



Interim report First Quarter 2023

27 April 2023

Christian Walén, CEO & President



Quarterly Highlights

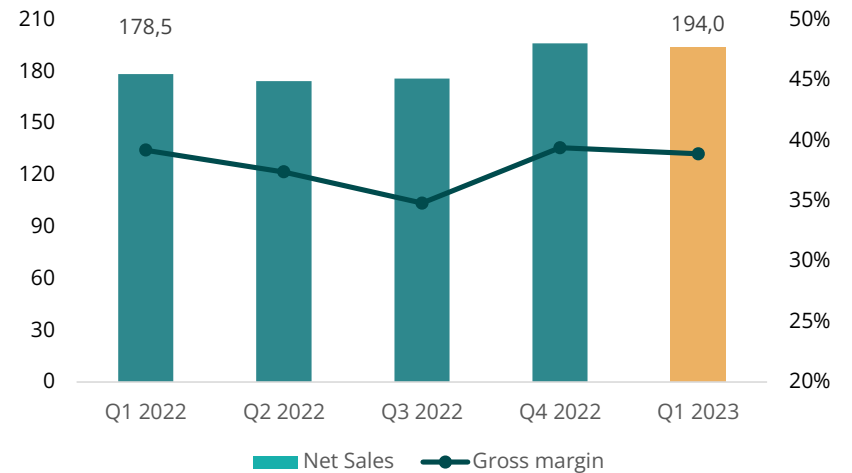
- Strong quarter both on sales, operating profit and cash flow.
- Continued success in winning and implementing new contracts in Sweden.
- Continued strong product sales in the United Kingdom, up by 84 percent reflecting transformation from analogue to digital.
- Disclosure of performance in different markets to promote greater transparency.
- Careium Sweden experienced cyber-attack forcing an 18 hour's disruption of services.



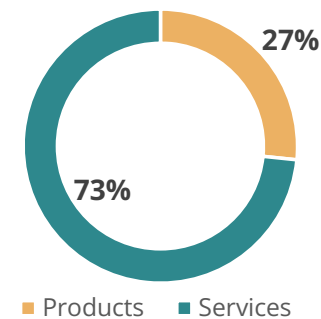
Sales and Gross Margin Q1 2023

- Continued organic sales growth of 8.7%, adjusted for currency effect growth amounted to 7.1%.
- Service sales amounted to SEK 142.5 million (139.4) an increase of 2.2% compared to Q1 2022 and product sales amounted to SEK 51.6 million (39.9) an increase of 31.9%.
- Gross margin of 38.9% in the quarter (39.2%), negatively affected by increased cost of service delivery in the alarm receiving centres due to high sick leave (seasonal flu).

Net Sales (SEKm) & Gross Margin (%)



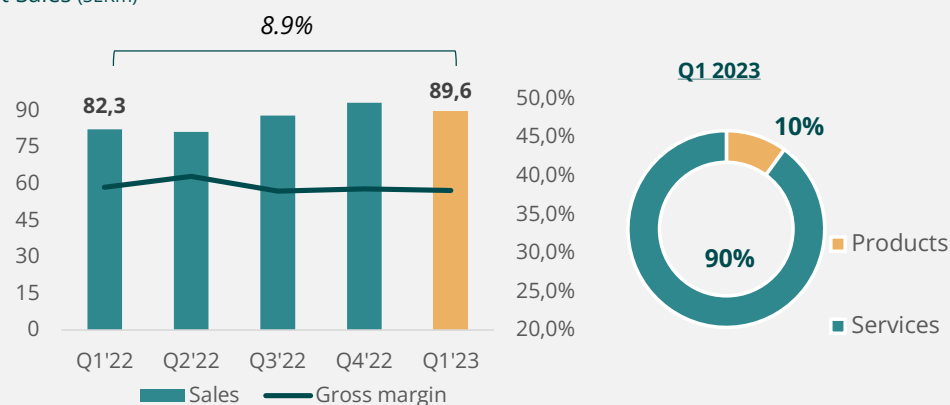
Share of Net Sales, Q1'23



Market Highlights – Nordic & United Kingdom

NORDIC

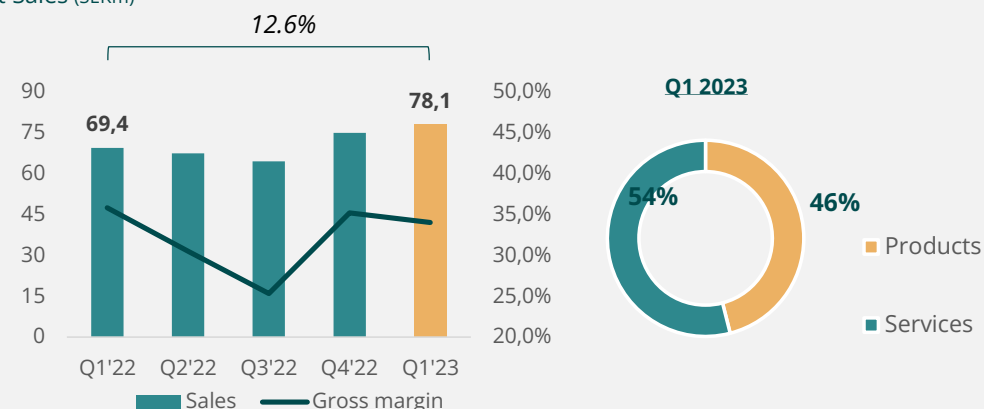
Net Sales (SEKm)



- Sales up 8.9% compared to Q1 2022. Several new contracts implemented in the quarter.
- Good performance in service delivery despite high sick leave in our alarm receiving centres, due to seasonal flu in the beginning of the quarter.
- Connections at the end of the period equalled 134,700, an increase of 4.5% compared to Q1 2022.

UNITED KINGDOM

Net Sales (SEKm)

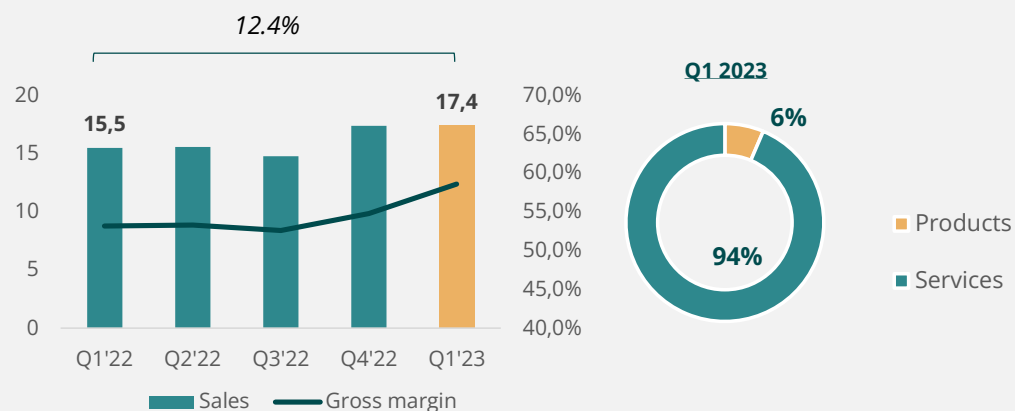


- Sales up 12.6% compared to Q1 2022.
- Product sales up 84.4% compared to Q1 2022. The digital transformation continues to increase demand for Careium's digital devices.
- Gross margin in the quarter was 34.0 percent (35.8). The activities to balance improved quality in the service delivery with improved efficiency showed remarkable improvements in quality KPI's in the quarter.

Market Highlights – Netherlands & Other Markets

NETHERLANDS

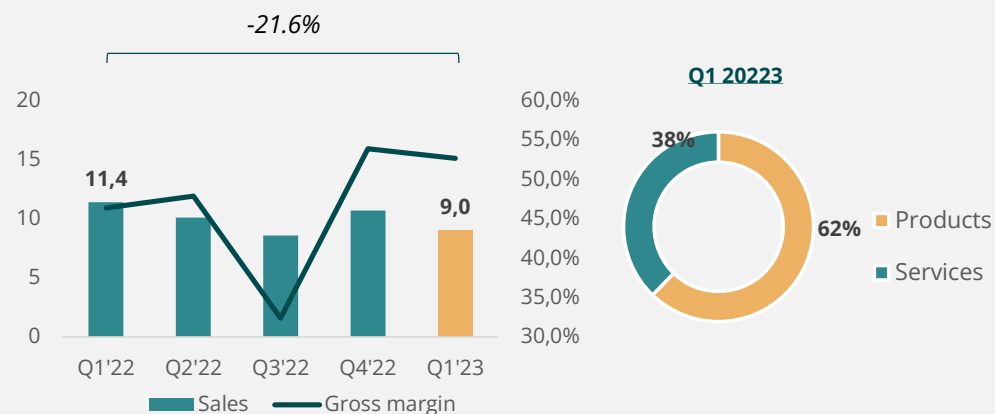
Net Sales (SEKm)



- Sales up 12.4% compared to Q1 2022.
- Service sales increased mainly due to the increase in number of connections and better customer mix.
- The improved gross margin is mainly explained by specific customer projects in the quarter.

OTHER MARKETS

Net Sales (SEKm)

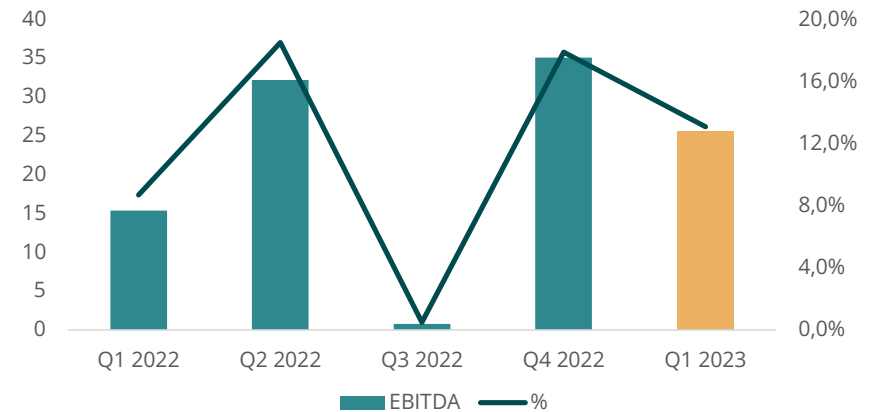


- Sales decreased by -21.6% compared to Q1 2022, mainly due to lower product sales in Germany.
- Sales in the market is mainly driven by product sales in Germany and France.
- Gross margin improved due to change in product mix.

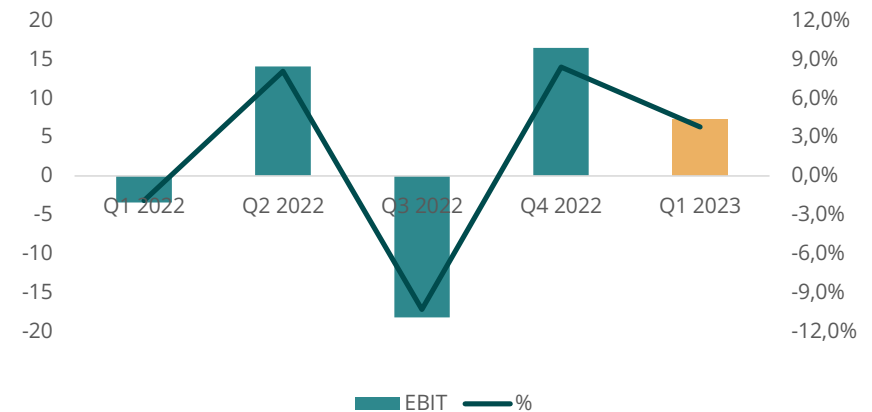
Profitability Q1 2023

- EBITDA amounted to SEK 25.5 million (-5.5). EBITDA in Q1 2023 was not affected by any restructuring costs or non-recurring items (last year the effect on EBITDA amounted to SEK -27.7m).
- EBIT amounted to SEK 7.3 million (-24.3). EBIT in Q1 2023 was not affected by any restructuring costs or non-recurring items (last year the effect on EBIT amounted to SEK -27.8m).
- The improved profitability is mainly explained by the growth in sales and the cost reductions following the action program put in place last year.

Adjusted EBITDA (SEKm)



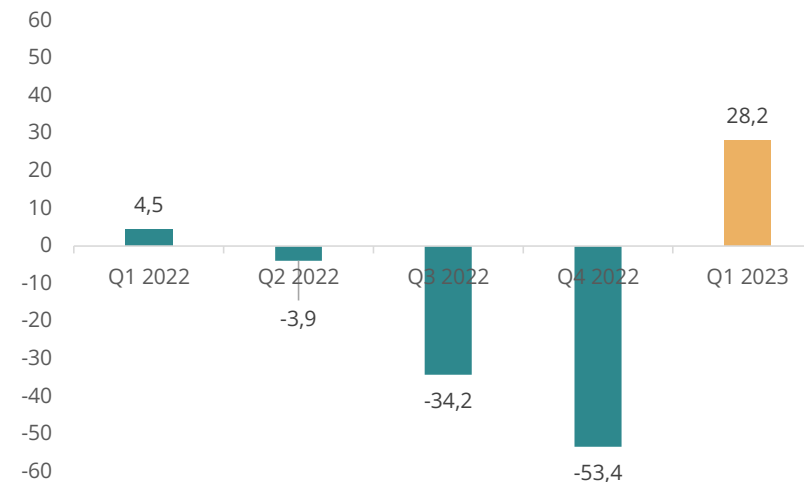
Adjusted EBIT (SEKm)



Cash Flow Q1 2023

- Cash flow from current activities during the first quarter 2023 amounted to SEK 37.9 million (22.1)
- The improved cash flow is explained by improved profitability and a decreased working capital balance following the temporarily high level of tied up working capital at the end of the previous quarter.
- Free cash flow of SEK 28.2 million (4.5).
- Cash totalled SEK 53.4 million (112.6) at end of the first quarter. In addition, the bank overdraft facility showed available cash of SEK 28.3 million (0).
- Net debt amounted to SEK 223.7 million at the end of the first quarter, compared to a net debt of SEK 253.6 million at the end of the previous quarter and a net debt of SEK 158.4 million at the end of the first quarter of 2022.
- At the end of the quarter, Careium complies with the agreed bank covenants waiver.

Free Cash Flow (SEKm)



Concluding Remarks

Q1 - Positive


- Strong sales with good organic growth.
- Free cash flow of SEK 28.2 million.
- Remarkable improvement of quality KPI's in the alarm receiving centre in UK.

Q1 - Challenges

- Gross margin burdened by high costs of service delivery due to high sick-leave explained by seasonal flu.
- Lingering component-related price/availability headwinds
- Cyber-attack caused an 18-hour service interruption affecting social alarms in Sweden. Investigation discovered a personal data breach to GDPR of a limited nature.

Q1 - Priorities Ahead

- Next step in business transformation following "Back to profit" – Taking stock of gains and taking further action
- Continued investment in digital and hardware innovation & services
- Review of organization, system landscape, etc to drive further efficiencies



Q&A

Next report: July 14, 2023

Disclaimer

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