

Sector Alarm AB
Org nr 556597-1081

Årsredovisning för räkenskapsåret 2023

Styrelsen och verkställande direktören avger följande årsredovisning.

Innehåll

- förvaltningsberättelse
- resultaträkning
- balansräkning
- kassaflödesanalys
- noter

Sida

2
5
6
8
9

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

Undertecknad VD i Sector Alarm AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 2024-04-29

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

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

Göteborg 2024-04-29



Martin Barden

Förvaltningsberättelse

Information om verksamheten

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

Bolaget bedriver försäljning, montering och underhåll av säkerhetsutrustning för privata hem samt små och medelstora företag. Bolagets verksamhet utgår från Göteborg och bolaget är verksamt över hela landet med flertalet lokala säljkontor.

Händelser under räkenskapsåret

Förutom fortsatt fokus på att växa verksamheten, har huvudfokus varit att bibehålla vår redan höga kundnöjdhet genom att ytterligare stärka vår erbjudande samt öka dialogen med våra befintliga kunder. Båda dessa senare fokusområden har gått över förväntan, där våra kunder ger oss ett betyg som markant överträffar branschen. Vi har också mer än väl träffat rätt i vår dialog med befintliga kunder där vi tydligt nu ser att lojaliteten ökar ytterligare.

Omsättningen under räkenskapsåret ökade till 1.213.327 tkr (1.089.713 tkr). Resultat efter finansiella poster blev 379.197 tkr (285.149 tkr).

Förväntad framtida utveckling och väsentliga riskfaktorer

Sector Alarm vill positionera sig än starkare som det naturliga valet av hemlarm på den svenska marknaden. Vi jobbar för att 2024 ytterligare stärka vår marknadsposition och vårt fina kunderbidande genom alla våra duktiga medarbetare. Det är alla vi tillsammans som ger oss vår största konkurrensfördel. Vi har också som ambition att följa marknaden önskemål om framtida tjänsteutbud i den riktning som våra kunder och potentiella kunder anser önskvärt.

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

Operationella risker och osäkerhetsfaktorer

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

Finansiella risker

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

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

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

Hållbarhetsrapport

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

Flerårsjämförelse

Bolagets ekonomiska utveckling i sammandrag.

	2023	2022	2021	2020	2019
Nettoomsättning, tkr	1 213 327	1 089 713	1 052 372	1 029 283	1 000 940
Resultat efter finansiella poster, tkr	379 197	285 149	330 950	297 452	297 292
Balansomslutning, tkr	1 451 067	1 405 754	1 262 645	1 383 071	1 095 632
Medelantal anställda, st	106	125	130	118	118

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Förändring av eget kapital

	Aktie- kapital	Reserv- fond	Fritt eget kapital	Summa eget kapital
Eget kapital 2022-12-31	1 100 000	8 900 000	115 732 653	125 732 653
Utdelning	-	-	-	-
Årets resultat	-	-	<u>-11 998 628</u>	<u>-11 998 628</u>
Eget kapital 2023-12-31	1 100 000	8 900 000	<u>103 734 025</u>	<u>113 734 025</u>

Förslag till vinstdisposition

Till årsstämman förfogande står följande vinstmedel:

Balanserade vinstmedel	115 732 653
Årets resultat	<u>-11 998 628</u>
	<u>103 734 025</u>

Styrelsen föreslår att vinstmedlen disponeras så att

i ny räkning överförs	<u>103 734 025</u>
	<u>103 734 025</u>

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Resultaträkning	Not	2023	2022
Nettoomsättning	3	1 213 326 698	1 089 713 028
Aktiverat arbete för egen räkning		<u>133 595 000</u>	<u>129 689 850</u>
		1 346 921 698	1 219 402 878
Rörelsens kostnader			
Varukostnad		-259 558 190	-157 058 812
Övriga externa kostnader	4, 5	-437 970 324	-467 763 777
Personalkostnader	6	-115 293 164	-131 001 414
Av- och nedskrivningar av materiella och immateriella anläggningstillgångar	7, 8, 9, 10	<u>-169 532 905</u>	<u>-178 545 812</u>
Summa rörelsens kostnader		-982 354 583	-934 369 815
Rörelseresultat		364 567 115	285 033 064
Resultat från finansiella poster			
Ränteintäkter och liknande intäkter	11	20 548 562	4 549 736
Räntekostnader och liknande kostnader	12	<u>-5 919 000</u>	<u>-4 433 771</u>
Summa resultat från finansiella poster		14 629 563	115 965
Resultat efter finansiella poster		379 196 678	285 149 028
Bokslutsdispositioner	13	-391 195 306	-292 326 611
Skatt på årets resultat	14, 15	<u>0</u>	<u>0</u>
Årets resultat		<u>-11 998 628</u>	<u>-7 177 583</u>

Balansräkning	Not	2023-12-31	2022-12-31
Tillgångar			
Anläggningstillgångar			
<u>Immateriella anläggningstillgångar</u>			
Licenser	9	0	0
Goodwill	7	8 830 187	18 463 121
Nedlagt arbete på installationer	10	<u>316 882 597</u>	<u>377 217 104</u>
		<u>325 712 784</u>	<u>395 680 225</u>
<u>Materiella anläggningstillgångar</u>			
Inventarier och monterade alarm	8	254 609 240	218 954 899
Obrukade alarm	16	<u>43 148 154</u>	<u>47 549 566</u>
		<u>297 757 394</u>	<u>266 504 465</u>
<u>Finansiella anläggningstillgångar</u>			
Andelar i koncernföretag	17	45 200 000	45 200 000
Uppskjutna skattefordringar	15	<u>44 631</u>	<u>44 631</u>
		<u>45 244 631</u>	<u>45 244 631</u>
Summa anläggningstillgångar		<u>668 714 810</u>	<u>707 429 321</u>
Omsättningstillgångar			
<u>Kortfristiga fordringar</u>			
Kundfordringar		71 154 219	67 610 119
Fordringar hos koncernföretag	3	701 316 691	568 742 172
Aktuella skattefordringar		1 868 014	53 968 106
Övriga kortfristiga fordringar		52 597	21 707
Förutbetalda kostnader och upplupna intäkter	18	<u>7 960 238</u>	<u>7 982 785</u>
		<u>782 351 759</u>	<u>698 324 889</u>
Summa omsättningstillgångar		<u>782 351 759</u>	<u>698 324 889</u>
Summa tillgångar		<u>1 451 066 568</u>	<u>1 405 754 210</u>

Eget kapital och skulder**Eget kapital**Bundet eget kapital

Aktiekapital	19	1 100 000	1 100 000
Reservfond		<u>8 900 000</u>	<u>8 900 000</u>
		<u>10 000 000</u>	<u>10 000 000</u>

Fritt eget kapital

Balanserad vinst		115 732 653	122 910 235
Årets resultat		<u>-11 998 628</u>	<u>-7 177 583</u>
		<u>103 734 025</u>	<u>115 732 653</u>
Summa eget kapital		<u>113 734 025</u>	<u>125 732 653</u>

Obeskattade reserver20 590 037 107 658 770 117**Kortfristiga skulder**

Förskott från kunder		83 077 577	83 869 685
Leverantörsskulder		20 084 920	25 013 167
Skulder till koncernföretag	3	581 034 123	449 201 611
Aktuella skatteskulder		0	0
Övriga kortfristiga skulder		18 137 997	21 747 231
Upplupna kostnader och förutbetalda intäkter	21	<u>44 960 819</u>	<u>41 419 746</u>
Summa kortfristiga skulder		<u>747 295 435</u>	<u>621 251 440</u>
Summa eget kapital och skulder		<u>1 451 066 568</u>	<u>1 405 754 210</u>

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Kassaflödesanalys	Not	2023	2022
Den löpande verksamheten			
Rörelseresultat		364 567 115	285 033 064
Justering för poster som inte ingår i kassaflödet mm	22	169 532 905	178 545 812
Erhållen ränta		20 548 562	4 448 736
Erlagd ränta		-5 919 000	-4 433 771
Betald/Erhållen inkomstskatt		<u>52 100 092</u>	<u>-37 023 562</u>
		600 829 675	426 570 278
Förändring obrukade alarm		4 401 412	-18 098 111
Förändring kundfordringar		-3 544 099	-2 900 103
Förändring övriga kortfristiga fordringar		-132 582 862	-104 125 059
Förändring förskott från kund		-792 108	536 852
Förändring leverantörsskulder		-4 928 248	5 856 610
Förändring övriga kortfristiga rörelseskulder		<u>-328 163 965</u>	<u>-148 432 912</u>
Kassaflöde från den löpande verksamheten		135 219 805	159 407 555
Investeringsverksamheten			
Investeringar i installationer och inventarier		-135 219 805	-159 508 555
Försäljning av inventarier		<u>0</u>	<u>101 000</u>
Kassaflöde från investeringsverksamheten		-135 219 805	-159 407 555
Finansieringsverksamheten			
Utbetald utdelning		<u>0</u>	<u>0</u>
Kassaflöde från finansieringsverksamheten		0	0
Årets kassaflöde		<u>0</u>	<u>0</u>
Likvida medel vid årets slut	23	<u>0</u>	<u>0</u>

Noter

Not 1 Redovisnings- och värderingsprinciper

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

Redovisningsprinciperna är oförändrade i jämförelse med föregående år.

Intäkter

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

Inkomstskatter

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

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

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

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

Immateriella tillgångar

Installation av larm

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

Koncessioner, patent, licenser, varumärken samt liknande rättigheter

Programvaror skrivs av på 5 år.

Goodwill

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

Materiella anläggningstillgångar

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

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

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

Utgifter för löpande reparation och underhåll redovisas som kostnader.

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

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

Linjär avskrivningsmetod används för de materiella tillgångarna.

Följande avskrivningstider tillämpas:

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

Nedskrivningar av icke-finansiella tillgångar

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

Leasingavtal

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

Ersättningar till anställda

Kortfristiga ersättningar:

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

Ersättningar efter avslutad anställning:

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

Finansiella instrument

Bolaget tillämpar kapitel 11, värdering till anskaffningsvärde.

Finansiella instrument som redovisas i balansräkningen inkluderar kundfordringar och övriga fordringar, leverantörsskulder och låneskulder. Instrumenten redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor.

Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförs och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten.

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

Kundfordringar och övriga fordringar

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

Låneskulder och leverantörsskulder

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

Kvittning av finansiell fordran och finansiell skuld

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

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

Nedskrivningsprövning av finansiella anläggningstillgångar

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

Aktier och andelar i dotterföretag

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

Obeskattade reserver

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

Bokslutsdispositioner

Förändringar av obeskattade reserver redovisas som bokslutsdispositioner i resultaträkningen.

Koncernbidrag redovisas som bokslutsdispositioner.

Kassaflödesanalys

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

Nyckeltalsdefinitioner

Soliditet

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

Not 2 Uppskattningar och bedömningar

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

Livslängd på tillgångar inklusive kundkontrakt

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

Beräknad aktivering av kundkontrakt

Bolaget genomför varje år en beräkning av de direkta kostnaderna som är förknippade med signering av kontrakt och montering av alarmsystem (egna kundkontrakt). Baserat på denna beräkning tilldelas ett fast belopp på aktiverade kundkontrakt. Under 2023 har de faktiska direkta kostnaderna förknippade med aktiverade kontrakt ökat och det fasta beloppet per kundkontrakt är därför höjt.

Not 3 Transaktioner med närstående

Uppgifter om moderföretaget

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

Inköp och försäljning mellan koncernföretag

Nedan anges årets inköp från och försäljning till koncernföretag.

	<u>2023</u>	<u>2022</u>
Inköp, (kr)	316 356 124	289 699 945
Försäljning, (kr)	152 727 705	35 799 557

	<u>2023</u>	<u>2022</u>
Kortfristiga fordringar hos koncernföretag		
Sector Alarm Holding AS	674 537 458	562 414 226
Sector Alarm France	29 960	0
Sector Alarm AS	21 831 744	0
Sector Alarm Finland OY	<u>4 917 529</u>	<u>6 327 946</u>
Utgående balans	<u>701 316 691</u>	<u>568 742 172</u>
Kortfristiga skulder till koncernföretag		
SA Bevakning AB	-8 866 457	-7 904 302
Sector Alarm Service AB	-59 760 941	-58 054 944
Sector Alarm Försäljnings AB	-11 625 010	-11 697 878
General Services Sector Alarm SLU	-2 725 209	-5 748 490
Sector Alarm Holding AS	0	-21 504 153
Sector Alarm AS	0	-308 203
Sector Alarm Europe AB	-447 378 316	-324 034 126
Sector Alarm Holland BV	-50 381 876	-19 139 876
<u>Sector Alarm IT AS</u>	<u>-296 314</u>	<u>-809 639</u>
Utgående balans	<u>-581 034 123</u>	<u>-449 201 611</u>

Övrigt

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

Not 4 Operationella leasingavtal

	<u>2023</u>	<u>2022</u>
Framtida minimileaseavgifter, som ska erläggas avseende icke uppsägningsbara leasingavtal:		
Förfaller till betalning inom ett år	1 389 777	1 964 553
Förfaller till betalning senare än ett men inom 5 år	16 014 976	20 536 747
Förfaller till betalning senare än 5 men inom 10 år	<u>76 493 854</u>	<u>84 688 333</u>
	93 898 608	107 189 633
Under perioden kostnadsförda leasingavgifter	30 055 125	31 817 516

Den operationella leasingen består i allt väsentligt av hyrda fastigheter/lokaler. Avtalet om hyra av den största lokalen löper på fem år med möjlighet för företaget att förlänga med ytterligare 3 år i taget. Övriga avtal för hyra av lokaler löper i allmänhet på ett till tre år. Storleken på de framtida leasingavgifterna baseras på befintliga avtal per 31 dec 2023. Uppgifterna i denna not inkluderar även finansiella leasingavtal, vilka redovisas som operationella. Förutom hyra av lokaler, avser avtalen leasing av inventarier för kontorsmiljö och bilar för transportändamål. Inventarierna leasas normalt på ett till tre år med möjlighet till förlängning med ett år i taget. Bilar leasas på tre eller fyra år.

Not 5 Ersättning till revisorerna

	<u>2023</u>	<u>2022</u>
<u>KPMG AB</u>		
Revisionsuppdraget	<u>390 000</u>	<u>338 226</u>
Summa	<u>390 000</u>	<u>338 226</u>

Not 6 Löner, andra ersättningar och sociala kostnader

	<u>2023</u>	<u>2022</u>
Medelantalet anställda		
Kvinnor	47	50
Män	59	75
Totalt	<u>106</u>	<u>125</u>
Löner, ersättningar, sociala avgifter och pensionskostnader		
Löner och ersättningar till styrelsen och verkställande direktören (varav bonus 261 tkr (257 tkr))	2 568 070	2 764 941
Löner och ersättningar till övriga anställda	<u>68 911 449</u>	<u>77 041 894</u>
	71 479 519	79 806 835
Sociala avgifter enligt lag och avtal	25 026 609	26 586 200
Pensionskostnader för styrelsen och verkställande direktören	525 757	490 440
Pensionskostnader för övriga anställda	<u>6 880 126</u>	<u>7 125 335</u>
Totalt	<u>103 912 011</u>	<u>114 008 810</u>
Styrelseledamöter och ledande befattningshavare		
Antal styrelseledamöter på balansdagen		
Män	<u>2</u>	<u>2</u>
Totalt	<u>2</u>	<u>2</u>
Antal verkställande direktörer och andra ledande befattningshavare		
Män	<u>1</u>	<u>1</u>
Totalt	<u>1</u>	<u>1</u>

Not 7 Goodwill

	<u>2023-12-31</u>	<u>2022-12-31</u>
Ingående anskaffningsvärden	96 329 337	96 329 337
Utgående ackumulerade anskaffningsvärden	96 329 337	96 329 337
Ingående avskrivningar	-77 866 216	-68 233 282
Årets förändringar		
-Avskrivningar	<u>-9 632 934</u>	<u>-9 632 934</u>
Utgående ackumulerade avskrivningar	<u>-87 499 150</u>	<u>-77 866 216</u>
Utgående restvärde enligt plan	<u>8 830 187</u>	<u>18 463 121</u>

Not 8 Inventarier och monterade alarm

	<u>2023-12-31</u>	<u>2022-12-31</u>
Ingående anskaffningsvärden	839 487 949	767 016 944
Årets förändringar		
-Inköp	<u>93 349 555</u>	<u>72 471 005</u>
Utgående ackumulerade anskaffningsvärden	932 837 504	839 487 949
Ingående avskrivningar	-434 593 392	-392 660 741
Årets förändringar		
-Avskrivningar	<u>-42 488 829</u>	<u>-41 932 651</u>
Utgående ackumulerade avskrivningar	<u>-477 082 221</u>	<u>-434 593 392</u>
Ingående nedskrivningar	-185 939 658	-167 669 407
-Nedskrivningar	<u>-15 206 384</u>	<u>-18 270 251</u>
Utgående ackumulerade nedskrivningar	<u>-201 146 043</u>	<u>-185 939 658</u>
Utgående restvärde enligt plan	<u>254 609 240</u>	<u>218 954 899</u>

Not 9 Licenser

	<u>2023-12-31</u>	<u>2022-12-31</u>
Ingående anskaffningsvärden	1 095 544	1 095 544
Utgående ackumulerade anskaffningsvärden	1 095 544	1 095 544
Ingående avskrivningar	-1 095 544	-1 095 544
Årets avskrivningar	<u>0</u>	<u>0</u>
Utgående ackumulerade avskrivningar	<u>-1 095 544</u>	<u>-1 095 544</u>
Utgående restvärde enligt plan	<u>0</u>	<u>0</u>

Not 10 Nedlagt arbete på installationer

	<u>2023-12-31</u>	<u>2022-12-31</u>
Ingående anskaffningsvärden	1 289 236 052	1 202 198 502
Årets aktiveringar	<u>41 870 250</u>	<u>87 037 550</u>
Utgående ackumulerade anskaffningsvärden	1 331 106 302	1 289 236 052
Ingående avskrivningar	-594 821 757	-522 622 607
Årets avskrivningar	<u>-71 670 807</u>	<u>-72 199 150</u>
Utgående ackumulerade avskrivningar	-666 492 564	-594 821 757
Ingående nedskrivningar	-317 197 191	-280 686 365
Årets nedskrivningar	<u>-30 533 951</u>	<u>-36 510 826</u>
Utgående ackumulerade nedskrivningar	<u>-347 731 141</u>	<u>-317 197 191</u>
Utgående restvärde enligt plan	<u>316 882 597</u>	<u>377 217 104</u>

Not 11 Ränteintäkter och liknande resultatposter

	<u>2023</u>	<u>2022</u>
Ränteintäkter	229 155	26 168
Ränteintäkter koncernföretag	20 319 407	4 422 568
Försäljning av anläggningstillgångar	<u>0</u>	<u>101 000</u>
Summa	<u>20 548 562</u>	<u>4 549 736</u>

Not 12 Räntekostnader och liknande resultatposter

	<u>2023</u>	<u>2022</u>
Räntekostnader	-15 833	-403 778
Räntekostnader koncernföretag	<u>-5 903 166</u>	<u>-4 029 993</u>
Summa	<u>-5 919 000</u>	<u>-4 433 771</u>

Not 13 Bokslutsdispositioner

	<u>2023</u>	<u>2022</u>
Skillnad mellan bokförda avskrivningar och avskrivningar enligt plan	50 999 758	31 707 516
Erhållet koncernbidrag	0	0
Lämnat koncernbidrag	-459 928 316	-324 034 127
Avsättning till periodiseringsfond	0	0
Återföring av periodiseringsfond	<u>17 733 252</u>	<u>0</u>
Summa	<u>-391 195 306</u>	<u>-292 326 611</u>

Not 14 Skatt på årets resultat

	<u>2023</u>	<u>2022</u>
Aktuell skatt för året	0	0
Uppskjuten skatt	<u>0</u>	<u>0</u>
Summa	<u>0</u>	<u>0</u>
Redovisat resultat före skatt	-11 998 628	-7 177 583
Skatt beräknad enligt gällande skattesats (20,6%)	2 471 717	1 478 582
Skatteeffekt av övriga ej avdragsgilla kostnader	-1 125 098	-1 188 006
Skatteeffekt av schablonränta på periodiseringsfond	-1 127 436	-290 576
Skatteeffekt av indexuppräknning på återförd periodiseringsfond	-219 183	0
Skatteeffekt tidigare period	<u>0</u>	<u>0</u>
Redovisad skattekostnad	<u>0</u>	<u>0</u>

Not 15 Uppskjuten skatt

	<u>2023-12-31</u>	<u>2022-12-31</u>
Skillnaden mellan å ena sidan den inkomstskatt som har redovisats i resultaträkningen samt å andra sidan den inkomstskatt som belöper sig på verksamheten utgörs av uppskjuten skattefordran på kostnad återförd i beskattningen och avdragsgill kommande år	<u>44 631</u>	<u>44 631</u>
	<u>44 631</u>	<u>44 631</u>

Not 16 Obrukade alarm

	<u>2023-12-31</u>	<u>2022-12-31</u>
Ingående anskaffningsvärden	47 549 566	29 451 455
Årets förändringar		
-Inköp	206 185 780	127 894 329
-Årets förbrukning	<u>-210 587 192</u>	<u>-109 796 218</u>
Utgående ackumulerade anskaffningsvärden	43 148 154	47 549 566
Utgående restvärde enligt plan	<u>43 148 154</u>	<u>47 549 566</u>

Not 17 Andelar i koncernföretag

	<u>2023-12-31</u>	<u>2022-12-31</u>
Ingående anskaffningsvärde	194 138 940	194 138 940
Utgående ackumulerat anskaffningsvärde	194 138 940	194 138 940
Ingående nedskrivningar	-148 938 940	-148 938 940
Utgående ackumulerade nedskrivningar	<u>-148 938 940</u>	<u>-148 938 940</u>
Utgående redovisat värde	<u>45 200 000</u>	<u>45 200 000</u>

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

	Kapital- andel %	Rösträtts- andel %	Antal aktier	Bokfört värde 23-12-31	Bokfört värde 22-12-31
SA Bevakning AB	100	100	1 000	100 000	100 000
Sector Alarm Försäljnings AB	100	100	1 000	100 000	100 000
Sector Alarm Service AB	100	100	<u>10 700 078</u>	<u>45 000 000</u>	<u>45 000 000</u>
Summa				<u>45 200 000</u>	<u>45 200 000</u>

Not 18 Förutbetalda kostnader och upplupna intäkter

	<u>2023-12-31</u>	<u>2022-12-31</u>
Förutbetalda lönekostnader	0	0
Övriga poster	<u>7 960 238</u>	<u>7 982 785</u>
	<u>7 960 238</u>	<u>7 982 785</u>

Not 19 Aktiekapital

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

Not 20 Obeskattade reserver

	<u>2023-12-31</u>	<u>2022-12-31</u>
Akkumulerad skillnad mellan bokförda avskrivningar och avskrivningar enligt plan	325 657 369	376 657 127
Periodiseringsfonder	<u>264 379 738</u>	<u>282 112 990</u>
Summa	<u>590 037 107</u>	<u>658 770 117</u>

Not 21 Upplupna kostnader och förutbetalda intäkter

	<u>2023-12-31</u>	<u>2022-12-31</u>
Upplupna personalrelaterade kostnader	29 812 379	28 959 935
Övriga poster	<u>15 148 440</u>	<u>12 459 811</u>
Summa	<u>44 960 819</u>	<u>41 419 746</u>

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

	<u>2023</u>	<u>2022</u>
Avskrivningar och nedskrivningar	<u>169 532 905</u>	<u>178 545 812</u>
Summa	<u>169 532 905</u>	<u>178 545 812</u>

Not 23 Likvida medel

	<u>2023-12-31</u>	<u>2022-12-31</u>
Medel på koncernkonto	680 321 978	562 414 226

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

Not 24 Ställda säkerheter

	<u>2023-12-31</u>	<u>2022-12-31</u>
För egna skulder		
Företagsinteckningar	<u>5 000 000</u>	<u>5 000 000</u>
Summa ställda säkerheter	<u>5 000 000</u>	<u>5 000 000</u>

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

Not 25 Förslag till vinstdisposition

Till årsstämman förfogande står följande vinstmedel:

Balanserade vinstmedel	115 732 653
Årets resultat	<u>-11 998 628</u>
	<u>103 734 025</u>

Styrelsen föreslår att vinstmedlen disponeras så att

i ny räkning överförs	<u>103 734 025</u>
	<u>103 734 025</u>

Not 26 Ägarförhållande

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

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

Not 27 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har skett efter räkenskapsårets slut.

Göteborg den dag som framgår av digital signatur

Martin Barden
Verkställande direktör

Leif Motrø

Bjørnar Bukholm
Ordförande

Vår revisionsberättelse har lämnats den dag som framgår av digital signatur

KPMG AB

Johan Kratz
Auktoriserad revisor

Revisionsberättelse

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

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Sector Alarm AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Sector Alarm 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.

Grund för uttalanden

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

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

Styrelsens och verkställande direktörens ansvar

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

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att

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

Revisorns ansvar

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

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

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.

- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

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



Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Sector Alarm AB för år 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 Sector Alarm AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

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

Styrelsens och verkställande direktörens ansvar

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

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets

organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

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

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

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

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda

ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

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

Göteborg den dag som framgår av elektronisk underskrift

KPMG AB

Johan Kratz

Auktoriserad revisor

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Bukholm, Bjørnar Heiaas

Undertecknare

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Motrø, Leif Hermod

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MARTIN DEYBARDEN

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2024-04-23 15:01:58 UTC



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Henning Lindbäck

2024-07-01

Annual Accounts / 2023

Sector Alarm Holding AS Consolidated (IFRS)

Directors Report 2023

Sector Alarm Holding AS, headquartered in Oslo, provide professionally monitored alarm services for more than 650,000 residential households and small businesses through its subsidiaries in Norway, Sweden, Finland, Ireland, Spain, France, Italy and Portugal.

2023 was a challenging year for Sector Alarm with an unfavorable market environment caused by the cost-of-living combined with a tight labor market which impacted the commercial performance. Despite the unfavorable market conditions, Sector Alarm continued to perform well with positive net customer growth and significantly improved operating profit financial performance partly explained by the Growth & Improvement Program.

Sector Alarm continued to perform well achieving high customer satisfaction, positive net customer growth and materially improved operating profit despite the unfavorable marketing conditions. In addition, Sector Alarm expanded in existing geographies of France, Italy and Portugal.

Customer satisfaction is at the heart of everything we do. At Sector Alarm, we know that without happy and satisfied

customers we will not succeed nor live up to our vision "Safe customers, with happy smiles - every time". Sector Alarm continued to provide excellent customer service throughout 2023 with customer satisfaction at industry leading levels. At the same time, the cost-of-living crisis in Europe drove an increased number of terminations in 2023, contributing to an attrition rate of 8,3%, up from 6,9% at year-end 2022. Customer acquisition activities in 2023 were negatively impacted

by the macro challenges, especially in Northern Europe. In total, Sector Alarm added ~75,000 new customers organically in 2023, down 5% y-o-y. Sector Alarm ended the year with about 650,000 customers, up from 635,000 customers in 2022.

In February 2023 Sector Alarm launched the "Growth & Improvement Program" with the intention to reduce costs and ensure more cost efficient and balanced growth going forward. In terms of cost reductions, Sector Alarm identified an ambitious target of NOK 200 million which was delivered in full towards end of 2023 as planned. Moreover, the new Group procurement function delivered about NOK 30 million in contracted savings of which only parts were realized in 2023. For the Group, revenues for 2023 were NOK 3.519 million. The earnings before tax were NOK -742 million. The annual profit was NOK -919 million. The

Equity was NOK -2125 million for 2023, but the value adjusted equity would be positive and considered sound. The consolidated interest-bearing debt was NOK 7.697 million at the end of 2023 and consisted mainly of the EUR 590 million Term Loan B, senior secured credit facility and finance leases. The liquidity position is good, but the net cashflow was negative NOK 144 million in 2023, and adjusted for the capital increase of NOK 560 million the cashflow was negative with NOK 704 million. The negative cashflow is mainly driven by investment in organic growth and interest payments.

For Sector Alarm Holding AS (the parent), revenues were NOK 120 million in 2023. The earnings before tax were negative NOK -270 million and the annual profit was negative

NOK -210 million. The Equity was NOK 4.722 million.

The parent company's loss of NOK -210 million will be allocated to other equity.

The main financial risk for Sector Alarm is currency exposure and relate to a mismatch between currencies for positive cash flows and outstanding debt. Currently the main sources for positive cash flows are NOK and SEK while outstanding debt is largely in EUR following the refinancing in the Term Loan B market in June 2019. Sector Alarm is therefore exposed to EUR appreciation that would imply higher NOK and/or SEK payments in the future to manage the debt. In addition, changes in the interest rate of the Term Loan B will have effect both on the financial income and the cashflow. Reference is also made to the discussion of financial risk management in note 3.

In Sector Alarm Holding AS there was 30 employees at year end 2023, of which 33% were women. The Group had 2,857 employees of which 32% women. In Sector Alarm Holding AS all employees have full-time positions. The average parental leave for women were 17 weeks and 7 weeks for men. In Norway, women represented 27% of the workforce, in Sweden 28%, in Ireland 29%, in Finland 20%, in Spain 49%, France 26%, Italy 27% and in Portugal 20%. In the Group there were 0.5% of the workforce that had chosen not to declare gender. Sector Alarm endeavor equal gender distribution and has female employees in management positions in all countries. Total sick leave in Sector Alarm was 4,0% in 2023 which is 0,2%-units higher than 2022. The Group had 117 reported incidents in 2023 compared to 123 incidents in 2022.

Sector Alarm works on an ongoing basis to prevent discrimination that may be an obstacle to equality. Gender equality is part of the systematic HSE activities and takes place in collaboration with the employees, represented by the safety service and the working environment committee (AMU). Sector Alarm's Code of Conduct states that efforts shall be made to ensure that all employees have a working environment that is free from discrimination, harassment and bullying.

Sector Alarm strives for equal employment opportunities and diversity in the workplace. This requirement applies in relation to all unequal treatment, exclusion, or preference of an individual or group, for example based on gender, race, disability, age, religion, sexual orientation, political views, national, ethnic or social origin. Sector Alarm follows these principles in all areas of employment, including when we recruit, hire, train, promote and reward our employees. Please see the document "Likestillingsredegjørelse for Sector Alarm 2023" for further information.

The work environment in Sector Alarm is good and the most recent Employee Survey confirms that Sector Alarm is better than the industry benchmark when it comes to staff motivation, loyalty and satisfaction. The Employee Survey is also the basis for continuous improvements.

The monitored alarm services that Sector Alarm provide pollute the external environment to a minimum degree. All countries participate in recycling schemes for the handling of old and broken alarm hardware and strive to have a new and modern environmentally friendly fleet of vehicles. In 2023, Sector Alarm has not conducted any research activities, but is engaged in the continuous development of products and services for

the home security space. Please see the Group's ESG report for further details.

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

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

The Board of Directors makes continuous assessments of the market outlook in the countries that the Group operates in. The penetration for monitored alarms in Europe is about 5% and the Board of Directors sees significant growth potential across all European countries, also in the Nordics. Sector Alarm is the second largest provider of professionally monitored alarms

for Small Systems in Europe and is well positioned to take advantage of the attractive market dynamics and growth opportunities in this space.

The Board of Directors considers the outlook for Sector Alarm to be positive. The Board of Directors are not aware of any matters after the end of the financial year that will have a material bearing on the company's position and earnings for 2023. The war on Ukraine and in Israel/Gaza is expected to have a limited impact Sector Alarm in 2024, while the cost-of-living crisis might have a slight effect our growth ambitions.

The Board of Directors considers the presented Annual Accounts to give an accurate view of Sector Alarms financial position at year end and operations throughout the year. In accordance with section 3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on a going concern basis.

The board of Sector Alarm Holding AS
Oslo, April 25, 2024

Jørgen Dahl
Chairman of the board

Bjørnar Heiaas Bukholm
Member of the board

Siv Farstad
Member of the board

Income statement

Amounts in TNOK	Note	2023	2022
Revenue from contracts with customers	5	3 515 732	3 046 779
Other revenue	5.6	3 493	2 472
Total revenue		3 519 224	3 049 251
Personnel costs	6,7	-1 777 457	-1 482 651
Other operating costs	8,9	-867 907	-822 577
Total operating costs		-2 645 363	-2 305 227
Operating profit before D&A (EBITDA)		873 861	744 024
Depreciation and amortization	10,11,12	-732 420	-525 595
Operating profit		141 441	218 431
Finance income	13,14	226 006	119 470
Finance cost	13,14	-1 109 637	-761 743
Net finance cost		-883 631	-642 273
Profit before tax		-742 190	-423 842
Income tax expense	15	-176 658	46 720
PROFIT FOR THE PERIOD		-918 847	-377 122
Profit is attributable to:			
Owners of Sector Alarm Holding AS		-918 847	-377 122
Non-controlling interests		0	0

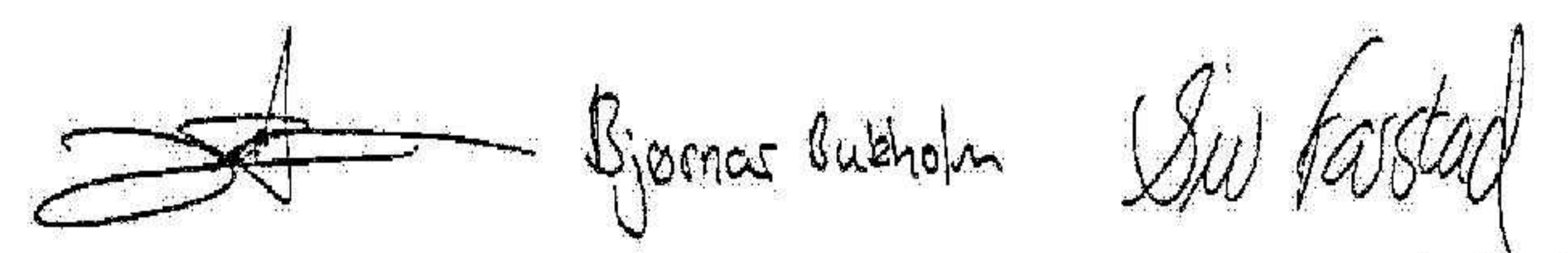
Statement of comprehensive income

Amounts in TNOK	Note	2023	2022
Profit for the period		-918 847	-377 122
<i>Items that subsequently may be reclassified to profit or loss</i>			
Remeasurement gain (loss) from net defined benefit liability		-3 895	55 530
Currency translation differences		103 669	166 779
Other comprehensive income		99 773	222 309
Total comprehensive income for the year attributable to parent company shareholders		-819 074	-154 813
Total comprehensive income for the period		-819 074	-154 813

Balance sheet

Amounts in TNOK	Note	31.12.2023	31.12.2022
ASSETS			
NON CURRENT ASSETS			
Deferred tax asset	15	163 922	223 502
Intangible assets and goodwill	11	4 437 217	4 241 440
Property, plant and equipment	10,12	1 879 592	1 393 829
TOTAL NON CURRENT ASSETS		6 480 731	5 858 771
CURRENT ASSETS			
Derivative financial instruments	16	132	59
Trade and other receivables	16,17	258 480	239 439
Prepayments	16,17	83 809	123 703
Current tax receivables	15	10 803	17 865
Cash and cash equivalents	16,18	14 048	125 378
TOTAL CURRENT ASSETS		367 272	506 444
TOTAL ASSETS		6 848 003	6 365 215
EQUITY			
Share capital	19,20	2 918	1 605
Share premium	19,20	1 148 555	589 872
Other equity		-3 276 741	-2 457 615
TOTAL EQUITY		-2 125 268	-1 866 138
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred tax	15	354 869	314 820
Loans and borrowings	16,21	7 101 564	6 572 643
Leasing liabilities	12,16,21	441 644	410 031
Employee benefits	6,16	18 307	12 578
Other non current liabilities	9,16	6 250	86 802
TOTAL NON CURRENT LIABILITIES		7 922 634	7 396 874
CURRENT LIABILITIES			
Derivative financial instruments	16,21	75 011	0
Leasing liabilities	12,16,21	117 930	98 729
Current tax liabilities	15	29 219	0
Trade and other payables	16,22	547 590	472 904
Contract liabilities	5,16,21,22	280 887	262 845
TOTAL CURRENT LIABILITIES		1 050 637	834 479
TOTAL EQUITY & LIABILITIES		6 848 003	6 365 215

Oslo, April 25, 2024



Jørgen Dahl
Chairman of the board

Bjørnar Heiaas Bukholm
Member of the board

Siv Farstad
Member of the board

Cash flow statement

Amounts in TNOK	2023	2022
Earnings before tax	-742 190	-423 842
Adjustments for net finance cost	883 631	642 129
Adjustments for depreciation and amortization	732 420	525 593
Change in accounts receivable	-25 471	-25 592
Change in accounts payable	22 225	7 369
Change in other operating receivables/payables	47 809	-17 565
Change in net pension assets/liabilities	1 606	7 398
Income taxes (refund) paid	-49 089	-132 943
CASH FLOW OPERATING ACTIVITIES	870 941	582 547
Payment for acquisition of subsidiary	0	-87 175
Proceeds from sales of property, plant and equipment	336	2 975
Acquisition of intangible assets, property, plant and equipment	-975 330	-870 360
Interests received	1 394	35 740
CASH FLOW INVESTING ACTIVITIES	-973 600	-918 820
Capital increase	559 996	0
Change in other long term receivables and payables	-10 552	6 320
Change in long term loans from related parties	-70 000	70 000
Proceeds from loans and borrowings	282 360	411 352
Repayment of loans and borrowings	-235 820	0
Payment of lease liabilities	-104 805	-82 172
Interests paid	-442 426	-229 524
Other adjustments to financing activities	-19 724	-13 436
CASH FLOW FINANCING ACTIVITIES	-40 971	162 541
CASH FLOW TOTAL	-143 631	-173 732
Cash and cash equivalents at the beginning of the financial year	125 378	307 686
Effects of exchange rate changes on cash and cash equivalents	32 301	-8 576
CASH AND CASH EQUIVALENTS AT END OF YEAR	14 048	125 378

Statement of changes in equity

Amounts in TNOK	Share capital	Other equity	Translation reserve	TOTAL	Non controlling interests	TOTAL EQUITY
Balance at 1 January 2022	1 605	-1 876 513	163 466	-1 711 442	0	-1 711 442
Profit for the period	0	-377 122	0	-377 122	0	-377 122
Other comprehensive income	0	55 530	166 779	222 309	0	222 309
Other changes	0	117	0	117	0	117
Balance at 31 December 2022	1 605	-2 197 988	330 244	-1 866 138	0	-1 866 138
Balance at 1 January 2023	1 605	-2 197 988	330 244	-1 866 138	0	-1 866 138
Profit for the period	0	-918 847	0	-918 847	0	-918 847
Other comprehensive income	0	-3 895	103 669	99 773	0	99 773
Capital increase	1 313	558 683	0	559 996	0	559 996
Other changes	0	-51	0	-51	0	-51
Balance at 31 December 2023	2 918	-2 562 099	433 913	-2 125 268	0	-2 125 268

Notes

Amounts in TNOK

Note 1 / General information

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

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

These consolidated financial statements were approved by the Board of Directors on 25 April 2024 for adoption by the Annual General Meeting on 25 April 2024.

Note 2 / Significant accounting principles

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

2.1 Framework for presentation of the financial statement

The consolidated financial statements for 2023 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by The European Union (EU).

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

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

2.2 Consolidation principles

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

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

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

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

2.3 Foreign currency translation

Functional currency and presentation currency

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

Transactions and balance sheet items

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

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

Group companies

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

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

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

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

2.4 Property, plant and equipment

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

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

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

2.5 Intangible assets

Goodwill

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

Licenses

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

Customer contracts

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

Customer contracts presented in the balance sheet and in note 11 consists of customer contracts arising from business combinations or acquisition of alarm portfolios, and customer contracts arising from organic sales. For the latter this consists of the capitalised cost to obtain and to fulfil contracts with customers. Principles for capitalising cost from organic sales are presented in note 2.14.

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

Brand

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

2.6 Assets held for sale

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

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

2.7 Financial instruments

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

Financial assets

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

Financial liabilities

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

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

Derivative financial instruments and hedge accounting

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

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

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

2.8 Impairment

Non-derivative financial assets

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

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

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

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

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

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

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

Non-financial assets

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

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

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

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

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

2.9 Cash and cash equivalents

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

2.10 Share capital and share premium

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

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

2.11 Income tax

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

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

Current tax

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

Deferred tax

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

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

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

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

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

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

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

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

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

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

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

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

Severance pay

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

Profit sharing and bonus schemes

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

2.13 Provisions

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

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

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

2.14 Revenue from contracts with customers

Revenues from contracts with customers primarily comprise sale of

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

Recognition and measurement

When the Group enters into an agreement with a customer, the goods and services promised in the contract are identified as separate performance obligations to the extent that the customer can benefit from the goods or services either on their own or together with other resources that are readily available to the customer, and that the goods and services are separately identifiable from other promises in the contract. Goods and services that do not meet the criteria to be identified as separate performance obligations are aggregated with other goods and/or services in the agreement, until a separate performance obligation is identified. Example of a service which is normally considered to be a distinct performance obligations within the Group is installation service of additional hardware to subscribers of alarm monitoring services.

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

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

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

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

Revenue from alarm monitoring services is generally recognised over time during the period to which the service relates.

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

Capitalised contract cost

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

Costs directly related to fulfilling a specified contract with a customer, which generate or enhance resources that will be used in fulfilling the performance obligations in the contract, are recognised as contract fulfilment cost assets to the extent they are expected to be recovered.

The costs are expensed in the period in which the related revenue is recognised. Contract fulfilment costs include equipment and costs incurred for connection and installation of equipment on customer premises, including direct labour and material costs.

Capitalised contract cost is presented as customer contracts in the consolidated balance sheet and in note 10 and 11. The transfer of goods and services is considered to be in accordance with the expected customer life, and amortisation is performed according to historical churn data consistent with the principle for customer contracts obtained through business combinations and portfolio acquisitions. In addition the capitalised contract cost is tested annually for impairment as part of the impairment testing of goodwill as presented in note 2.5.

Presentation and impairment

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

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

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

The internal reporting of the Group does not differentiate customer contracts arising from business combinations or portfolio acquisitions and customer contracts arising from capitalised contract cost, and as a result, the two elements are presented aggregated in the consolidated balance sheet and note 11.

2.15 Interest and dividend income

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

2.16 Leases

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

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

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

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed asset lease payment.

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

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

2.17 Governmental Grants

The Group has during the financial year received governmental grant (Skattefunn) of TNOK 4 310 (2022: 4 750) related to research and development project in Sector Alarm Tech AS. The Grant is accounted for in accordance with IAS 20 so that the grant is recognized in profit and loss over the period in which expenses that the grant is intended to compensate are recognized.

Note 3 / Financial risk management

3.1 Credit risk

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

3.2 Liquidity risk

The Group's approach to managing liquidity risk is to secure access to sufficient liquidity to meet liabilities under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Groups relationships. The Groups liquidity risk is considered as a low due to the resilient business model with strong cash flow from the existing customer portfolio combined with flexible growth for new customer acquisition. See note 18 and note 21 for information regarding the Groups cash position and debt position at 31.12.2023.

3.3 Currency risk

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

3.4 Financial risk

The primary source of interest rate risk is the EUR 590 million Term Loan B ("TLB") and EUR 100 million revolving credit facility which have floating interest rates. As a general principle, Sector Alarm Holding AS should aim to reduce a portion of the floating rate exposure through interest rate swaps, but only if it's deemed attractive. During 2023 Sector Alarm mitigated the interest rate risk by purchasing EUR 570 million in interest rate swaps with maturity in June 2026 with an average fixed rate of about 3%.

3.5 Risk related to capital management

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

3.6 Information on fair value

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

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

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

As of December 31, 2023, the Group has no financial assets or liabilities at level 1 or 3 that are measured at fair value in the balance sheet. The only instrument in level 2 is the interest derivative as specified in note 16. The same applies for 2022.

Note 4 / Important accounting estimates and judgmental items

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

Impairment of goodwill, other intangible assets and contract cost

The Group's recognised goodwill and other intangible assets are tested annually for impairment based on an estimation of value in use. See further details regarding impairment of goodwill and intangible assets in note 2.8 and note 11.

Note 5 / Revenue recognition

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

Amounts in TNOK	2023			2022		
	Revenue per product/service line	Point in time	Over time	Revenue per product/service line	Point in time	Over time
Revenue from contracts with customers comprise of						
Revenue from subscriptions	3 211 447	0	3 211 447	2 794 076	0	2 794 076
Revenue from Upgrades	37 322	37 322	0	9 946	9 946	0
Revenue from Services	85 008	85 008	0	83 303	83 303	0
Revenue from Installation service	181 956	181 956	0	161 181	161 181	0
Other revenues	3 491	3 491	0	746	746	0
Total Revenue from contracts with customers	3 519 224	307 777	3 211 447	3 049 251	255 175	2 794 076

Movement in contract liability	2023	2022
Contract liability opening balance	262 845	253 621
Reduction due to revenue being recognized	-1 327 732	-1 066 170
Increase due to cash received and revenue deferred	1 345 773	1 075 395
Contract liability closing balance	280 887	262 845

Contract liabilities consists of prepayments from customers.

Note 6 / Governmental grants

The Group has during the financial year received governmental grant (Skattefunn) of TNOK 4 310 (in 2022: TNOK 4 750) related to research and development project in Sector Alarm Tech AS. The Grant is accounted for in accordance with IAS 20 so that the grant is recognized in profit and loss over the period in which expenses that the grant is intended to compensate are recognized. Share of the grant related to capitalized external consultancy fees on the project of TNOK 3 063 (in 2022: TNOK 3 934) are recognized in profit and loss over the lifetime of the project while the share of the grant related to internal hours incurred (TNOK 1 247 for 2023 and TNOK 816 for 2022) are recognized in profit and loss as credit to payroll costs.

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

Note 7 / Personell costs

Amounts in TNOK	2023	2022
Wages and salaries	1 391 707	1 149 755
Social security contributions	293 700	246 557
Pension costs - defined contribution pension plans	44 028	37 107
Pension costs - defined benefit plans	3 529	6 012
Other benefits	44 492	43 220
Total	1 777 457	1 482 651

Number of FTEs	2023	2022
	2 782	2 662

Pension costs - defined benefit plans

	2023	2022
Current value of the year's pension payments	3 209	5 103
Interest costs from pension commitment	320	909
Changes and closure of pension plans	0	0
Net pension costs including employers' contributions	3 529	6 012

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

	2023	2022
Opening defined benefit obligation	154 784	221 981
Current service cost	3 159	5 044
Interest cost	6 014	2 977
Employee contributions	517	489
Net benefit paid out	-1 383	-2 467
Actuarial (gains)/losses - experience	-3 215	1 329
Actuarial (gains)/losses - Demographic	5 216	0
Other	11 366	7 729
Actuarial (gains)/losses - assumptions	9 652	-82 298
Closing defined benefit obligation	186 109	154 784

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

	2023	2022
Opening fair value of assets	142 206	151 710
Employer contributions	2 810	2 837
Employee contributions	517	489
Net benefits paid out	-1 383	-2 467
Interest income on Plan Assets	5 699	2 078
Actuarial gains/(losses) on assets	8 116	-18 230
Other	9 837	5 789
Closing fair value of assets	167 802	142 206

Note 7 / Personell costs

Amounts in TNOK	2023	2022
Financial assumptions:		
Discount rate	3,30%	3,65%
Expected wage regulation	2,65%	2,75%
Expected pension increase	2,40%	2,50%

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

Amounts in TNOK	2023		2022	
	CEO	Board	CEO	Board
Employee benefit expenses				
Wages and salaries	0	5 099	3 075	4 840
Bonuses	0	570	724	782
Pension benefits	0	53	23	50
Other benefits	0	165	0	166

No loans or securities have been provided to the CEO, Chairman of the Board or other related parties.

There are not any agreements on severance salaries to the Board or senior executives.

Note 8 / Other operating costs

Amounts in TNOK	2023	2022
Other operating costs		
Other operating costs	811 949	818 818
Write down of INV/Alartec receivable	51 620	0
Auditors fees	4 337	3 759
Total	867 907	822 577

Auditor's fees

	2023	2022
Statutory audit	4 063	3 355
Other attestation services	151	240
Technical assistance and tax advice	94	123
Remuneration for other services	29	40
Total	4 337	3 759

Note 9 / Related parties

Sector Alarm Holding AS is controlled by Isanor AS (registered in Norway) which owns 63.01% of the Company's shares directly or indirectly. The shares in Isanor AS are owned by Jørgen Dahl (Founder).

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

a) Sales of products and services

There have been no sales of products or services to associated parties in 2022 or 2023. Employees are offered alarm subscriptions at discounted rates.

b) Loans to associated parties

Amounts in TNOK	2023	2022
Sector Alarm Manco AS	756	439
Sector Alarm Midco AS	971	925
Sector SPV AS	863	822
Sector Alarm Topco AS	1 255	1 255
Interests on loans from associated parties	145	69

No other loans were provided to shareholders or their companies in 2022 or 2023.

c) Loans from associated parties

Amounts in TNOK	2023	2022
Sector Alarm Topco AS	0	71 198
Interests on loans from associated parties	2 375	1 198

No other loans were provided from shareholders or their companies in 2022 or 2023.

d) Loans to senior employees

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

Note 10 / Property, plant and equipment

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

Amounts in TNOK	Buildings	Computer equipment	Furnishing and fittings	Vehicles	Alarm systems not in use	Customer contracts	Total
Balance at 31 December 2022	109 657	35 778	104 183	2 439	279 947	400 383	932 387
Translation differences	8 100	1 743	5 560	177	14 845	17 858	48 282
Acquisitions	5 288	34 559	13 355	1 014	58 222	522 377	634 815
Disposals	0	-6	-72	-259	0	0	-336
Depreciation for the year	-3 995	-26 382	-31 966	-1 154	0	-178 686	-242 183
Balance at 31 December 2023	119 050	45 692	91 060	2 218	353 014	761 931	1 372 965
Acquisition cost	149 563	271 593	332 864	10 393	358 225	1 118 424	2 241 063
Accumulated depreciation and impairment	-30 514	-225 901	-241 804	-8 175	-5 211	-356 493	-868 098
Carrying amounts at 31 December 2023	119 050	45 692	91 060	2 218	353 014	761 931	1 372 965
Depreciation and impairment for the year	-3 995	-26 382	-31 966	-1 154	0	-178 686	-242 183
Useful life	30 years	3-5 years	3-5 years	3-5 years		8 years	

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

Note 11 / Intangible assets and goodwill

Amounts in TNOK	Goodwill	Licenses, software, etc.	Brand	Customer contracts	Total
Balance at 31 December 2021	1 177 508	80 746	151 990	2 566 703	3 976 948
Translation differences	27 060	496	7 988	25 963	61 507
Acquisitions	0	85 995	0	292 662	378 656
Acquisitions through business combinations	44 485	200	0	38 790	83 475
Amortization for the year	0	-49 116	0	-210 051	-259 146
Balance at 31 December 2022	1 249 053	118 322	159 978	2 714 087	4 241 440
Acquisition cost	1 249 053	277 975	159 978	5 450 492	7 137 499
Accumulated amortization	0	-159 654	0	-2 736 405	-2 896 059
Carrying amounts at 31 December 2022	1 249 053	118 322	159 978	2 714 087	4 241 440
Amortization and impairment for the year	0	-49 116	0	-210 051	-259 146
Useful life	Indefinite	3-5 years	Indefinite	15 years	
Amounts in TNOK	Goodwill	Licenses, software, etc.	Brand	Customer contracts	Total
Balance at 31 December 2022	1 249 053	118 322	159 978	2 714 087	4 241 440
Translation differences	77 997	821	10 917	146 661	236 395
Acquisitions	0	95 334	0	245 168	340 502
Amortization for the year	0	-106 054	0	-275 067	-381 121
Reclassification	0	-8 939	8 939	0	0
Balance at 31 December 2023	1 327 050	99 484	179 833	2 830 850	4 437 217
Acquisition cost	1 327 050	365 724	179 833	5 974 870	7 847 477
Accumulated amortization	0	-266 240	0	-3 144 021	-3 410 261
Carrying amounts at 31 December 2023	1 327 050	99 484	179 833	2 830 850	4 437 217
Amortization and impairment for the year	0	-106 054	0	-275 067	-381 121
Useful life	Indefinite	3-5 years	Indefinite	15 years	

Customer contracts is amortised according to churn data per customer portfolio. The customer portfolios varies in historical churn and between countries, but the average useful life for the Group was 12 years in 2023. Customer contracts as presented in the table above comprise of both customer contracts arising from business combinations or portfolio acquisitions and contracts arising from organic sales, where the latter comprise of the capitalised contract cost in accordance with cost to obtain and cost to fulfil contracts with customers. For further details see note 2.5 regarding business combinations and 2.14 regarding revenue from contracts with customers.

Impairment test goodwill and intangible assets

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

Goodwill is not amortised. However, goodwill is tested for impairment at least annually, or when there are identified impairment indicators. An impairment assessment was performed at 31 December 2023. The group use the estimated recoverable value of the customer portfolio as an indicator for the total value of the customer portfolio and goodwill combined. The recoverable value were calculated using a value in use approach were using recurring annual revenue and a multiple based on comparable market transactions adjusted for key assumptions on size and quality of the portfolio. The impairment tests results in a headroom of minimum 40% on all material portfolios. As such the impairment test did not reveal an indication of impairment.

Amounts in TNOK 2023	Opening balance	Acquisition	Disposals	Translation differences	Closing balance
Norwegian portfolio	133 420	0	0	0	133 420
Swedish portfolio	354 373	0	0	25 379	379 752
Irish portfolio	577 272	0	0	39 900	617 173
Finnish portfolio	122 593	0	0	8 474	131 067
Spanish portfolio	4 363	0	0	302	4 665
French portfolio	20 283	0	0	1 402	21 685
Portuguese portfolio	36 747	0	0	2 540	39 287
Total	1 249 051	0	0	77 997	1 327 048

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

Note 12 / Leasing

Amounts in TNOK	2023	2022
Amounts recognized in profit and loss		
Expenses related to contracts with exception for short term leases	1 641	2 067
Expenses related to contracts with exception for low value assets	932	746
Total	2 573	2 812

Short term lease liabilities	117 930	98 729
Long term lease liabilities	441 644	410 031
Total lease liabilities	559 574	508 760

Potential lease payments not included in lease liabilities	33 774	33 434
Variable lease payments based on index or a rate	88 901	88 256

Interest cost	18 641	14 291
Total cash outflow	104 805	82 172
Incremental borrowing rate	3,50%	3,50%

The maturities for the long-term leasing liabilities are as follows:

Between 1 and 2 years	104 484	69 500
Between 2 and 5 years	189 612	160 762
More than 5 years	147 548	179 769
Total	441 644	410 031

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

Right of use assets:	Cars	Office machines	Buildings	Total
Balance at 01 January 2023	70 186	-86	391 342	461 442
Translation differences	4 592	-39	18 707	23 261
Acquisitions	63 492	518	69 388	133 397
Disposals	-1 477	-309	-571	-2 357
Depreciation and impairment for the year	-46 406	-533	-62 177	-109 116
Reclassification	0	0	0	0
Balance at 31 December 2023	90 387	-449	416 688	506 626

Note 13 / Other gains and losses

Amounts in TNOK	2023	2022
Realised currency derivatives in the year	0	0
Net currency gains and losses	-316 877	-396 800
Other gains and losses	-316 877	-396 800

Note 14 / Financial income and costs

Amounts in TNOK	2023	2022
Interest income	1 553	38 197
Other finance revenues	1 418	2 961
Interest costs	-454 219	-245 491
Other finance costs	-115 506	-41 140
Net currency gains/losses	-316 877	-396 800
Net financial costs	-883 631	-642 273

Currency gains	77 032	33 902
Currency losses	-393 909	-430 702
Sum net currency gains/losses	-316 877	-396 800
Net currency gain/loss due to operations	-387	-948
Net currency gain/loss due to finance items (i.e. loans)	-316 490	-395 852
Sum net currency finance/operations split	-316 877	-396 800
Net currency gain/loss on external balances	159 411	-321 218
Net currency gain/loss on intercompany balances	-476 288	-75 581
Sum net currency ext/IC split	-316 877	-396 800

Note 15 / Income tax

Amounts in TNOK	2023	2022
Tax expense		
Current tax expense	-200 961	-141 792
Change in deferred tax - origination and reversal of temporary differences	-7 707	85 967
Change in deferred tax - Losses carried forward derecognized	228 804	0
Change in deferred tax - other	156 150	8 251
Changes in estimates related to prior years	372	853
Other	0	0
Tax expense continuing operations	176 658	-46 720

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

Reconciliation of effective tax rate	2023	2022
Profit before tax from continuing operations	-742 190	-423 842
Income tax using Norwegian tax rate (22%)	-163 282	-93 245
Effect of tax rates in foreign jurisdictions	-46 886	-32 194
Tax effect non deductible expenses	1 500	11 549
Tax effect current-year losses for which no deferred tax asset is recognised	384 459	68 270
Utilized loss carried forward	0	-1 954
Effect of changes in tax rate on deferred tax items	0	0
Changes in estimates related to prior years	955	853
Other effects	-88	0
Income tax	176 658	-46 720
Effective tax rate	-24%	11%

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

Tax payable	2023	2022
Current tax of tax base before contribution	89 929	53 552
Prepaid taxes	-67 725	-78 790
Other including previous years tax payable	-3 789	7 373
Total tax payable	18 416	-17 865
Tax receivable asset	29 219	-17 865
Tax payable liabilities	-10 803	0
Total tax payable	18 416	-17 865

Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2023	2022
Deferred tax asset	163 922	223 502
Deferred tax liabilities	354 869	314 820
Net deferred benefit/liability (-) in the balance sheet	-190 947	-91 318

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

Changes in deferred tax/deferred tax asset in the balance sheet:	2023	2022
Balance at 1 January	-91 318	-183 033
Currency translation	-8 069	5 748
Recognised in the period	64 685	85 967
Changes in tax rate	0	0
Other	-156 244	0
Balance at 31 December	-190 947	-91 318

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

	2023		2022	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	8 494	223 331	5 350	233 553
Accounts receivables	1 058	0	886	0
Other provisions and accruals	738	1 281	1 317	1 196
Losses carried forward	688 124	0	379 198	0
Limitations of tax deductibility of interest expense	40 786	0	37 767	0
Other	22 153	136 638	22 519	108 345
Total recognised deferred tax assets	761 352	361 250	447 037	343 093
Unrecognised deferred tax assets	-591 049	0	-195 262	0
Net deferred benefit/liability	170 304	361 250	251 775	343 093
Net deferred benefit/liability(-) in the balance sheet	-190 947		-91 318	

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

The Group has losses carried forward of NOK 590 million in France, Spain, Ireland, Finland, Portugal and Italy that was not recognized at 31 December 2023.

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

At the reporting date, the Group has unused tax losses of NOK 2 990,0 million (2022: NOK 1700,4 million) available for offset against future profits. A deferred tax asset has been recognised in respect of NOK 97,8 million (2022: NOK 184,7 million) of such losses. No deferred tax asset has been recognised in respect of the remaining NOK 590,3 million (2022: NOK 194,4 million) as it is not considered probable that there will be future taxable profits available. Included in unrecognised tax losses are losses of NOK 22 million that will expire in 2024, NOK 14 million in 2025, NOK 40 million in 2026, NOK 64 million in 2027, NOK 77 million in 2028 and NOK 343 million above 5 years. Other losses may be carried forward indefinitely.

Note 16 / Financial instruments

The Group has the following financial instruments:

Financial assets/liabilities at amortised cost:

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

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

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

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

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

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

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

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

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

Amounts in TNOK 31.12.2023	Amortised cost	Fair value through profit or loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Total
Financial assets				
Accounts receivable	238 756	0	0	238 756
Other receivables	103 532	0	0	103 532
Cash and cash equivalents	14 048	0	0	14 048
Derivative financial instruments	0	132	0	132
Total financial assets	356 337	132	0	356 469
Financial liabilities (short and long term)				
Loans external	7 101 564	0	0	7 101 564
Leasing liability	559 574	0	0	559 574
Accounts payable	156 270	0	0	156 270
Other liabilities	696 764	0	0	696 764
Derivative financial instruments - interest rate swaps	0	75 011	0	75 011
Total financial liabilities	8 514 172	75 011	0	8 589 183
31.12.2022				
Amounts in TNOK 31.12.2022	Amortised cost	Fair value through profit or loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Total
Financial assets				
Accounts receivable	213 285	0	0	213 285
Other receivables	149 857	0	0	149 857
Cash and cash equivalents	125 378	0	0	125 378
Derivative financial instruments	0	59	0	59
Total financial assets	488 520	59	0	488 579
Financial liabilities (current and non current)				
Loans external	6 572 643	0	0	6 572 643
Leasing liability	508 760	0	0	508 760
Accounts payable	134 045	0	0	134 045
Other liabilities	701 085	0	0	701 085
Total financial liabilities	7 916 533	0	0	7 916 533

Note 17 / Trade receivables and other receivables

Amounts in TNOK	2023	2022
Trade receivables	259 626	230 708
Allowance for impairment of trade receivables	-20 869	-17 423
Trade receivables net	238 756	213 285
Advance payments	83 809	123 703
Other receivables	19 723	26 154
Total accounts receivable and other receivables	342 289	363 142

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

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

Amounts in TNOK	2023	2022
Up to 60 days	29 781	24 431
More than 60 days	27 222	23 219
Total overdue trade receivables	57 003	47 650
Carrying amount of overdue trade receivables	36 134	30 228

Movement in bad debt allowance:

Balance at 1 January	-17 423	-15 208
Net remeasurement of loss allowance	-10 712	-5 768
Amounts written off	7 265	3 554
Balance at 31 December	-20 869	-17 423

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

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

Note 18 / Cash and cash equivalents

Amounts in TNOK	2023	2022
In the cash flow statement, cash and cash equivalents encompasses the following:		
Cash and cash equivalents	14 048	125 378
Of which restricted funds:	5 355	449

Note 19 / Share capital and share premium

Amounts in TNOK	Number of shares (000)	Share capital	Treasury shares	Share premium	Total
Balance at 1 January 2023	4 863	1 605	0	589 872	591 477
Capital increase	0	1 313	0	558 683	559 996
Treasury shares acquired	0	0	0	0	0
Treasury shares cancelled	0	0	0	0	0
Balance at 31 December 2023	4 863	2 918	0	1 148 555	1 151 473

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

Note 20 / Shareholders and shareholder information

The Company's share capital at 31.12.2023 consists of 4 863 354 shares at NOK 0,6 per share. Each share has one vote. There was one shareholder as at 31 December 2023.

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

Note 21 / Loans, borrowings and guarantees

The external financing in the group is mainly obtained by Sector Alarm Holding AS, which provides funding to the companies throughout the Group.

Amounts in TNOK	2023	2022
Non current liabilities		
Loans and borrowings	7 101 564	6 572 643
Leasing liabilities	441 644	410 051
Total non current liabilities	7 543 208	6 982 674
Current liabilities		
Loans and borrowings	0	0
Leasing liabilities	117 930	98 729
Total current liabilities	117 930	98 729
Bank overdraft Facility	0	0
Total current loans including overdraft	117 930	98 729

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

The new loan agreement has a dividend limitation of EUR 22,5 million per year. The EUR 100 million revolving credit facility has a gearing covenant of 9.2x Enterprise value/EBITDA if the facility is drawn 40% or more.

There are no fixed annual instalments for the EUR 590 million Term Loan B. However, Sector Alarm is required to prepay 50% of Excess Cash Flow (as defined in the Term Loan B Facility Agreement) if Net Debt Cover (as defined in the Term Loan B Facility Agreement) greater than 5.00:1 and 25% of Excess cash flow if Net Debt Cover is greater than 4.50:1 but less than or equal to 5.00:1 within 20 Business Days of delivery of Annual Financial Statements. The conditions regarding Excess Cash Flow and Net Debt Cover is applicable from the Annual Financial Statements for the financial year 2023.

In 2023 Sector Alarm utilized EUR 45 million of the 6-year senior secured credit facility.

In 2023 the group has entered into interest swap agreements of EUR 570 million.

No breaches of covenants have occurred in 2023 or 2022.

Note 21 / Loans, borrowings and guarantees

Amounts in TNOK	2023	2022
Term loan B	6 531 895	6 203 142
Senior secured credit facility	505 823	420 552
Other loans	0	0
Amendment fee	-36 153	-51 051
Total	7 101 564	6 572 643

The maturities for the long-term bank loans and interests on long-term bank loans and interest swaps are as follows:	2023	2022
Between 1 and 2 years	439 004	325 846
Between 2 and 5 years	7 728 662	7 365 241
More than 5 years	0	0
Total	8 167 667	7 691 087

	2023	2022
Security	7 101 564	6 572 643
Carrying amount of assets pledged as security		
Fixed assets	0	0
Customer contracts	0	0
Alarm systems not in use	0	0
Accounts receivable	0	0
Total	0	0

Shares in companies mentioned below, including intercompany loans and bank accounts in the companies have been pledged to secure borrowings of the Group at 31.12.2023:

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

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

Note 22 / Other short-term liabilities

Amounts in TNOK	2023	2022
Trade payables	156 270	134 045
Payable to authorities	172 191	135 060
Other short-term liabilities	219 129	203 800
Prepaid from customers / deferred revenue	280 887	262 845
Total	828 477	735 750

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

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

Note 23 / Subsidiaries

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

Company	Country	Area of business	Ownership share	Share of votes	Annual profit ('000)	Equity ('000)
Sector Alarm AS	Norway	Monitored alarm services	100%	100%	NOK 271 917	NOK 55 533
Sector Alarm Drift AS	Norway	Monitored alarm services	100%	100%	NOK 3 522	NOK 144
Sector Alarm ALS AS	Norway	Monitored alarm services	100%	100%	NOK 1 020	NOK 229
SA Salg AS	Norway	Monitored alarm services	100%	100%	NOK 3 042	NOK 21 742
Sector Alarm Tech AS	Norway	Group services	100%	100%	-NOK 20 450	NOK 42 109
Sector Alarm AB	Sweden	Monitored alarm services	100%	100%	-SEK 29 556	SEK 1 037 296
SA Bevakning AB	Sweden	Monitored alarm services	100%	100%	-SEK 32	SEK 1 252
SA Forsäljning AB	Sweden	Monitored alarm services	100%	100%	-SEK 163	SEK 2 218
Sector Alarm Service AB	Sweden	Monitored alarm services	100%	100%	-SEK 84	SEK 42 570
Sector Alarm Ireland AS	Norway	Monitored alarm services	100%	100%	-NOK 20	NOK 998 144
PhoneWatch Ltd	Ireland	Monitored alarm services	100%	100%	EUR 19 457	EUR 90 047
HomeSecure Ltd	Ireland	Monitored alarm services	100%	100%	-EUR 223	EUR 2 005
Sector Alarm Europe AB	Sweden	Monitored alarm services	100%	100%	SEK 229 740	SEK 4 608 286
Sector Alarm Spain S.A.U	Spain	Monitored alarm services	100%	100%	-EUR 19 045	EUR 26 190
Sector Alarm SAS	France	Monitored alarm services	100%	100%	-EUR 55 462	EUR 18 360
Sector Alarm Oy	Finland	Monitored alarm services	100%	100%	-EUR 3 748	EUR 11 253
Sector Alarm Spain AS	Norway	Monitored alarm services	100%	100%	NOK 3	NOK 13 313
General Services Sector Alarm SLU	Spain	Group services	100%	100%	EUR 880	EUR 6 644
Sector Alarm Real Estate SLU	Spain	Property	100%	100%	-EUR 12	EUR 4 286
Sector Alarm Holland B.V.	Netherlands	Group services	100%	100%	-EUR 2 294	EUR 852
Sector Alarm Italy SRL	Italy	Monitored alarm services	100%	100%	-EUR 8 160	EUR 3 582
Sector Alarm Portugal Lda	Portugal	Monitored alarm services	100%	100%	-EUR 881	EUR 2 742
Sector Alarm England Ltd	England	Group services	100%	100%	EUR 23	EUR 153

The Group founded Sector Alarm England Ltd in 2023. The company is fully owned by Sector Alarm Holding AS.

Note 24 / Contingent assets and liabilities

Sector Alarm Spain S.A.U. is involved in a dispute regarding the settlement for purchase of customers from two Spanish companies. The parties do agree on the amount to be settled, but the dispute is for when the settlement is to take place. Sector Alarm Spain S.A.U. has filed a law suit to get a settlement for the total receivable of MEUR 5.6 (incl VAT). The probability of winning our case is considered by our advisors to be good. In 2023 we have however been informed that the counterpart has filed for insolvency proceedings and the receivable has been written down.

PhoneWatch has received initial decisions on enquiries from the Department of Social Protection in 2023 into whether Field Sales Consultants were in insurable employment under Social Welfare legislation. PhoneWatch disagrees with the initial decisions, and in line with legal advice received, is appealing these decisions. The appeals are expected to be finalized in the coming months. Following two independent sets of legal and financial advice, with multiple unknown factors, it is currently impossible to place a reliable estimate of any possible liability, if any at all, and no liability has been recognised in the financial statements of December 2023 in accordance with IAS 37.26. The Company will continue to obtain legal advice on the matter, monitor developments and review all options for our overall business model.

Note 25 / Going concern

The profit for the period was negative NOK 919 million due to significant investment in growth and a currency loss of NOK 317 million mainly related to the Term Loan B combined with increased interest cost. The underlying performance was solid despite the challenging macro environment and the Board of Directors consider the outlook for 2024 as positive. The equity was NOK -2,125 million for 2023, but the value adjusted equity would be positive and considered sound.

Based on this the Board of Directors considers the presented Annual Accounts to give an accurate view of Sector Alarms financial position at year end and operations throughout the year and in accordance with section 3-3a of the Norwegian Accounting Act, confirms that the prerequisites of the going concern assumption exist and that the financial statements have been prepared based on a going concern basis.

Note 26 / Events after the reporting date

There are no known events after the balance sheet date that would have significant effect of the financial statement for 2023.

Income statement

Amounts in TNOK	Note	2023	2022
Revenues	1,2	119 707	124 630
Personell costs	3	80 990	61 323
Depreciations and write-downs	4,5	11 828	13 414
Other costs	6,7	84 553	79 356
EBIT		-57 664	-29 464
Income from investments in subsidiaries	8,9	344 458	793 976
Finance revenues	8	258 825	27 572
Finance revenues from group companies	8	180 708	114 290
Finance costs	8,10	-994 061	-633 582
Finance costs from group companies	8	-2 375	-7 046
Net finance costs		-212 445	295 211
Profit before tax		-270 110	265 748
Tax expense	11	59 476	39 591
Profit for the period		-210 634	305 338
Allocations			
Allocated to/from other equity	12	-210 634	305 338
Total allocated		-210 634	305 338

Annual Accounts // 2023

Sector Alarm Holding AS (NGAAP)

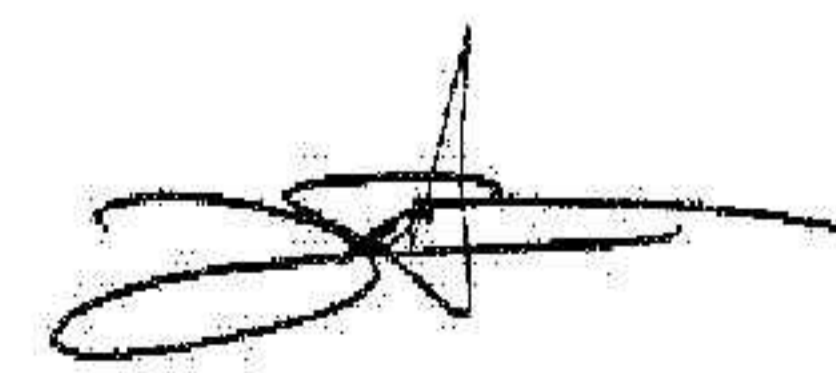
Balance sheet

Amounts in TNOK	Note	2023	2022
ASSETS			
Non current assets			
Equipment, movables and inventory	4, 13	6 682	7 260
Brand and software	5	3 930	9 944
Deferred tax asset	11	138 847	79 372
Investments in group companies	9	9 465 253	8 538 812
Non current receivables from group companies	14	2 287 595	2 331 237
Total non current assets		11 902 307	10 966 625
Current assets			
Accounts receivable, group companies	14	77 277	100 963
Other current receivables		132	132
Other current receivables from group companies	14	545 687	913 414
Prepayments		2 553	2 666
Current tax receivable	11	0	10 160
Cash and cash equivalents	15	6	102 915
Total current assets		625 655	1 130 250
TOTAL ASSETS		12 527 962	12 096 875

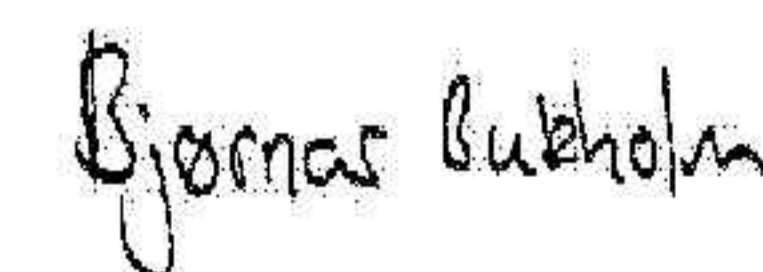
Amounts in TNOK	Note	2023	2022
EQUITY			
Contributed equity			
Share capital	12, 16	2 918	1 605
Share premium	12	1 148 522	589 839
Total contributed equity		1 151 440	591 444
Earned equity			
Other equity	12	3 571 177	3 781 811
Total earned equity		3 571 177	3 781 811
TOTAL EQUITY		4 722 617	4 373 255
LIABILITIES			
Non current liabilities			
Other non current liabilities	10	6 217	7 221
Liabilities to financial institutions	10, 13	7 101 564	6 572 643
Other non current liabilities to group companies	10, 14	0	71 198
Total non current liabilities		7 107 781	6 651 062
Current liabilities			
Accounts payable		3 077	1 330
Accounts payable, group companies	14	52 994	18 882
Accrued costs	17	63 264	52 217
Other current liabilities to group companies	14	565 451	1 000 128
Cash Pool liability	15	12 777	0
Total current liabilities		677 821	1 072 558
TOTAL LIABILITIES		7 805 345	7 723 620
TOTAL EQUITY AND LIABILITIES		12 527 962	12 096 875

Oslo, April 25, 2024

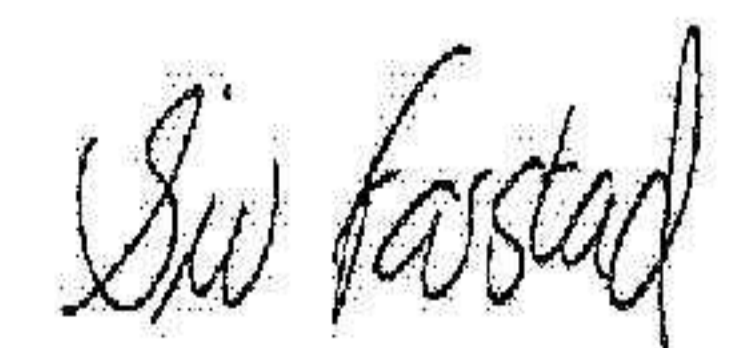
The board of Sector Alarm Holding AS



Jørgen Dahl
Chairman of the board



Bjørnar Heiaas Bukholm
Member of the board



Siv Farstad
Member of the board

Cash Flow Statement

Amounts in TNOK	Note	2023	2022
Earnings before tax		-270 410	265 748
Income taxes (refund) paid		10 160	-56 893
Adjustment for finance costs		212 109	43 281
Depreciations		11 828	13 414
Change in receivables on Group companies		356 273	299 376
Change in accounts payables		1 747	-11 155
Change in liabilities to Group companies		34 112	-320 364
Change in other accrual items		10 156	14 002
Adjustment for finance items in working capital		197 730	0
Cash flows from operating activities		564 007	247 410
Acquisition of equipment and stock		-5 236	-4 829
Dividends received		0	455 103
Payment of capital increase in subsidiaries		-926 442	-777 633
Cash flow from investing activities		-931 678	-327 359
Proceeds from loans and borrowings		282 360	411 352
Repayment of loans and borrowings		-305 820	0
Capital increase		559 996	0
Proceeds from increase in other liabilities		0	70 000
Interest paid		-492 945	-206 259
Interest received		223 416	103 639
Currency effect on cash in foreign currency		-3 584	8 029
Change group cash pool		-11 436	-276 833
Cash flow from financing activities		251 986	109 927
Cash flow total		-115 685	29 978
Cash and cash equivalents at the beginning of the year		102 915	72 937
Cash and cash equivalents at end of year		-12 771	102 915
Cash and cash equivalents		6	102 915
Overdraft facility		-12 777	0

Notes

Amounts in TNOK

Accounting principles

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

Revenue recognition

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

Balance sheet items

Current assets and current liabilities comprise items related to purchase and sale of goods. For items other than accounts receivable, items that fall due within one year of the transaction date are included. Fixed assets are assets intended for permanent ownership and use. Long-term debt is debt that matures later than one year after the transaction date. Current assets are valued at the lower of cost and fair value. Short-term debt is capitalized at the nominal amount at the time of establishment. Fixed assets are valued at cost. Fixed assets are depreciated according to a reasonable depreciation plan. Fixed assets are written down to fair value in the event of impairment that is not expected to be temporary. Long-term debt with the exception of other provisions is capitalized at nominal amount at the time of establishment.

Receivable

Accounts receivables and other receivables are recognised at denominated value.

Intangible assets

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

Fixed assets

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

Pension

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

Currency items

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

Financial market risk

The company has only intra-group customers and has historically not had any losses on claims. Investments in subsidiaries are monitored on an ongoing basis, and corrective measures are implemented if operations deviate from the plan. As of 31.12.2023, the company has cash and unused credit facilities that are sufficient in relation to expected payments and expected organic growth.

Cash flow

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

Income tax

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

Subsidiaries

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

Note 1 / Related party transactions

Amounts in TNOK		
The company has had the following transactions with Group companies	2023	2022
Sale of HR-services	25 035	25 472
Sale of management services	94 672	99 158
Hired personell	-51 921	-46 290
Interest income	180 708	114 290
Interest costs	-2 375	-7 046

Remuneration to senior executives See note 3.

Loans to related parties	2023	2022
Sector Alarm Manco AS	756	439
Sector Alarm Midco AS	971	925
Sector SPV AS	863	822
Sector Alarm Topco AS	1 255	1 255

No loans have been granted to senior executives or board members. There have been no sales of products or services to associated parties in 2022 or 2023. Employees are offered alarm subscriptions at discounted rates.

Loans from related parties	2023	2022
Sector Alarm Topco AS	0	71 198

For intercompany balances to group companies see note 14.

Note 2 / Revenues

Amounts in TNOK		
Income specified by business area	2023	2022
HR services	25 472	25 472
Management fee	94 235	99 158
Total	119 707	124 630

Geographical breakdown of income	2023	2022
Norway	27 887	25 591
Sweden	24 778	33 030
Ireland	19 227	23 475
France	22 245	12 994
Spain	12 807	17 480
Finland	9 319	10 303
Italy	2 627	1 398
Portugal	817	359
Total	119 707	124 630

Note 3 / Personell costs

Amounts in TNOK		
Salary costs	2023	2022
Salaries	69 742	52 710
Employment tax	9 615	8 022
Pension costs	1 195	1 144
Other benefits	437	-553
Total	80 990	61 323

Number of fulltime employees	36	37
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Employee benefit expenses	CEO		Board of directors	
	2023	2022	2023	2022
Salaries	0	3 075	5 099	4 840
Bonuses	0	724	570	782
Pension	0	23	53	50
Other benefits	0	0	165	166

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

Note 4 / Fixed assets

Amounts in TNOK	Computer equipment	Fixtures	Total
Expected lifetime	3 years	5 years	
Acquisition cost 01.01	10 843	16 607	27 449
Additions	5 185	50	5 235
Disposals	0	0	0
Acquisition cost 31.12	16 028	16 657	32 685
Accumulated depreciations 01.01	-8 236	-11 953	-20 189
Depreciation and impairment for the year	-3 447	-2 368	-5 814
Depreciations on disposals	0	0	0
Accumulated depreciations 31.12	-11 683	-14 321	-26 003
Net book value 01.01	2 606	4 654	7 260
Net book value 31.12	4 346	2 336	6 682
The year's depreciation	-3 447	-2 368	-5 814
Impairment for the year	0	0	0
Leasing			
This year's rental / leasing costs machines	31		31
This year's rental costs for premises	4 529		4 529

Note 5 / Intangible assets

Amounts in TNOK	Software	Total
Expected lifetime	5 years	
Acquisition cost 01.01	54 154	54 154
Additions	0	0
Disposals	0	0
Acquisition cost 31.12	54 154	54 154
Accumulated depreciations 01.01	-44 209	-44 209
Depreciation and impairment for the year	-6 014	-6 014
Depreciations on disposals	0	0
Accumulated depreciations 31.12	-50 223	-50 223
Net book value 01.01	9 944	9 944
Net book value 31.12	3 930	3 930
Depreciations for the year	-6 014	-6 014

Note 6 / Commitments

Amounts in TNOK	2023	2022
Operational lease	2023	2022
Maturity within 1 year	5 101	7 775
Maturity within 1 and 5 years	20 208	25 210
Maturity beyond 5 years	18 892	18 476
Total	44 200	51 460

Note 7 / Auditors fees

Amounts in TNOK	2023	2022
Expensed fees to auditors (excl VAT)	2023	2022
Statutory audit	843	833
Other attestation services	151	240
Technical assistance and tax advice	0	0
Remuneration for other services	0	0
Total	994	1 073

Note 8 / Financial income and financial expenses

Amounts in TNOK	2023	2022
Interest income	89 270	27 520
Other financial income	0	0
Interest expense	-500 241	-220 350
Other financial costs	-22 752	-28 616
Foreign exchange gain	169 554	0
Foreign exchange loss	-471 068	-384 616
Financial income from group companies	180 708	114 290
Financial expenses from group companies	-2 375	-7 046
Income from investment in subsidiaries	344 458	794 029
Net finance costs	-212 445	295 211

Note 9 / Subsidiaries

Amounts in TNOK

Subsidiary	Business office	Share	Percentage of votes	Profit after tax 2023	Equity 2023	Net book value NOK
Sector Alarm Tech AS	Oslo, Norway	100%	100%	NOK -21 423	NOK 41 136	44 671
Sector Alarm AS	Oslo, Norway	100%	100%	NOK 271 917	NOK 55 533	3 168 218
Sector Alarm Spain AS	Oslo, Norway	100%	100%	NOK 3	NOK 13 313	43 517
Sector Alarm Holland B.V.	Rotterdam, Netherlands	100%	100%	EUR -2 294	EUR 852	52 380
Sector Alarm Ireland AS	Oslo, Norway	100%	100%	NOK -20	NOK 998 144	1 425 071
Sector Alarm Oy	Helsinki, Finland	100%	100%	EUR -3 748	EUR 11 233	499 018
Sector Alarm Europe AB	Oslo, Norway	100%	100%	SEK 229 740	SEK 4 608 286	4 230 612
Sector Alarm England Ltd	London, England	100%	100%	GBP 23	GBP 153	1 767
Total						9 465 253

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

Note 10 / Loan

Amounts in TNOK

	2023	2022
Non current loan		
Term Loan B and utilized RCF	7 137 718	6 623 694
Amendment fee	-36 153	-51 052
Total non current loan	7 101 564	6 572 643
Current loan		
Term Loan B and RCF	0	0
Total current loan	0	0
Bank Overdraft facility	0	0
Total loans including overdraft facility	7 101 564	6 572 643

In 2023 Sector Alarm Holding AS utilized EUR 45 million of the RCF.

The loan agreement has a dividend limitation of 22,5 MEUR pr year and also a gearing covenant of 9,2x Enterprise value/EBITDA if the Revolving Credit Facility is drawn 40% or more.

There are no fixed annual instalments for the EUR 590 million Term Loan B. However, Sector Alarm is required to prepay 50% of Excess Cash Flow (as defined in the Term Loan B Facility Agreement) if Net Debt Cover (as defined in the Term Loan B Facility Agreement) greater than 5.00:1 and 25% of Excess cash flow if Net Debt Cover is greater than 4.50:1 but less than or equal to 5.00:1 within 20 Business Days of delivery of Annual Financial Statements. The conditions regarding Excess Cash Flow and Net Debt Cover is applicable from the Annual Financial Statements for the financial year commencing on 1 January 2023.

The maturity of non current loans is as follows	2023	2022
Between 2 and 5 years	7 101 564	6 651 062
Total non current loan	7 101 564	6 651 062

Other long-term liabilities	2023	2022
Other non current debt	6 217	7 221
Other non current liabilities to group companies	0	71 198
Total other non current liabilities	6 217	78 419

Note 11 / Income tax expense and deferred tax

Amounts in TNOK	2023	2022	Change
Calculation of the tax base for the year			
Result before tax	-270 110	265 748	
Permanent differences	-344 692	-792 258	
Changes in temporary differences	11 784	1 593	
Group contribution received	344 458	338 873	
This year's tax base	-258 560	-186 045	
Basis for tax payable	-258 560	-186 045	
This year's tax expense divides into:			
Taxes payable on this year's tax base	-56 883	-40 930	
Change in temporary differences	-2 592	-350	
Too much/little allocated previous years	0	1 690	
Total tax charge	-59 476	-39 591	
Payable tax in the balance:			
Payable tax on previous years	0	-10 160	
Total payable tax in the balance	0	-10 160	
Temporary differences	2023	2022	
Tangible assets	-5 501	-3 355	-2 146
Swap	-9 580	0	-9 580
Gains and losses account	232	290	-58
Net temporary differences	-14 849	-3 065	-11 784
Accumulated loss to be carried forward	-444 605	-186 045	-258 560
Cur interest deduction	-171 670	-171 670	0
Basis for net deferred benefit/liability	-631 123	-360 780	-270 343
22% deferred tax	-138 847	-79 372	-59 476
Net deferred benefit/liability in the balance sheet	138 847	-79 372	-59 476
Explanation as to why the tax charge for the year does not amount to 22 % of the result before tax:			
Result before tax	-270 110	265 748	
Estimated income tax according to nominal tax rate (22%)	-59 424	58 464	
Other non-deductible expenses	-75 781	-174 297	
Tax on received (recognized) group contribution	75 781	74 552	
Correction tax payable previous years	0	1 690	
Calculated tax charge	-59 476	-39 591	

Note 12 / Equity

Amounts in TNOK	Share capital	Own shares	Share premium	Retained earnings	Total
Pr. 01.01.2023	1 605	0	589 839	3 781 811	4 373 255
Result of the year	0	0	0	-210 634	-210 634
Capital increase	1 313	0	558 683	0	559 996
Pr. 31.12.2023	2 918	0	1 148 522	3 571 177	4 722 617

Note 13 / Pledges and guarantees

Amounts in TNOK	2023	2022
Bank overdraft facility	0	0
Term loan B	7 101 564	6 572 643

Shares in companies mentioned below, including intercompany loans and bank accounts in the companies have been pledged to secure borrowings of the Group at 31.12.2023:

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

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

Note 14 / Intercompany balances

Amounts in TNOK	Liabilities		Receivables	
	2023	2022	2023	2022
Short-term items				
Liabilities and receivables on group companies	618 445	1 019 010	278 506	675 504
Group Contribution made/received	0	0	344 458	338 873
Total	618 445	1 019 010	622 964	1 014 377
Long-term items				
Liabilities and receivables on group companies	0	71 198	2 287 595	2 331 237
Total	0	71 198	2 287 595	2 331 237

Liabilities and Receivables on group companies include draw of the group cashpool amounting to TNOK -489 702 for 31.12.2023.

Note 15 / Cash and cash equivalents

Amounts in TNOK	2023	2022
Cash and bank deposits/ cash pool withdraw	-12 771	102 915
Of which restricted funds (Tax withholding account)	6	6

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

Note 16 / Share capital and shareholder information

The company's share capital as of 31.12.2023 consists of 4 863 354 shares of NOK 0.60 each. Each share has one vote.

The company is controlled by Isanor AS (registered in Norway), which controls 62,99% of the company's shares. The shares in Isanor AS are owned by Jergen Dahl.

Shareholder overview as at 31.12.2023:	Number	Share
Sector Alarm Midco AS	4 863 354	100,00%
Total	4 863 354	100,00%

Own shares

The sale and purchase of own shares in Sector Alarm Holding AS takes place at market prices. Sector Alarm Holding AS does not own any own shares per 31.12.2023.

Note 17 / Other current liabilities

Amounts in TNOK	2023	2022
Public taxes	10 691	3 775
Other provisions	52 573	48 442
Total	63 264	52 217

Note 18 / Going concern

The profit for the period was negative NOK 211 million mainly due to a currency loss related to the Term Loan B combined with increased interest cost. The underlying performance in the group was solid despite the challenging macro environment and the Board of Directors consider the outlook for 2024 as positive.

Based on this the Board of Directors considers the presented Annual Accounts to give an accurate view of Sector Alarm's financial position at year end and operations throughout the year and in accordance with section 3-3a of the Norwegian Accounting Act, confirms that the prerequisites of the going concern assumption exist and that the financial statements have been prepared based on a going concern basis.

Note 19 / Events after the reporting date

There are no known events after the balance sheet date that would have significant effect on the financial statement of 2023.

Annual Accounts / 2023
- Audit Opinion



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In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. 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.

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

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

To the General Meeting of Sector Alarm Holding AS

Independent Auditor's Report

Opinion

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

- the financial statements of the parent company Sector Alarm Holding AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Sector Alarm Holding AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including 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 (management) is responsible for the information in the Board of Directors' report. 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.

Offices

KPMG AS is a Norwegian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with the KPMG network of member firms, a global entity with no legal personality. All rights reserved.

Our registered address is located at Dr. Hansleins gate 9, Drammen, Norway.

Oslo	Elmer	Harlingen	Tampa
Ås	Lansing	Ho Chi Minh	Washington
Amsterdam	London	San Francisco	Yokohama
Boston	Madrid	Sao Paulo	
Beijing	Mumbai	Seoul	
Bombay	Osaka	Shanghai	
Buenos Aires	Paris	Singapore	
Chicago	Prague	Taipei	
Columbus	Riyadh	Tokyo	
Dallas	Santiago		
Dubai	Stockholm		
Frankfurt	Ulsan		
Geneva			
Hong Kong			
Los Angeles			
London			
Manila			
Mexico City			
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conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

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

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

Oslo, 30 April 2024

KPMG AS

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

Pöytäkirja: HUS-URM-2024-009 - HUSAN EDITSE-HOIKONE HOIKON TAVOITTEIDEN

Appendix Alternative performance measures

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

Adjusted EBITDA and Adjusted Portfolio EBITDA

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

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

Attrition rate

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

Average Revenue per user

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

Terminations

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

Cash acquisition cost per new customers

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

installation fees charged to the customer.

Monthly adjusted EBITDA per subscriber

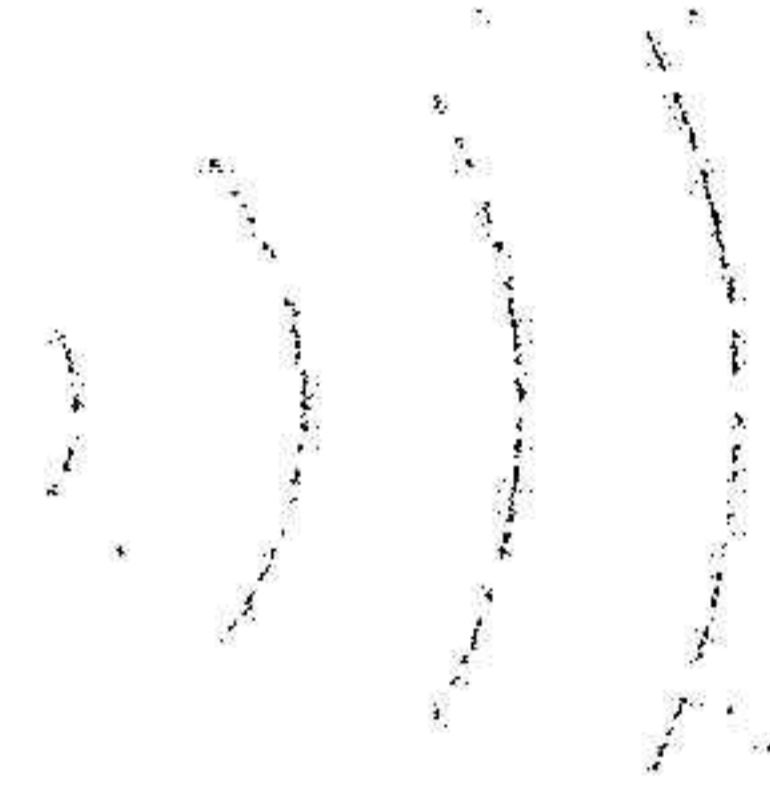
Monthly adjusted EBITDA per subscriber ("EPC") is calculated by dividing the total Portfolio EBITDA by the monthly average number of customers.

New customers added

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

Net customer growth

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



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Sector Alarm ESG Strategy and Report

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

Sector Alarm ESG Strategy and focus areas

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

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

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

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

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

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

revised regularly in close dialogue with the Board of Directors and the Group Executive Management Team.

ESG impact and risk assessments

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

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

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

- Jørgen Dahl, Founder

Value chain impact assessment

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

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

Financial materiality assessment of sustainability-related matters

The financial materiality assessment considers risks and opportunities arising from stakeholder expectations and megatrends. Sector Alarm has investigated the sustainability concerns of investors, regulators, employees, customers, suppliers, and NGOs.

Relevant megatrends include climate change, circular economy, biodiversity, transparency, and demographics. Below is a list of the sustainability risks and opportunities most relevant to Sector Alarm:

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

ESG focus areas

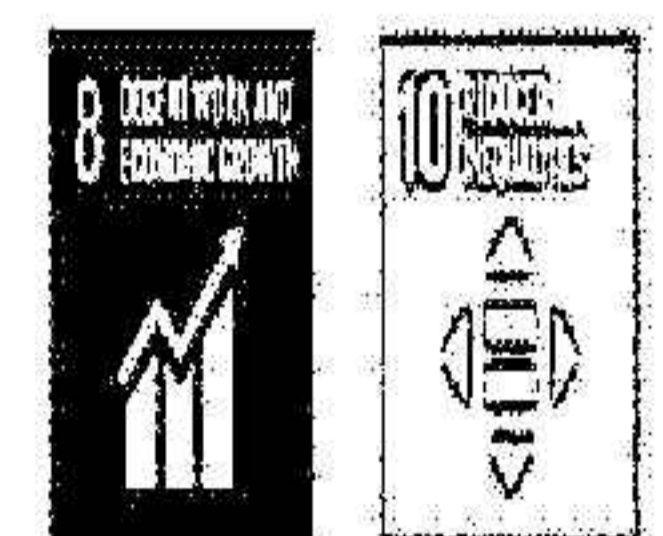
Safe societies



Resource efficiency



Great place to work



Business integrity



Smart home solutions



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

Safe societies

At the very core of Sector Alarm's business is the safety of customers and their homes. Sector Alarm provides about 650,000 customers across Europe with safety solutions, including protection against burglaries, fires, and water leakage. The sales force and marketing campaigns inform potential and existing customers of how to manage safety hazards. As such, Sector Alarm contributes to a safer society by protecting and educating customers.

Saving lives

Sector Alarm's Alarm Receiving Centrals (ARCs) are best-in-class and respond within seconds of an alarm signal being received. In case of emergency, the ARC contacts and ensures dispatch of security guards and/or emergency services. In this way,

Sector Alarm contribute to saving a high number of lives every year. In 2023, the average response time for priority alarms was 10.6 seconds, and 3,650 real incidents were responded to reducing impact on human life and economical loss.

Sector Alarm's ARCs are certified according to industry standards, the EN 50518:2019 standard representing the majority. Sector Alarm's ARCs are continuously well within the requirement of a 60 second response time for 98.5% of alarms. To ensure the safety of customers, the alarm systems functionality is continuously checked through several automated tests to ensure alarm reliability. To improve alarm quality, Sector Alarm assess root causes of false alarms and assists customers in maintenance and proper installation. Moreover, Sector Alarm works to

increase the use of video camera and photo verification of alarms to avoid unnecessary dispatch of emergency services. This improves the customer experience and reduces emissions while reducing costs. Lastly, Sector Alarm promotes safety awareness and is pleased to observe a downward trend in incidents in the areas where Sector Alarm is present, even among neighboring households which have not installed alarm systems.

In 2022 Sector Alarm launched a new state of the art proprietary technology platform with new features such as portable two voice modules and integrated contact and shock detector. In 2023, we experienced that the portable two voice modules likely saved several lives as the unit was used in critical medical situations.

Customer Satisfaction

Sector Alarm's vision, "Safe customers, with happy smiles – every time", guides all customer interaction. Customer satisfaction is continuously measured, and Sector Alarm consistently scores above the internal benchmark of 95/100 and has a best-in-class rating on Trust Pilot and Goggle my business in several markets. Moreover, the new Sector Alarm App is rated excellent by our new customers.

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

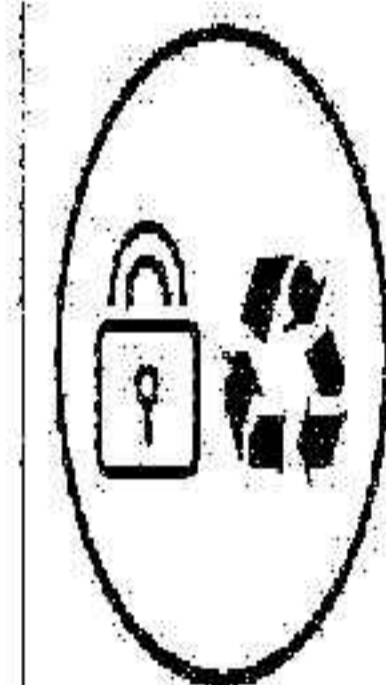
Sector Alarm's core values are embedded in the company culture and training programs which helps ensure that customer care stays at top-of-mind across all business units. The success of Sector Alarm's customer-centric focus is evident in a strong attrition rate although 2023 has been a challenging year due to the cost of living crisis.

UN Sustainable Development Goals



Relevant areas in the value chain

- Customers and product use



Supporting policies and guidelines

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

Safe societies

KPI description	Unit of measurement	2022	2023	2025 target
Class 1 alarms handled	Number of alarms	3 600	3 650	n/a
Average response time	Seconds	10,9	10,6	15
Customer satisfaction	Maximum score 100	95,7	95,9	95
Potential life-saving incidents	Number of customers	66	59	n/a

Resource efficiency

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

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

In 2023, Sector Alarm further enhanced the greenhouse gas emission reporting by adding additional categories (such as employee commuting) to make it even more comprehensive.

The reported figures for 2022 has been updated to include the additional categories.

Reducing emissions

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

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

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

Company Car Purchasing Guidelines, stating that zero-emission or hybrid vehicles are the preferred option in any purchase if feasible, was rolled out in 2021.

As per year-end 2023, 64% of Sector Alarm's car fleet is aligned with these requirements, a massive improvement compared to only 21% in 2021 and 46% in 2022. The share is targeted to continue to increase rapidly during the next few years and a 2025 target of 75% has been set. The main challenge to achieve this target is the electrification of the cars for operations in Northern Europe due to lack of sufficient infrastructure.

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

reduce the number of callouts, kilometers driven and associated emissions.

Furthermore, a Green Travel Policy was implemented in Sector Alarm in 2021. All employees and temporary staff are required to reduce travel to an absolute minimum, book several meetings for the same journey, utilize public transport, rail, and zero-emission vehicles whenever possible, as well as fly economy class.

Increasing circularity

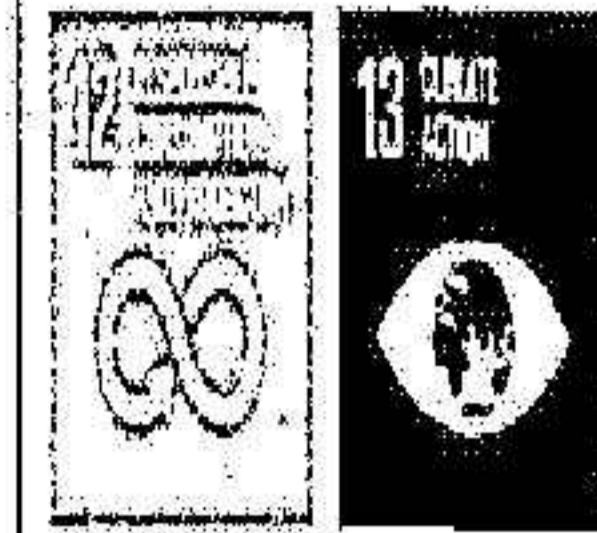
Home safety products and hardware impact the environment throughout the lifecycle and increasing the circular attributes of alarm components is central to reducing Sector Alarm's overall footprint.

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

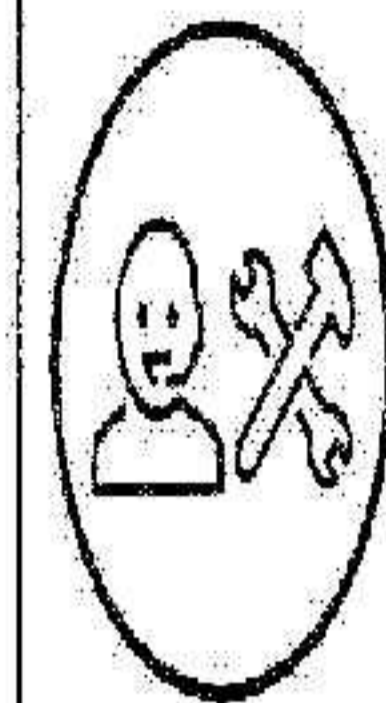
In 2022, Sector Alarm further enhanced the process for termination services (that was implemented in 2021) to enable increased refurbishment and reuse of alarm components to reduce the impact on the environment.

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

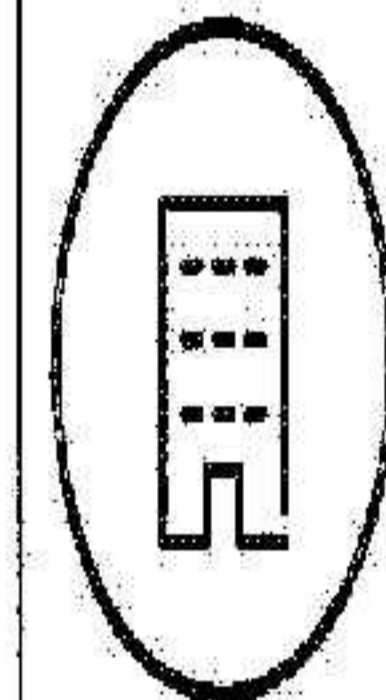
Product lifetime requirements are included in relevant supplier contracts. Sector Alarm's work wear are sent back to the supplier at end-of-life for repair and recycling.

UN Sustainable**Development Goals****Relevant areas in the value chain**

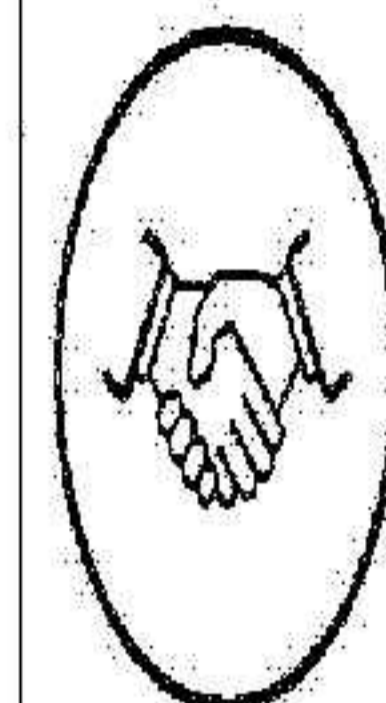
- Sales and installation



- Marketing and management



- Suppliers and raw materials

**Supporting policies and guidelines**

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

Resource efficiency

KPI description	Unit of measurement	2022	2023	2025 target
Electric and hybrid cars	% of fleet	46%	64%	>75%
Average emissions per car	gCO2e/km	108	103	<100
GHG emissions, scope 1	tCO2e	3 798	3 989	n/a
GHG emissions, scope 2	tCO2e	167	198	n/a
GHG emissions, scope 3	tCO2e	6 936	6 540	n/a
GHG intensity	tCO2e/installations	77	75	TBD
	tCO2e/customer	8	8	TBD
Product re-usage	% of product reusage	95%	98%	>90%
	# of products reused	3 400	7 200	n/a
Recycling of alarm components	% of alarm components reused / recycled	> 95%	> 95%	>99%
Recycling of batteries	% of alarm batteries recycled	> 95%	> 95%	>99%

Great place to work

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

Diversity

In Sector Alarm, anyone can build a career, irrespective of their background. Sector Alarm is an equal opportunity employer and works to ensure an environment free of discrimination where everyone is treated equally regardless of gender, sexual orientation, disability, ethnicity, skin color, religion, or political opinion. 73% of the employees in Sector Alarm are men due to the fact that a large share of the roles is within sales and operations where the vast majority of applicants are men. However,

Sector Alarm continuously strives to increase the percentage of women in these areas. For the wider management population, women represented 33% as per year end 2023.

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

Satisfaction and loyalty

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

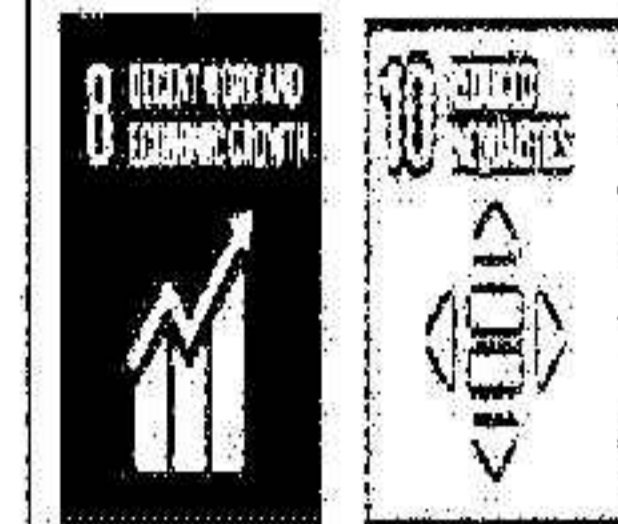
Additionally, the survey concludes that Sector Alarm employees value the people-centered culture and that they are given responsibility at an early stage. Employees also value the leadership culture. In 2023, 72% of Sector Alarm's managers were rated "sterling" by their subordinates, the strongest rating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

Sector Alarm continuously works to strengthen its culture to make everyone feel welcome. For example, a Sector Alarm Culture Day is usually arranged every six months for all new employees

and several other culture event such as kick-offs and gatherings take place during the year.

Training and development of the workforce is important for Sector Alarm's growth and productivity. Guided by the slogan "hire for attitude and train for skills", Sector Alarm seeks talent that has sales in their DNA and willingness to improve. All sales representatives are enrolled in a unique training program combining on-the-job training with classroom courses provided by the in-house learning center, Sector Way Academy. The 5-step classroom programme focuses on relationship building, sales skills, and self-leadership, followed by field-training. As their careers progress, sales employees are enrolled in ongoing mentorship and future leadership programmes to support them throughout their careers. Sector Way Academy is a proven success with nearly 50% of new leaders in 2023 promoted from within Sector Alarm. Sector Alarm continues to digitalize the standard training material to make sure all employees could access relevant training, also reducing the environmental footprint through less usage of print and paper. Sector Alarm will continue to adapt and digitalize the learning portfolio to meet the needs of current and future talent.

UN Sustainable Development Goals

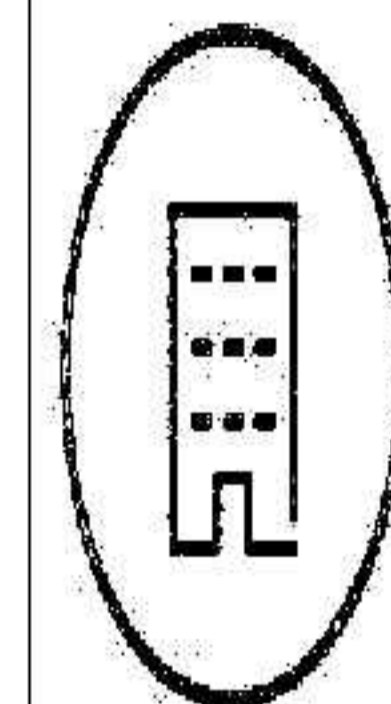


Relevant areas in the value chain

- Sales and installation



- Marketing and management



Supporting policies and guidelines

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

Great place to work

KPI description	Unit of measurement	2022	2023	2025 target
Employees	Number of employees	2 886	2 954	n/a
Gender diversity	% of all employees	27% women, 73% men	27% women, 73% men	>35% women
	% of managers	33% women, 67% men	33% women, 67% men	>35% women
	% of directors	27% women, 73% men	26% women, 74% men	>35% women
Gender paygap	% of all employees (excluding field sales and service engineers)	16%	20%	n/a
	% of managers	6%	7%	n/a
	% of directors	20%	20%	n/a
Employee satisfaction and motivation	Maximum score 100	77	77	>75 (top in class)
Employee loyalty	Maximum score 100	84	84	>85 (top in class)
Quality of leadership	% of managers rated as sterling manager	72%	72%	>65%
Turnover rate	All employees excluding Field Sales and service engineers	41%	42%	n/a
Sick leave	% total	3,8%	3,8%	<4%
Reported incidents	Number of incidents	123	117	n/a
Lost time incidents	Lost time injuries per million hours worked	25,1	10,7	<15
Leaders promoted from within	% total leaders	48%	44%	>50%
Organic job creation recruitments	Number of hires	6 589	6 433	n/a

Business Integrity

To maintain integrity as a home safety provider, ethical business behavior throughout Sector Alarm's operations is a must. Sector Alarm manages sensitive data and provides services to a vast number of customers. These topics should always be managed according to best practice.

Integrity

Managing an increasing workforce across eight countries requires Sector Alarm to clearly communicate values and high ethical standards. During onboarding, new employees are introduced to "The Sector Way" and Sector Alarm's core values. Moreover, all employees are required to sign the Code of Conduct and complete digital training. The Code of Conduct is publicly available on Sector Alarm's web site.

In 2023, Sector Alarm issued its first annual statement under the Norwegian Transparency Act, outlining the company's efforts to ensure respect of human rights and fair labour conditions both within Sector Alarm and in its supply chain. The annual statement is available on Sector Alarm's website. Employees are encouraged to raise concerns internally; however, Sector Alarm also has a publicly available, anonymous whistleblower channel to make sure anyone can feel safe speaking up. In 2023, 23 incidents were reported of which all has been handled with care according to internal guidelines and our whistleblowing policy. Sector Alarm will continue to monitor the whistleblower channel and, according to best practice, ensure transparency should any serious incidents be reported.

Data protection and privacy

Sector Alarm handles confidential employee and customer data. The Privacy Policy is publicly available, and all employees are required to complete digital GDPR training.

Moreover, each country has a dedicated Data Protection Officer to ensure that business activities adhere to data protection best practice.

In 2023, seven personal data breaches were detected and reported to the relevant supervisory authority in line with established routines. The company also has experienced additional personal data breaches which were not deemed reportable to the supervisory authorities pursuant to applicable law, as they were unlikely to result in a risk to the privacy rights of the

affected data subjects. Nevertheless, all personal data breaches are managed and logged internally in order to ensure proper handling as well as identification of lessons learned and mitigating actions.

Cyber Security

Cybersecurity is high on the agenda in Sector Alarm and the Board of Directors is regularly updated on the progress for the Cyber Security Program, and key risks for the organization. All employees are required to complete regular cyber security awareness training and material progress has been made on raising the awareness.

Considerable progress is also made on Cyber Security Strategy with improved capabilities across Identification, Protection, Detection, Response, and Recovery. A detailed cyber security review was performed in late 2023, to further support strategic planning and prioritization.

Supply chain management

Sector Alarm's hardware components are delivered by a few key suppliers, providing an opportunity to closely monitor and engage in dialogue about Sector Alarm's ethical standards. To manage the wider supplier group an ESG and GDPR self-assessment is distributed and followed up with all relevant suppliers of which 74% completed the questionnaire in 2023.

Among other things, the self-assessment includes questions on ESG governance and reporting, human rights, data protection, fundamental labor rights, and environmental impact. The next step is to collect and review the responses, and to follow up on those that do not meet Sector Alarm's expectations according to the supplier code of conduct. Furthermore, Sector Alarm has introduced mandatory supplier screening against sanctions & anti-terror financing lists and adverse media reports and in 2022 a full review and screening of all existing suppliers was conducted.

The Supplier Code of Conduct is mandatory for all Sector Alarm's vendors and partners to comply with. The implementation of the Supplier Code of Conduct is still ongoing, but fully implemented in our procurement policy and process to secure adoption with our vendors and partners. The Group Executive Management Team approved and adopted a revised procurement Policy in 2023 putting further focus on best practice, compliance and vendor management. This has been combined with a training and awareness program to drive improved procurement practices across the group.

UN Sustainable

Development Goals

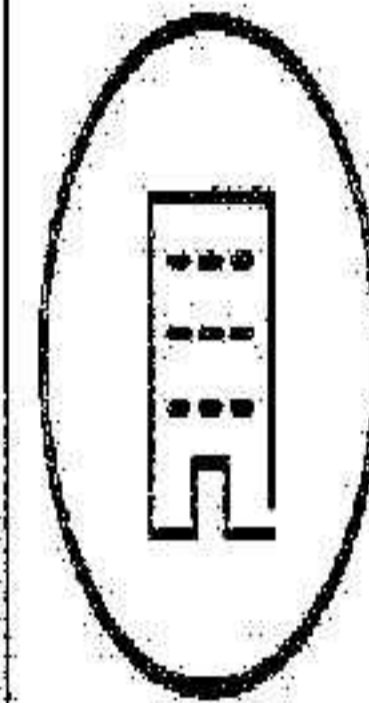


Relevant areas in the value chain

- Sales and installation



- Marketing and management



- Suppliers and raw materials



Supporting policies and guidelines

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

Business integrity				
KPI description	Unit of measurement	2022	2023	2025 target
Code of Conduct signed	Percentage of employees who have signed the Code of Conduct	88%	86%	>95%
Whistleblower cases reported to the Board of Directors	Number of cases	23	29	n/a
Data breaches reported to the national authorities	Number of cases reported	1	7	n/a
Completed IT security training	Number of employees who have completed training	80%	94%	>95%
Cyber security spend	% of revenues	0,5%	0,2%	n/a
Key material suppliers completed ESG and GDPR questionnaire	% of suppliers in scope who have completed questionnaire	66%	74%	>85%
Supplier screening against sanctions & anti-terror financing lists and adverse media reports	% of new suppliers screened	>95%	>95%	>95%

Smart home solutions

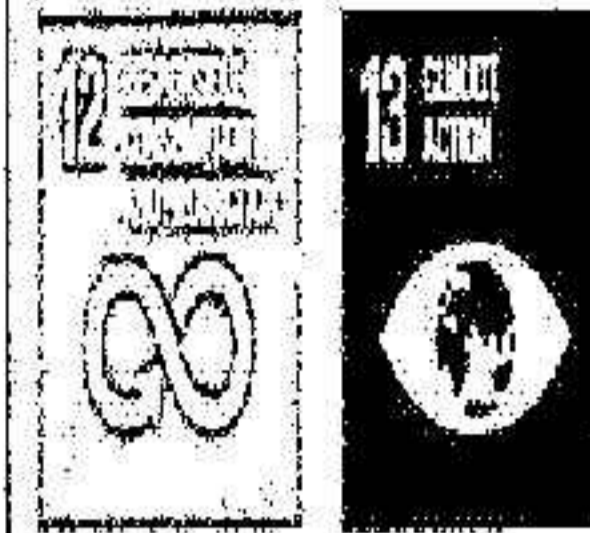
Smart home solutions are revolutionizing the ways people are managing and protecting homes, their health and environmental impacts. Already present in about 650,000 homes and small businesses, Sector Alarm is in a unique position to help monitor and manage activities not only related to safety, but also to the environmental footprint of customers' everyday life through smart home solutions and devices. Sector Alarm has noticed a shift in the market as more and more customers are seeking smart home solutions and Sector Alarm is currently working on initiatives to capture opportunities in this space.

Managing energy consumption

Sector Alarm already offers smart home solutions that enable customers to reduce energy consumption and costs. For example, smart plugs allow customers to control lights and indoor temperatures remotely using the Sector Alarm app. In 2023, nearly 100,000 customers had smart plugs, an increase of more than 10% compared to 2022. The smart home segment is a focus area for Sector Alarm and there are ongoing initiatives to launch functionalities that should enable customers to further reduce their environmental footprint.

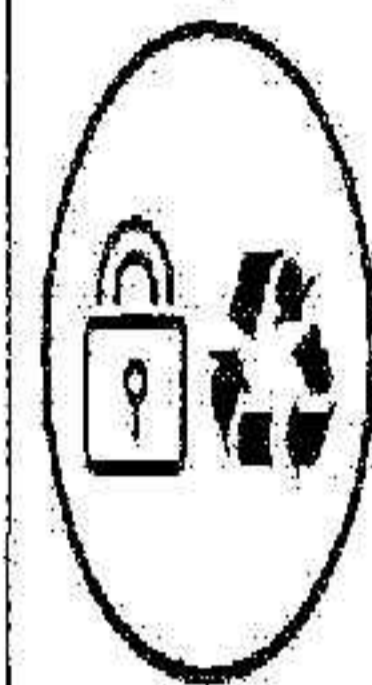
UN Sustainable

Development Goals



Relevant areas in the value chain

- Customers and product use



Supporting policies and guidelines

- n/a

Smart home solutions

KPI description	Unit of measurement	2022	2023	2025 target
Customers with Smart Home-enabled Sector Alarm products	Number of customers with smart home enabled products	87 719	99 708	
	% of portfolio with smart-home enabled products	14%	15%	>30%

Summary of main achievements in 2023

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

- Increased the share of zero-emission or hybrid vehicles from 46% in 2022 to 64% in 2023
- Further strengthened the compliance and security focus in Sector Alarm, especially

around cyber security, human rights in the supply chain and vendor management

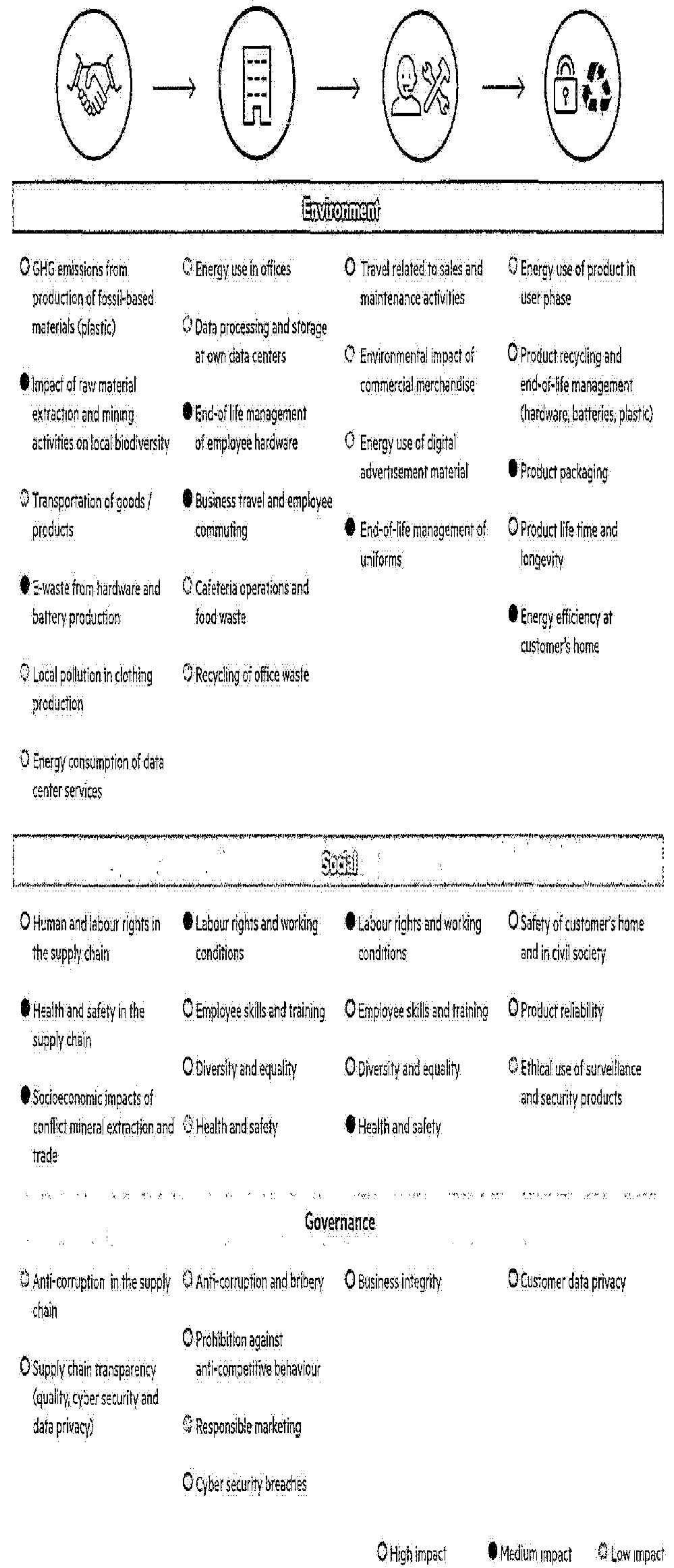
- Further enhanced the greenhouse gas emission reporting by adding additional emission categories.
- Significantly reduced print and paper usage by digitalization of the sales process, customer onboarding and communication as well as internal trainings

- Issued the first annual statement under the Norwegian Transparency Act
- Delivered the first communication on progress to the UN global compact

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

Sector Alarm's impact on sustainability throughout the value chain

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



KPI index

Safe societies

KPI description	Unit of measurement	2021	2022	2023	2025 target	Comments
Class 1 alarms handled	Number of alarms	3 700	3 600	3 650	n/a	Callouts to real incidents
Average response time	Seconds	13,4	10,9	10,6	15	20 seconds is the certification requirement
Customer satisfaction	Maximum score 100	95,7	95,7	95,9	95	Based on customer ratings on 1-6 scale where 6 = 100 and 1 = 50
Potential life-saving incidents	Number of customers	100	66	59	n/a	# of customers woken up by the alarm, ARC or fire department

Resource efficiency

KPI description	Unit of measurement	2021	2022	2023	2025 target	Comments
Electric and hybrid cars	% of fleet	24%	46%	64%	>75%	
Average emissions per car	gCO2e/km	110	108	103	<100	
GHG emissions, scope 1	tCO2e	2 750	3 798	3 989	n/a	Sector Alarm car fleet
GHG emissions, scope 2	tCO2e	181	167	198	n/a	Electricity usage in Sector Alarm offices
GHG emissions, scope 3	tCO2e	4 079	6 936	6 540	n/a	Other indirect emissions*
GHG intensity	tCO2e/new customer added (000)		77	75	TBD	Emissions split between Customer Acquisition and portfolio activities
	tCO2e/customer (000)		8	8	TBD	
	tCO2e/revenues (millions)	2,5	3,6	3,0	TBD	
Energy consumption	MWh	1 934	2 058	2 437	TBD	Measured based on central unit for latest hardware and technology platform
	MWh/revenues (millions)	0,68	0,67	0,69	TBD	
Product re-usage	% of product reusage	89%	95%	98%	>90%	
	# of products reused	18 230	3 400	7 200	n/a	
Recycling of alarm components	% of alarm components reused / recycled	>95%	>95%	>95%	>99%	
Recycling of batteries	% of alarm batteries recycled	>95%	>95%	>95%	>99%	

Great place to work

KPI description	Unit of measurement	2021	2022	2023	2025 target	Comments
Employees	Number of employees	2 757	2 886	2 954	n/a	
Gender diversity	% of all employees	30% women, 70% men	27% women, 73% men	27% women, 73% men	>35% women	
	% of managers	26% women, 74% men	33% women, 67% men	33% women, 67% men	>35% women	
	% of directors	27% women, 73% men	27% women, 73% men	26% women, 74% men	>35% women	
Gender paygap	% of all a (excluding field sales and service engineers)	27%	16%	20%	n/a	(Average pay men - average pay female) / average pay men
	% of managers	9%	6%	7%	n/a	
	% of directors	15%	20%	20%	n/a	
Employee satisfaction and motivation	Maximum score 100	72	77	77	>75 (top in class)	Last survey conducted in March 2023
Employee loyalty	Maximum score 100	82	84	84	>85 (top in class)	Last survey conducted in March 2023
Quality of leadership	% of managers rated sterling manager	65%	72%	72%	>65%	Last survey conducted in March 2023
Turnover rate	All employees excluding Field Sales a	35%	n/a	42%	n/a	Does not include contingent worker
Sick leave	% total	3,8%	3,8%	3,8%	<4%	Excluding field sales
Reported incidents	Number of incidents	88	123	117	n/a	
Lost time incidents	Lost time injuries per million hours worked	17,3	23,1	10,67	<15	Changed to the reporting structure from 2023 that allows for more accurate reporting. Number would be 21,57 with the same structure as in 2022.
Leaders promoted from within	% total leaders	52%	48%	44%	>50%	
Organic job creation recruitments	Number of hires	6 067	6 589	6 433	n/a	

Business integrity

KPI description	Unit of measurement	2021	2022	2023	2025 target	Comments
Code of Conduct signed	Percentage of employees who have signed the Code of Conduct	82%	88%	86%	>95%	
Whistleblower cases reported to the Board of Directors	Number of cases	9	23	29	n/a	
Data breaches reported to the national authorities	Number of cases reported	6	1	7	n/a	
Completed IT security training	Number of employees who have completed training	54%	80%	94%	>95%	
Cyber security spend	% of revenues	0,4%	0,5%	0,2%	n/a	
Key material suppliers completed ESG and GDPR questionnaire	% of suppliers in scope who have completed questionnaire		66%	74%	>85%	
Supplier screening against sanctions & anti-terrorfinancing lists and adverse media reports	% of new suppliers screened		>95%	>95%	>95%	

Smart home solutions

KPI description	Unit of measurement	2021	2022	2023	2025 target	Comments
Customers with Smart Home-enabled	Number of customers with smart home-enabled products	98.382	87.719	99.708	n/a	
Sector Alarm products	% of portfolio with smart-home enabled products	17%	14%	15%	>30%	