610** | **88** | **447** |

See table below for movements in interest-bearing debt during the year. For 2023, overdraft facility to DNB is presented separately, whereas this was included as part of interest bearing-debt to credit institutions in 2022.

See note 11 – Leasing for movements in lease liabilities during the year.

| Interest-bearing debt at 01.01.2023 | Interest-bearing debt | Overdraft facility – DNB | Shareholder loans | Overdraft facility – Danske Bank | Total |
|---|---|---|---|---|---|
| Opening balance | 740 | 144 | 37 | 4 | 925 |
| **Movements with effect on cash flow** | | | | | |
| Proceeds from interest-bearing debt | 600 | | | 30 | 630 |
| Repayment of interest-bearing debt | -769 | -56 | -51 | | -876 |
| Total cash flow from financing activities | -169 | -56 | -51 | 30 | -246 |
| **Movements without effect on cash flow** | | | | | |
| Equity effect of settlement of shareholder loan | | | 14 | | 14 |
| Amortisation of financing costs during the year | -4 | | | | -4 |
| Amortised financing expenses upon refinancing | -12 | | | | -12 |
| Exchange rate differences | -3 | | | | -3 |
| Total changes not affecting cash flow | -19 | | 14 | | -5 |
| **Total change** | -188 | -56 | -37 | 30 | -251 |
| **Interest-bearing debt at 31.12.2023** | 552 | 88 | – | 34 | 673 |
| Of which | | | | | |
| Non-current interest bearing debt | 491 | – | – | – | 491 |
| Current interest bearing debt | 60 | 88 | – | 34 | 182 |

| Interest-bearing debt at 01.01.2022 | Interest-bearing debt to credit | | Shareholder loans | Overdraft facility – Danske Bank | Total |
|---|---|---|---|---|---|
| Opening balance | 1 017 | | 54 | 55 | 1 126 |
| **Movements with effect on cash flow** | | | | | |
| Disbursements of loans | 25 | | – | – | 25 |
| Repayment of debt | -170 | | -22 | -9 | -201 |
| Interest paid | | | – | -0 | -0 |
| Total cash flow in financing activities | -145 | | -22 | -9 | -176 |
| **Movements without effect on cash flow** | | | | | |
| Correction Teller financing[2] | -- | | – | -40 | -40 |
| Amortised loan fees | 8 | | | -2 | 6 |
| Foreign exchange rate differences | 4 | | 5 | | 9 |
| Total changes not affecting cash flow | 12 | | 5 | -42 | -25 |
| **Total change** | -133 | | -17 | -52 | -201 |
| **Interest-bearing debt at 31.12.2022** | 884 | | 37 | 4 | 925 |

[2] Teller financing reclassified as of 31.12.2022.

## NOTE 19 – OTHER CURRENT LIABILITIES

See table below for a specification of current liabilities

| | 2023 | 2022 |
|---|---|---|
| Accrued holiday pay | 649 | 586 |
| Accrued salaries | 337 | 301 |
| Cash cycle financing[1] | 284 | 104 |
| Prepayments from customers | 125 | 123 |
| Accrued pension | 116 | 101 |
| Deferred income | 77 | 46 |
| Other current liabilities | 351 | 134 |
| **Total** | **1 940** | **1 395** |

[1] Cash cycle financing is debt financing of physical cash that is part of the cash handling segment/division

## NOTE 20 – OVERVIEW OF SUBSIDIARIES

Equity in foreign subsidiaries and associated companies is translated at the exchange rate on the balance sheet date, while profit for the year is translated at the average exchange rate for the year.

See table below for all subsidiaries of Avarn Security Group Holding AS

| Company | Office | Ownership/ voting share | Equity | Net profit |
|---|---|---|---|---|
| AS Skan-Kontroll | Norway | 100% | 133 | 102 |
| Avarn Alviks Lås AB | Sweden | 100% | 7 | 7 |
| Avarn Group OY | Finland | 100% | 184 | 4 |
| Avarn Holding OY | Finland | 100% | 761 | -8 |
| Avarn Lås-Aktuellt AB | Sweden | 100% | 18 | 18 |
| Avarn Låsteknik i Gbg AB | Sweden | 100% | 16 | 2 |
| Avarn Security AB | Sweden | 100% | 102 | 6 |
| Avarn Security AS | Norway | 100% | 260 | 5 |
| Avarn Security Aviation AS | Norway | 100% | 43 | 25 |
| Avarn Security Beredskap AS | Norway | 100% | 9 | 2 |
| Avarn Security Eiendom Danmark ApS | Denmark | 100% | 33 | -9 |
| Avarn Security Group AS | Norway | 100% | 1 818 | -13 |
| Avarn Security Group Invest AS | Norway | 100% | 1 840 | 8 |
| Avarn Security Holding AB | Sweden | 100% | 81 | 18 |
| Avarn Security Holding AS | Norway | 100% | 43 | -31 |
| Avarn Security Innlandet AS | Norway | 51% | 10 | 6 |
| Avarn Security OY | Finland | 100% | 138 | 12 |
| Avarn Security Service AS | Norway | 100% | 11 | 9 |
| Avarn Security Services AB | Sweden | 100% | 277 | 23 |
| Avarn Security Solutions AB | Sweden | 100% | 6 | 4 |
| Avarn Security Systems AB | Sweden | 100% | 56 | 40 |
| Avarn Teknik Öst AB | Sweden | 100% | 41 | 41 |
| Avarn Teknik Sverige AB | Sweden | 100% | 123 | 23 |
| Ejendomsselskapet Rosbjergvei ApS | Denmark | 100% | 107 | 4 |
| Ejendomsselskapet Solmarksvei ApS | Denmark | 100% | 86 | 3 |
| Nokas AS | Norway | 100% | 349 | -6 |
| Nokas CMS A/S | Denmark | 100% | 86 | 34 |
| Nokas CMS AB | Sweden | 100% | 32 | -1 |
| Nokas CMS OY | Finland | 100% | 24 | -1 |
| Nokas Finland OY | Finland | 100% | 42 | 2 |
| Nokas Komplementarselskab ApS | Denmark | 100% | 0 | -0 |
| Nokas Kontantservice P/S | Denmark | 100% | 116 | 54 |
| Nokas Optimering & Lager AB | Sweden | 100% | 1 | -23 |
| Nokas Værdihåndtering A/S | Denmark | 100% | -30 | -66 |
| Nokas Verdihåndtering AS | Norway | 100% | 364 | 14 |
| Skandia Sök AB | Sweden | 100% | 0 | 0 |
| Synenergy AB | Sweden | 100% | 4 | 0 |

## NOTE 21 – TRANSACTIONS WITH RELATED PARTIES

A shareholder loan was issued by the parent company of the Group in 2021. A number of shareholders participated in the shareholder loan, of which the main shareholder Sanok Invest AS, held the largest portion. The shareholder loan was settled during 2023, in which certain shareholders chose to be repaid in cash, whereas others chose to settle in shares in the parent company, and Sanok's subscription rights were prolonged due to the ownership restrictions placed on Sanok.

See details on the settlement in note 18 and in the consolidated statement of changes in equity.

For details of remuneration to management and loans to employees, see note 6 – Employee benefits.

Photo: Avarn Security

## NOTE 22 – GUARANTEES AND PLEDGES

| Pledges | 2023 | 2022 |
|---|---|---|
| **Debt for which collateral has been provided** | | |
| Non-current debts to credit institutions | 491 | 72 |
| Current debts to credit institutions | 182 | 816 |
| **Total** | 673 | 888 |
| **Book value of assets pledged as collateral for debt** | | |
| Inventory | 125 | 90 |
| Accounts receivables | 1 221 | 980 |
| Cash and cash equivalents | 106 | 134 |
| Property, plant and equipment | 480 | 550 |
| **Total** | 1 932 | 1 753 |
| **Guarantees issued on behalf of the Group** | 105 | 99 |

See table below for an overview of collateral provided as part of the Group's financing

Avarn Security Group AS, and all its subsidiaries, are liable for repayment of the Group's interest-bearing liabilities, and hence all shares in Avarn Security Group AS and its subsidiaries, have been pledged as security

Furthermore, Nokas Verdihåndtering AS and all its subsidiaries, are liable for repayment of the Group's interest-bearing liabilities to Danske Bank

| Collateral provided | 2023 | 2022 |
|---|---|---|
| Inventory | 2 000 | 1 150 |
| Fixed assets | 2 000 | 1 150 |
| Factoring agreement | 2 000 | 1 150 |

## NOTE 23 – SUBSEQUENT EVENTS

The Board of Directors has proposed a share buyback programme in which shares for a total of 400 mNOK will be purchased from the shareholders of Avarn Security Group Holding AS

The programme is approved by the Extraordinary general meeting

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# Appendix

In this Appendix we provide additional data and other details regarding Avarn Security's performance and activities within sustainability.

## CLIMATE ACCOUNTING DETAILS

Avarn Security uses the Klimakost tool developed by Asplan Viak to determine our total climate footprint in $CO_2$ equivalents. This approach covers all greenhouse gasses ($CO_2$, $CH_4$, $N_2O$, $SF_6$, HFC, and PFC), both direct and indirect emissions. This analysis is based primarily on financial accounting data and is enriched where possible with physical data regarding amounts and volume, for example litres of different fuel types consumed by vehicles. The input data is then modelled against contribution-specific conversion factors from the Klimakost model to provide a resulting analysis of our greenhouse gas emissions in $CO_2$ equivalents. We then use this data to benchmark our environmental footprint and prioritise where to focus action plans for reducing.

Note that emission conversion factors in the Klimakost model are updated yearly, meaning different factors are used to determine emissions for 2022 than for 2023.

### Total emissions by company – tons $CO_2$ equivalent

| | 2023 | 2022 |
|---|---|---|
| Avarn Security Norway | 19 220 | 19 877 |
| Avarn Security Sweden | 22 539 | 26 345 |
| Avarn Security Finland | 7 904 | 5 648 |
| Skan-Kontroll | 1 318 | 1 501 |
| Nokas AS | 13 113 | 13 423 |
| **Total** | 64 094 | 66 794 |

### Emissions by scope – tons $CO_2$ equivalent

| | 2023 | 2022 |
|---|---|---|
| Scope 1 | 10 209 | 12 197 |
| Scope 2 | 1 053 | 996 |
| Scope 3 | 52 833 | 53 601 |

### Emissions by category – tons $CO_2$ equivalent

| | 2023 | 2022 |
|---|---|---|
| Energy consumption | 1 053 | 996 |
| Purchased goods | 27 000 | 27 789 |
| Buildings | 1 714 | 2 352 |
| Transport and travel | 5 543 | 5 336 |
| Purchased services | 18 576 | 18 124 |
| Waste | 0 | 0 |
| Direct emissions | 10 209 | 12 197 |

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## KEY WORKFORCE FIGURES

### Approximate gender balance

| | 2023 | 2022 |
|---|---|---|
| Share of female employees, overall | 28% | 27% |
| Share of female employees, managerial level | 28% | 30% |

### Health and safety

| | 2023 | 2022 |
|---|---|---|
| Lost time injury frequency (H1 value) | 11,8 | 12,3 |
| Short-term sick leave | 4.9% | 5.4% |
| Long-term sick leave | 2.9% | 2.3% |

### Other workforce metrics

| | 2023 |
|---|---|
| Total employees | 15 550 |
| Gender pay gap | 8% |
| Share of employees with collective bargaining agreement | 86% |
| Share of full-time employees | 47% |
| Average training hours per employee* | 37 |

*Avarn Security companies only

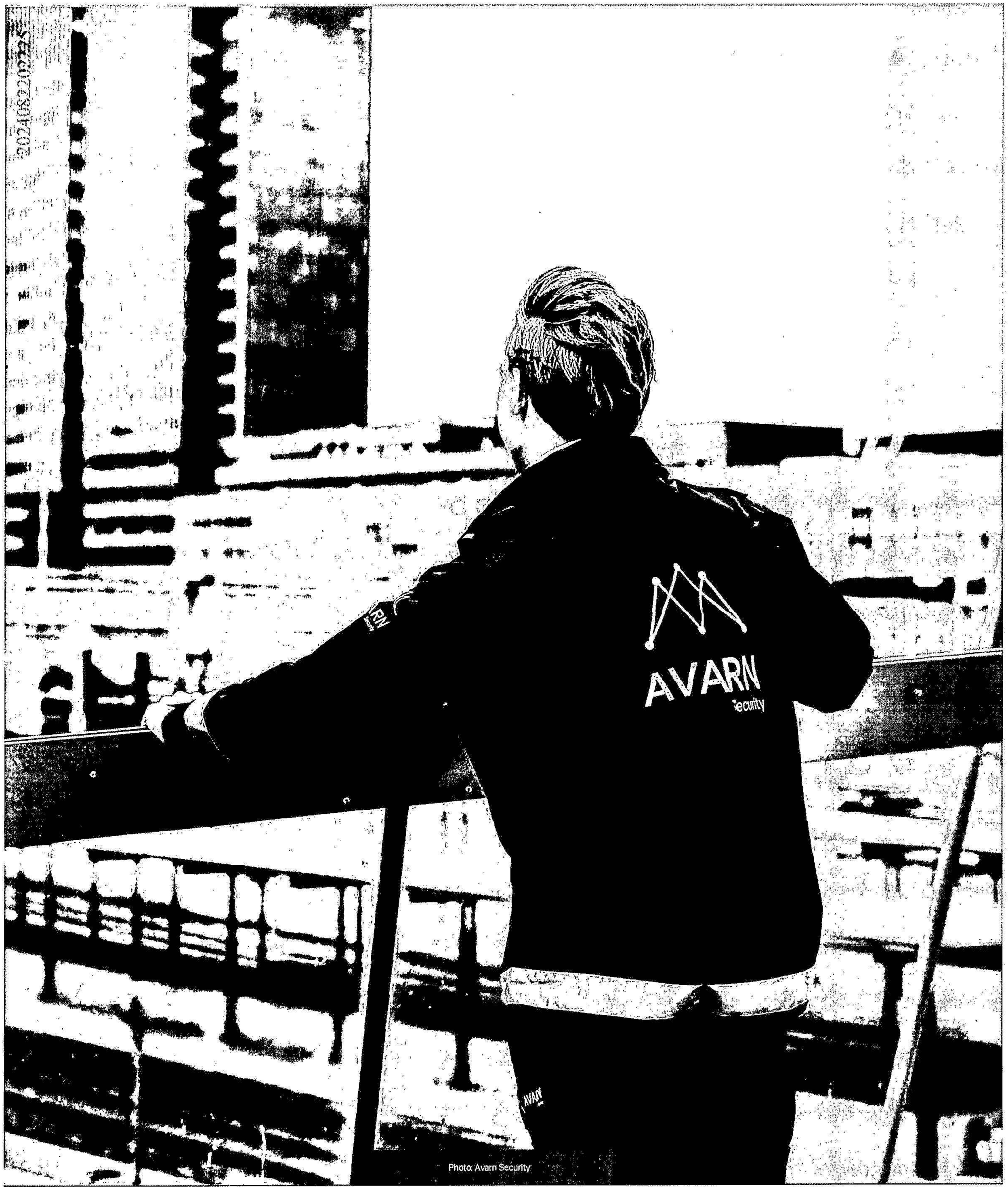
Photo: Avarn Security

## EXTERNAL VALIDATION

Where relevant, Avarn Security seeks external certifications to formalise our commitment to transparency and responsible business operations

### Selected certifications

| Certification | Topic | Scope |
|---|---|---|
| ISO 9001:2015 | Quality management system | Avarn Security Norway<br>Avarn Security Sweden<br>Avarn Security Finland<br>Skan-kontroll |
| ISO 14001:2015 | Environmental management system | Avarn Security Norway<br>Avarn Security Sweden<br>Avarn Security Finland<br>Nokas Norway<br>Skan-kontroll |
| ISO27001:2022 (IN PROGRESS - expected finalised within release of annual report) | Information security management | Avarn Security Group IT |
| ISO 45001:2018 | Health and safety | Avarn Security Sweden<br>Avarn Security Finland |
| DS 3999 | Security | Nokas Denmark |
| ETJ+:2014 | Energy efficiency | Avarn Security Finland |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Security
Photo: Avarn Security

Photo: Avarn Security

# Financial statements of the parent company – Avarn Security Group Holding AS

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53 Statement of financial position

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Note 6 – Investment in subsidiaries and shares

Note 7 – Related party transactions

Note 8 – Equity, share capital and shareholder information

Note 9 – Subsequent events

# Statement of profit and loss

| | | | |
|---|---|---|---|
| Personnel expenses | 3 | -2 | -2 |
| Other operating expenses | 3 | -2 | -1 |
| **Earnings before interests and taxes** | | **-3** | -3 |
| Net finance | 4,7 | **476** | 29 |
| **Earnings before taxes** | | **473** | 26 |
| Income tax expense | 5 | **-12** | -1 |
| **Net income (loss)** | | **461** | 25 |

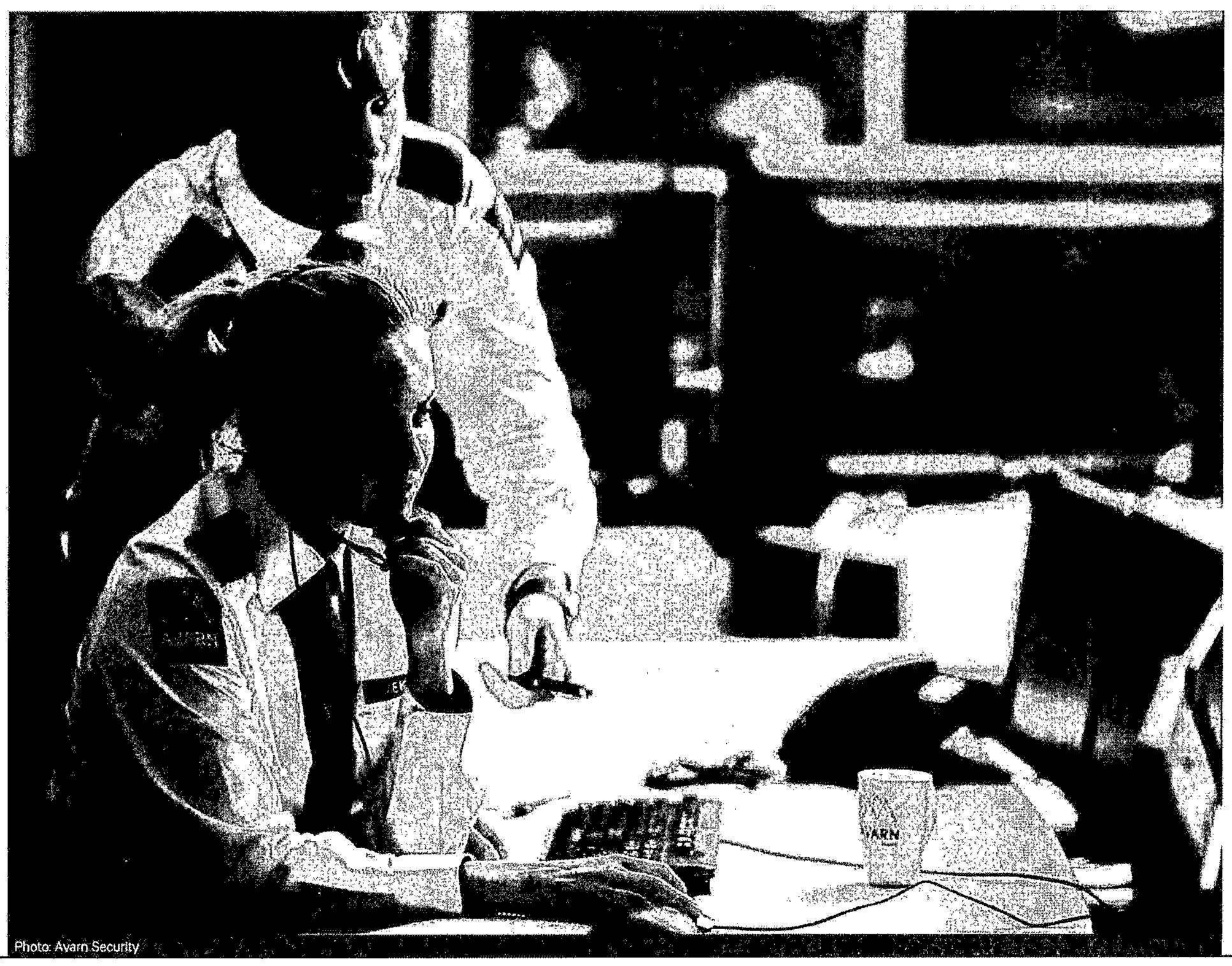

Photo: Avarn Security

# Statement of financial position

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| Amounts in mNOK | Note | 2023 | 2022 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Investments in subsidiaries | 6 | 2 195 | 1 805 |
| Investments in shares | 6 | 3 | 7 |
| Intra-Group receivables | 7 | – | 330 |
| **Total non-current assets** | | 2 197 | 2 141 |
| **Current assets** | | | |
| Receivables | 7 | 418 | 0 |
| Cash and cash equivalents | | 12 | 37 |
| **Total current assets** | | 429 | 37 |
| **Total assets** | | 2 627 | 2 178 |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Share capital | 8 | 6 | 6 |
| Share premium | 8 | 1 048 | 1 036 |
| Shareholder loan – equity portion | 8,7 | – | 308 |
| Other equity | 8 | 1 104 | 790 |
| Retained earnings | 8 | 452 | 23 |
| **Total equity** | | 2 610 | 2 163 |
| **Non-current liabilities** | | | |
| Shareholder loan | 8, 7 | – | 10 |
| **Total non-current liabilities** | | – | 10 |
| **Current liabilities** | | | |
| Trade payable | 7 | 3 | 0 |
| Other current liabilities | 7 | 2 | 5 |
| Tax payable | | 12 | – |
| **Total current liabilities** | | 16 | 5 |
| **Total equity and liabilities** | | 2 627 | 2 178 |

Vidar Berg
CEO

Amund Skarholt
Chairman

Terje Askvig
Board member

Bjørnar Olsen
Board member

Pål Asbjørn Vindegg
Board member

Knut-Johannes Berg
Employee representative

Christian Søvik Svensen
Board member

**Oslo, 24 April, 2024**

# Statement of cash flows

| | | |
|---|---|---|
| **Cash flows from operating activities** | | |
| Earnings before taxes | 473 | 26 |
| Interest income | -24 | -20 |
| Net currency gain | -36 | -8 |
| Dividend income from subsidiary | -415 | – |
| Gain from sale of share | -1 | |
| Change in other accruals | – | 2 |
| **Net cash from operating activities** | -3 | -1 |
| **Cash flow from investing activities** | | |
| Proceeds from sale of shares | 6 | 30 |
| Purchase of shares | -1 | -7 |
| **Net cash from investing activities** | 5 | 23 |
| **Cash flows from financing activities** | | |
| Repayment of principal portion of shareholder loan | -23 | -22 |
| Interest paid on shareholder loan | – | -2 |
| Proceeds from group company | – | 11 |
| Payment/repayment on other receivables/liabilities | – | 2 |
| Group contribution paid | -3 | – |
| **Net cash from financing activities** | -27 | -11 |
| **Net increase / decrease in cash and cash-equivalents** | -25 | 11 |
| Cash and cash equivalents at the beginning of the year | 37 | 25 |
| **Cash and cash equivalents at the end of the year** | 12 | 37 |

Photo: Avarn Security

# Notes to financial statements of the parent company

## NOTE 1 – GENERAL INFORMATION

Avarn Security Group Holding AS is the parent company of Avarn Security Group. The company is a limited liability company domiciled in Norway, at the headquarters in Alf Bjerckes Vei 1

All figures presented in the notes are in NOK millions, unless otherwise stated.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Framework for financial reporting

The financial statements have been prepared in accordance with the Norwegian Accounting Act

### 2.2 Investments in subsidiaries and other shares

Investments in subsidiaries are upon initial recognition measured at fair value, including any direct transaction costs. Subsequently, the carrying amount of the investment is reduced by any impairment charges, so that the carrying value will be the lower of either, historical cost or fair value

### 2.3 Receivables

Receivables are at initial recognition measured at fair value, including any direct transaction costs. Subsequently, the carrying amount of the receivable is reduced by any impairment charges, based on assessments of the creditworthiness of the counterparty. Receivables due more than a year after the balance sheet date, are presented as non-current

### 2.4 Liabilities

Receivables are upon initial recognition measured at fair value, excluding any direct transaction costs. Subsequently, the carrying amount of the liability is measured at amortised cost. Liabilities due more than a year after the balance sheet date, are presented as non-current

### 2.5 Shareholder loans

Shareholder loans are classified as either debt or equity, based on the contractual terms of the financial instrument. Provided that the parties have a right to convert the debt instrument to equity, the instrument is classified as equity

### 2.6 Income tax

Income tax in the profit and loss statement consists of both the tax payable for the period and the movement in net deferred taxes.

Deferred tax asset based on tax loss carried forward is recognised provided that is it assumed probable that the tax loss can be utilised in the future

### 2.7 Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents consist of cash at hand and bank deposits

Photo: Avarn Security

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## NOTE 3 – EMPLOYEE AND AUDITOR EXPENSES

There are no employees in the company.

**Remunerations to executives**

No remuneration, loans or collateral has been provided to the CEO during 2023. The Board of Directors have been allocated a remuneration of mNOK 1,5.

**Auditor**

The following expenses have occurred to the auditor.

| Remuneration to external auditor | 2023 | 2022 |
|---|---|---|
| Statutory audit (including VAT) | 1 | 1 |
| Tax services | 0 | 0 |
| **Total audit fees** | **2** | **1** |

## NOTE 4 – FINANCIAL INCOME AND EXPENSES

| | 2023 | 2022 |
|---|---|---|
| Dividend income | 415 | – |
| Interest income | 25 | 22 |
| Net currency income | 36 | 8 |
| Gain from sale of shares | 1 | – |
| **Total finance income** | **476** | **31** |
| | | |
| Interest costs | 0 | -2 |
| Other finance costs | 0 | -0 |
| **Total finance costs** | **0** | **-2** |
| | | |
| **Net financial expenses** | **476** | **29** |

## NOTE 5 – INCOME TAX

| Income tax expense is calculated as following | 2023 | 2022 |
|---|---|---|
| Tax payable | 12 | 1 |
| Changes in net deferred tax | – | – |
| **Income tax expense** | **12** | **1** |

| Tax payable is calculated as following | 2023 | 2022 |
|---|---|---|
| Profit before tax | 473 | 26 |
| Tax at 22% | 104 | 6 |
| Tax expense | 12 | 1 |
| **Difference** | **-92** | **-5** |

| Difference explained by | 2023 | 2022 |
|---|---|---|
| 22% of permanent differences | -92 | -5 |
| Change in deferred tax asset not recognised | – | -0 |
| **Explained difference** | **-92** | **-5** |

| Net deferred tax is calculated as following | 2023 | 2022 |
|---|---|---|
| Limitation of deduction for interest | – | -2 |
| Deferred tax asset – Not recognised | – | 2 |
| **Net deferred tax** | **–** | **–** |

## NOTE 6 – INVESTMENTS IN SUBSIDIARIES AND SHARES

The company has investments in the following subsidiaries and shares as of 31.12.2023.

| Company | Company address | Ownership | Equity at year end | Net income for the year | Book value |
|---|---|---|---|---|---|
| Avarn Security Group Invest AS | Oslo, Norway | 98,2% | 2 143 | 384 | 2 195 |
| Avarn Manco AS[1] | Oslo, Norway | 8,3%[1] | 30 | 0 | 1 |

[1] Avarn Security Group Holding holds all voting rights in Avarn Manco AS

## NOTE 7 – RELATED PARTY TRANSACTIONS

See details below on transactions with related parties.

| Items in P&L | 2023 | 2022 |
|---|---|---|
| Avarn Security Group Invest AS (Dividend) | 415 | - |
| Avarn Security Eiendom AS (interest income) | 24 | 22 |
| **Total** | **439** | **22** |

| Receivables on related parties | 2023 | 2022 |
|---|---|---|
| Avarn Security Group Invest AS (Dividend) | 415 | - |
| Avarn Security Eiendom AS (Non-current receivable) | - | 330 |
| Avarn Security AS (Current receivable) | 1 | - |
| **Total** | **416** | **330** |

| Liabilities to related parties | 2023 | 2022 |
|---|---|---|
| Avarn Security AS (Other-current liabilities) | - | 3 |
| Shareholder loan[2] | - | 10 |
| **Total** | **-** | **13** |

The shareholder loan issued in 2021 gave the shareholder the opportunity to convert the loan into ordinary shares in Avarn Security Group Invest AS. Each subscription right issued entitled the holder to subscribe for one share in the company. In 2023 the shareholder loan was settled through a combination of (i) Share issue of shares in Avarn Security Group Holding AS, (ii) Repayment of the loan in cash and (iii) Extension of the maturity date of the issued subscription rights. Alternative (iii) was applicable only for Sanok AS, as legal restrictions prevent the shareholder from owning more ordinary shares in Avarn Security Group Holding AS

Photo: Avarn Security

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## NOTE 8 – EQUITY, SHARE CAPITAL AND SHAREHOLDER INFORMATION

Share capital as of 31.12.2023 consists of the following.

| Share capital as of 31.12.2021 | Number of shares | Par value per share | Share capital |
|---|---|---|---|
| Share capital | 415 961 | 15,45 | 6 |
| Total | 415 961 | | 6 |

| Overview of equity movements | Share capital | Share premium | Shareholder loan | Other equity | Retained earnings | Total |
|---|---|---|---|---|---|---|
| Equity as of 1.1.2023 | 6 | 1 036 | 308 | 790 | 23 | 2 163 |
| Equity issue 30 May 2023 – Conversion of shareholder loan | 0 | 11 | -308 | 315 | -32 | -14 |
| Net income for the year | | | | | 461 | 461 |
| **Equity as of 31.12.2023** | **6** | **1 048** | **–** | **1 104** | **452** | **2 610** |

The largest shareholders of Avarn Security Group Holding AS as of 31.12.2023 were as follows:

| Name of entity | Shares | Ownership | Voting share |
|---|---|---|---|
| SANOK INVEST AS | 81 722 | 19,6% | 19,6% |
| STIFTELSEN FRITT ORD | 76 968 | 18,5% | 18,5% |
| WFW INVEST AS | 41 928 | 10,1% | 10,1% |
| NOMAD HOLDING AS | 36 713 | 8,8% | 8,8% |
| TTC INVEST AS | 28 222 | 6,8% | 6,8% |
| RG HOLDING AS | 23 789 | 5,7% | 5,7% |
| INAK 3 AS | 22 397 | 5,4% | 5,4% |
| DNB BANK ASA | 8 759 | 2,1% | 2,1% |
| ALDEN AS | 7 786 | 1,9% | 1,9% |
| SYNCRON AS | 7 183 | 1,7% | 1,7% |
| TROVATOR AS | 6 814 | 1,6% | 1,6% |
| AREPO AS | 5 263 | 1,3% | 1,3% |
| MURI INVEST AS | 4 953 | 1,2% | 1,2% |
| SINGCOMP AS | 3 356 | 0,8% | 0,8% |
| GJERMUNDSEN CORPORATE AS | 3 000 | 0,7% | 0,7% |
| TSI AS | 2 815 | 0,7% | 0,7% |
| OLSEN | 2 800 | 0,7% | 0,7% |
| JANINE AS | 2 770 | 0,7% | 0,7% |
| BO-BO INVEST AS | 2 500 | 0,6% | 0,6% |
| JORAD AS | 2 214 | 0,5% | 0,5% |
| **Total – Top 20 shareholders** | 371 952 | 89,4% | 89,4% |
| Total others | 44 009 | 10,6% | 10,6% |
| **Total number of shares outstanding** | **415 961** | **100,0%** | **100,0%** |

See table below for maturity schedule of subscription rights issued.

| Expiration date: | No. of independent subscription rights |
|---|---|
| 22.06.2028 | 467 536 |

All subscription rights not exercised within the subscription period will lapse with no value, and the holder will not be entitled to any compensation.

## NOTE 9 – SUBSEQUENT EVENTS

The Board of Directors has proposed a share buyback programme in which shares for a total of 400 mNOK will be purchased from the shareholders of Avarn Security Group Holding AS.

The programme is approved by the Extraordinary general meeting.

Photo: Avarn Security

pwc

To the General Meeting of Avarn Security Group Holding AS

# Independent Auditor's Report

## Opinion

We have audited the financial statements of Avarn Security Group Holding AS, which comprise:

- the financial statements of the parent company Avarn Security Group Holding AS (the Company), which comprise the statement of financial position at 31 December 2023, the statement of profit and loss and the statement of cash flows for the year then ended, and notes to the financial statements of the parent company, including a summary of significant accounting policies, and
- the consolidated financial statements of Avarn Security Group Holding AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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 at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting 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 relevant laws and regulations in Norway 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 obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board

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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 statutory requirements.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Vestfold, 24 April 2024
**PricewaterhouseCoopers AS**

Tom Nilsen
State Authorised Public Accountant
(This document is signed electronically)

Securely signed with Brevio

Revisjonsberetning

**Signers:**

| *Name* | *Method* | *Date* |
|---|---|---|
| Nilsen, Tom | BANKID | 2024-04-25 13:38 |

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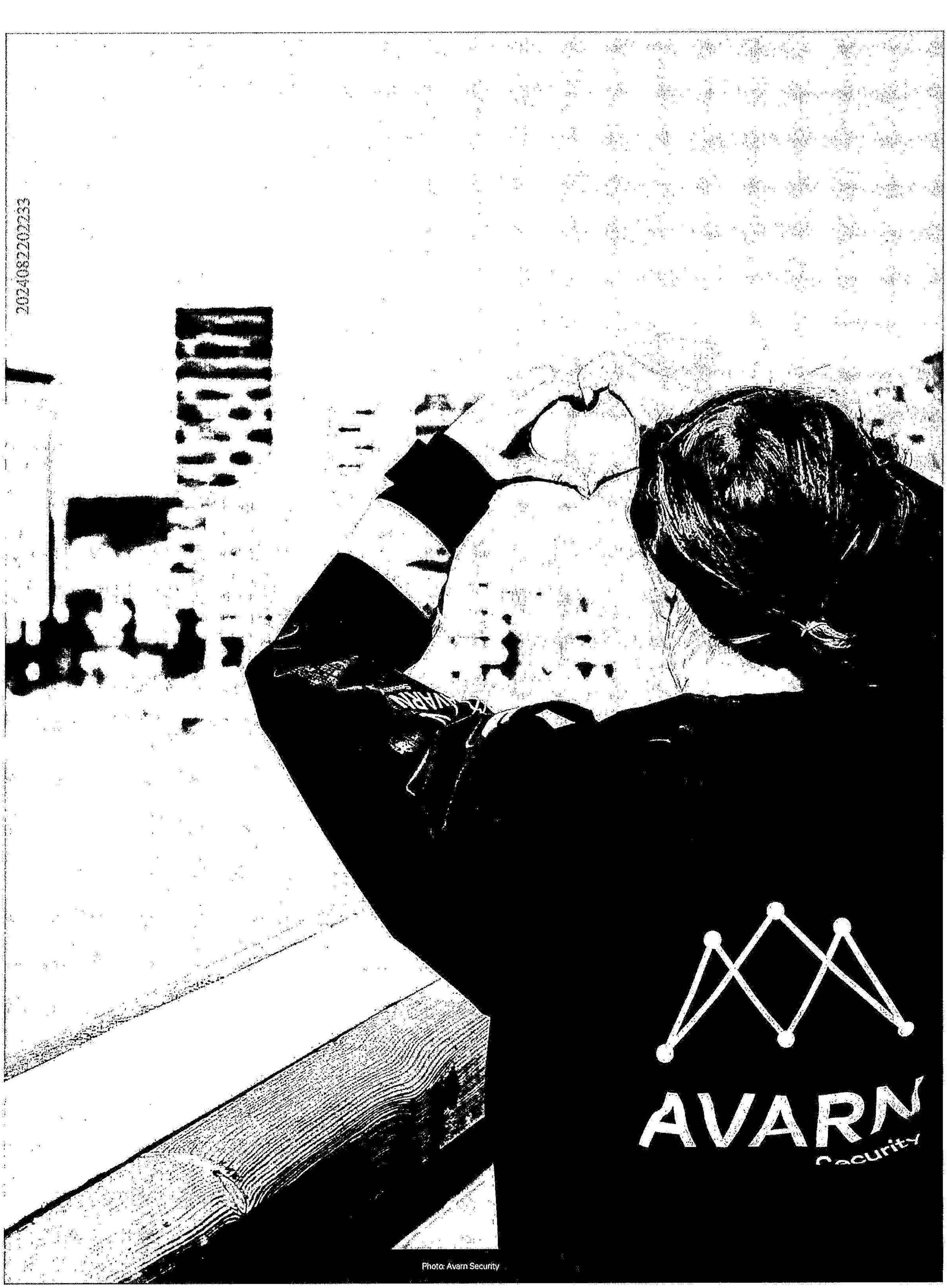


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