

January-June 2022

# Interim report Q2

## The quarter in summary

- Careium's net sales amounted to SEK 174.4 million (147.0), an increase of 18.7 percent. Service sales amounted to 132.0 million (113.8) an increase of 16.1 percent. Product sales amounted to 42.4 million (33.2) an increase of 27.7 percent.
- Gross margin amounted to 37.4 percent (41.6).
- Adjusted operating profit (EBIT) amounted to SEK 14.1 million (6.2) excluding restructuring costs of SEK 0.6 million. Including restructuring costs EBIT amounted to SEK 13.5 million (6.0) corresponding to an operating margin of 7.7 percent (4.1). In addition, operating profit was positively affected by non-recurring items of SEK 21.0 million.
- Free cash flow of SEK -3.9 million (-27.6).
- Organic growth amounted to 8.2 percent.
- Earnings per share amounted to SEK 0.68 (0.18).

## The half-year in summary

- Careium's net sales amounted to SEK 353.0 million (284.9), an increase of 23.9 percent. Service sales amounted to 271.5 million (226.4) an increase of 19.9 percent. Product sales amounted to 81.5 million (58.6) an increase of 39.2 percent.
- Gross margin amounted to 38.3 percent (41.8).
- Adjusted operating profit (EBIT) amounted to SEK 10.6 million (11.7) excluding restructuring costs of SEK 21.5 million. Including restructuring costs EBIT amounted to SEK -10.9 million (11.2) corresponding to an operating margin of -3.1 percent (5.6). In addition, operating profit was positively affected by non-recurring items of SEK 14.1 million.
- Free cash flow of SEK 0.6 million (-50.2).
- Organic growth amounted to 13.0 percent.
- Earnings per share amounted to SEK -0.15 (0.33).

| Key Ratios               | Q2    |       |        | Jan-Jun |       |         | Full-year |
|--------------------------|-------|-------|--------|---------|-------|---------|-----------|
|                          | 2022  | 2021  | %      | 2022    | 2021  | %       | 2021      |
| Net sales                | 174.4 | 147.0 | 18.7%  | 353.0   | 284.9 | 23.9%   | 587.5     |
| Net sales growth, %      | 18.7% | 17.4% |        | 23.9%   | 11.5% |         | 12.1%     |
| Organic growth %         | 8.2%  | 6.5%  |        | 13.0%   | 1.1%  |         | 2.7%      |
| Gross margin %           | 37.4% | 41.6% |        | 38.3%   | 41.8% |         | 40.9%     |
| EBITDA                   | 31.6  | 19.4  | 63.0%  | 26.2    | 37.9  | -30.9%  | 65.2      |
| EBITDA margin            | 18.1% | 13.2% |        | 7.4%    | 10.8% |         | 11.1%     |
| Adjusted EBITDA*         | 32.2  | 19.6  | 64.4%  | 23.5    | 38.4  | -38.8%  | 68.1      |
| Adjusted EBITDA margin*  | 18.5% | 13.3% |        | 6.7%    | 13.5% |         | 11.6%     |
| EBIT                     | 13.5  | 6.0   | 124.2% | -10.9   | 11.2  | -197.0% | 8.6       |
| EBIT margin, %           | 7.7%  | 4.1%  |        | -3.1%   | 5.6%  |         | 1.5%      |
| Adjusted EBIT*           | 14.1  | 6.2   | 126.6% | 10.6    | 11.7  | -9.1%   | 11.5      |
| Adjusted EBIT margin*, % | 8.1%  | 4.2%  |        | 3.0%    | 4.1%  |         | 2.0%      |
| Earnings per share, SEK  | 0.68  | 0.18  | 287.6% | -0.15   | 0.33  | -145.0% | 0.19      |

\* Adjusted with restructuring costs

# CEO's comment

During the second quarter, we continued our growth journey and increased net sales compared to the previous year in all markets for both products and services. Sales increased by 18.7 percent in the quarter and by 23.9 percent in the first half year. Our sales development reflects the strong need we have identified for technology-driven welfare services in Europe. The organic growth amounted to 8.2 percent in the quarter.

In the Nordic region, especially in Sweden, we continued to win procurements with a new highest level of connections to our alarm centers, showing our customers appreciate our offering and the quality of our service delivery. Sales in Central Europe were also higher compared to the previous year. The United Kingdom & Ireland region continued strong product sales driven by the increased demand for digital social alarms. The region's product sales increased with 34 percent compared to the previous quarter and 83 percent compared to the previous year.

We continue our work to strengthen and develop our offerings, especially in mobile welfare technology with applications including friends and family in the care chain. Mobility and involvement will become part of a stronger, safer and more inclusive care. For our software platform, we are working with a number of customers in Central Europe for a planned implementation during the third quarter.

The gross margin during the second quarter amounted to 37.4 percent, which was on a par with the first quarter but slightly lower than the previous year. Lower sales of services and high costs in the UK operations had a slight negative impact on the gross margin as did the continued challenges in the supply chain with high freight and component costs. Despite these issues, we were able to maintain our gross margin at an acceptable level.

Operating profit (EBIT) amounted to SEK 13.5 million (6.0) in the quarter, positively affected by SEK 27.8 million from a revaluation of the additional purchase consideration for Spanish Victrix. Victrix's software platform is now becoming an important part of our offering, but its commercialization has been delayed compared to the plan at the time of the acquisition, which affects the additional purchase consideration. An additional SEK 7.4 million in transformation costs for the UK operations was charged to EBIT.



EBIT excluding the revaluation and transformation cost amounted to SEK -6.9 million. The previously communicated challenges in the UK continue to weigh on the Group's profitability. During the quarter we have worked intensely with measures to improve quality and efficiency in the UK which will show effect in the second half year. In addition to the transformation program, initiatives to strengthen the profitability have been identified in the rest of the Group. The measures, including the restructuring we are doing in the UK, are expected to increase operating profit by approximately 60-80 million on an annual basis and the estimated transformation costs in 2022 amount to 25-30 million, of which 7.4 million have been charged in the second quarter and 19.8 million in the first half of 2022.

I am confident that the steps we are taking and the offer we have are leading us towards becoming the market leader in technology enabled care in Europe. I appreciate all the hard work our employees, especially in the UK, are doing on a daily basis. We are dedicated to restructure the UK operations during the second half of 2022 while driving continued sales growth through our unique offering of welfare technology.

Carl-Johan Zetterberg Boudrie,  
President and CEO

# Net sales

## Highlights during the second quarter

Careium's net sales for the second quarter amounted to SEK 174.4 million (147.0), an increase of 18.7 percent compared to the second quarter of 2021. Organic growth was 8.2 percent, adjusted for currency effects, it amounted to 4.4 percent.

The number of subscriptions at the end of the period was 401,000 (368,000).

## Net sales divided in products and services

| SEKm                   | Q2           |              |              | Jan-Jun      |              |              | Full-year    |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                        | 2022         | 2021         | %            | 2022         | 2021         | %            | 2021         |
| Product sales          | 42.4         | 33.2         | 27.7%        | 81.5         | 58.6         | 39.2%        | 123.5        |
| Service Sales          | 132.0        | 113.8        | 16.1%        | 271.5        | 226.4        | 19.9%        | 464.0        |
| <b>Total</b>           | <b>174.4</b> | <b>147.0</b> | <b>18.7%</b> | <b>353.0</b> | <b>284.9</b> | <b>23.9%</b> | <b>587.5</b> |
| Connections (thousand) | 401.0        | 368.0        | 9.0%         | 401.0        | 368.0        | 9.0%         | 390.0        |

# Operating profit

## Highlights during the second quarter

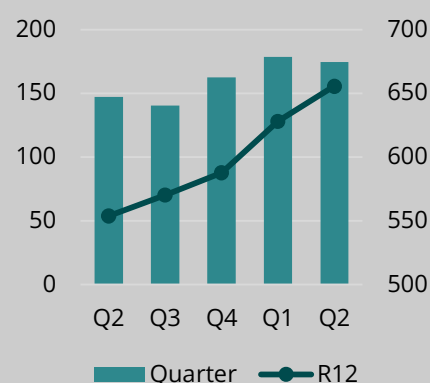
Gross margin amounted to 37.4 percent (41.6) during the second quarter of 2022.

EBITDA for the second quarter increased by 63.0 percent to SEK 31.6 million (19.4) which corresponds to an EBITDA-margin of 18.1 percent (13.2).

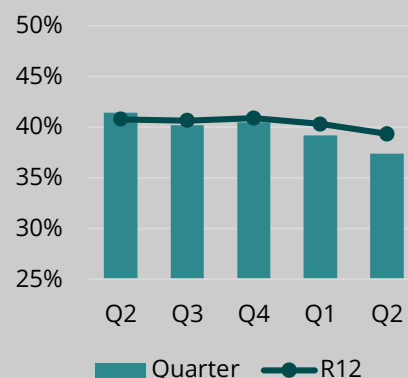
EBITA for the second quarter increased to SEK 17.9 million (8.6). Planned depreciation of intangible assets from company acquisitions was SEK -4.4 million (-2.6) during the quarter, resulting in an EBIT of SEK 13.5 million (6.0) and an EBIT-margin of 7.7 percent (4.1). The improved EBIT margin is explained by SEK 27.8 million relating to the revaluation of estimated additional purchase price for the acquisition of Victrix, reported as other income. In the second quarter EBIT was negatively affected by SEK -0.6 million in restructuring costs and SEK -6.8 million from items affecting comparability mainly related to the transformation of UK. These costs refer to closing down offices, severance pay, costs for implementing a common system for the service delivery and costs for reorganization of operations in order to create the synergies in service delivery and administrative functions.

Net financial items for the second quarter totaled SEK 0.9 million (-0.6). Group tax for the quarter was SEK 2.9 million (-1.2). Profit after tax for the period was SEK 17.2 million (4.2).

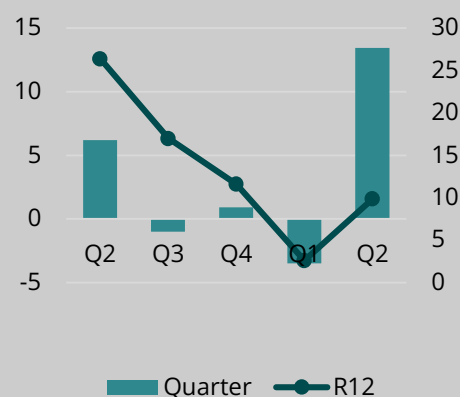
Net sales, SEKm



Gross margin



Adjusted EBIT, SEKm



## Operating profit

| SEKm                              | Q2           |              |        | Jan-Jun      |              |         | Full-year    |
|-----------------------------------|--------------|--------------|--------|--------------|--------------|---------|--------------|
|                                   | 2022         | 2021         | %      | 2022         | 2021         | %       | 2021         |
| Net sales                         | 174.4        | 147.0        | 18.7%  | 353.0        | 284.9        | 23.9%   | 587.5        |
| Gross profit                      | 65.2         | 61.1         | 6.8%   | 135.3        | 119.0        | 13.7%   | 240.3        |
| <i>Gross margin</i>               | <i>37.4%</i> | <i>41.6%</i> |        | <i>38.3%</i> | <i>41.8%</i> |         | <i>40.9%</i> |
| EBIT                              | 13.5         | 6.0          | 124.2% | -10.9        | 11.2         | -197.0% | 8.6          |
| <i>EBIT margin %</i>              | <i>7.7%</i>  | <i>7.4%</i>  |        | <i>-3.1%</i> | <i>5.6%</i>  |         | <i>1.5%</i>  |
| Adjusted EBIT                     | 14.1         | 6.2          | 126.6% | 10.6         | 11.7         | -9.4%   | 11.5         |
| <i>Adjusted EBIT margin %</i>     | <i>8.1%</i>  | <i>4.2%</i>  |        | <i>3.0%</i>  | <i>4.1%</i>  |         | <i>2.0%</i>  |
| Investment in product development | 5.8          | 7.6          | -23.7% | 13.3         | 15.0         | -11.3%  | 28.8         |

# Financial development

## Cash flow, investments and financial position

Cash flow from operating activities during the second quarter amounted to SEK 10.3 million (-13.1). The increase is mainly due to a positive change in working capital compared to the second quarter of 2021. Free cash flow amounted to SEK -3.9 million (-27.6). Investments during the period amounted to SEK 14.2 million (14.5).

Cash and cash equivalents totaled SEK 83.9 million (41.8) at the end of the second quarter. At the same time, the equity ratio was 56.1 percent (54.7).

Net debt amounted to SEK 167.1 million at the end of the second quarter, compared with a net debt of SEK 158.4 million at the end of the previous quarter and a net debt of SEK 157.7 million at the end of the second quarter of 2021.

## Group summary

| SEKm   | Q2   |       | %     | Jan-Jun |       | %     | Full-year |
|--|------|-------|-------|---------|-------|-------|-----------|
|  | 2022 | 2021  |       | 2022    | 2021  |       | 2021      |
| Operating profit/loss after depreciation and write-downs, EBIT | 13.5 | 6.0   | 124%  | -10.9   | 11.2  | -197% | 8.6       |
| Cash flow from current activities                              | 10.3 | -13.1 | -179% | 32.5    | -27.6 | -218% | -19.8     |
| Investments in intangible and tangible fixed asset             | 14.2 | 14.5  | -2%   | 31.9    | 22.6  | 41%   | 51.1      |

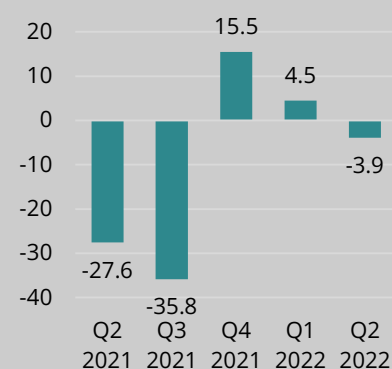
## Significant events during the period

No significant events during the period.

## Significant events after the period

Carl-Johan Zetterberg Boudrie leaves his position as CEO and President of Careium.

Free cash flow



# Highlights by region

Net sales for Careium in the second quarter amounted to SEK 174.4 million (147.0), an increase of 18.7 percent compared to the second quarter of 2021. Service sales increased by 16.1 percent to SEK 132.0 million (113.8) and product sales increased by 27.7 percent to SEK 42.4 million (33.2). The increased service sales were mainly driven by the Nordic region and Central Europe. In the Central Europe region, the acquisition of Innocom was not included in the same period last year. The increase in product sales were driven by increased sales in the UK.

## Nordic

| SEKm                   | Q2          |             |              | Jan-Jun      |              |              | Full-year    |
|------------------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
|                        | 2022        | 2021        | %            | 2022         | 2021         | %            | 2021         |
| Product Sales          | 6.6         | 6.4         | 2.9%         | 15.9         | 12.3         | 28.8%        | 29.2         |
| Service Sales          | 74.7        | 63.1        | 18.3%        | 147.7        | 124.5        | 18.6%        | 252.6        |
| <b>Total</b>           | <b>81.3</b> | <b>69.6</b> | <b>16.9%</b> | <b>163.6</b> | <b>136.8</b> | <b>19.6%</b> | <b>281.7</b> |
| Connections (thousand) | 130.5       | 124.0       | 5.2%         | 130.5        | 124.0        | 5.2%         | 124.5        |

Net sales in the Nordics increased by 16.9 percent to SEK 81.3 million (69.6) compared with the second quarter of 2021. The increase in sales is largely attributable to Sweden where both renewed and new contracts grew in major cities. The level of sales of services in Norway was also above last year but with little tender activity in the quarter.

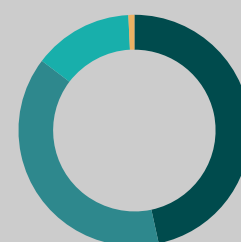
Product sales, including the new Eliza S, are expected to be driven by new service sales contracts. Early in the quarter, the region was affected by the pandemic with extra costs for maintaining quality in service delivery.

## United Kingdom & Ireland

| SEKm                   | Q2          |             |             | Jan-Jun      |              |             | Full-year    |
|------------------------|-------------|-------------|-------------|--------------|--------------|-------------|--------------|
|                        | 2022        | 2021        | %           | 2022         | 2021         | %           | 2021         |
| Product Sales          | 25.9        | 14.2        | 82.7%       | 45.3         | 24.5         | 84.9%       | 54.7         |
| Service Sales          | 41.6        | 49.5        | -16.0%      | 91.4         | 100.7        | -9.2%       | 189.2        |
| <b>Total</b>           | <b>67.4</b> | <b>63.6</b> | <b>6.0%</b> | <b>136.8</b> | <b>125.2</b> | <b>9.3%</b> | <b>243.9</b> |
| Connections (thousand) | 241.9       | 244.0       | -0.9%       | 241.9        | 244.0        | -0.9%       | 238.1        |

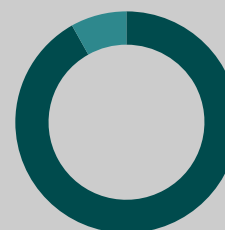
Net sales in the United Kingdom and Ireland increased by 6.0 percent to SEK 67.4 million (63.6) compared to the second quarter of 2021. The lower service sales were compensated by increased product sales in the quarter, which is in line with the digital transformation the region is undergoing. The restructuring measures have continued at a high pace during the quarter to improve both quality and efficiency, full effect materializing during the second half year.

Sales by market, %



- Nordic
- UK & Ireland
- Central Europe
- Other markets

Sales divided in products and services, Nordic %



- Services
- Products

Sales divided in products and services, United Kingdom & Ireland, %



- Services
- Products

## Central Europe

| SEKm                   | Q2          |             |               | Jan-Jun     |             |               | Full-year   |
|------------------------|-------------|-------------|---------------|-------------|-------------|---------------|-------------|
|                        | 2022        | 2021        | %             | 2022        | 2021        | %             | 2021        |
| Product Sales          | 8.8         | 10.9        | -19.6%        | 17.6        | 19.0        | -7.2%         | 34.7        |
| Service Sales          | 15.4        | 1.0         |               | 31.7        | 1.1         |               | 21.5        |
| <b>Total</b>           | <b>24.2</b> | <b>12.0</b> | <b>102.5%</b> | <b>49.3</b> | <b>20.1</b> | <b>145.3%</b> | <b>56.2</b> |
| Connections (thousand) | 28.6        | -           |               | 28.6        | -           |               | 27.8        |

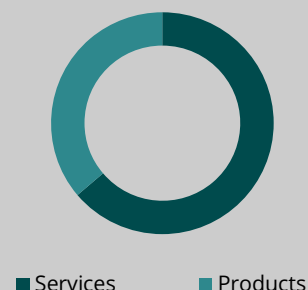
Net sales in Central Europe increased by 102.5 percent to SEK 24.2 million (12.0) compared to the second quarter of 2021. The increased service sales were mainly due to acquisition of Innocom. A temporarily high workload at Innocom's customer services limited the growth during the quarter but we are now expecting a more positive future development. The offering with our unique platform, as a SaaS solution, has also been well received and we expect a number of customers will implement it during the third quarter.

## Other markets

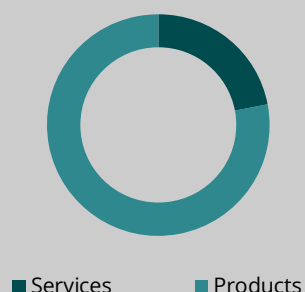
| SEKm          | Q2         |            |               | Jan-Jun    |            |              | Full-year  |
|---------------|------------|------------|---------------|------------|------------|--------------|------------|
|               | 2022       | 2021       | %             | 2022       | 2021       | %            | 2021       |
| Product Sales | 1.1        | 1.7        | -32.8%        | 2.7        | 2.7        | -1.8%        | 5.0        |
| Service Sales | 0.3        | 0.1        | 213.1%        | 0.6        | 0.1        | 508.6%       | 0.7        |
| <b>Total</b>  | <b>1.5</b> | <b>1.8</b> | <b>-18.8%</b> | <b>3.3</b> | <b>2.8</b> | <b>17.1%</b> | <b>5.7</b> |

Net sales in other markets decreased by 18.8 percent to SEK 1.5 million (1.8) compared to the second quarter of 2021. Sales in other markets are mainly driven by product sales in France.

Sales divided in products and services, Central Europe, %



Sales divided in products and services, Other markets, %



# Other information

## Equity and the Careium share

Careium's share is listed on Nasdaq First North Growth Market. On 30 June 2022, the number of issued shares was 24,326,214. Total equity amounted to SEK 559.9 million (422.9).

## Employees

On 30 June 2022, Careium had 599 (705) full-time equivalents. Of these 233 (231) are based in the Nordic region, 52 (5) in Central Europe, 305 (458) in United Kingdom and Ireland and 9 (11) in the rest of the world.

## Risks

In the present situation, the most significant risks are those relating to the COVID-19 pandemic. Within Careium, the pandemic may result in problems meeting demand for services if many of our alarm centre operators are absent from work while at the same time there is an increase in the number of alarms being generated. Risks relating to information security are slightly increased (personal data) due to a large number of staff working from home, including alarm receiving centre staff. Procurements and product launches are in danger of being postponed as a result of the pandemic. As a consequence of the pandemic and the general situation in the world with higher shipping costs and an increased shortage of components, there is a risk of increased costs and challenges with the supply chain and related logistics. In other respects, we refer to the risks described in the 2021 Annual Report on pages 40–41.

## Parent company

The parent company's net sales during the second quarter amounted to SEK 2.0 million (0.0). Profit after tax amounted to SEK -0.1 million (0.0).

## Accounting principles

This interim report has been prepared for the group in accordance with IAS 34, "Interim Financial Reporting", and for the parent company in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, "Accounting for legal entities". The accounting principles and calculation methods applied correspond to those that were used to prepare the most recent annual report.





# Confirmation by the board

The board and managing director affirm that this interim report provides an accurate overview of the operations, position and earnings of the company and group and that it also describes the principal risks and uncertainty factors faced by the company and its subsidiaries.

This interim report has not been reviewed by the company's auditors.

Malmö, 15 July 2022

Lennart Jacobsen  
Chairman of the Board

Cecilia Ardström  
Board member

Stefan Berg  
Board member

Towa Jexmark  
Board member

Christian Walén  
Board member

Kai Tavakka  
Board member

Carl-Johan Zetterberg Boudrie  
CEO

# Financial reports

## Careium-group

### Income statement

| SEKm  | Q2           |              | Jan-Jun       |               | Full-year     |
|---|--------------|--------------|---------------|---------------|---------------|
|   | 2022         | 2021         | 2022          | 2021          | 2021          |
| Net sales   | 174.4        | 147.0        | 353.0         | 284.9         | 587.5         |
| Cost of goods and services sold   | -109.2       | -85.9        | -217.7        | -166.0        | -347.2        |
| <b>Gross profit</b>   | <b>65.2</b>  | <b>61.1</b>  | <b>135.3</b>  | <b>118.9</b>  | <b>240.3</b>  |
| Selling, distribution and marketing expenses                                  | -36.3        | -29.4        | -71.9         | -58.2         | -126.9        |
| Research and development expenses   | -4.0         | -5.4         | -8.1          | -9.6          | -18.6         |
| Administrative expenses   | -39.8        | -21.4        | -95.4         | -41.4         | -99.4         |
| Other income and expense  | 28.2         | 1.1          | 29.4          | 1.5           | 13.3          |
| <b>Total operating expenses</b>   | <b>-51.8</b> | <b>-55.1</b> | <b>-146.1</b> | <b>-107.7</b> | <b>-231.7</b> |
| whereof depreciation and amortisation of intangible and tangible fixed assets | -18.2        | -13.5        | -37.0         | -26.7         | -56.5         |
| <b>Operating profit/loss before depreciation and amortisation (EBITDA)</b>    | <b>31.6</b>  | <b>19.7</b>  | <b>26.2</b>   | <b>37.9</b>   | <b>65.2</b>   |
| <b>Operating profit/loss after depreciation and amortisation (EBIT)</b>       | <b>13.5</b>  | <b>6.0</b>   | <b>-10.9</b>  | <b>11.2</b>   | <b>8.6</b>    |
| Net financial items   | 0.9          | -0.6         | 0.6           | -0.8          | 0.5           |
| <b>Profit/loss before taxes</b>   | <b>14.3</b>  | <b>5.4</b>   | <b>-10.2</b>  | <b>10.4</b>   | <b>9.2</b>    |
| Taxes   | 2.9          | -1.2         | 8.0           | -2.5          | -4.5          |
| <b>Profit/loss for the period</b>   | <b>17.2</b>  | <b>4.2</b>   | <b>-2.2</b>   | <b>7.9</b>    | <b>4.7</b>    |
| Where of related to Parent company's shareholders                             | 16.5         | 4.2          | -3.6          | 7.9           | 4.5           |
| Average number of shares, thousands   | 24,326       | 23,998       | 24,326        | 23,998        | 24,032        |
| Average number of shares after dilution, thousands*                           | 24,326       | 23,998       | 24,326        | 23,998        | 24,032        |
| Earnings per share, SEK   | 0.68         | 0.18         | -0.15         | 0.33          | 0.19          |
| Earnings per share, after dilution, SEK*                                      | 0.68         | 0.18         | -0.15         | 0.33          | 0.19          |

\*The effect of dilution is considered only when the effect on earnings per share is negative.

## Statement of comprehensive income

| SEKm  | Q2          |             | Jan-Jun    |             | Full-year   |
|---|-------------|-------------|------------|-------------|-------------|
|   | 2022        | 2021        | 2022       | 2021        | 2021        |
| Profit/loss for the period  | 17.2        | 4.2         | -2.2       | 7.9         | 4.7         |
| <b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b> |             |             |            |             |             |
| Translation differences   | 7.1         | 11.2        | 10.6       | 5.5         | 14.6        |
| Effects from cash flow hedges   | -           | -           | -          | -           | -           |
| Deferred tax  | -           | -           | -          | -           | -           |
| <b>Total Result</b>   | <b>24.3</b> | <b>15.4</b> | <b>8.4</b> | <b>13.4</b> | <b>19.3</b> |
| <i>where of related to Parent company's shareholders</i>                                      | 23.6        | 15.4        | 7.0        | 13.4        | 19.1        |

## Statement of financial position

| SEKm   | 30 Jun 2022  | 30 Jun 2021  | 31 Dec 2021    |
|--|--------------|--------------|----------------|
| <b>Non-current assets</b>                        |              |              |                |
| Intangible assets                                | 562.2        | 466.1        | 548.4          |
| Property, plant and equipment                    | 108.4        | 94.2         | 95.6           |
| Financial assets                                 | 21.6         | 5.9          | 9.7            |
| Deferred tax asset                               | 13.0         | 2.5          | 1.8            |
| <b>Current assets</b>                            |              |              |                |
| Inventories                                      | 38.3         | 36.2         | 39.7           |
| Current receivables                              | 171.4        | 126.2        | 213.9          |
| Cash and cash equivalents                        | 83.9         | 41.8         | 142.5          |
| <b>Total assets</b>                              | <b>998.8</b> | <b>772.9</b> | <b>1,051.7</b> |
| <b>Equity and liabilities</b>                    |              |              |                |
| Equity   | 559.9        | 422.9        | 551.5          |
| Longterm liabilities                             | 246.8        | 112.8        | 317.9          |
| Current liabilities                              | 192.2        | 237.2        | 182.2          |
| <b>Total shareholders equity and liabilities</b> | <b>998.8</b> | <b>772.9</b> | <b>1,051.7</b> |

## Statement of cash flows

| SEKm   | Q2           |              | Jan-Jun      |              | Full-year     |
|--|--------------|--------------|--------------|--------------|---------------|
|  | 2022         | 2021         | 2022         | 2021         | 2021          |
| Operating profit/loss after depreciation and write-downs, EBIT | 13.4         | 6.0          | -10.9        | 11.2         | 8.6           |
| Depreciation according to plan                                 | 18.1         | 13.5         | 37.0         | 26.7         | 56.5          |
| Net paid financial items                                       | 1.8          | -0.5         | 0.6          | -1.0         | 0.5           |
| Taxes paid   | -1.5         | -1.7         | -2.9         | -3.0         | -5.3          |
| Changes in working capital (incl changes in provisions)        | -21.5        | -30.4        | 8.6          | -61.5        | -80.1         |
| <b>Cash flow from current activities</b>                       | <b>10.3</b>  | <b>-13.1</b> | <b>32.5</b>  | <b>-27.6</b> | <b>-19.8</b>  |
| Investments in intangible and tangible fixed assets            | -14.2        | -14.5        | -31.9        | -22.6        | -51.1         |
| <b>Total Free Cash flow before acquisitions</b>                | <b>-3.9</b>  | <b>-27.6</b> | <b>0.6</b>   | <b>-50.2</b> | <b>-70.9</b>  |
| Acquisitions   | -            | -41.9        | -            | -41.9        | -112.6        |
| <b>Cash flow from investment activities</b>                    | <b>-14.2</b> | <b>-56.4</b> | <b>-31.9</b> | <b>-64.5</b> | <b>-163.7</b> |
| Transactions with Group companies                              | -            | 23.0         | -            | 23.0         | 99.1          |
| Amortisation of debt   | -25.1        | -3.1         | -60.0        | -6.9         | -180.4        |
| New loans  | -            | 76.5         | -            | 83.8         | 372.3         |
| <b>Cash flow from financial activities</b>                     | <b>-25.1</b> | <b>96.4</b>  | <b>-60.0</b> | <b>99.9</b>  | <b>291.0</b>  |
| Exchange rate differences in cash and cash equivalents         | 0.3          | -0.3         | 0.8          | 1.7          | 2.7           |
| Change in liquid funds   | -28.7        | 26.6         | -58.6        | 9.5          | 110.3         |
| <b>Net debt</b>  | <b>167.1</b> | <b>157.7</b> | <b>167.1</b> | <b>157.7</b> | <b>149.7</b>  |

## Statement of change in equity

| SEKm  | 30 Jun 2022  | 30 Jun 2021  | 31 Dec 2021  |
|---|--------------|--------------|--------------|
| <b>Opening balance</b>                                | <b>551.5</b> | <b>386.5</b> | <b>386.5</b> |
| Total Result related to Parent company's shareholders | 8.4          | 13.4         | 19.3         |
| Other transactions with shareholders                  | -            | 23.0         | 145.7        |
| <b>Closing balance</b>                                | <b>559.9</b> | <b>422.9</b> | <b>551.5</b> |

## Other key figures

| SEKm   | 30 Jun 2022 | 30 Jun 2021 | 31 Dec 2021 |
|--|-------------|-------------|-------------|
| <b>OTHER KEY FIGURES</b>   |             |             |             |
| Equity/assets ratio, %   | 56.1%       | 54.7%       | 52.6%       |
| Number of shares at the end of the period, thousands                 | 24,326      | 23,890      | 24,326      |
| Number of shares at the end of the period after dilution, thousands* | 24,326      | 23,890      | 24,326      |
| Equity per share, SEK  | 23.02       | 17.70       | 22.67       |
| Equity per share, after dilution SEK*                                | 23.02       | 17.70       | 22.67       |
| Return on average share holders' equity, %                           | 0.2%        | 1.6%        | 1.0%        |
| Return on average capital employed, %                                | -1.9%       | -           | 1.3%        |
| Share price at period's end, SEK                                     | 12.60       | -           | 30.15       |
| Market value, SEKm   | 306.5       | -           | 733.4       |

\*The effect of dilution is considered only when the effect on earnings per share is negative.

## Parent company

### Income statement

| SEKm                                     | Q2          |          | jan-jun     |          | Helår       |
|--|-------------|----------|-------------|----------|-------------|
|  | 2022        | 2021     | 2022        | 2021     | 2021        |
| Net sales                                | 2.0         | -        | 3.9         | -        | 1.0         |
| Cost of goods and services sold          | -0.1        | -        | 0.0         | -        | 0.0         |
| <b>Gross profit</b>                      | <b>2.0</b>  | <b>-</b> | <b>3.9</b>  | <b>-</b> | <b>1.0</b>  |
| Operating expenses                       | -3.3        | -        | -6.0        | -        | -1.5        |
| <b>Operating profit/loss (EBIT)</b>      | <b>-1.3</b> | <b>-</b> | <b>-2.1</b> | <b>-</b> | <b>-0.5</b> |
| Net financial items                      | 1.2         | -        | 1.3         | -        | 3.6         |
| <b>Profit/loss after financial items</b> | <b>-0.1</b> | <b>-</b> | <b>-0.8</b> | <b>-</b> | <b>3.1</b>  |
| Group contribution                       | -           | -        | -           | -        | -           |
| Taxes                                    | -           | -        | -           | -        | -0.4        |
| <b>Profit/loss for the period</b>        | <b>-0.1</b> | <b>-</b> | <b>-0.8</b> | <b>-</b> | <b>2.7</b>  |

### Statement of comprehensive income

| SEKm  | Q2          |          | jan-jun     |          | Full-year  |
|---|-------------|----------|-------------|----------|------------|
|   | 2022        | 2021     | 2022        | 2021     | 2021       |
| Profit/loss for the period  | -0.1        | -        | -0.8        | -        | 2.7        |
| <b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b> |             |          |             |          |            |
| Effects from cash flow hedges   | -           | -        | -           | -        | -          |
| Deferred tax  | -           | -        | -           | -        | -          |
| <b>Total Result</b>   | <b>-0.1</b> | <b>-</b> | <b>-0.8</b> | <b>-</b> | <b>2.7</b> |

### Statement of financial position

| SEKm   | 30 Jun 2022  | 31 mar 2021 | 31 Dec 2021  |
|--|--------------|-------------|--------------|
| <b>Non-current assets</b>                        |              |             |              |
| Intangible assets                                | -            | -           | -            |
| Property, plant and equipment                    | -            | -           | -            |
| Financial assets                                 | 597.3        | -           | 622.5        |
| <b>Current assets</b>                            |              |             |              |
| Inventories                                      | -            | -           | -            |
| Current receivables                              | 4.7          | -           | 5.2          |
| Cash and cash equivalents                        | 30.9         | -           | 85.5         |
| <b>Total assets</b>                              | <b>632.9</b> | <b>-</b>    | <b>713.2</b> |
| Shareholders' equity                             | 412.9        | -           | 413.7        |
| Provisions                                       | -            | -           | -            |
| Longterm liabilities                             | 209.5        | -           | 286.2        |
| Current liabilities                              | 10.6         | -           | 13.3         |
| <b>Total shareholders equity and liabilities</b> | <b>632.9</b> | <b>-</b>    | <b>713.2</b> |

# Notes

## Not 1. Region reporting

Careium has changed the reporting so that the Group reports in four regions, the Nordic countries, the United Kingdom and Ireland, Central Europe, and other markets. This means that Other is no longer reported as it was in the company description for Careium. Central Europe includes the countries, Germany, the Netherlands, Austria, and Switzerland. Other markets include countries that are not part of another region.

## Not 2. Accounting for operating expenses

Careium has changed the reporting of operating expenses compared to previous years to follow the organization of the business. Costs for Product management have been moved from Research and development costs to Sales, distribution and marketing costs. Costs for IS / IT have been moved from Administration costs to Sales, distribution and marketing costs. Costs for certain IT services and write-downs of accounts receivable have been moved from Costs of goods and services sold to Sales, distribution and marketing costs and Administration costs, respectively. Previous periods have been recalculated according to new principles. The changes have no effect on reported operating profit (EBIT) and a marginal effect on gross profit for previous periods.

# Definitions

## Financial definitions

|  |   |
|--|---|
| <b>Average number of shares after dilution</b>                 | The average number of shares adjusted for the dilution effect of subscription options calculated as the difference between the presumed number of shares issued at the redemption price and the presumed number of issued shares at the average market price for the period.            |
| <b>Profit per share</b>  | Profit after tax divided by the average number of shares for the period.  |
| <b>Profit per share after dilution</b>                         | Profit after tax divided by the average number of shares for the period. after the dilution effect.   |
| <b>No of shares at period end period after dilution effect</b> | The no of shares at the end of the period adjusted for the dilution effect of subscription options calculated as the difference between the presumed number of shares issued at the redemption price and the presumed no of issued shares at the market price at the end of the period. |
| <b>Equity per share</b>  | Equity on the balance date divided by the number of shares on the balance date.   |
| <b>Equity per share after dilution</b>                         | Equity on the balance date divided by the number of shares at the end of the period after dilution effects.   |
| <b>Net liabilities/Net cash</b>                                | Cash and bank deposits less interest-bearing liabilities.   |
| <b>Market value. SEK million</b>                               | Share price at the end of the period times the number of shares at the end of the period.   |

## Use of non-IFRS results measurement

Guidelines regarding alternative key figures for companies with securities listed on a regulated market within the EU have been issued by the ESMA (European Securities and Markets Authority). These guidelines shall be applied to alternative key figures that are used with effect from 3 July 2016. The interim report has references to a number of non-IFRS result measurements that are used to help both investors and management in analysing the company's activities. Below we describe the non-IFRS result measurements that are used as a supplement to the financial information that is reported according to IFRS.

| SEKm                                  | Q2          |             | Jan-Jun      |              |
|---------------------------------------|-------------|-------------|--------------|--------------|
|                                       | 2022        | 2021        | 2022         | 2021         |
| <b>Currency adjusted sales growth</b> |             |             |              |              |
| Currency adjusted sales growth        | 21.4        | 10.0        |              |              |
| Currency effect                       | 6.2         | 11.7        |              |              |
| <b>Reported sales growth</b>          | <b>27.6</b> | <b>21.7</b> |              |              |
| <b>Capital employes</b>               |             |             |              |              |
| Total assets                          |             |             | 998.8        | 772.9        |
| Non-interest bearing liabilities      |             |             | 183.5        | 104.5        |
| Cash and cash equivalents             |             |             | 83.9         | 41.8         |
| <b>Reported capital employed</b>      |             |             | <b>731.4</b> | <b>626.6</b> |



## Description of financial result measurements that are not found in the IFRS rules

| <b>Non-IFRS result measurement</b>        | <b>Description</b>   | <b>Reason for use of measurement</b>  |
|---|--|---|
| <b>Restructuring costs</b>                | Costs of impairment and personnel costs in connection with restructuring.  | This measurement shows the specific costs that arise in connection with restructuring of a specific activity, which contributes to better understanding of the underlying cost level in the ongoing operational activities. |
| <b>Gross margin %</b>                     | Net sales minus cost of goods and services sold as a percentage of net sales.  | The gross margin is an important measurement for showing the margin before other costs.   |
| <b>Organic growth %</b>                   | Net sales for the period minus net sales for companies acquired during the period minus net sales for the corresponding period in the previous year as a percentage of net sales for the corresponding period in the previous year.                  | Organic growth shows the group's sales growth excluding company acquisitions.   |
| <b>Currency adjusted sales growth %</b>   | Net sales for the period recalculated with exchange rates for the corresponding period the previous year minus net sales for the corresponding period the previous year as a percentage of net sales for the corresponding period the previous year. | This measurement shows sales growth with currency effects cancelled out.  |
| <b>Equity ratio</b>                       | Equity expressed as a percentage of total assets   | A traditional measurement for showing financial risk, expressed as the percentage of the total capital that is financed by the owners.  |
| <b>Return on average equity</b>           | Rolling 12-month profit, after financial items and tax, divided by average equity.   | Shows from a shareholder perspective what the return is on the owners' invested capital.  |
| <b>Capital employed</b>                   | Total assets less non-interest-bearing liabilities and cash and bank deposits.   | The measurement shows how much total capital is used in the operation and is thus the only component in measuring return from the activities.   |
| <b>Return on average capital employed</b> | Rolling 12-month operating profit divided by the average quarterly capital employed  | The key measurement for measuring the return on all the capital in the company.   |
| <b>Number of connections</b>              | Number of subscription customers connected to alarm reception.   | This measurement shows the volume of customers in the services activities.  |



## About Careium

Careium is today one of the leading players in technology-enabled care in Europe. Careium's innovative solutions improve the safety, quality of life and independence of seniors both inside and outside the home. Careium provides its services to over 400,000 seniors in Sweden, Norway, Netherlands and United Kingdom. Most of the seniors are connected to one of Careium's five alarm receiving centers in Sweden, Norway and the United Kingdom where approximately 25,000 alarms are handled every day by one of our 600 employees in the alarm receiving center.

## Calendar

|                                   |                  |
|-----------------------------------|------------------|
| Q3-report, January-September 2022 | 21 October 2022  |
| Q4-report, January-December 2022  | 16 February 2023 |

## Contact

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## Webcast

A webcast conference call will be held Friday 15 July at 1.00 pm (CEST) when President and CEO Carl-Johan Zetterberg Boudrie will present the report. The webcast is accessed at <https://tv.streamfabriken.com/careium-q2-2022>. The presentation material is available on Careium's financial website <https://www.careium.com/sv-se/investerare>.

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*This information is information that Careium is obliged to disclose in accordance with the EU Market Abuse Regulation. The information was submitted for publication on Friday, July 15, 2022, at the time of the above contact persons, 8.00 (CEST).*