



Interim report Third Quarter 2023

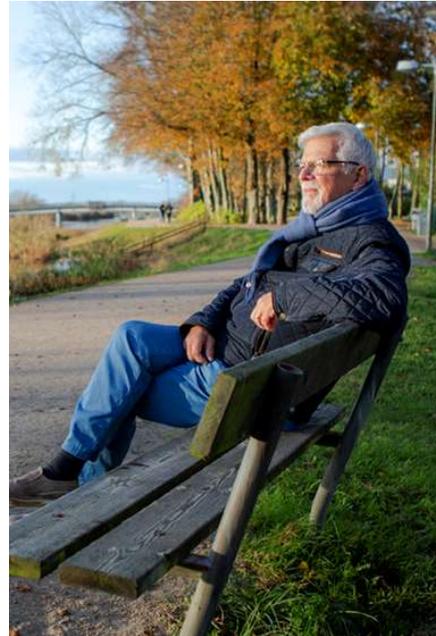
26 October 2023

Christian Walén, CEO & President



Quarterly Highlights

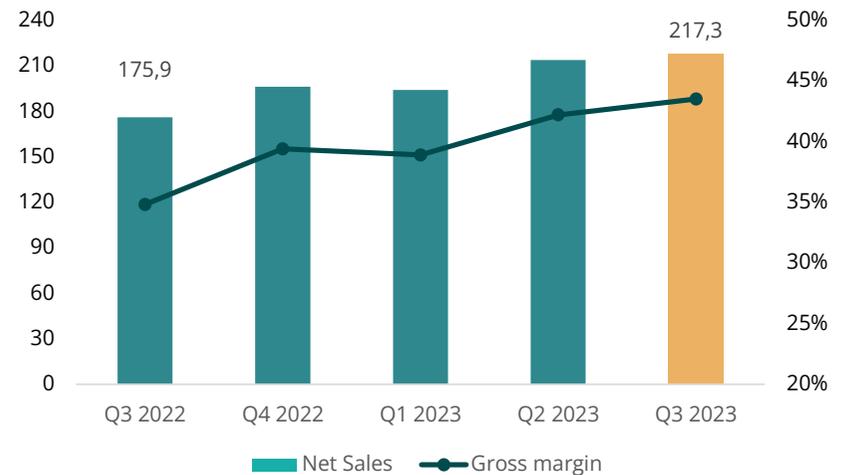
- Fourth consecutive quarter displaying profitable growth, underlining the recovery of the business
- Continued success in winning and implementing new contracts and also emerging contract wins in the UK .
- Next steps well underway for the UK, building on the Hive-up, to fully integrate all entities across systems, staff and processes – Expected to be firmly in place 1/1-2024



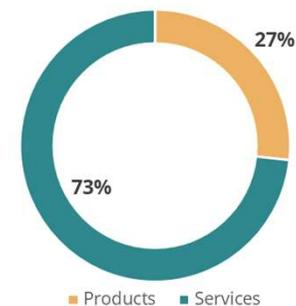
Sales and Gross Margin Q3 2023

- Continued organic sales growth of 23.5%, adjusted for currency effect growth amounted to 18.4%.
- Service sales amounted to SEK 159.3 million (134.3) an increase of 18.7% compared to Q3 2022 and product sales amounted to SEK 58.0 million (41.7) an increase of 39.2%.
- Gross margin of 43.5% in the quarter (34.8%). The positive gross margin development was mainly explained by lower cost for service delivery in the alarm receiving centres, as a result of the work to improve efficiency, and more favorable exchange rates relations between GBP and EUR versus USD.

Net Sales (SEKm) & Gross Margin (%)



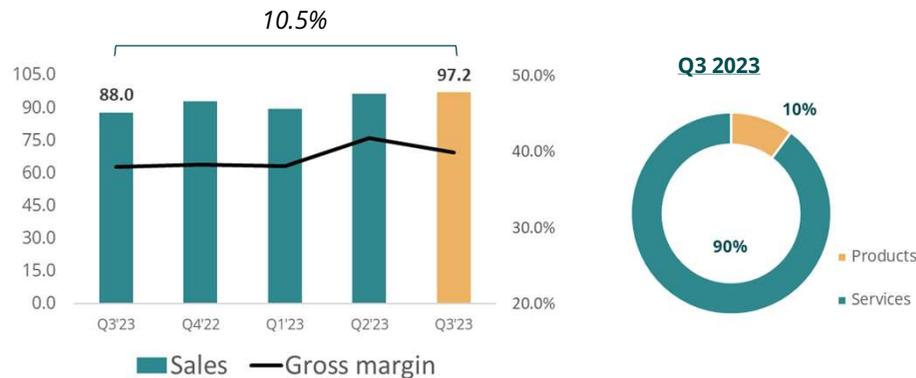
Share of Net Sales, Q3'23



Market Highlights – Nordic & United Kingdom

NORDIC

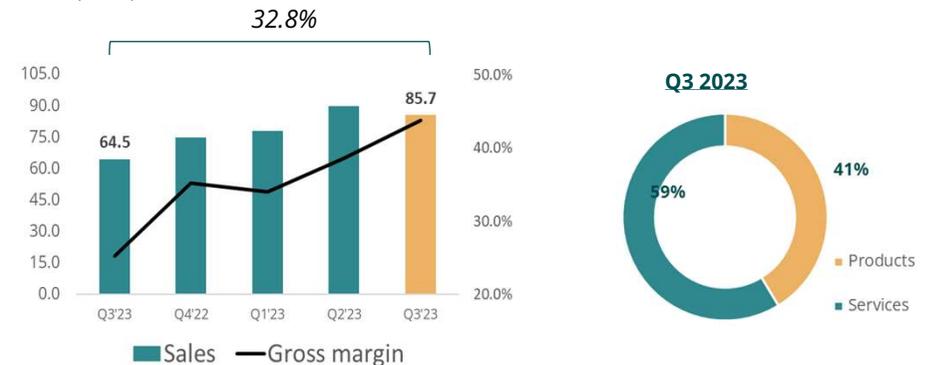
Net Sales (SEKm)



- Sales increased 10.5% compared to Q3 2022.
- Several new contracts implemented together with temporary prolongations of lost contracts, increasing services sales by 8.4%.
- Good performance in service delivery following efficiency measures taken, which explains the uptake in Gross margin YoY.

UNITED KINGDOM

Net Sales (SEKm)



- Sales increased 32.8% compared to Q3 2022.
- Product sales up 32.1% compared to Q3 2022. The digital transformation continues to increase demand for Careium's digital devices. Service sales increased by 33.3% as a result of price increases on existing contracts, some due to temporary prolongations of lost contracts.
- Gross margin in the quarter was 43.8 percent (25.3). The activities to improve efficiency in the service delivery that has been implemented step by step showed strong effect in the quarter and profitability on product sales improved mainly due to the strengthened GBP in relation to USD.

Market Highlights – Netherlands & Other Markets

NETHERLANDS

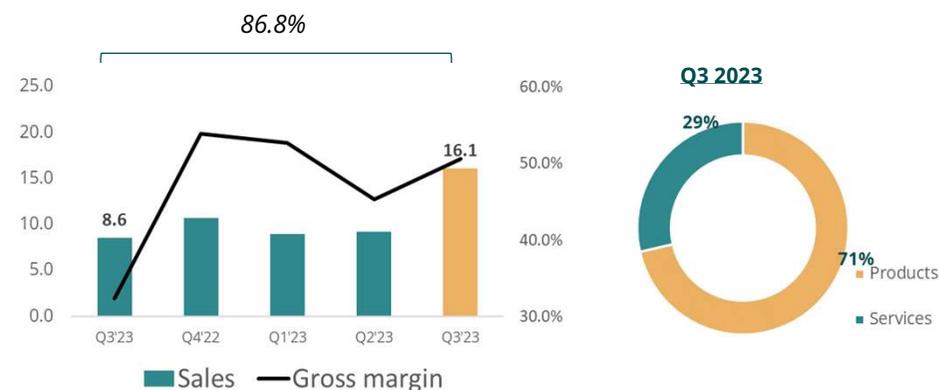
Net Sales (SEKm)



- Sales increased 23.7% compared to Q3 2022.
- Service sales increased mainly due to the increase in number of connections and better customer mix. The growth was reinforced by the strengthened EUR in relation to SEK.
- The gross margin decline is mainly explained by need for temporary staff.

OTHER MARKETS

Net Sales (SEKm)

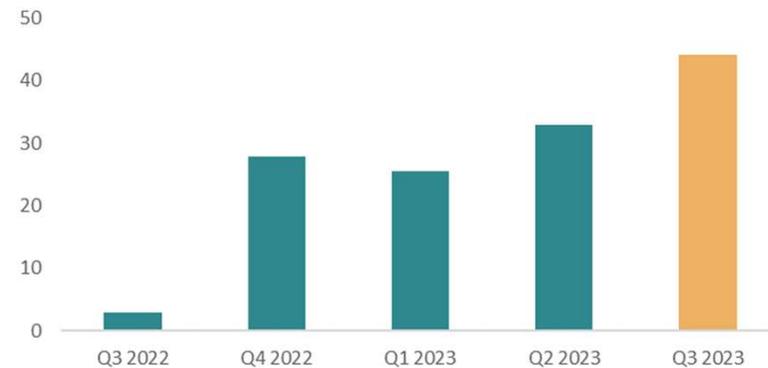


- Sales increased by 86.8% compared to Q3 2022.
- Sales in the market is mainly driven by product sales in Germany and France.
- Gross margin improvement explained by a strengthened EUR in relation to USD.

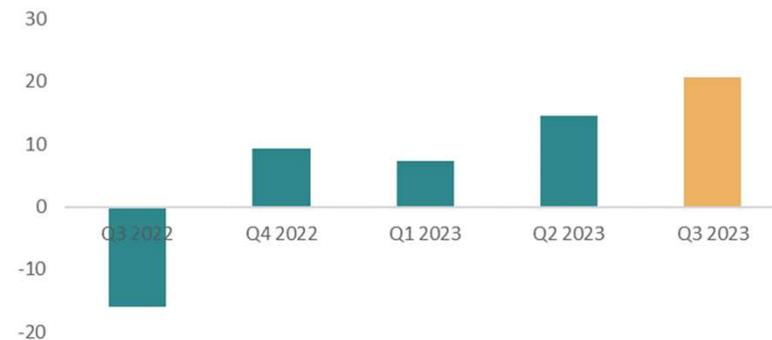
Profitability Q3 2023

- EBITDA amounted to SEK 44.1 million (0.8). EBITDA in Q3 2023 was not affected by any restructuring costs or non-recurring items (last year EBITDA was negatively affected by SEK 2.2m).
- EBIT amounted to SEK 20.7 million (-18.2). EBIT in Q3 2023 was not affected by any restructuring costs or non-recurring items (last year the EBIT was negatively affected by SEK 2.2m).
- The improved profitability is mainly explained by the growth in sales and the cost reductions following actions taken for a more profitable business.

EBITDA excluding restructuring costs and non-recurring items (SEKm)



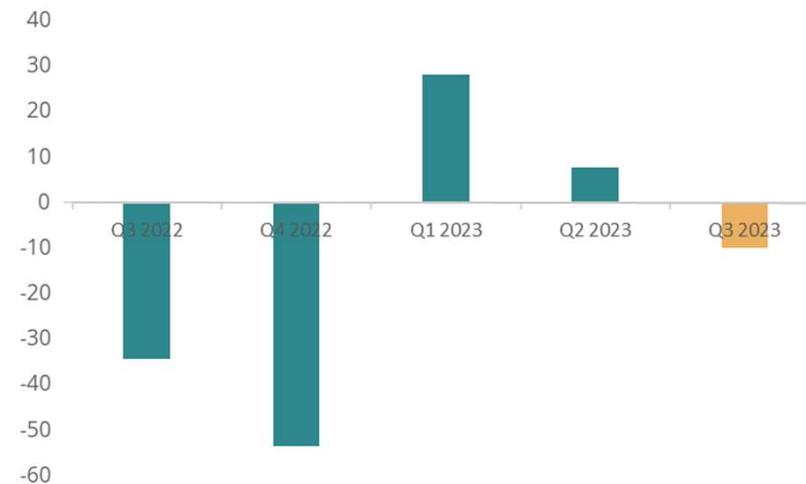
EBIT excluding restructuring costs and non-recurring items (SEKm)



Cash Flow Q3 2023

- Cash flow from current activities during the third quarter 2023 amounted to SEK 1.6 million (-20.8)
- Free cash flow of SEK -9.8 million (-34.3).
- Cash totalled SEK 36.1 million (43.7) at end of the third quarter. In addition, the bank overdraft facility showed available cash of SEK 37.3 million (50.0).
- Net debt amounted to SEK 227.9 million at the end of the third quarter, compared to a net debt of SEK 204.8 million at the end of the third quarter of 2022.
- At the end of the third quarter, Careium complies with the covenants in the bank facility agreement.

Free Cash Flow (SEKm)



Concluding Remarks

Q3 - Positive

- Fourth consecutive quarter showing profitable growth
- Strong EBIT due to efficient operations, sales mix and some re-negotiated prolongations of contracts
- UK back to winning contracts

Q3 - Challenges

- Slight (1-3 weeks) delay in Abby launch due to late-stage quality issues – Solved within the quarter, yet disappointing in relation to increasing number of customers
- Cash flow disappointing in the quarter, in spite of better inventory

Q3 – Priorities Ahead

- Continued review of the UK operation following the hive-up to drive greater efficiencies – Detailing all roles, processes, etc
- Strong focus on improved cash flow via systems for inventory control, KPI:s, new processes and centralized ownership



Q&A

Next report: February 15, 2024

Disclaimer

This presentation includes forward-looking information and statements including statements concerning the outlook for our businesses. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, and the economic conditions of the markets for Careium. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans,” “outlook,” “on track,” “framework” or similar expressions.

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