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OFFERING MEMORANDUM

NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES

Verisure Holding AB (publ)

€1,000,000,000 4⅛% Senior Secured Notes due 2032

Verisure Holding AB (publ) (the "**Issuer**"), a public limited liability company existing under the laws of Sweden, is offering (the "**Offering**") €1,000,000,000 aggregate principal amount of 4.125% Senior Secured Notes due 2032 (the "**Notes**"). The Notes will be issued under an indenture (the "**Indenture**") to be dated July 3, 2026 (the "**Issue Date**"), among, *inter alios*, the Issuer, GLAS Trust Company LLC, as trustee of the Notes (the "**Trustee**") and Wilmington Trust (London) Limited, as security agent (the "**Security Agent**").

The Notes will bear interest at a rate of 4.125% per annum, payable semi-annually in arrears on January 15 and July 15 of each year, commencing on January 15, 2027. Prior to July 1, 2028, the Issuer will be entitled at its option to redeem all or part of the Notes at a price equal to 100% of the principal amount thereof plus a "make-whole" premium. Prior to July 1, 2028, the Issuer may redeem at its option up to 40% of the original principal amount of the Notes (including the original principal amount of any additional Notes of the same series as the Notes issued on the Issue Date) with the net proceeds from certain equity offerings at the redemption price set forth in this offering memorandum, *provided* that at least 50% of the original principal amount of the Notes (including the original principal amount of any additional Notes of the same series as the Notes issued on the Issue Date) remains outstanding. Prior to July 1, 2028, during each 12-month period commencing on the Issue Date, the Issuer may redeem up to 10% of the original aggregate principal amount of the Notes (including the original principal amount of any additional Notes of the same series as the Notes issued on the Issue Date) at its option, from time to time, at a redemption price equal to 103% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and additional amounts, if any. At any time on or after July 1, 2028, the Issuer may redeem all or part of the Notes at the redemption prices set forth in this Offering Memorandum. In addition, the Issuer may redeem all, but not part, of the Notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest and additional amounts, if any, upon the occurrence of certain changes in applicable tax law. If a change of control occurs, each holder of the Notes may require the Issuer to repurchase all or a portion of its Notes at 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to but excluding the date of purchase.

The Notes will be senior secured obligations of the Issuer. On the Issue Date, the Notes will not be guaranteed. Within 180 days after the Issue Date (the "**Post-Closing Date**"), the Notes will be jointly and severally guaranteed (the "**Guarantees**") on a senior secured basis by ESML SD Iberia Holding, S.A.U., Securitas Direct España, S.A.U., Securitas Direct Sverige AB, Verisure Sverige AB, Securitas Direct Portugal, Unipessoal Lda., Verisure Holding AS, Verisure AS, Verisure SAS, Verisure International AB, Verisure A/S and Verisure Sàrl (collectively, the "**Guarantors**"), *provided* that, if by the Post-Closing Date the Merger (as defined below) has not been completed, the Issuer will procure that the Notes will be guaranteed by the same guarantors that guarantee the Issuer's obligations under the Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Senior Facilities Agreement. On and following the Post-Closing Date, the Guarantors will also be guaranteeing the Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Senior Facilities Agreement, in each case on a senior basis.

On or before the Post-Closing Date, the Notes will be secured by first-priority security interests in the Collateral (as defined herein, the "**Collateral**") *provided* that, if by the Post-Closing Date the Merger has not been completed, the Issuer will procure that the Notes will be secured with the same collateral that secures the Issuer's obligations under the Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Senior Facilities Agreement. On and following the Post-Closing Date, the Collateral will secure the Notes alongside, and on the same first priority basis as, the Existing 2030 Fixed Rate Senior Secured Notes and the Senior Facilities Agreement, which already benefit from security over the Collateral. The validity and enforceability of the Guarantees and the Collateral will be subject to the limitations described in "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral*."

Application has been made to list the Notes on the Securities Official List of the Luxembourg Stock Exchange (the "**Exchange**"). There can be no assurance that such listing will be maintained.

See "*Risk Factors*" beginning on page 50 for a discussion of certain risks that you should consider in connection with an investment in the Notes.

The Notes and the Guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Notes are being offered and sold in the United States only to qualified institutional buyers ("**QIBs**") in reliance on Rule 144A under the U.S. Securities Act ("**Rule 144A**"), and to certain non-U.S. persons in offshore transactions outside the United States in reliance on Regulation S. Prospective purchasers that are QIBs are hereby notified that the seller of the Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. The Notes and the Guarantees are not transferable except in accordance with the restrictions described under "*Transfer Restrictions*."

Offering price for the Notes: 100.00% ("issue price") plus accrued interest, if any, from the Issue Date

The Notes will be issued in the form of one or more global notes in registered form. The Notes will initially be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof; *provided* that the Notes may only be transferred in amounts of €100,000 and integral multiples of €1,000 in excess thereof. We expect the global notes to be delivered through Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**") on or about the Issue Date.

Joint Global Coordinators and Joint Physical Bookrunners

BofA Securities
(Billing & Delivery)

Goldman Sachs Bank Europe SE

Joint Global Coordinators and Joint Bookrunners

DNB Carnegie

Nordea

SEB

Joint Bookrunners

Barclays
Crédit Agricole CIB
LBBW
MUFG

BNP PARIBAS
Danske Bank
Mediobanca
Santander

CaixaBank
J.P. Morgan
Morgan Stanley
UniCredit

The date of this Offering Memorandum is June 23, 2026.

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IMPORTANT INFORMATION

This Offering Memorandum has been prepared by the Issuer solely for use in connection with the proposed offering of the Notes. This Offering Memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes.

The Issuer, having made all reasonable enquiries, confirms that, to the best of its knowledge, information and belief (having taken all reasonable care to ensure that such is the case), this Offering Memorandum contains all information that is material in the context of the issuance and offering of the Notes and the Guarantees, that the information contained in this Offering Memorandum is true and accurate in all material respects and is not misleading in any material respect and that there are no other facts the omission of which would make this Offering Memorandum or any such information misleading in any material respect. The information contained in this Offering Memorandum is as of the date hereof.

None of BofA Securities Europe SA, Goldman Sachs Bank Europe SE, DNB Carnegie Investment Bank AB (publ), Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ), Barclays Bank Ireland PLC, BNP PARIBAS, CaixaBank, S.A., Crédit Agricole Corporate and Investment Bank, Danske Bank A/S, J.P. Morgan SE, Landesbank Baden-Württemberg, Mediobanca – Banca di Credito Finanziario S.p.A., Morgan Stanley Europe SE, MUFG Securities (Europe) N.V., Banco Santander, S.A., UniCredit Bank GmbH (each an "**Initial Purchaser**" and collectively, the "**Initial Purchasers**") or any employee of the Initial Purchasers has authorized the contents or circulation of this Offering Memorandum and does not assume any responsibility for, and will not accept any liability for, any loss suffered as a result of, arising out of, or in connection with this document or any of the information or opinions contained in it.

In making an investment decision, you should rely only on the information contained in this Offering Memorandum. None of the Issuer, the Guarantors or any of the Initial Purchasers has authorized anyone to provide you with information that is different from the information contained herein. If given, any such information should not be relied upon. None of the Issuer, the Guarantors or any of the Initial Purchasers is making an offer of the Notes in any jurisdiction where the Offering is not permitted. You should not assume that the information contained in this Offering Memorandum is accurate as of any date other than the date on the front of this Offering Memorandum.

Market data and certain industry forecasts and statistics in this Offering Memorandum have been obtained from both public and private sources, including market research, publicly available information and industry and consultant publications. Although the Issuer and the Guarantors accept responsibility for the accurate extraction and summarization of such information and data, the Issuer and the Guarantors have not in any way independently verified the accuracy of such information and data and they accept no further responsibility in respect of such information and data. In addition, the information set out in relation to sections of this Offering Memorandum describing clearing arrangements, including the sections entitled "*Description of Notes*" and "*Book-Entry, Delivery and Form*," is subject to any change in, or reinterpretation of the rules, regulations and procedures of Euroclear and Clearstream currently in effect. While the Issuer accepts responsibility for accurately summarizing the information concerning Euroclear and Clearstream, it accepts no further responsibility in respect of such information.

In this Offering Memorandum, unless otherwise specified or the context otherwise requires, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

The Issuer reserves the right to withdraw the Offering at any time. The Issuer is making the Offering subject to the terms described in this Offering Memorandum and the purchase agreement (the "**Purchase Agreement**") relating to the Notes to be entered into, *inter alios*, between the Issuer and the Initial Purchasers. The Issuer and the Initial Purchasers may reject any offer to purchase the Notes in whole or in part, sell less than the entire principal amount of the Notes offered hereby or allocate to any purchaser less than all of the Notes for which it has subscribed.

The Initial Purchasers and their respective directors, affiliates, advisors and representatives make no representation or warranty, express or implied, as to, and assume no responsibility for, the accuracy or completeness of the information contained in this Offering Memorandum. Nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers or their respective directors, affiliates, advisors or representatives as to the past or the future. The Issuer and the Guarantors have furnished the information contained in this Offering Memorandum.

In connection with this new issue of Notes, the Initial Purchasers do not act for or provide services, including providing any advice, in relation to this new issue of Notes to any person other than the Issuer. The Initial Purchasers will not regard any person other than the Issuer, including actual or prospective holders of the Notes,

as their client in relation to this new issue of Notes. Accordingly, the Initial Purchasers will not be responsible to anyone other than the Issuer for providing the protections (regulatory or otherwise) afforded to its clients.

The Initial Purchasers will provide you with a copy of this Offering Memorandum and any related amendments or supplements. By receiving this Offering Memorandum, you acknowledge that you have had an opportunity to ask questions of the Issuer and that you have received all answers you deem necessary to verify the accuracy and completeness of the information contained in this Offering Memorandum. You also acknowledge that you have not relied on the Initial Purchasers or their respective directors, affiliates, advisors or representatives in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes. In accordance with normal and accepted market practice, neither the Trustee, the Security Agent, the Principal Paying Agent (as defined below), the Registrar (as defined below) nor the Transfer Agent (as defined below) is responsible for the contents of this Offering Memorandum or expresses any opinion as to the merits of the Notes under this Offering Memorandum.

In making an investment decision, you must rely solely on the information contained in this Offering Memorandum and your own examination of the Issuer and the Guarantors and their respective subsidiaries and the terms of the Offering, including the merits and risks involved. In addition, none of the Issuer, the Guarantors, their respective directors, subsidiaries and affiliates, the Initial Purchasers and none of any of their respective directors, affiliates, advisors or representatives, are making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this Offering Memorandum as legal, business, financial or tax advice. You should consult your own advisers as to legal, tax, business, financial and related aspects of an investment in the Notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this Offering Memorandum, and you must obtain all applicable consents and approvals; none of the Issuer, the Guarantors, their respective subsidiaries and affiliates, the Initial Purchasers or their respective directors, affiliates, advisors or representatives shall have any responsibility for any of the foregoing legal requirements. The distribution of this Offering Memorandum and the Offering and sale of the Notes in certain jurisdictions may be restricted by law. You should refer to "*Plan of Distribution*" and "*Transfer Restrictions*."

This Offering Memorandum as well as all information contained herein is meant to provide details on the securities and the Issuer in relation to the admission of the securities onto the securities official list held by the Luxembourg Stock Exchange without admission to trading on one of the securities markets operated by LuxSE (LuxSE SOL). The Offering Memorandum has been prepared for the sole goal of being admitted and displayed on LuxSE SOL. It does not provide any key information to be used for making investment decisions.

The Offering Memorandum is provided for information purposes only. It does not constitute and is not construed as any advice, solicitation, offer, endorsement, commitment or recommendation to invest in the securities described herein. The provision of the Offering Memorandum is not and shall not be a substitute for your own research, investigations, verifications, checks or consultation for professional or investment advice. You are using the Offering Memorandum at your own risk.

The Notes will be available in book-entry form only. We expect that the Notes sold pursuant to this Offering Memorandum will be issued in the form of one or more global notes. The global notes will be deposited and registered in the name of a common depositary for Euroclear and Clearstream. Transfers of interests in the global notes will be effected through records maintained by Euroclear and Clearstream, respectively, and their respective participants. The Notes will not be issued in definitive registered form except under the circumstances described in the section "*Book-Entry, Delivery and Form*."

Application has been made to list the Notes on the Securities Official List of the Luxembourg Stock Exchange (the "**Exchange**"), without admission to trading on one of the securities markets operated by the Exchange. We may be required to update the information in this Offering Memorandum to reflect changes in the business, financial condition or results of operations and prospects of the Issuer, the Guarantors and their respective subsidiaries. There is no assurance that the listing of the Notes on the Securities Official List of the Exchange will be maintained, and settlement of the Notes was not conditioned on obtaining this listing.

Please refer to the sections in this Offering Memorandum entitled "*Plan of Distribution*" and "*Transfer Restrictions*" for a description of certain further restrictions on offers and sales of Notes and distribution of this Offering Memorandum.

THE NOTES MAY NOT BE OFFERED TO THE PUBLIC WITHIN ANY JURISDICTION. BY ACCEPTING DELIVERY OF THIS OFFERING MEMORANDUM, YOU AGREE NOT TO OFFER, SELL, RESELL, TRANSFER OR DELIVER, DIRECTLY OR INDIRECTLY, ANY NOTES TO THE PUBLIC.

Notice to Prospective Investors in the European Economic Area

This Offering Memorandum has been prepared on the basis that any offer of the securities referred to herein in any Member State of the EEA will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer in a Member State of Notes which are the subject of the offering contemplated in this Offering Memorandum may only do so in circumstances in which no obligation arises for the Issuer or any of the Initial Purchasers to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the Initial Purchasers to publish a prospectus for such offer. The expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129. This paragraph is subject to the paragraph below.

Prohibition of Sales to EEA Retail Investors: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by the Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This Offering Memorandum is not a prospectus for the purposes of the EU Prospectus Regulation. This EEA selling restriction is in addition to any other selling restriction set out in this Offering Memorandum.

MiFID II Product Governance / Professional Investors and ECPs only target market: Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Notice to Swedish Investors

This Offering Memorandum is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the EU Prospectus Regulation nor any other Swedish enactment. Neither the Swedish Financial Supervisory Authority (*Finansinspektionen*) nor any other Swedish public body has examined, approved or registered this Offering Memorandum or will examine, approve or register this Offering Memorandum. Accordingly, this Offering Memorandum may not be made available, nor may the Notes otherwise be marketed and offered for sale, in Sweden other than in circumstances that constitute an exemption from the requirement to prepare a prospectus under the EU Prospectus Regulation.

Notice to Spanish Investors

The Notes may not be sold, offered or distributed in Spain except in accordance with the requirements of the law governing Spanish securities markets and investment services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*), as amended from time to time, and Royal Decree 814/2023, of November 8, on financial instruments, admission to trading, registration of marketable securities and market infrastructures (*Real Decreto 814/2023, de 8 de noviembre, sobre instrumentos financieros, admisión a negociación, registro de valores negociables e infraestructuras de mercado*), as amended or replaced from time to time. The Notes may not be sold, offered or distributed to persons in Spain, except in circumstances which do not require the registration of a prospectus in Spain or without complying with all legal and regulatory requirements under Spanish securities laws. Neither the Notes, the Offering nor this Offering Memorandum and its contents have been approved or registered with the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*).

Notice to Portuguese Investors

Neither the Offering, nor the Notes have been approved by the Portuguese Securities and Exchange Commission (*Comissão do Mercado de Valores Mobiliários*, the "**CMVM**") or by any other competent authority of another EU Member State and notified to the CMVM. The Notes may not, directly or indirectly, be offered or sold in Portugal, and neither can the Offering Memorandum, any prospectus, form of application, advertisement or other document or information relating to the Notes be distributed or published in Portugal and no action has been or will be taken in the future that would permit a public offering of any of the Notes in Portugal or for this Offering Memorandum to be distributed or published in Portugal. Accordingly, no Notes may be offered, sold or distributed, except under circumstances that will not be considered as a public offering under article 109 of the Portuguese Securities Code (*Código dos Valores Mobiliários*) approved by Decree-Law no. 486/99, of November 13, as last amended by Law no. 73/2025, of December 23 (the "**PSC**"). As a result, the Offering, and any material relating to the Offering, is addressed solely to, and may only be accepted by, any persons or legal entities that are resident in Portugal or that will hold the Notes through a permanent establishment in Portugal (each a "**Portuguese Investor**") to the extent that the Portuguese Investors are deemed professional investors (*investidores profissionais*) (each a "**Portuguese Professional Investor**") under paragraphs 1 and 4 of article 30 of the PSC.

Notice to U.K. Investors

This Offering Memorandum is only being distributed to and is only directed at (i) persons who are outside the United Kingdom, (ii) persons who have professional experience in matters relating to investments and are investment professionals as defined within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (iii) high net worth bodies corporate and any other person falling within Article 49(2)(a) to (d) of the Order, or (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (as amended), or "**FSMA**"), and any other persons to whom it may otherwise lawfully be made in accordance with the Order or Section 21 of the FSMA (all such persons together being referred to as "**relevant persons**").

The Offering Memorandum has been prepared on the basis that any offer of the securities in the United Kingdom will be made pursuant to an exemption under the POATRs and that no prospectus will be required to be prepared and published for the purpose of the Prospectus Rules: Admission to Trading on a Regulated Market Sourcebook (the "**PRM**"). The Offering Memorandum is not a prospectus for the purposes of the PRM.

Prohibition of Sales to UK Retail Investors: The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and, therefore, offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC or the Consumer Composite Investments (Designated Activities) Regulations 2024.

UK MiFIR product governance/Professional investors and ECPs only target market: Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Notice to Swiss Investors

This Offering Memorandum is not intended to constitute an offer or solicitation to purchase or invest in the Notes. No Notes have been offered or will be offered, directly or indirectly, to the public in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**"), except that offers of Notes may be made to the public in Switzerland at any time under the following exemptions under the FinSA:

(a) to any person which is a professional client as defined under FinSA;

(b) to fewer than 500 persons (other than professional clients as defined under FinSA), subject to obtaining the prior consent of Joint Global Coordinators for any such offer; or

(c) in any other circumstances falling within Article 36 FinSA in connection with Article 44 of the Swiss Financial Services Ordinance ("**FinSO**"),

provided, in each case, that no such offer of Notes shall require the Issuer to publish a prospectus pursuant to Article 35 FinSA.

The Notes have not been and will not be listed or admitted to trading on a trading venue (*i.e.*, an exchange or a multilateral trading facility) in Switzerland.

Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to FinSA and neither this document nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland. This and any other offering or marketing materials in relation to the Notes are personal to each recipient and may not be publicly distributed or otherwise made publicly available in or into Switzerland.

The Notes are not intended to be offered, sold, marketed or otherwise made available to and shall not be offered, sold, marketed or otherwise made available to any private client in Switzerland other than in the context of a portfolio management agreement within the meaning of Article 58(2) FinSA and Article 83 of the Swiss Financial Services Ordinance. No key information document within the meaning of Article 58 FinSA has been prepared with respect to the Notes. Neither this Offering Memorandum, nor any other offering or marketing material has been or will be filed with or approved by a Swiss review body (SIX Exchange Regulation AG or BX Swiss) pursuant to FinSA.

Notice to Norwegian Investors

This Offering Memorandum is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the Norwegian Securities Trading Act of 2007 nor any other Norwegian enactment. Neither the Norwegian Financial Supervisory Authority (*Finanstilsynet*) nor any other Norwegian public body has examined, approved or registered this Offering Memorandum or will examine, approve or register this Offering Memorandum. Accordingly, this Offering Memorandum may not be made available, nor may the Notes otherwise be marketed and offered for sale, in Norway other than in circumstances that constitute an exemption from the requirement to prepare a prospectus under the Norwegian Securities Trading Act of 2007.

Notice to French Investors

This Offering Memorandum has not been prepared and is not being distributed in the context of an offer of securities to the public in France (other than to qualified investors in France) within the meaning of Article 2(d) of the EU Prospectus Regulation and Title 1 of Book II of the *Règlement Général de l'Autorité des Marchés Financiers*, and has not been approved by, registered or filed with the *Autorité des marchés financiers* (the "**AMF**"), nor any competent authority of another EU Member State that would have notified its approval to the AMF under the EU Prospectus Regulation and in any EU Member State. Therefore, the Notes may not be, directly or indirectly, offered or caused to be offered or sold to the public in France (*offre au public de titres financiers*) and this Offering Memorandum and any other offering or marketing material or information relating to the Notes has not been and will not be released, issued or distributed or caused to be released, issued or distributed to the public in France or used in connection with any offer for subscription or sales of the Notes to the public in France in any way that would constitute, directly or indirectly, an offer to the public in France.

Offers, sales and distributions of the Notes have only been and shall only be made in France to qualified investors (*investisseurs qualifiés*) within the meaning of Article 2(e) of the EU Prospectus Regulation and in accordance with Articles L.411-1 and L.411-2 of the French Code monétaire et financier.

Prospective investors are informed that (a) this Offering Memorandum has not been and will not be submitted for approval to the AMF and (b) the direct and indirect distribution or sale to the public in France of the Notes so acquired by them may only be made in compliance with Articles L.411-1 to L.411-4, L.412-1 and L.621-8 to L. 621-8-2 of the French Code monétaire et financier.

Notice to Danish Investors

This Offering Memorandum is not a prospectus and has not been filed with or approved by the Danish Financial Supervisory Authority (*Finanstilsynet*) or any other regulatory authority in Denmark. The Notes have not been

offered or sold and may not be offered, sold, or delivered directly or indirectly in Denmark, unless in compliance with, as applicable, the Danish Capital Markets Act (Consolidated Act No. 1493 of 18 November 2025 as amended and supplemented from time to time (*lov om kapitalmarkeder*)) and the executive orders (*bekendtgørelser*) issued thereunder, and in compliance with the Prospectus Regulation (Regulation 2017/1129/EU) and in compliance with Executive Order No. 760 of 14 June 2024 on Investor Protection in connection with Securities Trading, as amended from time to time, issued pursuant to the Danish Financial Business Act (Consolidated Act No. 1390 of 18 November 2025 as amended and supplemented from time to time (*lov om finansiel virksomhed*)).

Notice Regarding U.S. Securities Laws

THE NOTES OFFERED PURSUANT TO THIS OFFERING MEMORANDUM HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT, AND ARE BEING OFFERED AND SOLD ONLY TO: (1) QUALIFIED INSTITUTIONAL BUYERS ("**QIBs**") WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT OR (2) NON-U.S. PERSONS OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN ACCORDANCE WITH, REGULATION S. THE TERM "**U.S. PERSON**" HAS THE MEANING GIVEN TO IT IN REGULATION S.

ANY PERSON WHO PURCHASES OR ACQUIRES THE NOTES WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED, BY ACCEPTING DELIVERY OF THIS OFFERING MEMORANDUM OR DELIVERY OF THE NOTES, THAT IT IS (A) A QIB, OR (B) A PERSON WHO IS NOT A U.S. PERSON AND PURCHASING OR ACQUIRING THE NOTES OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OF REGULATION S IN AN "OFFSHORE TRANSACTION" AS DEFINED IN REGULATION S.

IN ADDITION, UNTIL 40 DAYS AFTER THE LATER OF THE ISSUE DATE AND THE DATE ON WHICH THE NOTES WERE FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN REGULATION S), AN OFFER OR SALE OF THE NOTES WITHIN THE UNITED STATES BY A BROKER/DEALER (WHETHER OR NOT PARTICIPATING IN THE OFFERING OF THE NOTES) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT IF SUCH OFFER OR SALE IS MADE OTHERWISE THAN IN ACCORDANCE WITH AN APPLICABLE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT.

Stabilization

IN CONNECTION WITH THIS OFFERING, BOFA SECURITIES EUROPE SA (THE "**STABILIZING MANAGER**"), OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER, MAY OVER-ALLOT THE NOTES DURING THE STABILIZATION PERIOD OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILIZATION ACTION MAY NOT NECESSARILY OCCUR. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT MUST END NO LATER THAN 30 CALENDAR DAYS AFTER THE DATE ON WHICH THE ISSUER RECEIVED THE PROCEEDS OF THE ISSUE, OR NO LATER THAN 60 CALENDAR DAYS AFTER THE DATE OF ALLOTMENT OF THE NOTES, WHICHEVER IS EARLIER. ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements, including statements about market trends and our strategy, investments, future operations, industry forecasts, domestic, regional and global economic conditions and supply and demand levels, competition in our geographies, regulatory framework and levels of leverage and indebtedness. Forward-looking statements provide our current expectations, intentions or forecasts of future events. Forward-looking statements include statements about expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not statements of historical fact. Words or phrases such as "anticipate," "believe," "continue," "ongoing," "estimate," "expect," "foresee," "intend," "may," "plan," "potential," "predict," "project," "target," "seek" or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Our actual results could differ materially from those anticipated in our forward-looking statements for many reasons, including the factors described in the section entitled "*Risk Factors*" in this Offering Memorandum. In addition, even if our actual results are consistent with the forward-looking statements contained in this Offering Memorandum, those results or developments may not be indicative of results or developments in subsequent periods. For example, factors that could cause our actual results to vary from projected future results include, but are not limited to:

- rapid changes in technology and our ability to successfully manage and address customer expectations;
- adverse changes in both global and regional economic and political conditions;
- our ability to compete effectively in our industry;
- our ability to compete effectively with bundled products and services that may be offered by certain of our potential competitors;
- cybersecurity and privacy concerns, including potential security breaches and compliance with regulations regarding the use of personal customer data;
- any significant or prolonged disruption of our monitoring centers, their support systems or our data centers;
- our dependence on our experienced management team, who would be difficult to replace;
- the obligations, including expenses and resources and management attention, associated with being a public company;
- potential increase in customer attrition or failure to acquire new customers in a cost-effective manner;
- our vulnerability to negative developments in Iberia (Spain and Portugal), Italy and France;
- our exposure to risks associated with foreign currency fluctuations;
- the impact of retirement of older telecommunication technology and limitations on our customers' telecommunications services and equipment;
- product defects or shortfalls in our customer service;
- potential disputes or other events relating to the brand name SECURITAS;
- potential adverse developments in our relationships with our employees and inability to attract new talent;
- increasing operating costs and inability to realize efficiencies and additional cost savings associated with implementation of our FOG program and Fit for Growth program;
- impairment losses resulting from potential declines in the fair value of our assets;
- costs arising from unauthorized use of, or disputes involving, our proprietary technology;
- insufficient insurance coverage;

- our ability to effectively manage our growth into new geographies;
- costs arising from our warranty obligations;
- disruptions in our supply chain;
- our actual results differ significantly from our financial targets and our estimates of market share and penetration prove to be inaccurate;
- failure to keep pace with the ESG reforms and expectations from the regulators and clients;
- risks related to tax as a result of changes in the tax law and its interpretation;
- potential impacts of the OECD's "Pillar Two" global minimum tax rules and related domestic regimes;
- failure to comply with evolving interpretations of the laws and regulations regarding data privacy;
- costs of complying with current or future regulatory requirements;
- increased scrutiny of compliance with consumer protection legislation and higher fines for alleged infringements;
- costs arising from legal and arbitration proceedings;
- failure to generate sufficient cash to service all our indebtedness and to fund our capital expenditures;
- failure to secure additional financing on favorable terms; and
- risks associated with our structure and the terms of the Notes and the Guarantees and other indebtedness.

These risks and others described under "*Risk Factors*" are not exhaustive. Other sections of this Offering Memorandum describe additional factors that could materially adversely affect our results of operations, financial condition, liquidity and the development of the industry or the regulatory regimes under which we operate. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward looking statements. Given these risks and uncertainties, you should not rely on forward looking statements as a prediction of actual results.

Any forward looking statements are only made as of the date of this Offering Memorandum, and we do not intend, and do not assume any obligation, to update forward looking statements set forth in this Offering Memorandum. You should interpret all subsequent written or oral forward looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this Offering Memorandum. As a result, you should not place undue reliance on these forward looking statements.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Statements and Other Financial Information

This Offering Memorandum includes (i) the audited consolidated financial statements of Verisure Group Topholding AB (the "**Topholding**") as of and for the years ended December 31, 2024 and 2023 (the "**Topholding Audited Consolidated Financial Statements**"), which have been prepared in accordance with International Financial Reporting Standards, as approved by the EU ("**EU IFRS**") and have been audited by Öhrlings PricewaterhouseCoopers AB, (ii) the audited consolidated financial statements of Verisure plc as of and for the year ended December 31, 2025 (the "**Verisure plc Audited Consolidated Financial Statements**", and together with the Topholding Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**"), which have been prepared in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006 ("**UK IFRS**") and EU IFRS (together with the UK IFRS, "**IFRS**"), and have been audited by PricewaterhouseCoopers LLP, and (iii) the unaudited condensed consolidated financial statements of Verisure plc as of and for the three months ended March 31, 2026, including comparative information for the three months ended March 31, 2025 presented as a continuation of the Topholding 2025 consolidated accounts on the basis that Verisure plc was not established as the parent company of Topholding until October 7, 2025 (see note 1 in the section "*Unaudited Condensed Consolidated financial statements of Verisure plc—March 31, 2026, 2025—Notes*" of this Offering Memorandum) (the "**March 31 Consolidated Financial Statements**"), which have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting* ("**IAS 34**"). Topholding is the direct subsidiary of Verisure plc, and, following the Merger (as defined below), will be the direct parent of the Issuer.

Verisure plc was incorporated on May 9, 2025 and Aegis 2 (as defined below) acquired Verisure plc on August 29, 2025. On September 16, 2025, it was re-registered as a public company limited by shares and its name changed to Verisure plc. On October 7, 2025, Aegis 2 contributed 100% of the shares in Topholding to Verisure plc, in exchange for shares of Verisure plc that had an aggregate value equal to the aggregate value of the entire issued share capital of Topholding (the actions described in this section, together, being the "**Reorganization**"). After completion of the Reorganization, Verisure plc became the new parent company of the Group (as defined below) and we report our consolidated financial condition and results of operations for the Group on an ongoing basis at the level of Verisure plc. Following the Reorganization, certain Verisure plc shares were sold to investors in an initial public offering on Nasdaq Stockholm (the "**IPO**"), with the first day of trading for those shares being October 8, 2025.

Accordingly, the historical financial information and operational information in this Offering Memorandum (i) prior to the Reorganization (including as of and for the years ended December 31, 2024 and 2023 and as of and for the three months ended March 31, 2025) is for Topholding and its subsidiaries on a consolidated basis, and (ii) after the Reorganization (including as of and for the year ended December 31, 2025, and as of and for the three months ended March 31, 2026), is for Verisure plc and its subsidiaries on a consolidated basis.

The consolidated financial statements of Verisure plc are not directly comparable to the historical financial information of Topholding and its subsidiaries. The differences between the consolidated financial position and results of operations as of and for the year ended December 31, 2025 and as of and for the three months ended March 31, 2026 of Verisure plc and Topholding primarily related to costs related to the IPO.

The consolidated financial statements of Topholding are not directly comparable to the historical financial information of the Issuer and its subsidiaries. The differences between the consolidated financial position and results of operations as of and for the years ended December 31, 2024 and 2023 and as of and for the three months ended March 31, 2025 of Topholding and the Issuer primarily related to the board remuneration, certain intercompany items, acquisition-related items from historical acquisitions, and certain financing effects at Midholding (as defined below).

The Issuer does not publish its own financial statements, and we believe that each of Verisure plc and Topholding consolidated financial statements, subject to the differences noted above, adequately reflect the Issuer's and its subsidiaries' consolidated financial results and financial position for the applicable periods. Therefore, the financial and operating results and certain other information relating to Verisure plc and Topholding and their consolidated subsidiaries have been presented in this Offering Memorandum in lieu of the Issuer and its subsidiaries. Verisure plc will be the reporting entity under the reporting covenant pursuant to the Indenture. For further information, see "*Description of Notes*."

Unaudited Pro Forma As Adjusted Financial Information

We present in this Offering Memorandum certain financial information of the Group on an as adjusted basis to give *pro forma* effect to the Transactions (as defined below) as if they had occurred on (i) April 1, 2025, for the

purposes of as adjusted income statement items for the twelve months ended March 31, 2026, (ii) October 1, 2025, for the purposes of as adjusted income statement items for the six months ended March 31, 2026, annualized and (iii) March 31, 2026, for the purposes of as adjusted balance sheet items. Our historical results may not be indicative of our future results following the consummation of the Transactions. The unaudited pro forma as adjusted financial information presented has not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act, the Prospectus Regulation, the PRM or any generally accepted accounting standards. Neither the assumptions underlying the adjustments nor the resulting as adjusted financial information have been audited or reviewed in accordance with any generally accepted accounting standards.

Unaudited Pro Forma Financial Information

We further present in this Offering Memorandum Adjusted *Pro Forma* EBITDA, last two quarters annualized, which is calculated as our last two quarters of Adjusted EBITDA, multiplied by two. See "*Summary Consolidated Historical Financial and Other Data*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Use of Proceeds*."

These *pro forma* and adjusted numbers have not been and cannot be audited, reviewed or verified by any independent accounting firm. This information is inherently subject to risks and uncertainties and may not give an accurate or complete picture of our future results of operations or may not be comparable to our consolidated financial statements or the other financial information included in this Offering Memorandum and should not be relied upon when making an investment decision. Our historical results may not be indicative of our future results following consummation of the Transactions. The unaudited *pro forma* financial data has not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act, the Prospectus Regulation, the PRM or any generally accepted accounting standards. The *pro forma* and adjusted numbers reflect pro forma adjustments based upon available information and certain assumptions that we believe to be reasonable. The *pro forma* and adjusted numbers have been prepared for illustrative purposes only and should not be considered indicative of the actual position that would have been achieved had the Transactions been consummated on the date indicated nor is it meant to be indicative of our future financial position or results. Neither the assumptions underlying the *pro forma* adjustments nor the resulting *pro forma* financial information have been audited or reviewed in accordance with any generally accepted accounting standards.

Non-IFRS Financial and Operating Information

We have included in this Offering Memorandum non-IFRS financial measures (collectively, the "Non-IFRS Metrics"), including:

- Acquisition Multiple is our initial investment made to acquire a new customer ("**CPA**", as defined below) divided by the annualized monthly Adjusted EBITDA per subscriber ("**EPC**", as defined below), as further described under footnote (9) under "*Summary Consolidated Historical Financial and Other Data – Key Operating Metrics*";

- Adjacencies Adjusted EBITDA refers to operating profit, excluding depreciation and amortization, retirement of assets and separately disclosed items for the Adjacencies segment;

- Adjusted EBIT refers to operating profit, excluding acquisition-related items, share-based compensation expenses and separately disclosed items. Acquisition-related items relate to amortization and depreciation impact on operating profit mainly from the 2020 Business Combination. This impact is excluded from operating profit to better reflect underlying business performance absent the 2020 Business Combination;

- Adjusted EBIT margin refers to Adjusted EBIT divided by revenue. See footnote (5) under "*Summary Consolidated Historical Financial and Other Data – Key Operating Metrics*";

- Adjusted EBITDA means operating profit, excluding depreciation and amortization, retirement of assets, separately disclosed items and share-based compensation, as further described under footnote (1) under "*Summary Consolidated Historical Financial and Other Data – Key Operating Metrics*";

- Adjusted EBITDA incl. SDIs refers to operating profit, excluding depreciation and amortization and retirement of assets;

- Adjusted EBITDA margin refers to Adjusted EBITDA divided by revenue;

- Adjusted EBITDA margin incl. SDIs refers to Adjusted EBITDA incl. SDIs divided by revenue;

- Adjusted earnings per share ("**Adjusted EPS**") refers to net profit or (loss) for the period attributable to the shareholders of the parent company, before acquisition-related items, share-based compensation expenses and separately disclosed items including tax impact of these components, divided by the weighted average number of shares for the period. Acquisition-related items relate to amortization and depreciation impact on net profit mainly from the 2020 Business Combination. This impact is excluded to better reflect the underlying net profit absent the 2020 Business Combination. See footnote (7) under "*Summary Consolidated Historical Financial and Other Data – Key Operating Metrics*";

- Adjusted Net Profit or (Loss) refers to the net profit or (loss) for the period, before acquisition-related items, share-based compensation expenses and separately disclosed items (net of tax). Acquisition-related items relate to the amortization and depreciation impact in net profit absent historic business combinations;

- Adjusted Operating Cash Flow refers to Adjusted Operating Cash Flow before portfolio growth less organic portfolio growth investment (the difference between the number of new customers and the number of cancellations, multiplied by CPA), as further described under footnote (6) under "*Summary Consolidated Historical Financial and Other Data – Key Operating Metrics*";

- Adjusted Operating Cash Flow before portfolio growth refers to Adjusted EBIT, add-back of depreciation and amortization and retirements of assets, Customer Acquisition Adjusted EBITDA, less capital expenditures, repayment of lease liabilities and change in working capital for the period, after the attrition replacement investment (the number of cancellations multiplied by CPA);

- Adjusted *Pro Forma* EBITDA, last two quarters annualized refers to our last two quarters of Adjusted EBITDA, multiplied by two, as further adjusted by the *pro forma* calculations, as further described under footnote (7) under "*Summary Consolidated Historical Financial and Other Data – Pro Forma and as Adjusted Financial Data*";

- Annualized recurring revenue (the "**ARR**") refers to the total number of subscribers in our portfolio at the end of the period, multiplied by the last twelve months ("**LTM**") average revenue per user ("**ARPU**", as defined below), multiplied by 12 months. See footnote (18) under "*Summary Consolidated Historical Financial and Other Data – Key Operating Metrics*"[1];

- ARR growth refers to ARR for the relevant period divided by ARR for the same period last year;

- Cancellations refers to the number of cancelled subscriptions net of reinstates during the period, including cancellations on acquired portfolios;

- Cash Conversion refers to Adjusted Operating Cash Flow divided by Adjusted EBIT;

- Capital employed refers to the total value of equity and borrowings, adjusted for derivatives related to financing structures, tax assets/liabilities, cash and acquired intangible assets from the 2020 Business Combination;

- Cost per acquisition ("**CPA**") refers to net cash investment to acquire a subscriber, including costs related to the marketing and sales process, installation of the alarm system, costs of alarm system products and overhead expenses for the Customer Acquisition process. The metric is calculated net of revenue from security audit and installation fees charged to the subscriber and represents the sum of Adjusted EBITDA plus capital expenditures in our Customer Acquisition segment on average for every subscriber acquired, as further described under footnote (20) under "*Summary Consolidated Historical Financial and Other Data – Key Operating Metrics*";

- Customer Acquisition Adjusted EBITDA refers to operating profit, excluding depreciation and amortization, retirement of assets and separately disclosed items for the Customer Acquisition segment;

- Customer Acquisition capital expenditures refers to the purchases of equipment for new customers and direct incremental costs related to the acquisition of customer contracts;

- Last two quarters annualized refers to our last two quarters of the relevant metric, multiplied by two;

[1] In the fourth quarter of 2025, we updated the definition of ARR to better reflect stability against quarterly seasonality, particularly price increases and upgrade propensity. Previously, ARR referred to the total number of subscribers in our portfolio at the end of the period, multiplied by the last three months average revenue per user ("ARPU", as defined below), multiplied by 12 months.

- LTM attrition rate refers to the number of net cancellations to our monitored alarm service in the last 12 months, divided by the average number of subscribers during the last 12 months;

- Monthly Adjusted EBITDA per customer ("**EPC**") refers to Monthly Adjusted EBITDA from our existing subscriber portfolio ("**Portfolio Services Adjusted EBITDA**") divided by the average number of subscribers, as further described under footnote (16) under "*Summary Consolidated Historical Financial and Other Data – Key Operating Metrics*";

- Monthly average revenue per user ("**ARPU**") refers to Portfolio Services segment revenue (consisting of monthly average subscription fees and sales of additional products and services) divided by the average number of subscribers during the relevant period, as further described under footnote (15) under "*Summary Consolidated Historical Financial and Other Data – Key Operating Metrics*";

- Portfolio reinvestment rate refers to the ratio of Customer Acquisition Cost and Portfolio Services Adjusted EBITDA less Portfolio Services capital expenditures, as further described under footnote (11) under "*Summary Consolidated Historical Financial and Other Data – Key Operating Metrics*";

- Portfolio Services Adjusted EBITDA refers to operating profit, excluding depreciation and amortization, retirement of assets and separately disclosed items for the Portfolio Services segment;

- Portfolio Services Adjusted EBITDA margin refers to the Portfolio Services Adjusted EBITDA divided by Portfolio Services revenue;

- Recurring monthly cost ("**RMC**") refers to the monthly cost per subscriber in our Portfolio Services segment, calculated as the difference between ARPU and EPC, as further described under the footnote (17) under "*Summary Consolidated Historical Financial and Other Data – Key Operating Metrics*";

- Return on capital employed ("**ROCE**") refers to LTM Adjusted EBIT divided by average capital employed in the last four quarters, as further described under the footnote (8) under "*Summary Consolidated Historical Financial and Other Data – Key Operating Metrics*";

- Revenue growth refers to the Revenue for the relevant period divided by revenue for the same period last year;

- Separately disclosed items ("**SDI**") refers to income and costs that have been recognized in the consolidated income statement which management believes, due to their nature, collective size or incident, should be disclosed separately to give a more comparable view of the year-on-year financial performance; and

- Subscriber growth rate refers to the number of subscribers at the end of the period divided by the number of subscribers at the end of the relevant period.

The Non-IFRS Metrics, also referred to as alternative performance measures and other performance metrics, are not specifically defined under IFRS or any other generally accepted accounting principles. These measures are presented in this Offering Memorandum because we believe that they and similar measures are widely used in our industry as a means of evaluating a company's operating performance, liquidity and financing structure. These measures may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles, and you should not consider such items as alternatives to gross profit, operating profit or any other performance measures derived in accordance with IFRS, and they may be different from similarly titled measures used by other companies. In evaluating the Non-IFRS Metrics, investors should carefully consider the consolidated financial statements included in this Offering Memorandum. Although certain data of Verisure plc and Topholding has been extracted or derived from the financial statements included in this Offering Memorandum, this data has not been audited or reviewed by the independent auditors. Our management believes this information, along with comparable IFRS measures, is useful to investors because it provides a basis for measuring the operating performance in the periods presented. These measures are used in the internal management of our business, along with the most directly comparable IFRS financial measures, in evaluating the operating performance.

The Non-IFRS Metrics have limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results or any performance measures under IFRS as set forth in our financial statements. Some of the limitations relating to EBITDA-based metrics are:

- they do not reflect our cash expenditures or future requirements for capital commitments;

- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the interest expense or cash requirements necessary to service interest or principal payments on our debt;
- they do not reflect any cash income taxes that we may be required to pay;
- they are not adjusted for all non-cash income or expense items that are reflected in our consolidated income statement;
- they do not reflect the impact of earnings or charges resulting from certain matters we consider not to be indicative of our ongoing operations;
- assets are depreciated or amortized over differing estimated useful lives and often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

Because of these limitations, such metrics should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on our IFRS results and using these Non-IFRS Metrics only as supplements to evaluate our performance. See "*Summary Consolidated Historical Financial and Other Data*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and our consolidated financial statements and the related notes included elsewhere in this Offering Memorandum.

In this Offering Memorandum we also present certain operating metrics for each of our segments. Certain of the operating metrics are not specifically defined under IFRS. These measures are presented in this Offering Memorandum because we believe that they and similar measures are widely used in our industry as a means of evaluating a company's operating performance and financing structure. We have defined each of these metrics and shown their calculation in "*Summary Consolidated Historical Financial and Other Data*." These metrics may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles. These Non-IFRS Metrics have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for analysis of our results or any performance measures under IFRS as set forth in our financial statements. You should compensate for these limitations by relying primarily on our IFRS results and using these Non-IFRS Metrics only as supplements to evaluate our performance.

Market and Industry Information

This Offering Memorandum includes market segment share and industry information that was obtained by us from industry publications and surveys, industry reports prepared on our behalf by consultants, internal and external and customer feedback. We have also used data derived and extrapolated from national statistical resources in various countries. Because we do not have access to the facts and assumptions underlying the market data used by third-party sources, we are unable to verify such information and cannot guarantee its accuracy or completeness. We also do not have access to the facts and assumptions underlying the projections made in these reports and various economic and other factors may cause actual results to differ from these projections.

This Offering Memorandum includes industry and market data pertaining to the Group's business and markets. Unless otherwise stated, the information provided in this section of the Offering Memorandum regarding markets, categories, shares and competitive positions, should be considered the Group's assessment and best estimates, based on the Group's analysis of multiple third-party sources including national statistics agencies across Latin America, services commissioned and paid for by us from third-party industry and market data providers, country-level industry publications and associations, competitor websites, media articles and interviews and LinkedIn posts as well as extrapolations from past known data and our country teams' estimates (together, the "**Company Data Analysis**").

As far as we are aware and able to verify, the information provided in the Industry section is reliable and accurate, and no facts have been omitted that would render the reproduced information inaccurate or misleading. However, we have not independently verified the accuracy or completeness of any third-party information and any assumptions or market views presented in such sources may have changed. Market and industry data and statistics are inherently unpredictable and subject to uncertainty and do not necessarily reflect

actual market conditions. The information presented in the Industry section may include estimates on future market performance and other forward-looking statements. Estimates and forward-looking statements are no guarantee for future results and actual events and circumstances may differ significantly from current expectations. A variety of factors can cause or contribute to such discrepancies, refer, inter alia, to the sections "*Forward-looking statements*" and "*Risk factors*".

This Offering Memorandum includes information and data provided by Sustainalytics and/or its content providers. Information provided by Sustainalytics is not directed to or intended for use or distribution to India-based clients or users and its distribution to Indian resident individuals or entities is not permitted. Morningstar/Sustainalytics accepts no responsibility or liability whatsoever for the actions of third parties in this respect. Use of such data is subject to conditions available at http://www.sustainalytics.com/legal-disclaimers. In no event shall any information or data provided by Sustainalytics be construed as investment advice or expert opinion as defined by the applicable legislation.

ESG ratings may vary amongst ESG ratings agencies as the methodologies used to determine ESG ratings may differ. The Group's ESG ratings (if any) are not necessarily indicative of its current or future operating or financial performance, or any future ability to service the Notes and are only current as of the dates on which they were initially issued. Prospective investors must determine for themselves the relevance of any such ESG ratings information contained in this Offering Memorandum or elsewhere in making an investment decision. Furthermore, ESG ratings shall not be deemed to be a recommendation by the Issuer, the Joint Bookrunners or any other person to buy, sell or hold the Notes. Currently, the providers of such ESG ratings are not subject to any regulatory or other similar oversight in respect of their determination and award of ESG ratings. For more information regarding the assessment methodologies used to determine ESG ratings, please refer to the relevant ratings agency's website (which website does not form a part of, nor is incorporated by reference in, this Offering Memorandum).

In addition, certain information in this Offering Memorandum is not based on published data obtained from independent third parties, or extrapolations thereof, but are information and statements reflecting our best estimates based upon information obtained from trade and business organizations and associations, consultants and other contacts within the industries in which we compete, as well as information published by our competitors. Such information is based on the following: (i) in respect of our market segment position, information obtained from trade and business organizations and associations and other contacts within the industries in which we compete; (ii) in respect of industry trends, our senior management team's business experience and experience in the industry and the different regions in which we operate; and (iii) in respect of the performance of our operations, our internal analysis of our own audited and unaudited information. We cannot assure you that any of the assumptions that we have made in compiling this data are accurate or correctly reflect our position in our market segments.

Presentation

Certain financial information included in this Offering Memorandum, including certain percentages, has been rounded according to established commercial standards. As a result, figures shown as totals in some tables and elsewhere may not be exact arithmetic aggregations of the figures that precede them.

CERTAIN DEFINITIONS

Unless otherwise specified or the context requires otherwise in this Offering Memorandum the defined terms below have the following meaning:

"**2020 Business Combination**".....	in December 2020, Hellman & Friedman reviewed and extended its long-term commitment to the Group by completing the transfer of its indirect shareholdings in Verisure, from Hellman & Friedman Capital Partners VII, L.P. to certain new Hellman & Friedman managed entities, including Hellman & Friedman Capital Partners IX, L.P. In accordance with IFRS 3: Business Combinations, this transfer of shareholdings resulted in a change in control and a significant uplift in asset values due to the fair valuation adjustments at the time of the transfer. The fair value adjusted assets, defined as acquisition-related items, are depreciated and amortized over their useful lives (when applicable) in the consolidated financial statements of the Group. Since this transfer of indirect shareholdings did not have any impact on the underlying Verisure trading activities, and in order to present in a more transparent view, the depreciation and amortization charges arising on these new/incremental acquisition-related items have been excluded when presenting Adjusted EBIT and Adjusted profit or loss;
"**2028 Fixed Rate Senior Secured Notes**" ...	the Issuer's €450.0 million aggregate principal amount of 7⅛% Senior Secured Notes due 2028, which have been fully repaid as of the date hereof;
"**Aegis 1A**".....	Aegis Lux 1A S.à r.l., a *société à responsabilité limitée* (private limited liability company) existing under the laws of Luxembourg, having its registered office at 15, boulevard F.W. Raiffeisen, L-2411 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg* under number B247749);
"**Aegis 2 Liquidation**".....	the process whereby Aegis 2 was put into liquidation following the completion of the IPO, with the proceeds from the liquidation distributed in accordance with Aegis 2's articles of association, which commenced on December 30, 2025;
"**Aegis 2**"	Aegis Lux 2 S.à r.l., a *société à responsabilité limitée* (private limited liability company) existing under the laws of Luxembourg and was the entity through which principal shareholders held their interest in the Group prior to the IPO, which was put into liquidation following the IPO;
"**Agreed Security Principles**".....	has the meaning ascribed to it in "*Description of Notes—Certain Definitions*";
"**Alba**"	Alba Investments S.à r.l. and Alba Europe S.à r.l., the investment vehicles of Corporación Financiera Alba, S.A, which forms part of the Grupo March, as well as certain co-investors. Corporación Financiera Alba is an entity listed on the Spanish Stock Exchange (*Mercado Continuo*);
"**ARPU**".....	average monthly revenue per user;

"**Capital Stock**"	any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity, of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity;
"**Clearstream**"	Clearstream Banking, S.A. or any successor thereof;
"**Collateral**"	the collateral securing the Notes on and following the Post-Closing Date, as further described in "*Description of Notes—Security*";
"**Company Management Team**"	the company management team of Verisure, comprising the individuals set out in section "*Business—Company Management Team*";
"**Company**," "**us**," "**Group**," "**our**" and "**we**" ...	Verisure plc and its consolidated subsidiaries. Unless otherwise stated, all references to "**we**," "**us**," "**our**" or "**Group**" in respect of historical financial information in this Offering Memorandum are to Topholding and its subsidiaries on a consolidated basis as of and for the years ended December 31, 2023 and 2024, and are to Verisure plc and its consolidated subsidiaries on a consolidated basis as of and for the year ended December 31, 2025, and as of and for the three months ended March 31, 2026 and any period thereafter;
"**Covid-19**"	Coronavirus disease 2019;
"**CPA**"	cash acquisition cost per new subscriber;
"**Eiffel**"	Eiffel Investment Pte Ltd, a nominated investment vehicle of GIC Special Investments Pte Ltd, a direct subsidiary of GIC;
"**EU**"	the European Union;
"**EURIBOR**"	the Euro Interbank Offered Rate;
"**euro**," "**EUR**" and "**€**"	the lawful currency of the European Monetary Union;
"**Euroclear**"	Euroclear Bank SA/NV or any successor thereof;
"**Exchange**"	the Luxembourg Stock Exchange;
"**Existing 2030 Fixed Rate Senior Secured Notes Indenture**"	the indenture governing the Existing 2030 Fixed Rate Senior Secured Notes, dated as of May 16, 2024, among, *inter alios*, the Issuer, the Existing 2030 Fixed Rate Senior Secured Notes Guarantors, the Trustee and the Security Agent;
"**Existing 2030 Fixed Rate Senior Secured Notes**"	the Issuer's €525.0 million aggregate principal amount of 5½% Senior Secured Notes due 2030;
"**Existing 2030 Fixed Rate Senior Secured Notes Guarantors**"	including Midholding, Verisure Group AB (publ), Verisure Sverige AB, Securitas Direct Sverige AB, Verisure AS, Verisure Holding AS, ESML SD Iberia Holding, S.A.U., Securitas Direct España, S.A.U, Securitas Direct Portugal, Unipessoal Lda., Verisure SAS, Verisure International AB, Verisure A/S and Verisure Sàrl;
"**Existing Indentures**"	together, the Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Existing Senior Notes Indenture;

"**Existing Notes**"	the Existing 2030 Fixed Rate Senior Secured Notes and the Existing Senior Notes;
"**Existing Senior Notes Indenture**"	the indenture governing the Existing Senior Notes, dated as of January 25, 2021, among, *inter alios*, Midholding, the Existing Senior Notes Guarantors, the Trustee and the Security Agent;
"**Existing Senior Notes**"	Midholding's €1,175.0 million aggregate principal amount of 5¼% Senior Notes due 2029 issued under the Existing Senior Notes Indenture;
"**Existing Senior Notes Guarantors**"	including the Issuer, ESML SD Iberia Holding, S.A.U., Securitas Direct España, S.A.U., Securitas Direct AB (publ), Securitas Direct Sverige AB, Verisure Sverige AB, Securitas Direct Portugal, Unipessoal Lda., Verisure Holding AS, Verisure AS, Verisure SAS, Verisure International AB, Verisure A/S and Verisure Sàrl;
"**Facility B**"	a euro-denominated syndicated term loan facility in an aggregate principal amount equal to €1,250.0 million as of the date of this Offering made available under the Senior Facilities Agreement;
"**GIC**"	GIC Pte Ltd;
"**Guarantees**"	has the meaning ascribed to it in "*Summary—The Offering—Guarantees*";
"**Guarantors**"	has the meaning ascribed to it in "*Summary—The Offering—Guarantees*";
"**H&F**"	Hellman & Friedman LLC and, where applicable, the funds and limited partnerships owned or advised thereby;
"**Indenture**"	the indenture governing the Notes, to be dated as of the Issue Date, among, *inter alios*, the Issuer, the Guarantors (upon their accession on the Post-Closing Date), the Trustee and the Security Agent;
"**Initial Purchasers**"	BofA Securities Europe SA, Goldman Sachs Bank Europe SE, DNB Carnegie Investment Bank AB (publ), Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ), Barclays Bank Ireland PLC, BNP PARIBAS, CaixaBank, S.A., Crédit Agricole Corporate and Investment Bank, Danske Bank A/S, J.P. Morgan SE, Landesbank Baden-Württemberg, Mediobanca – Banca di Credito Finanziario S.p.A, Morgan Stanley Europe SE, MUFG Securities (Europe) N.V., Banco Santander, S.A., UniCredit Bank GmbH;
"**Intercreditor Agreement**"	the intercreditor agreement, originally dated October 21, 2015, by and among, *inter alios*, the Issuer, the Guarantors, the Security Agent, the agent under the Senior Facilities Agreement, as amended from time to time;
"**IPO**"	means the initial public offering of certain Verisure plc's shares on Nasdaq Stockholm, with the first day of trading on October 8, 2025;
"**Issue Date**"	means the date of issuance of the Notes;
"**Issuer**"	Verisure Holding AB (publ), a public limited liability company existing under the laws of Sweden with registration number 556854-1410;

"**Merger**"	the intended process whereby, following the Transactions, Midholding, the Issuer and Verisure Group are intended to be merged on or prior to the Post-Closing Date, with Verisure Group being the surviving entity;
"**Midholding**"	Verisure Midholding AB (publ), a public limited liability company existing under the laws of Sweden with registration number 556854-1402;
"**NOK**"	Norwegian kroner, the lawful currency of Norway;
"**Notes**"	the €1,000.0 million aggregate principal amount of 4.125% Senior Secured Notes due 2032 offered hereby;
"**Offering**"	the offering of the Notes;
"**Overallotment Option**"	an overallotment option for the underwriters of the IPO to acquire existing Verisure plc shares held by Aegis 2, up to a maximum of 33,042,453 ordinary shares, which may be exercised by the underwriters of the IPO in whole or in part within 30 calendar days from the first day of trading of Verisure plc shares on Nasdaq Stockholm on October 8, 2025;
"**Post-Closing Date**"	a date that is within 180 days from the Issue Date as described under "*Description of Notes—Security*";
"**Refinancing**"	has the meaning ascribed to it in "*—Recent Developments*";
"**Reorganization**"	the process whereby a new parent company, Verisure plc, was established in connection with the listing on Nasdaq Stockholm;
"**Revolving Credit Facility**"	a multi-currency revolving credit facility in an aggregate principal amount equal to €950.0 million (equivalent) as of the date of this Offering Memorandum made available under the Senior Facilities Agreement;
"**SDIs**"	separately disclosed items, which are costs or income which management believes, due to their nature, should be disclosed separately in the income statement;
"**Security Agent**"	Wilmington Trust (London) Limited;
"**Security Documents**"	the security and other documents and agreements that provide for security interests in the Collateral for the benefit of the holders of the Notes, as further described under "*Description of Notes—Security*";
"**SEK**"	Swedish kronor, the lawful currency of Sweden;
"**Senior Credit Facilities**"	collectively, Facility B, Revolving Credit Facility and the TLA Facility;
"**Senior Facilities Agreement**"	the senior facilities agreement originally dated January 25, 2021 (as amended and restated from time to time, including as amended and restated on November 3, 2025), between, *inter alios*, the Issuer and the lenders party thereto;
"**Senior Notes Proceeds Loans**"	the loans made under one or more promissory notes issued on October 21, 2015 by the Issuer to Midholding and any subsequent loans made under one or more promissory notes by the Issuer to Midholding;

"**TLA Facility**".....	a euro-denominated term loan facility in an aggregate principal amount equal to €1,860 million as of the date of this Offering Memorandum, as upsized pursuant to the TLA Facility Upsize, made available under the Senior Facilities Agreement;
"**TLA Facility Upsize**"	the upsize of the TLA Facility by €570.0 million pursuant to an additional facility notice under the Senior Facilities Agreement, the proceeds of which were applied toward a full redemption of the 2028 Fixed Rate Senior Secured Notes and a partial redemption of the Existing Senior Notes;
"**Topholding**"	Verisure Group Topholding AB, a private limited liability company existing under the laws of Sweden with registration number 559336-2071 and an indirect parent of Midholding;
"**Transactions**".....	has the meaning ascribed to it in "*Summary—The Transactions*";
"**Trustee**".....	GLAS Trust Company LLC in the case of the Existing 2030 Fixed Rate Senior Secured Notes and the Notes;
"**UK**" and "**United Kingdom**."	the United Kingdom of Great Britain and Northern Ireland;
"**U.S. dollars**" or "**$**"	the lawful currency of the United States;
"**U.S.**" and "**United States**"	the United States of America;
"**Verisure Group**".....	Verisure Group AB (publ) (formerly Securitas Direct AB (publ)), a public limited liability company existing under the laws of Sweden with registration number 556222-9012; and
"**Verisure plc**"	Verisure plc, incorporated on May 9, 2025 under the Companies Act 2006 and registered in England and Wales with Reg. No. 16440137;
"**Voting Stock**"	all classes of Capital Stock of such Person then outstanding and entitled to vote in the election of directors.

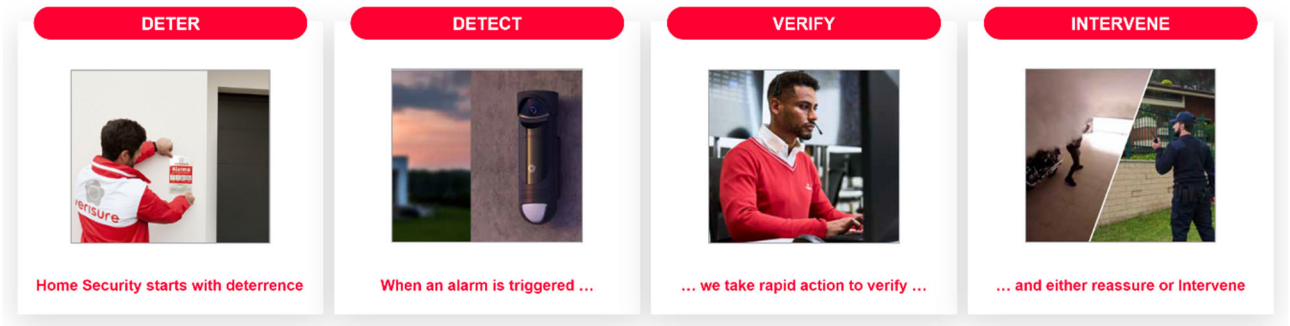
SUMMARY

The following summary highlights selected information from this Offering Memorandum. The following summary does not contain all of the information you should consider before you invest in the Notes and should be read in conjunction with and is qualified in its entirety by the more detailed information included elsewhere in this Offering Memorandum. See the sections entitled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" for additional factors that you should consider before investing in the Notes.

Overview

The Group is the global leader in professionally monitored security services by customers served, with a market-leading presence across Europe and Latin America.[2] We believe that everyone has the right to feel safe and secure, and we are committed to protecting what matters most to our customers. We are proud that, as of March 31, 2026, close to 6.3 million families and small businesses placed their trust in us. It is our responsibility, and we take it seriously.

We work to protect our customers against intrusion, burglary, fires, physical attack, home occupation, theft from a business, life-threatening emergencies and other hazards that may risk the safety, wellbeing or condition of our customers and their properties. We define our service offering by the following four pillars: *Deter*, *Detect*, *Verify* and *Intervene*.



We are highly intentional in our business focus. We provide differentiated products and services that generate recurring revenues to residential homes and small businesses across Europe and Latin America. We do not pursue large enterprises or government installations, and we avoid low-price, low-content and non-monitored systems that lack a path to recurring revenue, and we do not operate in the United States, Asia or Africa. As of March 31, 2026, our customer portfolio comprised 81% residential households and 19% small businesses, with 88% of our customer portfolio located in Europe and 12% in Latin America.

We are not a hardware business; our products are the platform that supports our subscription-based service model, generating recurring revenue. Our annualized recurring revenue ("**ARR**") has seen a steady increase since 2015, with a compound annual growth rate ("**CAGR**") of 14% from 2015 to 2025. For the year ended December 31, 2025, approximately 92% of our revenues were recurring.

We operate a highly integrated business model with full control over the value chain, including in-house services such as product and service innovation, category-creating marketing, sales and installation expertise, maintenance, customer service and support, 24/7 monitoring, expert verification and remote intervention. The final intervention step of our value chain, including guarding, policing, health emergencies and fire response, is completed by third-party partners who respond to incidents.

We are highly active in our marketing and commercial efforts, dedicating significant resources to further grow awareness of our brand and stimulate demand for the category. Our brand awareness is high in most geographies where we operate. For example, in each of Spain, Portugal, Italy, France, Belgium, Finland, Brazil, Chile, Peru and Mexico, our prompted brand awareness is higher than 70%.[3]

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[2] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

[3] Third-party consumer research. Consumers are shown a list of brands and asked which they recognize as home alarm brands. Figures are reported for "Securitas Direct" and "Securitas" in Spain and Portugal, and for "ADT" in Mexico.

We attract high-quality residential and small business customers through our marketing-led, booking-based, counselled sales process. We typically sell on appointment, in the customer's house or small business. Our customers co-create their installation with us for all-around protection of the premises, and are invested in our proposition and service. We work hard to ensure our customers remain satisfied during their time with us. This contributes to our industry-leading level of attrition and long customer lifetime. Our customers remain with us, on average, for approximately 15 years.[4] Customer loyalty is one of our strengths.[5]

We sold our first system in Sweden in 1988. Since then, we have grown continuously, developing a recurring revenue security service for residential and small business customers in underpenetrated geographies across Europe and Latin America. We attribute our success to category-creating marketing focused on brand building and activation of latent demand, award-winning innovation, go-to-market excellence and a strong focus on customer experience.

As of March 31, 2026, we protected close to 6.3 million customers across 18 countries. Approximately 88% of our customers are in 13 European countries (Sweden, Norway, Denmark, Finland, Spain, Portugal, Italy, France, Belgium, the United Kingdom, Ireland, the Netherlands and Germany), with the remainder in five Latin American countries (Brazil, Chile, Peru, Argentina and Mexico). We expanded our Latin American footprint when we entered Mexico in the fourth quarter of 2025 through our acquisition of ADT Mexico. In addition, through our Arlo Europe business, we are also a large camera and video surveillance provider, serving more than 1.2 million users across 49 countries as of December 31, 2025, including close to 300,000 customers who subscribed to our premium video service across 33 countries.[6]

It took approximately 20 years to reach 1 million portfolio customers from 1988 to 2008, and approximately seven years to double our customer base to reach 2 million by 2015. Our investments in innovation, category-creating marketing, go-to-market expertise and customer experience accelerated our growth. We further added 2 million customers to our portfolio over the following 6 years, reaching 4 million customers in 2021.

Our strong growth profile continues, with our new installations growing by a CAGR of 11% for the last 10 years, increasing to close to 873,000 alarm systems installed in 2025, marking the highest annual sales in our history, taking our total portfolio to close to 6.2 million customers served as of December 31, 2025.

According to our estimates, we are well established as the leader in our category across our core regions of Europe and Latin America.[7] As of December 31, 2025, we estimate that we are the leading provider of professionally-monitored alarms worldwide, both in terms of total number of customers protected and of total annual new installations.

We estimate that, as of December 31, 2025, our portfolio size in the professionally-monitored alarms category for residential and small business markets was over six times larger than the second largest player across the geographies where we operate.[8] In 14 of our 18 geographies, we estimate that we are the market leader in terms of the number of customers served, including in all five of our top five markets.[9]

As a business, we aim to serve an ever-growing number of customers, increase the value of the service we provide, and keep costs under control. From 2015 to 2025, we have grown our customer base more than three times, our revenue close to four times and our Adjusted EBITDA close to five times.

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[4] Average implied customer lifetime of approximately 15 years calculated based on acquisition cohort decay rates over the past eight years as of December 31, 2025.

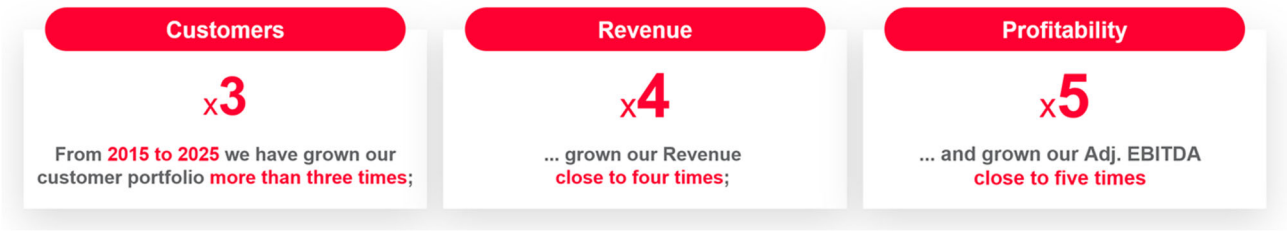
[5] Based on publicly reported attrition and churn rates for monitored alarms and telecommunications companies for which such data is available, including ADT, Vivint, Prosegur, Movistar Prosegur Alarmas, Sector Alarm, Vodafone, Orange, Telefónica and TeliaSonera.

[6] These figures do not include Verisure customers who may also have bought Arlo cameras in conjunction with their alarm system. Neither our Seniors nor our Arlo customers are counted in our Verisure customer portfolio.

[7] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

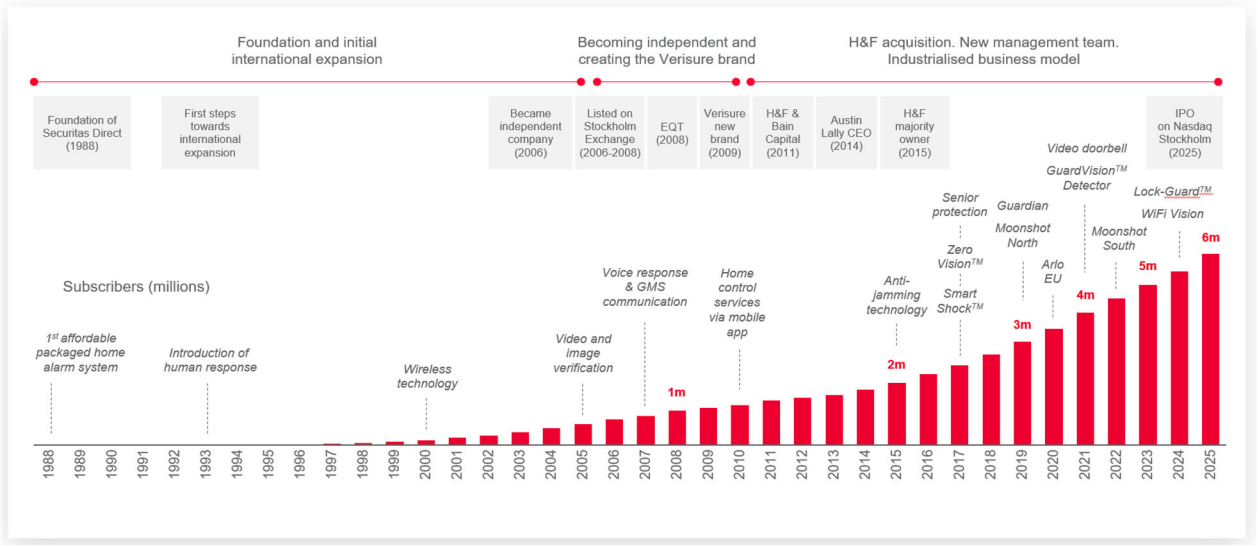
[8] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

[9] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.



We operate in markets with low penetration and a long runway of growth ahead. Latent demand for home security remains very large. We believe our service offering, market position and scale mean that we are well-suited to continue to create and capture future category growth across our footprint.

Our History



Foundation and initial international expansion

Our company was founded in Sweden in 1988 as a division of Securitas AB, initially focusing on the Swedish residential home security market category. Within our first ten years of operations, we expanded internationally in the Nordic and Southern European regions, entering the home security market categories of Norway, Denmark, Finland, Spain and France, with subsequent expansion into Portugal in 2001 and Belgium in 2002.

Spin-off, listing on the OMX Stockholm Nordic Exchange, EQT acquisition and launch of the Verisure brand

In September 2006, we spun-off from Securitas AB and were listed on the OMX Stockholm Nordic Exchange. In 2008, we were delisted and taken private, following a public offer by ESML Intressenter AB (indirectly owned by EQT V, a fund managed by EQT AB, a private equity investor).

In 2009, the Verisure brand name was launched. That same year, we entered Latin America by establishing operations in Chile.

Hellman & Friedman and Bain Capital acquisition and new Company Management Team

The Company was subsequently acquired from EQT V jointly by Hellman & Friedman and Bain Capital, L.P. (Bain Capital) in 2011.

We entered Brazil in 2011 and Peru in 2013. We also continued to expand in Europe, entering Italy in 2013 and the United Kingdom in 2014. In 2014, Austin Lally was appointed Chief Executive Officer as part of the new management build-out carried out by Verisure's new owners.

Hellman & Friedman ownership and industrialized business model

In late 2015, Hellman & Friedman acquired Bain Capital's stake in Verisure, making it the majority shareholder and sharing ownership with management, who held a minority stake. Hellman & Friedman is a global private

equity firm with a distinctive investment approach focused on a limited number of large-scale equity investments in high-quality growth businesses. Hellman & Friedman seeks to partner with world-class management teams where its deep sector expertise, long-term orientation, and collaborative partnership approach enable companies to flourish. Hellman & Friedman targets outstanding businesses in select sectors, including technology, financial services, healthcare, consumer services & retail, and information, content & business services. Since its founding in 1984, Hellman & Friedman has invested in over 100 companies and has over $115 billion in assets under management as of December 31, 2024.

The Company's new headquarters were established in Switzerland in 2017.

In July 2017, Hellman & Friedman sold a portion of its stake in Verisure to Eiffel. In January 2019, Hellman & Friedman sold a further stake to Eiffel, and, in April 2019, Hellman & Friedman sold a stake in Verisure to Corporación Financiera Alba.

In December 2020, Hellman & Friedman reviewed and extended its long-term commitment to Verisure by completing the transfer of its indirect shareholdings in Verisure, from Hellman & Friedman Capital Partners VII, L.P. to certain new Hellman & Friedman managed entities, including Hellman & Friedman Capital Partners IX, L.P (the "**2020 Business Combination**"). In accordance with IFRS 3: Business Combinations, this transfer of shareholdings resulted in a change in control and a significant uplift in asset values due to the fair valuation adjustments at the time of the transfer. The fair value adjusted assets, defined as acquisition-related items, are depreciated and amortized over their useful lives (when applicable) in the consolidated financial statements of the Group. Since this transfer of indirect shareholdings did not have any impact on the underlying Verisure trading activities, and in order to present in a more transparent view, the depreciation and amortization charges arising on these new/incremental acquisition-related items have been excluded when presenting Adjusted EBIT and Adjusted net profit or loss.

According to Euroclear Sweden AB and public notifications to the SFSA, as of December 30, 2025, Hellman & Friedman owned approximately 43.7% of the Issuer through Aegis 1A.

In 2018, we separated our Dutch operations from Belgium, creating renewed focus and a platform for growth in the Netherlands. We subsequently continued our expansion, entering Germany in 2018, Argentina in 2019, Ireland in 2022 and Mexico in 2025.

*The Initial Public Offering (the "**IPO**")*

On October 8, 2025, we successfully completed our IPO and our ordinary shares commenced trading on Nasdaq Stockholm. The IPO consisted of 238,113,207 ordinary shares, comprising 233,962,264 newly issued shares sold in a primary offering and 4,150,943 existing shares sold in a secondary offering, at an offering price of €13.25 per share. On October 23, 2025, the Overallotment Option of an additional 33,042,453 ordinary shares was exercised in full, resulting in aggregate gross proceeds of approximately €3.6 billion.

The IPO represented the largest-ever European private equity-backed initial public offering, one of the largest listings globally in 2025, the largest initial public offering in Europe in over three years, and the largest initial public offering in Sweden in 25 years.

According to Euroclear Sweden AB and public notifications to the SFSA, as of December 30, 2025, Aegis 1A held approximately 43.7% of the share capital of Verisure plc. Eiffel, Alba and Securholds Spain S.L. held approximately 16.0%, 6.3% and 5.4%, respectively. Company and company-related shareholders held approximately 3.9% of the share capital of Verisure plc as of December 30, 2025, and other shareholders held approximately 24.7%. See "*Principal Shareholders*."

Aegis 2 Redemption and Liquidation

Following the IPO, certain shares in Aegis 2 were redeemed in order to distribute proceeds from the IPO received by Aegis 2 and certain shares in Verisure plc to certain shareholders in Aegis 2 (the "**Redemption**").

On December 30, 2025, Aegis 2 was placed into liquidation (the "**Aegis 2 Liquidation**") and, as part of the Aegis 2 Liquidation, on December 30, 2025 and January 2, 2026, Aegis 2 distributed certain assets to its shareholders (the "**Aegis 2 Distribution**"). These assets principally comprised the shares in Verisure plc held by Aegis 2.

Our Geographies

As of March 31, 2026, we operated our monitored security services in 13 European countries (Sweden, Norway, Denmark, Finland, Spain, Portugal, Italy, France, Belgium, the United Kingdom, Ireland, the Netherlands, and Germany) and five Latin American countries (Brazil, Chile, Peru, Argentina and Mexico).

As a pure-play provider, we strive to operate a homogenous, predictable, replicable business model in each of the geographies in which we operate (with some level of natural local adaptation). Our objective is to continuously codify, industrialize and replicate our business model across geographies while maintaining strong local accountability.

But as our geographies mature over time, we recognize different stages in their lifecycle depending on their maturity level, with each stage characterized by a distinct economic and growth profile:

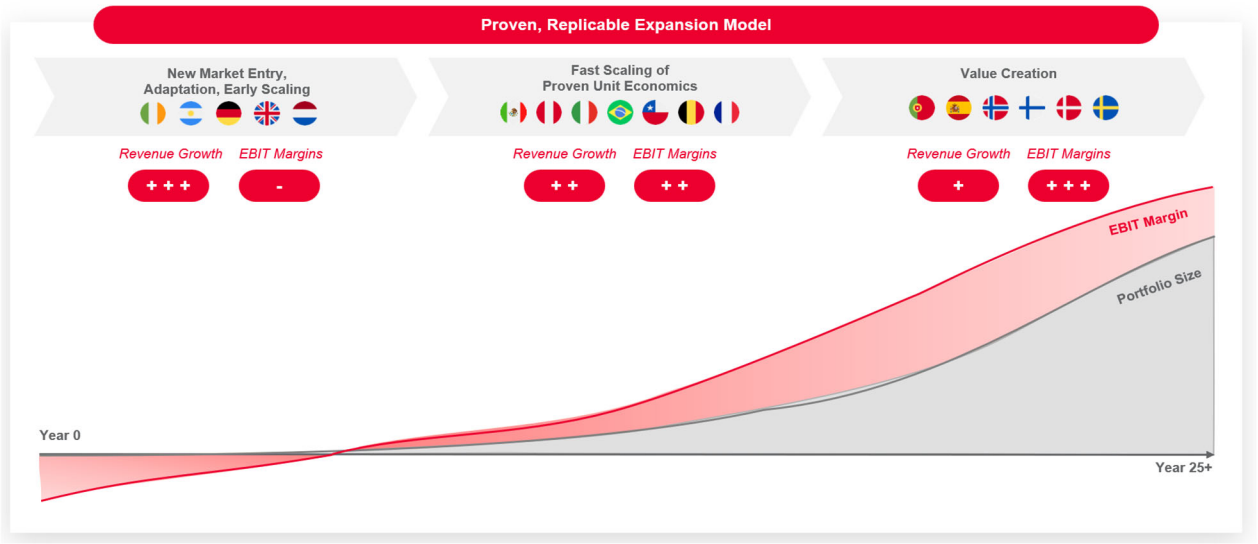
- **Market entry**: Entry into a new market does not typically require major investment to get started, as we already have a platform with established business model and required technologies in place and no existing portfolio to manage in that region. We focus on understanding local sales characteristics, testing and adapting elements as needed. We start by building out a small number of sales branches and making modest investments to generate a level of booked appointments. We grow quickly, focusing on targeted regions and progressively scaling our branch network. The early years in a country typically include fast portfolio growth from a low base, while profitability is low.

- **Fast scaling**: Upon satisfactorily completing our market entry stage, we invest with confidence, as we have already proven an attractive set of economics. We understand labor costs, the ability to grow the salesforce, how to generate demand, local marketing costs and the right pricing levels. We expand the regional coverage build-up within the market, with revenue growth remaining high and profitability improving.

- **Mature value creation**: When markets reach higher levels of penetration, revenues continue to grow and profit delivery increases rapidly. For instance, Spain has notably demonstrated a CAGR of 15% in its Portfolio Services Adjusted EBITDA between 2014 and 2024, and has a Portfolio Services Adjusted EBITDA margin several basis points higher than the Group as a whole. This is because the profits from the portfolio of existing customers exceed what we could sensibly deploy in new customer acquisition without compromising intake quality or maintaining strong control over customer acquisition investments. As the share of new additions to portfolio size declines, the share of Customer Acquisition Cost[10] to portfolio cash flows (defined as Portfolio Reinvestment Rate) naturally declines, driving increased cash flow conversion over time.

Over time, we expect countries within our new market entry geographic regions to mature and progressively resemble our more mature European geographies.

[10] Customer Acquisition capital expenditures consist of purchases of equipment for new customers and direct incremental costs related to the acquisition of customer contracts.



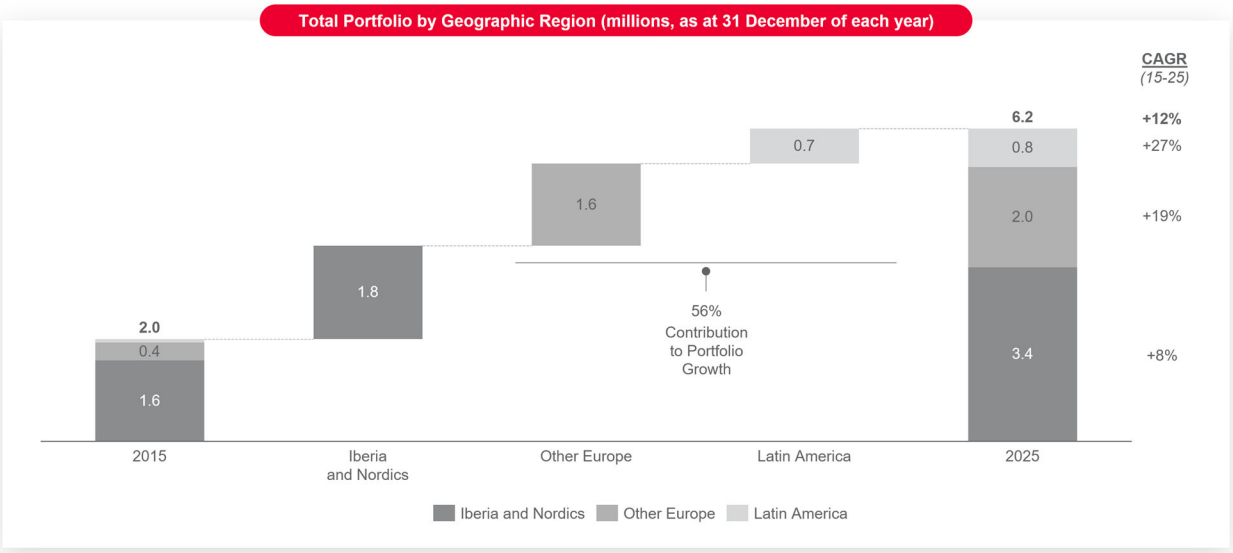
The lifecycle stages and their differing economics are evident within our geographic regions, which are closely aligned with these general concepts. We believe that each of our geographic regions presents significant opportunities for growth due to the low penetration rates within our current footprint.

- Our "**Iberia and Nordics**" region, representing our earlier market entries where we have been operating for more than 30 years, delivers high profitability and solid revenue growth. The total market penetration rate in this geographic region as of December 31, 2025 was approximately 10% of all residential and business premises, with the total number of installations estimated to be close to 6 million out of a TAM of 56 million locations.

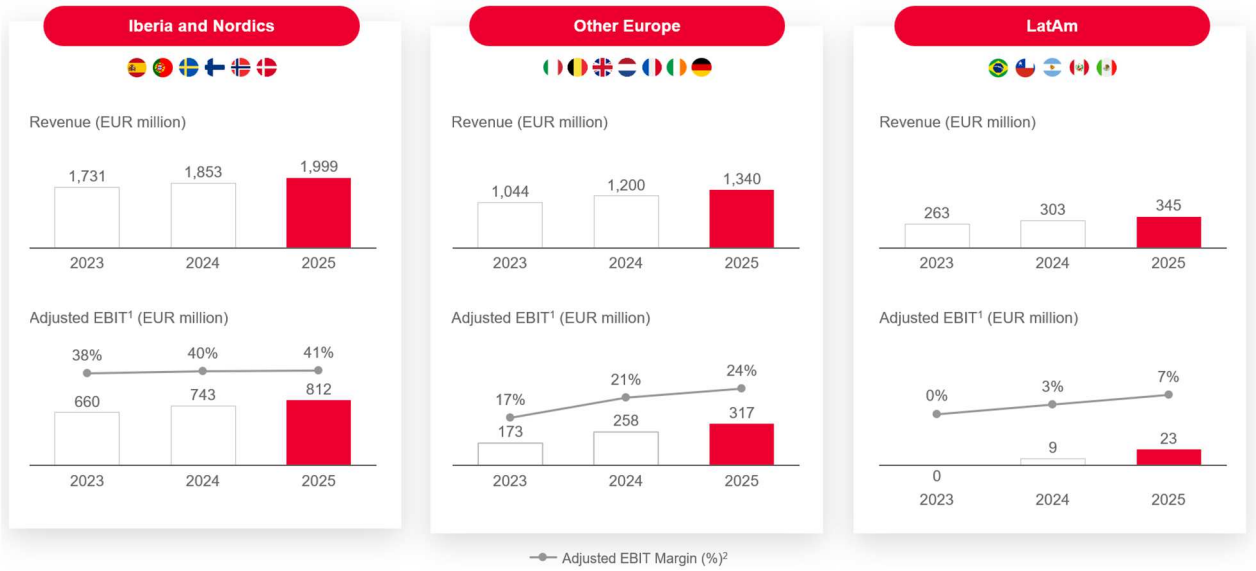
- Our "**Other Europe**" region, representing more recent market entries, delivering faster growth and already showing strong profitability, which improves rapidly over time. The total market penetration rate in this geographic region as of December 31, 2025 was approximately 4% of all residential and business premises, with the total number of installations estimated to be more than 7 million out of a TAM of 186 million locations.

- Our "**Latin America**" region currently demonstrates the fastest growth rate, with lower profitability levels in this region, in line with the earlier stages of development and maturity of our underlying operations in many of these countries. The total market penetration rate in this geographic region as of December 31, 2025 was less than 2% of all residential and business premises, with the total number of installations estimated to be approximately 3 million out of a TAM of 195 million locations.

The contribution of each of our geographic regions to our total customer portfolio and to our portfolio growth from 2015 to 2025 is presented below.



Our revenue, Adjusted EBIT margin and Adjusted EBIT in each of our geographic regions is presented below.



(1) Regional Adjusted EBIT figures shown above (totalling EUR 1,152 million for 2025) exclude Central and Other Group revenues and costs (totalling (EUR 199 million) of Adjusted EBIT for 2025, equivalent to approximately 5% of Group Revenues).

(2) Defined as Adjusted EBIT divided by revenue.

Over time, we expect countries within our new market entry geographic regions to mature and progressively resemble our more mature European geographies.

Our Strengths

Strategic and operational strengths: our differentiated playbook

We believe that our successful trajectory to date has been built on a differentiated playbook, supported by several strategic and operational strengths, and that these same strengths will deliver continued future performance.

Industry Leader across both Europe and Latin America

We are the leading provider of monitored security services for residential households and small businesses in both our core regions of Europe and Latin America. We estimate that, as of December 31, 2025, we are also the largest provider of monitored security services for residential households and small businesses worldwide, both in terms of total number of customers protected and of total annual new installations.

We estimate that, as of December 31, 2025, we were more than six times larger by customer portfolio size than our largest competitor across our total footprint.

As of March 31, 2026, we operated our monitored security service in 18 countries. Based on the Company Data Analysis, we estimate that we are the largest provider of monitored security services in:[11]

- 5 of our top 5 geographies (Spain, France, Sweden, Italy, Brazil),
- 9 of our top 10 geographies (Spain, France, Sweden, Italy, Brazil, Norway, Portugal, Belgium, the United Kingdom, Denmark), and
- 14 of our 18 total geographies.

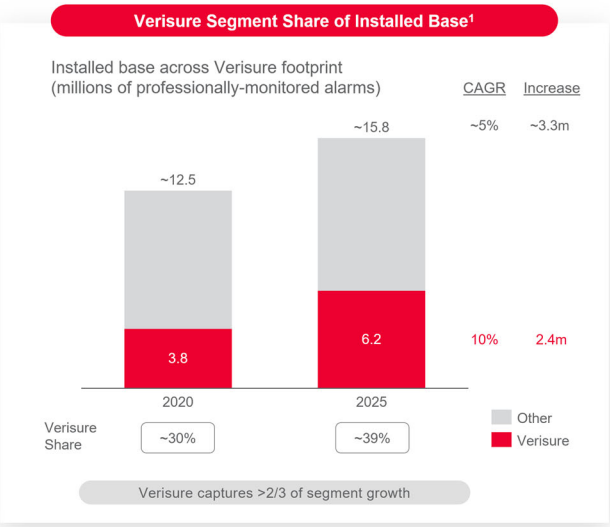
[11] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

In our top 10 geographies, we estimate that, as of December 31, 2025, our weighted average share, with respect to the total number of customers served (residential and small businesses), was 2.8 times that of our nearest competitor.[12]

In three of the four countries where we are not currently the leader in terms of portfolio size, we are gaining category share and estimate that we lead in new installations of professionally installed and monitored alarm systems. For example, we saw more app downloads for our Verisure app than for any alarm competitor in the United Kingdom, the Netherlands and Argentina in 2025.[13]

Our strong commercial performance is further reinforced by high customer satisfaction and loyalty (see section "*– High levels of customer loyalty and best-in-class attrition*" below). The combined effect of both higher sales and lower attrition, according to our estimates, enabled Verisure to capture more than two-thirds of the net growth of the category in our footprint between 2020 and 2025.[14]





(1) Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

We believe our leadership positions and large scale benefit us and will continue to benefit us in the future. We are able to fund substantial investments in innovation and marketing and sustain sizeable commercial efforts, at levels unmatched by competitors in our category. We are also present in more countries than any of our direct competitors and are able to identify and replicate best practices throughout our large footprint, creating a positive reinforcing effect throughout our operations.

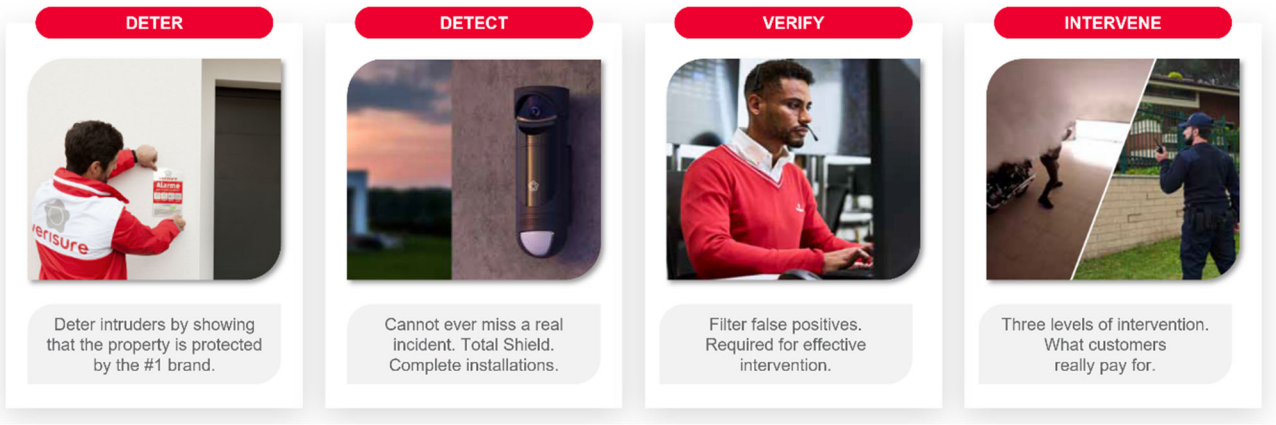
Strongly differentiated customer proposition

We are a technology-enabled human services company. We develop and operate our own vertically integrated product and service stack, to deliver a service that is best described as resting on four pillars:

[12] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

[13] Company Data Analysis based on our estimates of App downloads of professionally-monitored security systems for United Kingdom, the Netherlands and Argentina.

[14] Based on publicly reported attrition and churn rates for monitored alarms and telecommunications companies for which such data is available, including ADT, Vivint, Prosegur, Movistar Prosegur Alarmas, Sector Alarm, Vodafone, Orange, Telefónica and TeliaSonera.



- **Deter**: Home protection starts with deterrence, aiming to deter intruders by showing that the property is protected by Verisure. Deterrence relies on exterior signs placed by the Verisure security expert in plain sight, including warnings about our anti-jamming capabilities and smoke-releasing devices, complemented by alarm sirens. Additional outdoor detectors and cameras can also be positioned prominently in key passage areas to enhance deterrence.

- **Detect**: When an alarm is triggered, our clear objective is to never miss a real incident. Professional installation ensures system effectiveness, range and privacy compliance. Multiple components protect all potential vulnerabilities, including shock sensors that detect intruders before entry, smart locks that protect the front door, and connected video and photo detectors.

- **Verify**: We take rapid action to verify all alerts triggered and delineate real danger from false alarms. This ensures we can act effectively on genuine threats, reducing costs both to us and to public first responders. Our 24/7 in-house monitoring centers rely on multiple sensors including image and two-way audio communication and typically achieve more than 99% filtering of false alarms across our European footprint by combining AI-based risk prediction and professional human expertise.

- **Intervene**: Our high-quality verification rates enable us to either reassure the customer or intervene with high confidence. We maintain direct links to first responders, including police, fire and ambulance services. Our relationship of trust with those public third parties, earned from decades of experience, allows us to send help promptly. We frequently deploy a guard, employed by a third party, to enhance coverage, reduce response times and attend to the incident. Where customers are equipped with our ZeroVision™ technology, we take immediate action to expel intruders through the release of thick vision-impairment smoke.

The starting point for this service is the devices deployed at the customer premises, typically including:

- Our **Central Unit**: This serves as the “brains” of our alarm system. It controls the system’s state and response to alarms. It also manages connectivity to the sensors deployed around the protected premise and to our backend via cellular connectivity and the customer internet (if available). It connects to our devices primarily via a proprietary RF protocol.

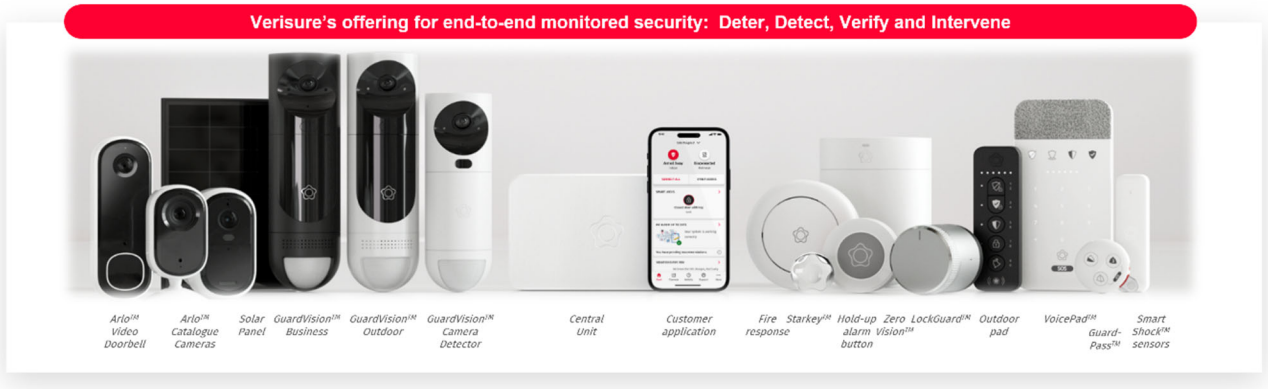
- Our **VoicePad™**: This is the user interface of the alarm system, allowing the user to control the system. It enables two-way voice communication between our monitoring center agents and the premise when an alarm occurs.

- Our **Smart Shock Sensors**: These detect whether doors and windows are opened and trigger alarms on shock detection.

- Our **GuardVision™ Camera Detectors**: These are motion-activated cameras with an embedded detection algorithm, using proprietary machine learning on the “PIR” sensor. They trigger the alarm upon motion detection and allow for visual verification of the situation.

Our alarm can be managed via our mobile application wherever the customer is. We also offer additional value-add protection services, such as our Verisure Guardian™ service, allowing users to trigger an SOS alarm for response by our monitoring centers via the application from anywhere. In addition, we have multiple other devices that enhance the protection we offer our customers. These can be added at point of installation or

through a subsequent later upsell, and include, for example, our connected smoke detectors, hold-up alarm buttons for small businesses, or our LockGuard™, ZeroVision™ and GuardVision™ Outdoors innovations (see "*—Vertically integrated tech stack, fueling continuous innovation*").



All our devices integrate seamlessly with our proprietary alarm management systems. This allows us to control one of Europe's largest IoT networks, with more than 90 million deployed devices, generating approximately 1.5 trillion signals as of December 31, 2025. It combines AI and other advanced signal processing techniques to manage and prioritize our response to alarm signals. This allows our alarm receiving centers to respond to and verify each alarm incident quickly and efficiently, leveraging the sensors deployed in each property, and to manage appropriate responses.

While the best recognition of our technology is in the protection we provide our customers, we have regularly received external design and innovation awards. From 2021 to 2025, for example, our products have garnered 10 awards from Red Dot Design and IF Design,[15] as well as accolades such as 'Product of the Year', 'Consumer Choice', 'Best Home Alarm', among others, across multiple geographies.



In November 2019, we formed a strategic partnership with Arlo, one of the global leaders in connected cameras and video surveillance, and acquired their European operations – Arlo Europe. This partnership enhances and complements our professionally-monitored security offerings and allows us to provide standalone video surveillance services. It also opened new go-to-market opportunities in e-commerce and retail channels. Through Arlo Europe, we are a large provider of camera and video surveillance systems, with more than 1.2 million users served across 49 countries as of December 31, 2025.

Ensuring data security and privacy behind the devices we install is key to maintaining our customers' trust. We operate a 24/7 Security Operations Centre, staffed by more than 60 information security experts, funded by approximately 10% of our IT spend in 2025, and supported by what we believe to be the best-in-class tools and external partners. We also employ about 30 data privacy professionals across our local operations to continuously safeguard our customers' data and comply with the GDPR.

Vertically integrated tech stack, fueling continuous innovation

The end-to-end ownership of the platform, from sensors in the premise to backend signal reception and management, followed by our human intervention process, allows us to innovate and improve the service we provide. We have a strong, long-term track record of product and service innovation, which is critical to the

[15] The Red Dot Design Award and the IF Design Award are international, annual design competitions for product and industrial design.

promise made to our customer and enables our growth algorithm. We have chosen to be vertically integrated in our approach, and we aim to control the design, functionalities and cost efficiency of our technology platform.

We operate three main technology centers, with our primary technology hub located in Geneva, Switzerland, supported by two additional centers in Malmö, Sweden, and Madrid, Spain. In November 2025, we announced the planned opening of an additional site in Alicante, Spain. Our Technology organization comprised more than 1,800 technologists (with about half being employees and half being contingent workers) as of December 2025. Our team of technologists collaborates closely with our operations, marketing and sales departments to ensure our developments are strongly rooted in customer insights.

Product and service innovation often creates news, which in turn stimulates demand. Innovation can also increase our addressable market, by unlocking additional demand and bringing new customers to the category. Product innovation, such as a better app experience or a protected lock, may also increase the usage frequency amongst our existing customers. Experience shows that higher usage is correlated with lower customer attrition. New or improved products, services, or internal processes, can also justify higher prices or help reduce costs, thereby improving the profitability of our operations.

We regularly deploy new innovations to our markets, including in recent years:

- **Sentinel Anti-Jamming Alarm**: Our anti-jamming alarm detects attempts to disrupt our wireless communication networks and notifies our backend to allow for an appropriate response via Sigfox, an ultra-narrowband communications protocol.

- **ZeroVision™**: The first affordable battery-operated vision-impairment device. When our monitoring station has evidence of an intrusion, it can remotely detonate the device, releasing thick smoke to quickly fill the protected property, slowing or stopping any on-going theft and expelling the intruder.

- **Verisure Guardian™**: Our SOS service, controlled via our mobile application, allows users to trigger emergency alarms for response by our monitoring centers wherever they are, extending our protection to outside the home.

- **Advanced Monitoring**: A proprietary machine learning model that assesses the threat level for each alarm signal received based on comprehensive data surrounding the installation and the alarm. This allows us to adapt our response protocols based on the level of risk for each incident, accelerating our response to the highest risk events.

- **PreSense™**: Our new-generation alarm platform, increasing our communication resilience and supporting critical new functionalities, such as WiFi Vision™ and HD quality video.

- **GuardVision™**: Security cameras with an on-device proprietary AI detection algorithm. Launched in two versions, indoor and outdoor; with the EN-certified outdoor version leveraging multiple AI and computer vision models to filter out noise and decide when to trigger an alarm.

- **LockGuard™**: An advanced electronic front door lock integrated with the alarm system, using machine learning algorithms to detect tamper attempts and offering remote control and monitoring capabilities. The lock not only increases protection against intrusion but also allows us to facilitate entry for first responders to access the property during a fire or medical emergency.

- **WiFi Vision™**: We are pioneering the commercial deployment of WiFi sensing technology in Europe. This new technology leverages WiFi waves propagating through a property to detect presence and posture, unhindered by (most) walls and, unlike cameras, not constrained by line-of-sight.

We embrace artificial intelligence ("**AI**") wherever we believe its adoption can enhance our proposition, customer experience or our business efficiency. We have created a scalable platform to ensure rapid deployment of AI use cases, while putting in place appropriate compliance, security and quality safeguards. Early examples of innovative AI use cases include:

- **State-of-the-art detection**: For example, our latest outdoor detector, GuardVision™ Outdoors, leverages embedded algorithms to reduce false alarm rates, including on the passive infrared detector signal and the camera images. The latest version of our algorithms has, according to our estimates, reduced false alarms by approximately 28%, with further improvements expected in the future.

- **Alarm risk management system**: We utilize a predictive AI model analyzing alarm signals received at the monitoring station and assessing risk of a real event, using multiple algorithms including image analytics. According to our estimates, we improved our response rate to real events by approximately 13%, while decreasing operator average handling time by approximately 20%.

- **Predictive maintenance**: We use predictive analytics to assess when devices are likely to run out of battery, allowing us to optimize when to replace device batteries and reduce unnecessary maintenance workload. In our Northern European geographies, for example, this helped lower low battery signals by approximately 50% between October 2023 and October 2024 according to our estimates. Across the Company and adjusted for portfolio growth, we observed an approximately 9% reduction in maintenance visits per customer between the first quarter of 2025 and the first quarter of 2026, according to our estimates.

- **Speech analytics**: We use a suite of models to audit marketing calls in our contact center, helping to monitor quality standards and reducing the number of human supervisors required.

Even though we are still in the early stages of capturing the full benefits of the emerging use cases of AI, we already see tangible impacts. For example, in Spain, a comparison of our monitoring station's performance in the second quarter of 2024 compared to the first quarter of 2021 showed that AI adoption led to a 20% reduction in average handling time of alarm signals and a 13% improvement in response to real events. According to our estimates, as of March 31, 2026, we analyzed approximately 250,000 customer calls a month in Spain.

We are committed to protecting our technological advancements through patents, registered designs, and trade secrets. As of March 20, 2026, we have protected 139 inventions across Europe, Latin America and other regions with 572 granted patents and 247 patent applications, covering innovative aspects of our products and services. In addition to this, we protect the distinctive industrial designs of our products and user interfaces with a portfolio of 429 registered designs.

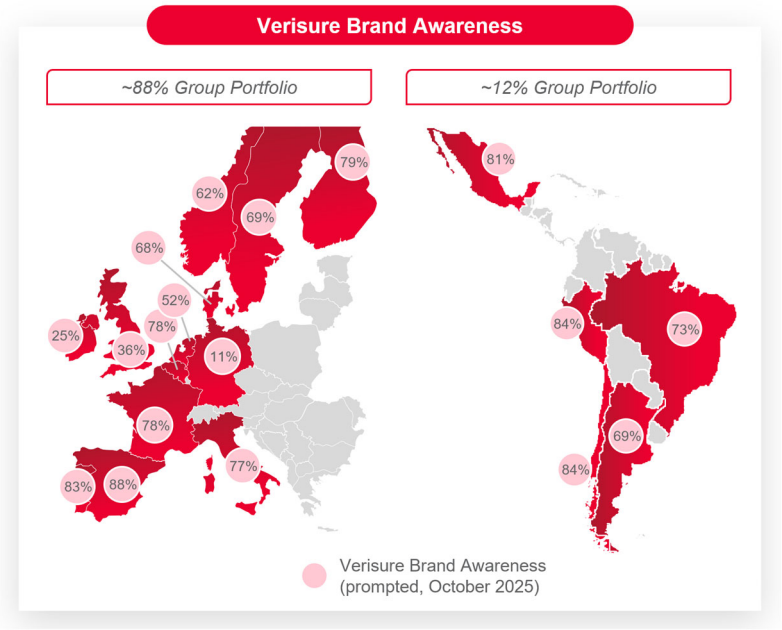
We outsource the manufacture of our products to a limited number of electronic equipment manufacturers, almost all of which are in Asia or Europe, with the share of the former gradually declining and expected to reach approximately 15% of total sourcing by 2027 (from approximately 40% as of December 31, 2025). We have increasingly strengthened contingency plans in place in case of a disruption in supply. For example, we have, in some cases, equivalent products that we can offer our customers, and in others we have alternative suppliers for the affected products. We actively maintain second sourcing for our high runner products. Based on our anticipated spending, we have active second sourcing in place covering approximately 60% of direct spend (either two vendors able to supply the product or two production sites) for 2025, and we plan to implement a second source for an additional 20% of our direct spend in 2026. For the remaining 20% of direct spend, which are low runner items, we rely on a combination of inventory buffering and our suppliers' own business continuity plans. We believe we are also minimally impacted by tariff effects, allowing us to maintain stable operations and consistent service delivery.

Category creating marketing

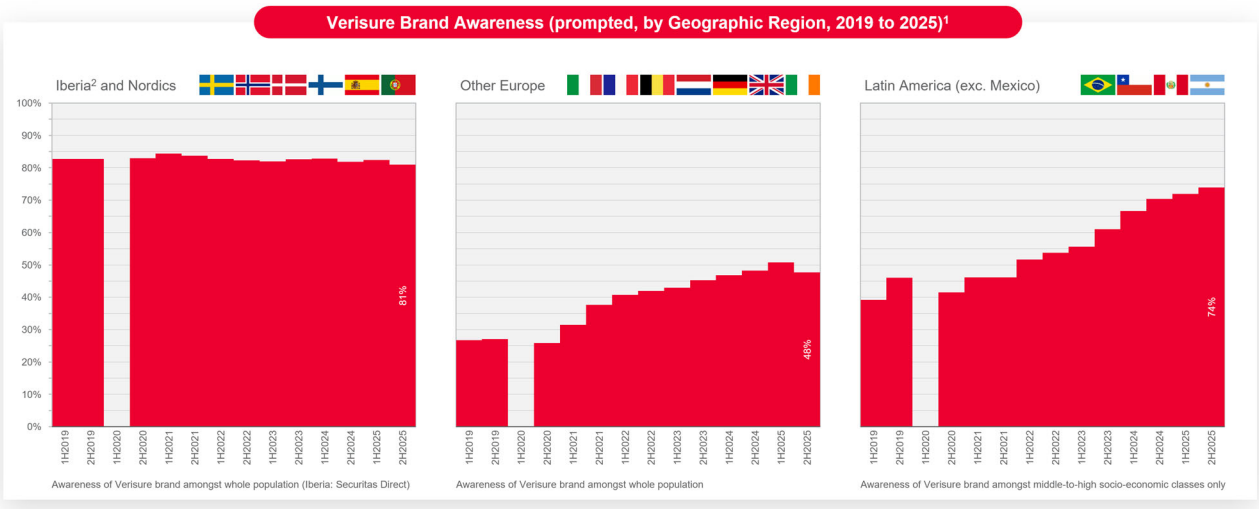
We believe we have a proven track record in driving category development and capturing growth. We operate some of the strongest brands in our space, with Verisure (across most of our geographies) and Securitas Direct (in Spain, Portugal, and in Sweden for our business customers).

We dedicate significant resources to category-creating marketing, advertising and selling activities to further grow awareness of our brand and of the category. We invest in a broad range of media, including TV, radio, online platforms and outdoor advertising. As a result, our brand awareness is high in most established geographies. Our market position and scale enable us to fund substantial marketing investments. Our marketing spend totaled EUR 306 million for the year ended December 31, 2025.

As a result, we have established strong positions for prompted brand awareness. Our most recent consumer survey, commissioned by the Company in October 2025 and based on more than 18,000 households across our footprint, showed that when respondents are shown a long list of possible brands and asked if they recognize any as a home alarm brand, our highest awareness levels are in Spain (88%), France (78%), Belgium (78%), Portugal (83%), Italy (77%), Chile (84%), Peru (84%) and Finland (79%).



We are highly active in our marketing efforts, and we aim to continuously build our brand over time. The following graph, based on our biannual consumer surveys conducted from 2019 to 2025 and involving between 12,000 and 21,000 households, illustrates the evolution of our prompted brand awareness across our geographic regions, and the remaining potential to further build our brand in our Other Europe and Latin America regions.



(1) Company Data Analysis, biannual consumer survey involving 12,000 to 21,000 households, 2019 to 2025. European surveys built to be representative of the whole population; Latin America surveys limited to middle-to-high socio-economic classes.

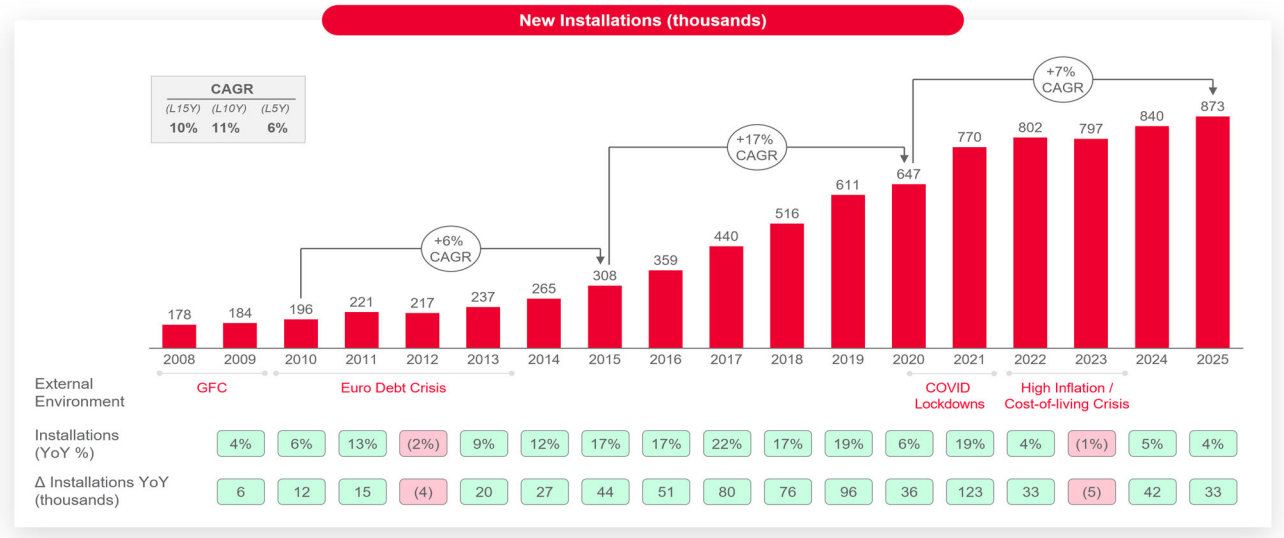
(2) Securitas Direct for Spain and Portugal.

We reach our target consumer segments across multiple communication channels, leveraging both offline and digital media. We understand that the majority of homeowners seeking to protect their homes are doing so for the first time, and they usually start their search for information online. We capture a disproportionate share of all online traffic in our category. Across our 18 geographies, we estimate for the 12 months ended December 31, 2025 that we captured about 71% of unique monthly visitors to the websites of 101 identified professionally-monitored security providers.[16]

[16] Company Data Analysis based on our estimates of unique monthly visitors to websites of professionally-monitored security providers.

Go-to-market expertise

We have developed an industrialized and scalable customer acquisition engine that underpins our growth trajectory, which has allowed us to scale our new customer intake over time.



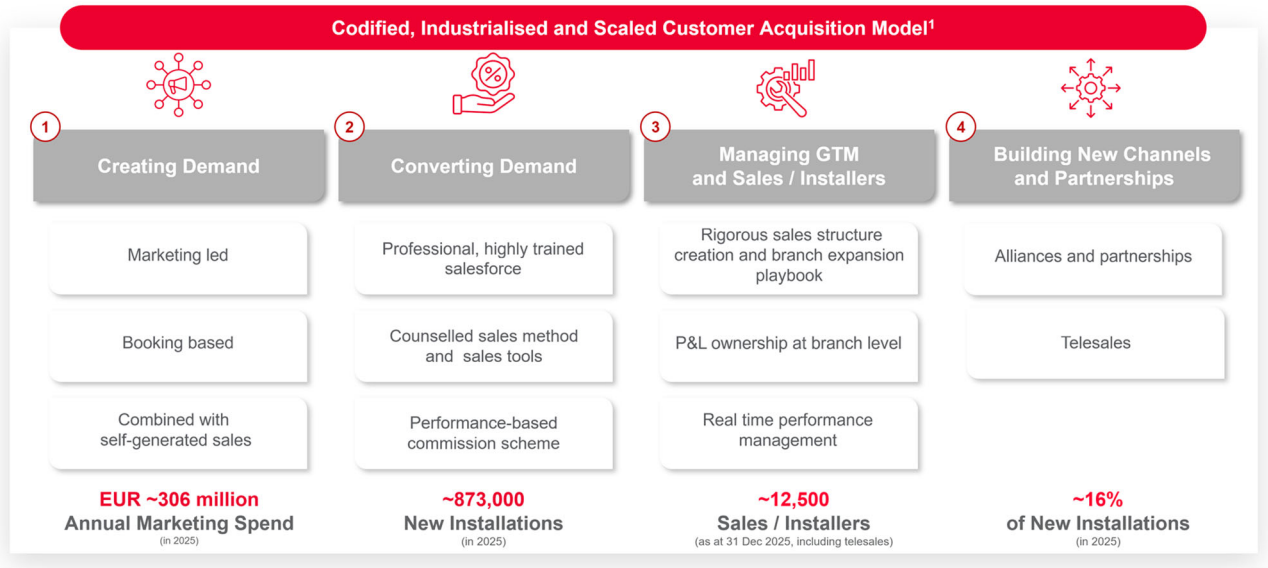
Our go-to-market ("**GTM**") playbook is one that we believe allows us to execute at scale and is structured around four key pillars:

1. **Creating demand**: We generate demand through a combination of marketing-led efforts, booking-based outreach and self-generated sales. This diversified demand generation model ensures a steady and qualified lead flow into the top of the sales funnel.

2. **Converting demand**: Conversion is driven by our highly trained, professional salesforce. Our counselled sales method is supported by specialized tools that guide the customer journey. Performance is incentivized through a structured commission scheme. This approach delivers consistent conversion efficiency and enables us to capitalize on the demand we create, resulting in approximately 873,000 new installations for the year ended December 31, 2025.

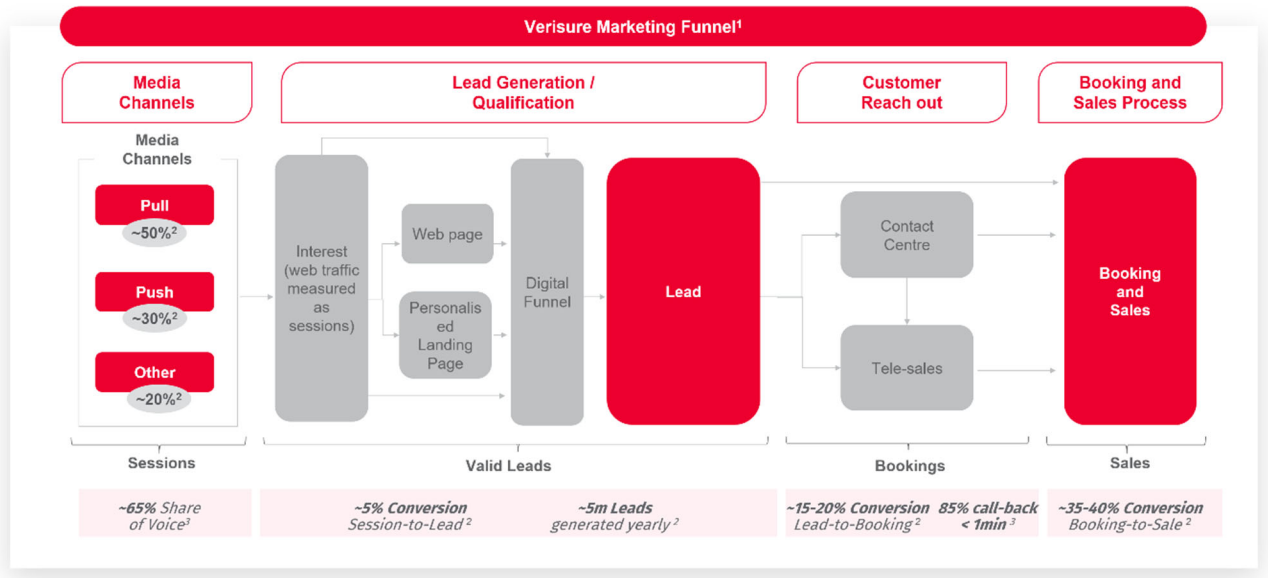
3. **Managing the GTM and salespeople**: Our GTM model is managed through a rigorous sales structure that includes detailed processes for both branch execution and individual performance. Responsibility over our regional balance sheets is held at the branch level, creating strong accountability and ownership. We complement this with real-time performance management systems that enable responsive coaching, data-driven decision-making and continuous optimization.

4. **Building new channels and partnerships**: To expand our reach and improve customer access, we are actively building new distribution channels through strategic alliances and partnerships. We also leverage telesales to drive incremental volume. These additional channels account for around 16% of new installations, evidencing the scalability and diversification of our model.



(1) Company information.

Our sales funnel encompasses a comprehensive customer outreach strategy, supported by over 1,000 contact center agents and a total sales force of around 12,500 agents as of December 31, 2025, including both direct and indirect channels. This integrated system ensures that we maintain high levels of customer engagement and conversion efficiency at every stage of the funnel: from lead generation and qualification (turning prospects into valid leads through landing pages and AB-testing) to customer outreach, bookings and sales. Our sales and marketing funnel is illustrated below.



(1) Company internal operational data, and third-party media agency partners for share of voice.

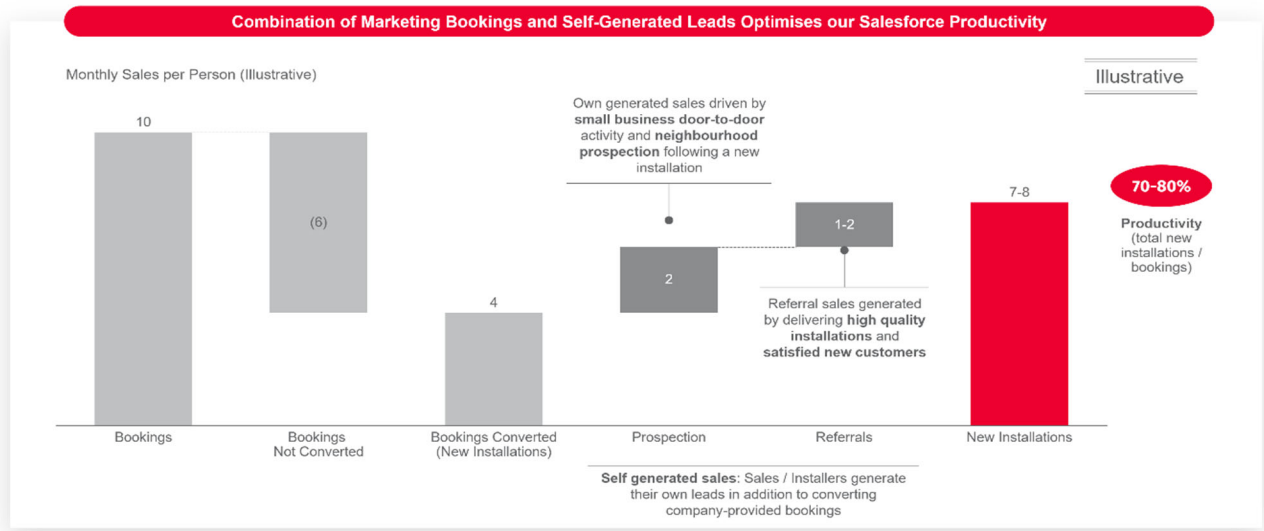
(2) As of the year ended December 31, 2023.

(3) As of the year ended December 31, 2024.

Leads from our online and telephone channels are qualified and passed to our field sales force of security experts. We organize on-site visits, aiming to schedule them promptly after we obtain a lead, during which our field sales force describes and demonstrates our proposition, collaborates with the customer to design the system tailored to the specific premises, and usually installs it immediately, with no need for a second visit before the customer is protected.



Upon closing a sale, our security expert typically explains in detail how to best use the system, onboarding family members or employees to maximize usage and customer satisfaction. Finally, our field salesperson typically asks for referrals and, where appropriate and feasible, may talk to neighbors to see if any are interested in becoming customers. This increases our commercial reach and improves our sales efficiency, which, in turn, allows us to build larger and more productive sales structures. We measure how many sales we close, relative to the number of bookings we provide our salesforce. We call this our bookings productivity. Our sales teams have 70-80% bookings productivity, of which 30-40% are self-generated (i.e., in addition to company-produced bookings).



Our large-scale sales force benefits from what we believe to be industry-leading training and a sales method that we have codified and standardized at group level, and that we continually refine and improve. We believe that the depth and scale of our activities, combined with the strength of our proposition, provide us with a significant advantage in attracting talented employees, by offering a leading, growing and international career platform, combined with attractive compensation mechanisms and development opportunities. Our structured talent promotion system makes data-driven recruiting decisions and configures employee career track programs, prioritizing 100% internal mobility. Seller-installers are trained into team leaders, and then accompanied along the path from branch manager to territorial manager and regional director, ensuring long-term growth and operational resilience of our talent base. Throughout this process, we track the effectiveness of the seller-installer model through rigorous KPIs: First Time Right, Customer NPS, Maintenance Operating Ratio (calculated as the number of maintenance tickets opened during the first 90 days), and alarm usage during first 90 days.

We leverage additional sales channels alongside our field salesforce of security experts. One such channel is telesales, where we sell over the phone to consumers who either already know our system well or cannot easily

be present on-site (for example, in the case of secondary residences). As of December 31, 2025, we had deployed telesales in 17 of our 18 geographies. Another channel is commercial alliances, for example, with banking and insurance partners, which would typically recommend and, in some cases, even directly sell, our system and services to their customers acquiring or moving into a new home. As of December 31, 2025, we had 16 different commercial partnerships in place across our footprint. In certain geographies, such as Sweden and Norway, we also leverage exclusive local partners to sell, install and maintain our alarm systems.

We believe our ability to continue to bring to market an innovative and ever-evolving proposition, under a strong brand and through a large and effective salesforce complemented by additional channels, will remain a competitive advantage going forward. This allows us to continue shaping and taking the majority share of future category growth.

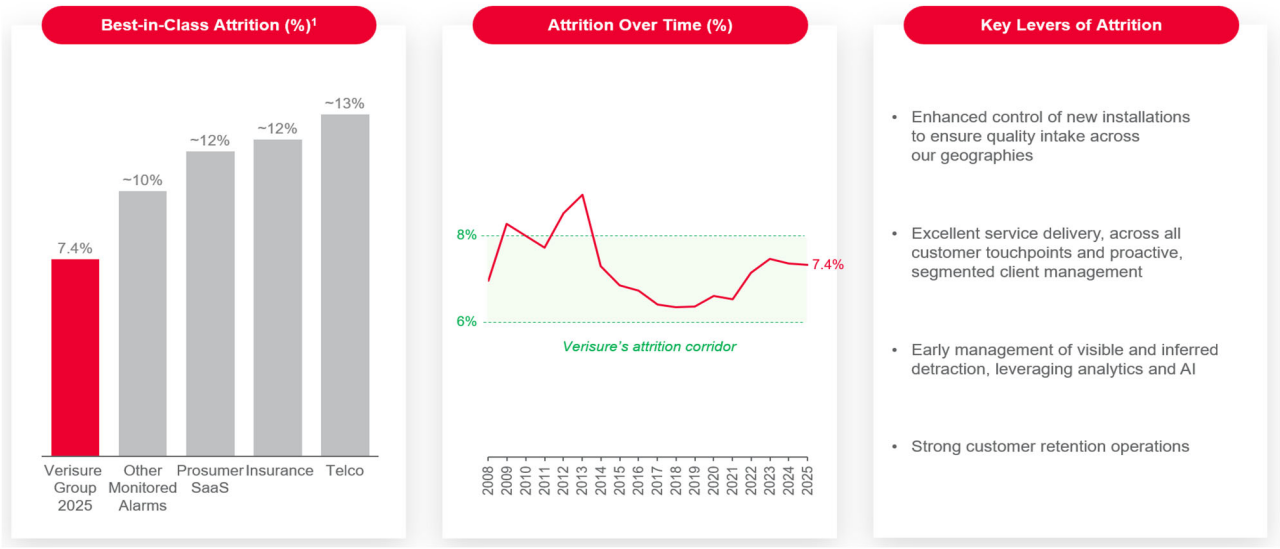
High levels of customer loyalty and best-in-class attrition

We are a consumer and customer-centric company. Business success starts with delivering to our customers a service they value, are satisfied with, and will remain subscribed to over the long term.

We focus on residential homes and small businesses, offering differentiated security services and products. Residential customers and small businesses are served by the same sales, customer service teams and utilize the same customer hardware. We strive to provide an exceptional experience to our customers, bolstering trust and loyalty. Our residential customers tend to be middle to higher income households with assets to protect and lower price sensitivity. We believe that the demand for our security services is underpinned by the strength and reputation of our brand and the nature and quality of the services we offer, as we address the safety of our customers' families and property.

Customer loyalty is one of our strengths. Our customers remain with us, on average, for approximately 15 years.

We estimate that our customer attrition rate is the lowest amongst our industry peers and among the lowest of other consumer subscription-based businesses (as shown in the chart below).[17] From 2014 to 2025, our attrition rates have ranged between 6% and 8%.



(1) Company information. Competitor data based on median of latest available attrition rates of selected Monitored Alarm, Prosumer SaaS, Insurance and Telco companies.

Our low attrition is the result of striving for operational excellence across all touchpoints.

We believe the key starting point is our high-quality customer intake. Our commercial process primarily rests on marketing-led, booking-based, counselled sales. Through our advertising, we aim to elevate the consumer need state and attract motivated potential customers. We direct interested prospects to our marketing contact centers, where we offer an in-home security survey with one of our experts. This booking gives us the opportunity for a detailed explanation and on-site demonstration of our proposition. We tailor our offering to the specific space to

[17] Based on publicly reported attrition and churn rates for monitored alarms and telecommunications companies for which such data is available, including ADT, Vivint, Prosegur, Movistar Prosegur Alarmas, Sector Alarm, Vodafone, Orange, Telefónica and TeliaSonera.

be protected and make a fully customized offer to the customer. Typically, the same security expert will close the sale and install the alarm system during the same visit. We believe speed of installation is particularly important for customers who contact us immediately after experiencing or witnessing a burglary.

Our sales process includes a counselled sales visit with a meaningful upfront fee charged to new customers. This not only contributes to partially cover our upfront costs but also helps qualify new customers and underscores their commitment to the system they have co-created with our security expert. We believe it also increases the likelihood of higher levels of system use. In some markets, we also use credit scoring to validate and enhance customer quality. Credit policies are reviewed regularly to reflect changes in economic conditions.

Once customers are onboarded, we aim to provide an excellent customer experience at every touchpoint: alarm receiving center, customer care, remote verification and on-site maintenance. We focus on providing exceptional service to new customers during the initial phase, forming good habits around alarm and app usage in the first 90 days. We continuously track service performance across our operations.

We continuously measure customer satisfaction through a combination of biannual large-scale Net Promoter Score ("**NPS**") surveys and immediate Closed-Feedback Loops questions ("**CFL**") following service touchpoints.

We also continuously implement initiatives to improve customer satisfaction and contain attrition, including by using data-led predictive analytics with respect to customer behavior to enable early intervention in the event of non-usage. Our deep retention expertise and ongoing customer service efforts have enabled us to maintain low attrition rates, and consequently, support better revenue growth.

Experienced and highly engaged team Verisure with proven execution capabilities

Verisure is led by the Board and the senior managers (the "**Senior Managers**"), supported by a carefully selected larger group of high-performing executives (the "**Company Management Team**") who play a pivotal role in shaping and delivering our strategy and long-term objectives. Led by our CEO, Austin Lally, the team combines the deep institutional knowledge of long-tenured leaders with the fresh perspectives and diverse experiences of more junior leaders who have joined more recently.

The team provides leadership across all core areas of the business, including strategy, finance, marketing, operations, HR and technology. They are responsible for driving key initiatives, enabling scalable growth and fostering continuous improvement. Members of the Company Management Team work closely with country leaders, ensuring strong alignment between strategic priorities and local execution, while contributing to the overall culture, performance and agility of the organization. Please see section "*Management*" for more information.

We had around 30,500 colleagues as of December 31, 2025, of whom more than 83% work in customer-facing functions. Our team is young, with around 50% colleagues under the age of 35. Our leadership team, comprising over 200 global and local management teams and other key talents, also reflects this dynamic profile. Our leaders bring substantial experience and deep expertise in our business – more than 74% have been with us for over five years, underscoring strong continuity and commitment.

Our people feel genuinely proud of what we do. We maintain a consistently high level of employee engagement, as demonstrated by our Sustainability Engagement Survey, launched in 2016. In 2025, the survey achieved a participation rate of over 90% across the organization. Our Sustainable Engagement Index score has remained above 85 for the past two years, with consistently strong results across functions, countries, and demographic cohorts. This score is based on the arithmetic average of nine questions designed by Willis Towers Watson to assess whether employees are engaged, enabled and energized. In 2025, our Employee Net Promoter Score ("**eNPS**") increased to 54, and our Product and Services eNPS improved to 61.



We are committed to cultivating talent growth and development, continuously nurturing and developing a robust leadership bench ready to step up when needed. We maintain a solid succession plan for our key leadership roles, with particular focus on those where internal expertise is essential.

Our efforts to create supportive and high-performance working environments have been acknowledged through external awards and certifications. As of March 2026, all 18 countries in which we operate have received various prestigious recognitions for working environments and are officially recognized as either a Top Employer® or Great Place to Work™, or both (except for Mexico, which has been recognized as a great employer featured in one of the Top Companies local ranking).[18] In addition, Verisure has been named as Top Employer® in Europe consecutively in 2024 and 2025 and was listed in the Financial Times' inaugural selection of the best employers in Europe for 2025.

Financial strengths: our value-creation proposition

We believe that our successful trajectory to date has also been built on several financial strengths, and that these same strengths will deliver continued future performance.

Long-Term, uninterrupted, profitable growth compounder

We believe that it is a right for families and small businesses to feel safe and secure and, as a result, we are committed to growing penetration of professionally installed monitored alarm systems in the geographies we serve.

Our growth has been uninterrupted throughout our history. It took approximately 20 years to reach 1 million customers in our portfolio by 2008, and approximately seven years to reach 2 million by 2015. Our increased investments in innovation, category-creating marketing, go-to-market expertise and customer service enabled us to accelerate our growth. We reached 3 million customers in 2019, 4 million in 2021, 5 million in 2023 and 6 million in 2025. As of March 31, 2026, we served close to 6.3 million customers.

For more than 20 years, our customer portfolio has consistently grown every month without interruption, as illustrated in the following graph.



Since we first began operations, we have almost exclusively pursued an organic growth strategy. From December 2015 to December 2025, our total customer portfolio has grown by more than four million customers. During the same period, we added only about 220,000 customers (approximately 5%) through acquisitions. In the past decade, we have executed complementary, add-on acquisitions in Brazil (TeleAlarme in October 2017), Norway (NorAlarm in May 2016 and Falck Norway in September 2016), Denmark (Falck Denmark in September 2016) and Mexico (ADT Mexico in October 2025).

[18] Mexico was not recognized as Top Employer® or Great Place To Work™ in 2025 because we only entered the country in the fourth quarter of 2025 through our acquisition of ADT Mexico.

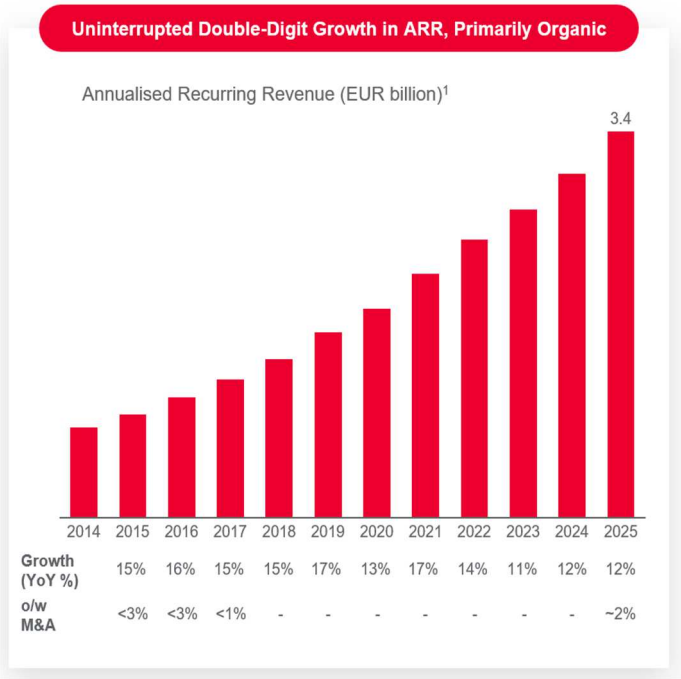
We completed the acquisition of ADT Mexico from Johnson Controls, Inc in October 2025, at an enterprise value of approximately EUR 200 to 220 million, expressed at current foreign exchange rates.

We believe ADT Mexico is a high-quality external growth opportunity. ADT Mexico holds the leading position in Mexico with a category share of close to 40%, serving approximately 125,000 residential and small business customers. ADT Mexico operates customer-level unit economics in line with our own Latin American operations capturing revenue of approximately EUR 78 million with an Adjusted EBIT margin of approximately 40% for the year ended December 31, 2024. We intend to invest to accelerate growth in this business.

We remain open to exploring additional inorganic growth opportunities in the future, as long as they present a strong strategic and financial rationale. However, we intend to remain as prudent and highly selective in our inorganic growth as we have been in the past. Our primary focus continues to be on organic growth, driven by our commitment to building a high-quality customer portfolio.

Through our organic growth, we take customer intake quality seriously and make sensible, financially attractive investments in customer acquisition. Our business model is not focused on maximizing new installations at any cost. We aim to find a good balance of growth, quality and investment. High-quality customer intake helps to ensure high customer loyalty, low attrition and an attractive level of pricing and profitability. Our new customers come in at a price level broadly in line with our average existing customer portfolio. We believe this disciplined approach is what creates long-term value.

We grow our recurring revenues as we grow our portfolio and serve more customers, and as of December 31, 2025, approximately 92% of our revenues were recurring. As of December 31, 2025, we had more than 20-years' track record of double-digit growth in ARR, reaching EUR 3.4 billion in 2025, irrespective of broader macroeconomic conditions or exogenous shocks.



(1) Annualized Recurring Revenue (ARR) is defined as the total number of subscribers in our portfolio at the end of the period, multiplied by the last twelve months (LTM) average revenue per user (ARPU), multiplied by 12 months.

Strong unit economics and long track record of margin expansion

Our unit economics are strong. The average Adjusted EBITDA margin of a customer in our portfolio was approximately 74% for the year ended December 31, 2025. We estimate that our lifetime earnings per customer

represent an approximately 20% Internal Rate of Return ("**IRR**")[19] on our customer acquisition investments, as of December 31, 2025. Our Return on Capital Employed ("**ROCE**") was 27% as of December 31, 2025.

We estimate our monthly subscriptions are at a premium compared to many competitors,[20] reflecting the quality of our offerings, high levels of customer trust, leading brand name, innovative solutions and exceptional service quality. Additionally, our premium pricing helps drive the retention of high-quality customers who value our "high security" service of 24/7 monitoring, maintenance and intervention.

Our continuous innovation in products and services adds value to our proposition and our customers. Over time, we have been able to transform this value to regularly increase monthly subscriptions to both new and existing customers, a strategy we call 'more for more'.

We complement this approach through our upselling efforts, offering additional products and services to our existing customer base, thereby increasing the value of our proposition and our ARPU. Our upselling strategy aims to drive both customer satisfaction and profitability. Based on experience and advanced customer segmentation, we have identified what we believe are the critical moments when our customers would best respond to an upsell, such as right after a real event or incident. Deploying a consistent multi-channel contact strategy also allows us to maximize conversion and satisfaction through our contact centers and field maintenance visits.

We have also been able to contain or offset most cost inflation by continuously identifying economies of scale and sharing best practices across our footprint – always seeking to do so without compromising our service quality. We believe that providing excellent service to prevent issues from arising, along with striving for first-time resolution of any issues that occur, leads to lower costs to serve. An operational excellence mindset is embedded within our culture combined with a continuous focus on cost management.

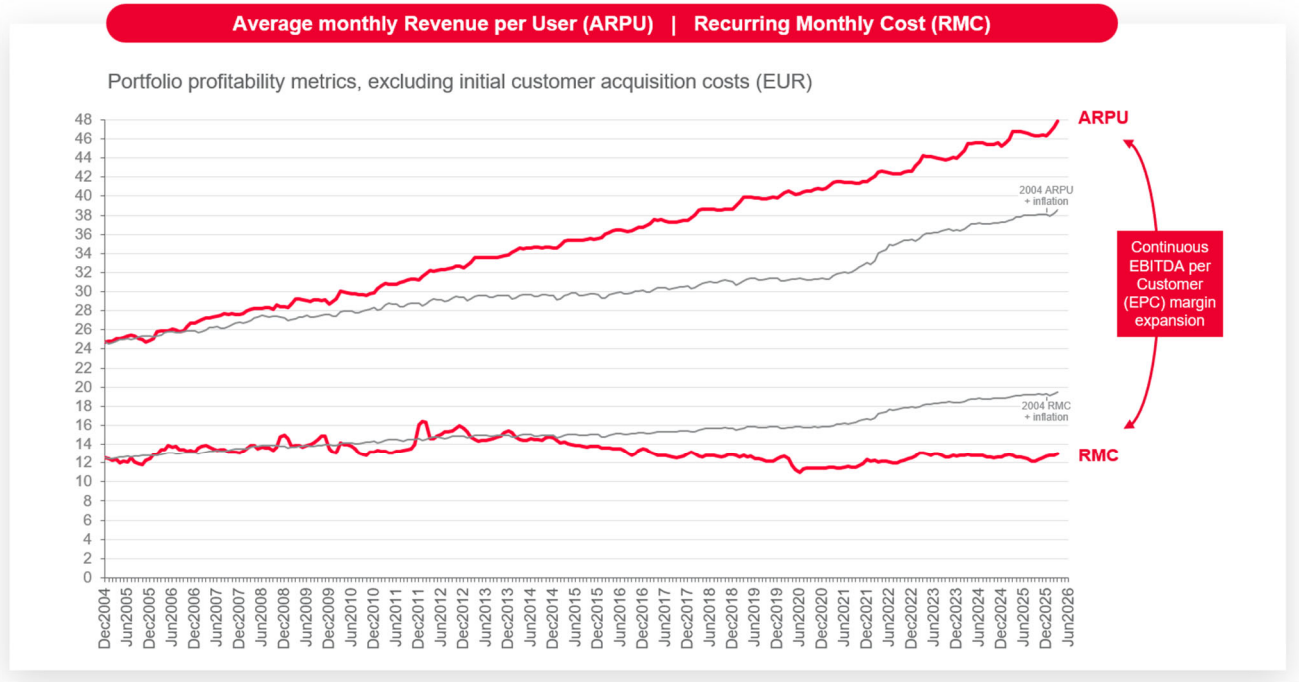
We have built a mature and effective procurement function. Looking ahead, we continue to focus on reducing costs through automation and AI, shared functions and utilizing lower cost locations. This has been evidenced by the successful implementation of our FOG efficiency programs. During the first two rounds of FOG in 2014 to 2016 and 2020 to 2023, we have delivered EUR 70 million and EUR 200 million of efficiency savings, respectively. The savings from the second round of FOG were achieved two years ahead of target. Since its launch in January 2024, the third round of FOG has delivered approximately EUR 165 million of savings as of December 31, 2025, nearly achieving our full cost savings target one year ahead of schedule.

Additionally, over the past 20 years, our average monthly revenue per user ("**ARPU**") has consistently increased, outpacing inflation. Meanwhile, our average recurring monthly cost ("**RMC**") has remained stable over the same 20-year timeframe, evolving well below inflation. The difference between ARPU and RMC, which forms the monthly EPC, is our main metric for assessing portfolio financial performance. As of March 31, 2026, our EPC margin[21] stood at 74% of monthly revenue.

[19] IRR is defined as the annualized return on investment generated by a new subscriber, based on the cash flows associated with acquisition costs and expected contribution to net income over the customer lifetime.

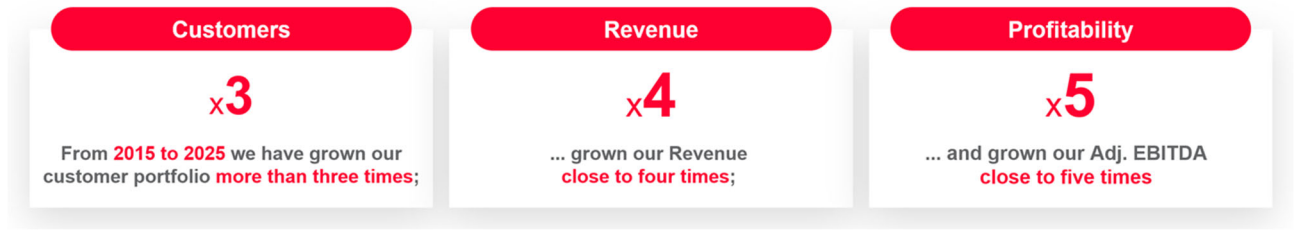
[20] Company Data Analysis based on competitor pricing benchmarks and offerings.

[21] Defined as monthly Adjusted EBITDA per customer divided by monthly Portfolio Services revenue per customer (ARPU).



Notes: All historical data in constant exchange rates (EUR/ARS=1,725.00; EUR/BRL=6.40; EUR/CHF=0.94; EUR/GBP=0.88; EUR/MXN=20.75; EUR/NOK=11.75; EUR/PEN=4.15; EUR/SEK=11.00; EUR/USD=1.15) and trailing three months. 2004 ARPU and RMC inflated using month-on-month headline Consumer Price Index (CPI) inflation rates weighted by Verisure monthly average Portfolio volumes, excluding Latin America.

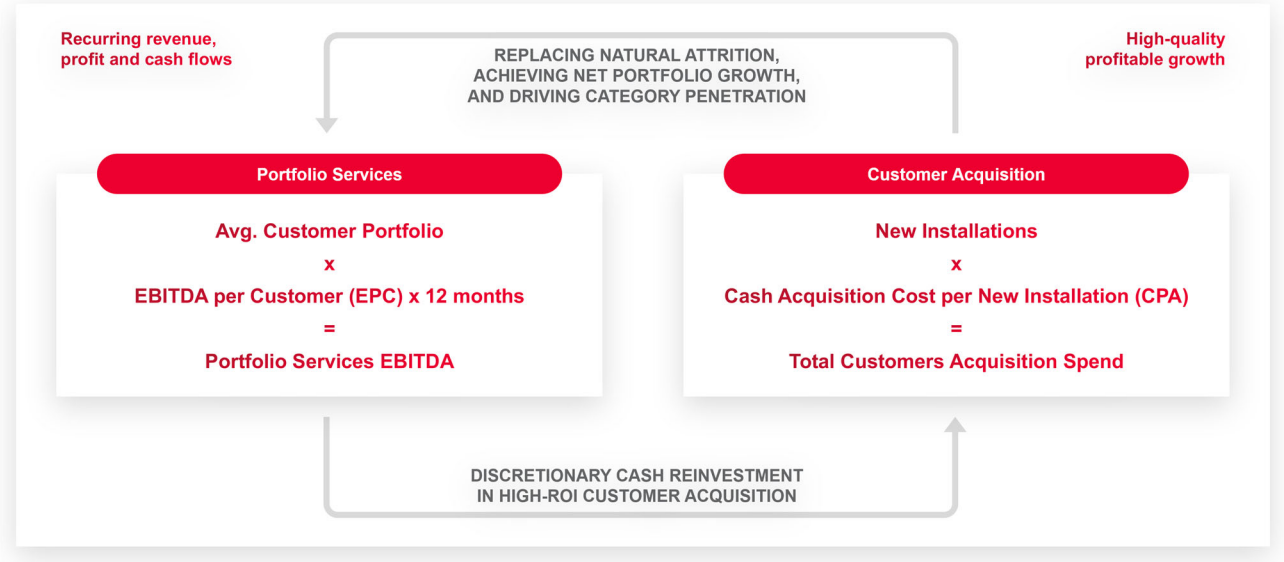
The combined effect of a growing portfolio and progressively improving unit economics has been accelerated growth from customer count to revenue to profitability. From 2015 to 2025, we have grown our customer base more than three times, our revenue close to four times and our Adjusted EBITDA close to five times.



Our Adjusted EBIT reached EUR 952.9 million in 2025, with a growth rate of 17% annually between 2023 and 2025. Our Adjusted EBIT margins reached 25.4% in the year ended December 31, 2025.

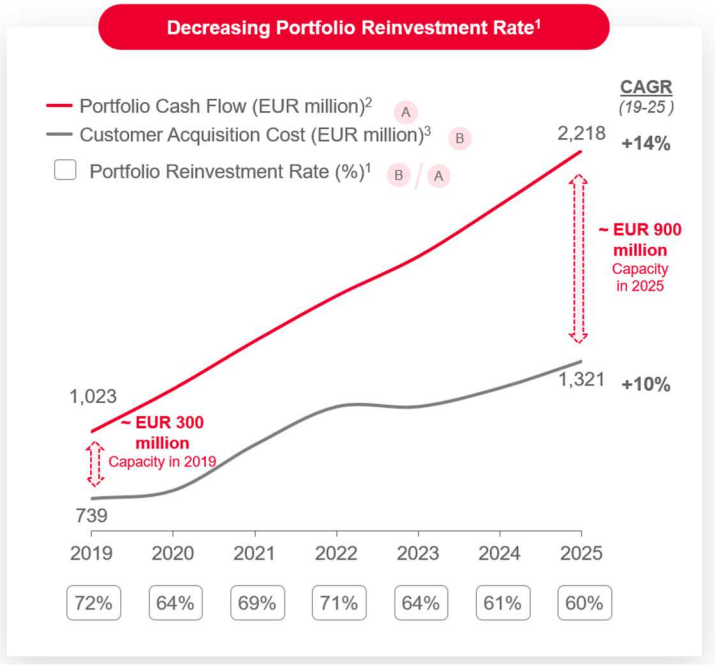
Value creation: portfolio profits fund growth

Our business model creates value by reinvesting the profits generated from our customer portfolio into acquiring new customers with similar economic profiles. Our consistent customer acquisition drives growth in our portfolio, which is further enhanced by the additional value generated through higher ARPU and our disciplined cost control focus. Cash flows generated from the customer portfolio are reinvested back into the acquisition of high-quality customers, fueling further growth.



We intentionally invest a significant portion of the cash generated from our Portfolio Services segment to fund our Customer Acquisition segment. For the year ended December 31, 2025, the ratio of the sum of Customer Acquisition Adjusted EBITDA and Customer Acquisition capital expenditures (the "**Customer Acquisition Cost**") to the difference between Portfolio Services Adjusted EBITDA and Portfolio Services capital expenditures (the "**Portfolio Cash Flow**") was 60% (the "**Portfolio Reinvestment Rate**").

This is an important cash flow metric. As Portfolio Services profitability and Portfolio Cash Flow increase more rapidly than the Customer Acquisition Cost, our Portfolio Reinvestment Rate has tended to reduce over time. A decreasing Portfolio Reinvestment Rate delivers increasing cash accretion and drives progressive increases in our free cash flow over time, as illustrated in the graph below.



(1) Portfolio Reinvestment Rate is defined as the ratio of Customer Acquisition Cost to Portfolio Cash Flow.

(2) Portfolio Cash Flow is defined as the difference between Portfolio Services Adjusted EBITDA and Portfolio Services capital expenditures.

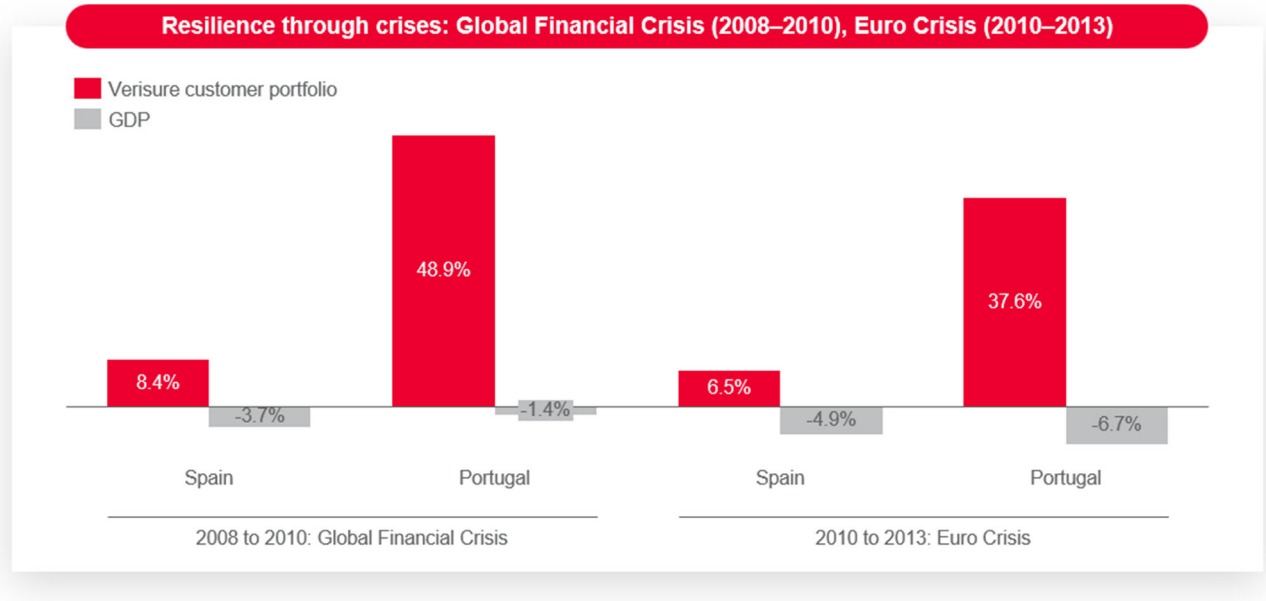
(3) Customer Acquisition Cost is defined as the sum of Customer Acquisition Adjusted EBITDA and Customer Acquisition capital expenditures.

This virtuous cycle of customer acquisition, value extraction and reinvestment in growth underpins our long-term success and allows us to continuously expand our market presence.

Proven resilience through economic downturns and external shocks[22]

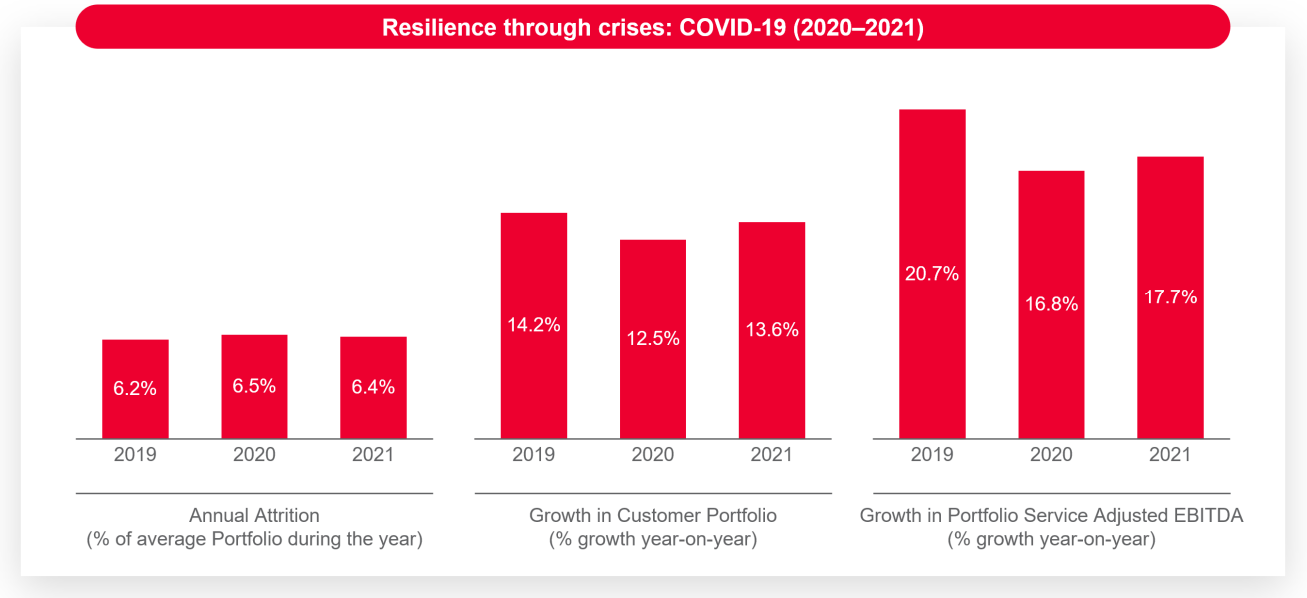
Our business model has proven its resilience even in challenging market conditions. We have a strong track record of growth and value creation through economic downturns and external shocks. Protecting the home typically remains a priority even in turbulent times, and our portfolio of customers remains "sticky", with only modest increases in attrition during market downturns. During periods of cost inflation, we have demonstrated our ability to price in a way that protects or grows our profit margins. We have also shown agility in deploying customer acquisition investments. With penetration remaining low across our footprint, we believe that there are large reservoirs of latent demand remaining even when the economy is less favorable. We have a long-term track record of resilience and we have delivered uninterrupted profitable growth for more than 20 years.

The performance of our Spanish and Portuguese operations during the "Global Financial Crisis" ("**GFC**") and the "Euro Crisis" illustrated the resilience of our business model. During the GFC, between December 2008 and December 2010, we grew our customer portfolios in Spain and Portugal by 8.4% and 48.9%, respectively, despite GDP contracting by -3.7% and -1.4%. Similarly, during the "Euro Crisis" between December 2010 and December 2013, we grew our customer portfolios in Spain and Portugal by 6.5% and 37.6%, respectively, despite GDP contracting by -4.9% and -6.7%.



Our performance during the Covid-19 pandemic is another example. Despite lockdowns and remote working, we continued to sell and provide our service. Our customer attrition saw only a marginal change, increasing from 6.2% in 2019 to 6.5% in 2020 and decreasing to 6.4% in 2021. We continued to deliver profitable growth throughout both 2020 and 2021, expanding our customer portfolio by 12.5% and 13.6%, respectively. We also improved our profitability per customer, and as a result, grew our Portfolio Services Adjusted EBITDA by 16.8% in 2020 and 17.7% in 2021.

[22] Information regarding the financial years 2019-2020 is derived from Verisure Topholding 2 AB's consolidated financial statements. The information regarding the financial year 2021 is derived from Verisure Topholding AB's consolidated financial statements.



Significant supply chain disruption after the pandemic led to higher inflation. This worsened in 2022 when Russia's invasion of Ukraine led to major increases in energy and food costs. Consumer confidence plummeted to very low levels and central banks raised interest rates to curb the rising inflation, impacting household disposable income and further affecting consumer confidence.

As a consumer services business, we were not immune to these macroeconomic changes. New sales grew more slowly in 2022 and declined slightly in 2023, reflecting our deliberate choice not to chase growth at all costs in that environment. In particular, we remained disciplined in capital allocation and did not compromise on intake quality (for example, by lowering prices) or acquisition investments. However, we did continue to increase prices to protect our margins for the long term. As part of our strategic response to the challenging market conditions, we tightened capital allocation between countries, increasing focus towards countries with higher Return on Investment, such as Italy, Spain and Portugal. We adopted a more mindful approach within each country, prioritizing the most attractive channels and leads. We also focused on optimizing our cost structure and improving productivity. This disciplined approach enabled us to continue our track record of revenue growth, delivering ARR growth of 13.9% in 2022 and 10.8% in 2023. We also improved profitability per customer, with Portfolio Services Adjusted EBITDA increasing by 14.7% in 2022 and 11.3% in 2023. As external pressures eased in 2024, and with consumer confidence, energy prices, inflation and interest rates returning close to previous levels, we achieved ARR growth of 11.7% in 2024 and 12.4% in 2025 and expanded our margin, with Adjusted EBIT margin increasing from 22.5% in 2023 to 24.0% in 2024 and to 25.4% in 2025.

Our Strategies

We intend to continue driving our customer-centered model to deliver peace of mind and protection to families and small business owners through our technology-enabled human services proposition.

Continue to drive penetration of monitored security services at attractive returns

We believe that there are significant growth opportunities for further penetration of professionally installed and monitored security for families and small businesses in Europe and Latin America. See section "*Industry*" for further information. We believe we are well-suited to drive and capture future growth in our category.

We believe many potential customers are not yet fully familiar with the advantages of a professionally installed and monitored security system that includes verification and intervention. We will continue to communicate our differentiated solutions.

Our plan is to continue to grow our portfolio through innovation, investing in category-creating marketing, communicating our proposition, growing our go-to-market capabilities, providing excellent service and attracting new talent. Continuing our uninterrupted growth trajectory will enable us to serve more families and small business owners, and help the communities in which we operate. As a company, this will enable us to further increase our revenue and profits as we grow recurring revenue in our Portfolio Services segment.

Our new customers delivered an approximately 20% IRR as of December 31, 2025. Based on our existing customer relationship terms and attrition rates, we expect our customers will have subscription lives averaging around approximately 15 years. We believe that continuing to grow our portfolio by adding high-quality new customers with controlled acquisition investment remains an attractive investment.

Beyond our existing countries, we intend to continue to explore new geographies, leveraging our codified and industrialized business model. However, we continue to do so with prudence. When entering new countries, we aim to utilize the same broad expansion blueprint that has been successful previously, building a strong and attractive portfolio of high-quality customers in these new geographies. Historically, we have entered new countries approximately every two or three years. We commenced operations in Germany in 2018, Argentina in 2019, Ireland in 2022, and Mexico in 2025.

Moreover, we may consider selective acquisitions to either enter new territories or increase our portfolio size in our existing footprint. However, selectivity is key to us. We remain open to exploring complementary external growth opportunities in the future, but only as long as they present a strong strategic and financial rationale. Our primary focus will remain on organic growth, driven by a commitment to continue building a high-quality customer portfolio.

Provide the best security services available, leveraging cutting-edge innovation

Our differentiated service ensures we can Deter, Detect, Verify and Intervene. Through our 24/7 service, verification and response via intervention, we will continue to offer customers peace of mind for their homes and small businesses. Our proprietary technology stack is supported by our technology team of approximately 1,800 colleagues as of December 31, 2025, allowing us to deliver innovative and differentiated products to market quickly. We know that innovation that brings novelty and utility can drive customer demand. We aim to remain at the forefront of innovation, leveraging insights we gain from our numerous customer touchpoints across the value chain.

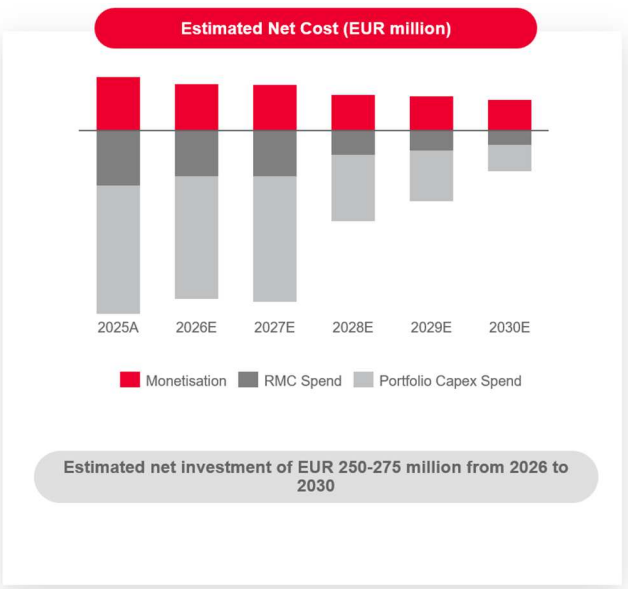
Our in-house R&D team is talented, extensive and cooperates closely with our network of equipment manufacturers to design and deliver new products and services. We believe that our scale is an important differentiator when it comes to investing in product development. Continued investment and deep expertise will ensure we continue to design and build user-friendly products and features that meet the needs of our customers.

We believe continued innovation will help us further enhance the value of the services we provide, improve customer satisfaction and loyalty, increase upselling to our portfolio, facilitate conversion of potential customers into customers and unlock previously latent demand. One recent example is the demand we are currently seeing stemming from the addition of our LockGuard™ connected front door lock as an option in our alarm proposition.

One example of this strategy is that we are leveraging our regular maintenance program to upgrade existing customer hardware, where applicable, from 2G or 3G to 4G well in advance of the sunset dates for our geographic regions. We are also actively working with regulators to extend the sunset dates for these networks across Europe and Latin America. As of December 31, 2025, our sunset portfolio comprised approximately 2.2 million customers, compared to 3.9 million customers as of December 31, 2022. With the majority of costs incurred in the first three years, we estimate that the net investment for the transition between 2026 and 2030 will be EUR 250 to 275 million. Because upgrading the equipment installed at a customer's premises implies installing the newest possible hardware, we believe that for those customers that will be upgraded, the process will enhance the customer experience and ultimately support lower future attrition rates.

We estimate the average net cost of upgrading customers is EUR 160 per customer, based on upgrades already completed to date. This level of investment can be offset by a relative short (approximately five months) extension of the customer lifetime. We are already seeing evidence of improved attrition performance post upgrade to 4G equipment in Spain and France. An additional opportunity created from the 4G upgrade is broader upselling potential, as 4G enabled hardware is able to interoperate with our newer products such as LockGuard™ and WiFi Vision™.





Strive for the highest levels of customer satisfaction and loyalty in the industry

We offer differentiated security services and products that sustain recurring revenue. We recognize that customer satisfaction is a direct driver of customer loyalty; therefore, we strive to deliver it at every opportunity. We hold ourselves to high standards of service delivery across all customer touchpoints – from operating our in-house monitoring stations with high verification accuracy, to leveraging strong technical expertise in field operations, to providing efficient, high-quality customer care.

We measure customer satisfaction at several key interaction points (including sales visits, alarm events, service visits and customer service calls), actively listening to our customers, analyzing patterns, anticipating needs and empowering our front-line teams to act based on real feedback.

We also aim to foster strong, ongoing customer engagement with our system through innovations, such as an enhanced app experience, our recently-launched protected lock LockGuard™ and high-quality camera detectors. Our goal is for new products and services to be compatible with our existing portfolio of installed alarms, consistently adding value and novelty to both new and current customers.

We believe our customer attrition performance is best-in-class, not only within professionally installed and monitored alarm systems but also compared to consumer subscription-based businesses more generally.[23] Our objective is to continue to deliver this performance.

Maintain our long track record of discipline on portfolio operating costs

We have a long track record of keeping our portfolio operating costs under tight control.

For the 12 months ended December 31, 2004, our RMC was EUR 12.2 per customer across a portfolio of 0.5 million customers, and for the 12 months ended December 31, 2025, our RMC was EUR 12.2 per customer across a portfolio of close to 6.2 million customers.

We manage our RMC through several strategies: deploying new product suites to reduce maintenance visits through fewer technical issues and enhanced remote resolution; using AI-integrated products for automatic verification in monitoring; and employing in-house developed Robotic Process Automations for automated technical signal analysis, pre-checks and alerts. Additionally, indirect procurement lowers costs in technical operations, logistics, marketing and consulting, audit and other external fees.

We plan to continue capturing scale effects and containing cost inflation.

A critical process to achieve this objective is our group-wide operational improvement plan, Funding Our Growth ("**FOG**"). We launched our FOG plan in 2014, initially as a project aimed at optimizing our cost structure and

[23] Based on publicly reported attrition and churn rates for monitored alarms and telecommunications companies for which such data is available, including ADT, Vivint, Prosegur, Movistar Prosegur Alarmas, Sector Alarm, Vodafone, Orange, Telefónica and TeliaSonera.

improving productivity. The program has now become embedded in our culture, with the objective to leverage our scale and share best practices across our global footprint to reduce costs and improve our margins. See section "*—Funding Our Growth and Fit for Growth—cost savings initiatives*" for further information.

Maintain our long track record of more-for-more pricing

We have a long track record of continuously enriching our proposition with product and service innovation. This allows us to capture pricing as the value we provide to our customers increases, which we call "more-for-more".

For the 12 months ended December 31, 2004, our ARPU was EUR 24.5 per customer across a portfolio of 0.5 million customers, and for the 12 months ended December 31, 2025, our ARPU was EUR 46.6 per customer across a portfolio of close to 6.2 million customers.

We plan to continue improving the value of our services to both existing and new customers, and continue capturing pricing.

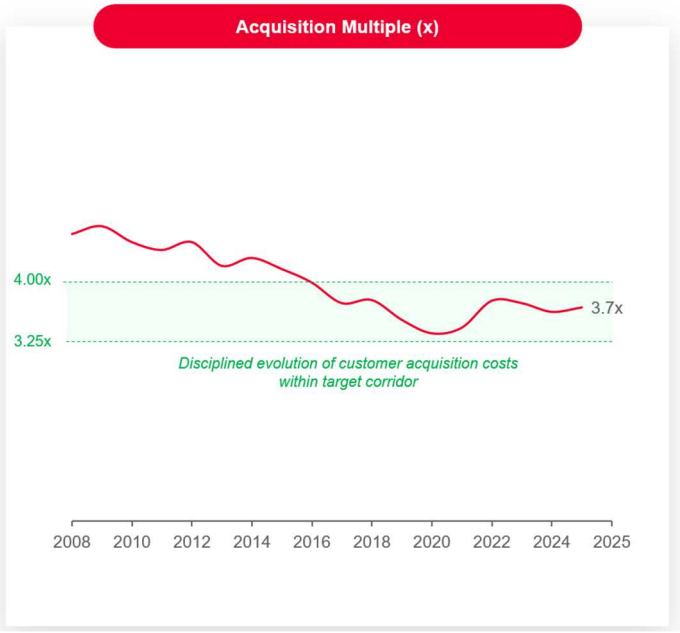
We expect the combination of improved ARPU and controlled RMC to lead to continued EPC expansion. Our EPC grew an average of 2.9% annually in the past five years, from EUR 29.7 for the year ended December 31, 2020 to EUR 34.3 for the year ended December 31, 2025.

Continue acquiring new customers at controlled acquisition costs and high IRRs

We pay close attention to customer intake quality and aim to make sensible, financially attractive investments in customer acquisition. High-quality customer intake is characterized by a strong attrition profile and an attractive level of pricing and profitability. Our customers come in at a price level in line with our existing customer portfolio. We believe this disciplined approach is what creates long-term value.

We measure our customer acquisition economics through several key performance indicators, including our Acquisition Multiple, which represents the ratio between the initial capital investment made to acquire a new customer, and the annualized Adjusted EBITDA per subscriber.

We have a long track record of keeping our Acquisition Multiple under control. For the year ended December 31, 2015, our average Acquisition Multiple was 4.2 times, while for the year ended December 31, 2025 it was 3.7 times.



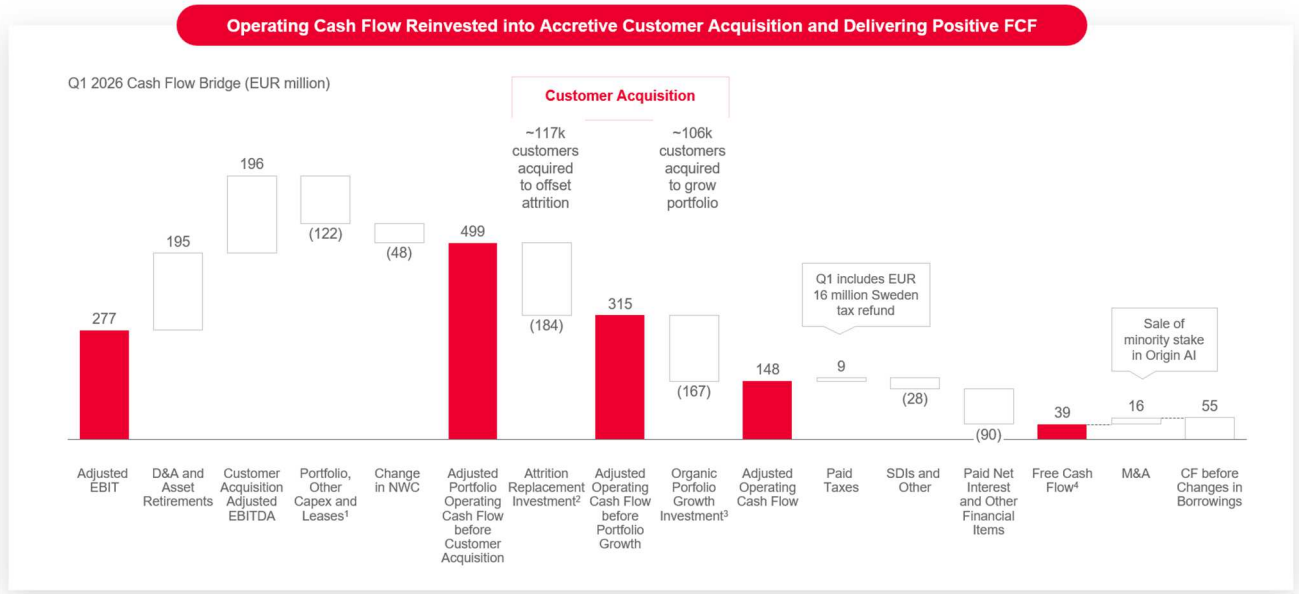
We plan to continue maintaining our Acquisition Multiples in an economically sensible band.

Controlled Acquisition Multiples and attractive operating economics combine to produce the IRR expected of our customer acquisition process. In 2025, we estimate our average IRR to be approximately 20%.

We aim to continue capturing high IRRs in the future through leveraging our effective sales teams and maintaining disciplined cost per acquisition ("**CPA**") levels, supporting customer retention through our strong service proposition delivered at competitive cost-to-serve.

Achieve an attractive balance between growth, profitability and cash flow to shareholders

In the short-term, growth through new customer acquisition reduces both earnings and operating cash flows, as acquiring new customers requires significant upfront investment. In 2025, our CPA was EUR 1,514. In 2025, we acquired approximately 873,000 new customers organically, at a CPA of EUR 1,514. To offset the approximately 433,000 customers lost to attrition and achieve a net organic portfolio growth of around 440,000 customers, we invested EUR 656 million in replacing attrition and EUR 665 million in organic portfolio growth. For the three months ended March 31, 2026, we acquired approximately 223,000 new customers organically, at a CPA of EUR 1,574. To offset the approximately 117,000 customers lost to attrition and achieve a net organic portfolio growth of around 106,000 customers, we invested EUR 184 million in replacing attrition and EUR 167 million in organic portfolio growth.



(1) Sum of capital expenditures related to new equipment for existing customers, capital expenditures related to R&D, IT, Premises and Adjacencies, and Leases.

(2) Number of cancellations multiplied by CPA.

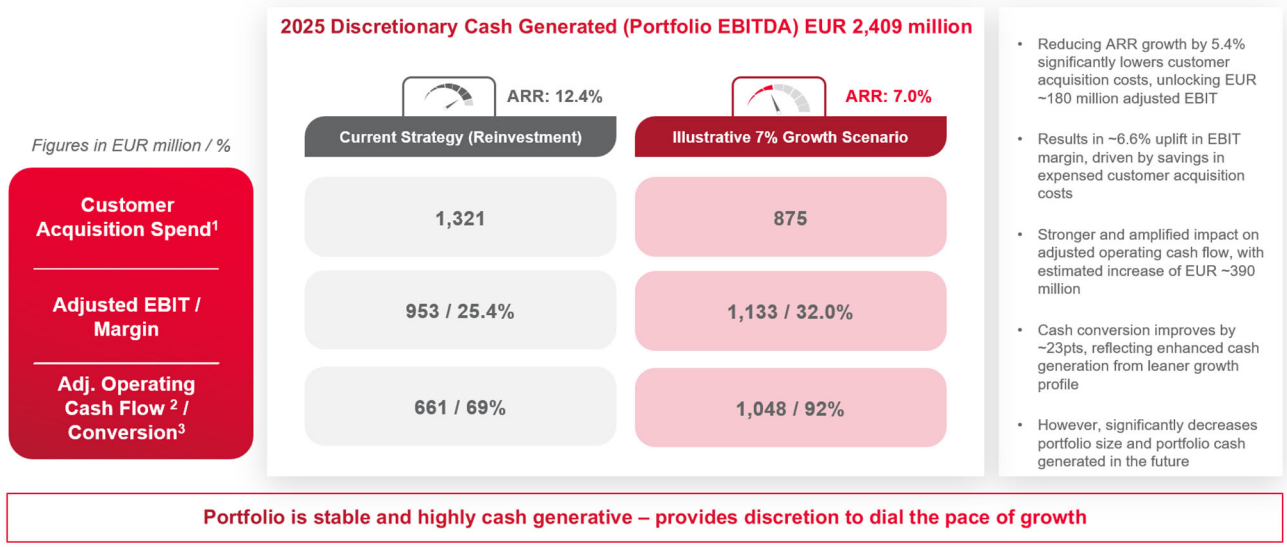
(3) (Number of new customers – number of cancellations) multiplied by CPA.

(4) Cash Flow for the period excluding changes in borrowings, M&A activity, and returns to shareholders.

These investments directly reduce operating cash flows on a one-for-one basis, while the impact on Adjusted EBIT is smaller due to the partial capitalization of certain customer acquisition costs. This dynamic also lowers our Cash Conversion ratio,[24] as operating cash flow is more significantly impacted than Adjusted EBIT in periods of strong customer growth. Despite this temporary impact, investment in customer acquisition delivers strong long-term value, with an unlevered IRR of approximately 20%.

The Cash Conversion ratio is highly sensitive to our new customer installations volume, and therefore inversely correlated with our ARR growth. For example, if we had acquired only enough new customers in 2025 to grow our ARR by 7% instead of 12%, we estimate our Adjusted EBIT margin would have reached 32.0% rather than 25.4%, and our Cash Conversion (excluding changes in working capital) would have been 92% instead of 69%. This illustrates how growth-driven new customer acquisition investments temporarily reduce cash conversion but creates long-term value. We deliberately choose to invest cash generated from our growing subscriber base to capture this long-term value.

[24] Cash Conversion ratio is defined as Adjusted Operating Cash Flow divided by Adjusted EBIT.

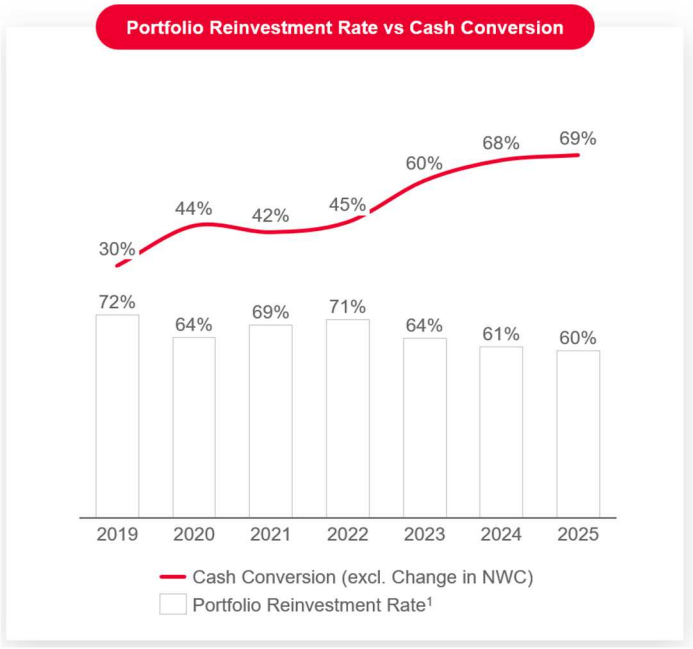


(1) Customer Acquisition Cost defined as Customer Acquisition Adjusted EBITDA + Customer Acquisition capital expenditures.

(2) Adjusted Operating Cash Flow excluding change in working capital.

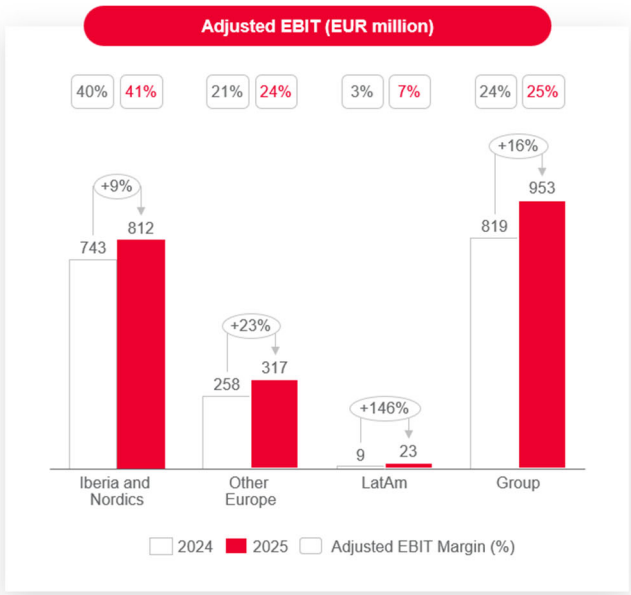
(3) Cash Conversion excluding change in working capital, as a percentage of Adjusted EBIT.

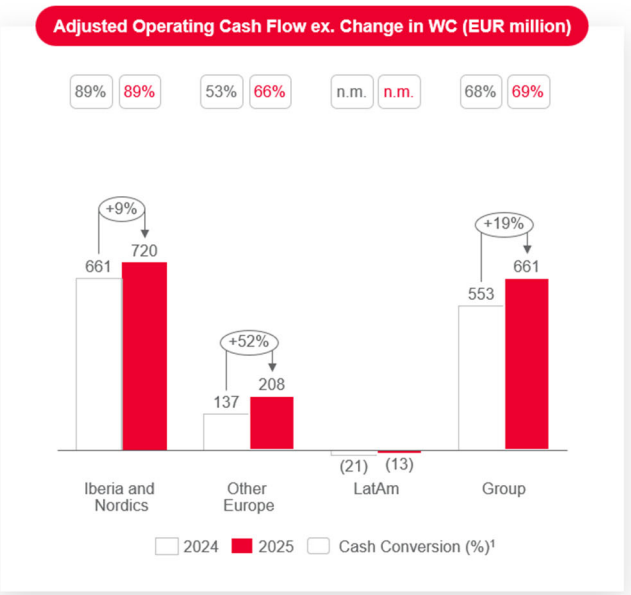
Over time, we expect a continued increase in our Cash Conversion ratio as our Portfolio Reinvestment Rate continues to decline. This is due to increases in both capital efficiency and maturity levels across our geographical footprint, among other things. The chart below illustrates this trend as our business has scaled: the Portfolio Reinvestment Rate has decreased from approximately 64% in 2023 to 60% for the twelve months ended December 31, 2025, and in turn, the Cash Conversion ratio has increased from approximately 61% to 69% over the same period, showing a clear correlation between the two metrics.



(1) Portfolio Reinvestment Rate is defined as the ratio of Customer Acquisition Cost to Portfolio Cash Flow. Portfolio Cash Flow is defined as the difference between Portfolio Services Adjusted EBITDA and Portfolio Services capital expenditures. Customer Acquisition Cost is defined as the sum of Customer Acquisition Adjusted EBITDA and Customer Acquisition capital expenditures.

A similar trend can be observed across our geographical footprint, with Cash Conversion ratio improving in line with the continued scaling of the business.





(1) Defined as Adjusted Operating Cash Flow excluding change in working capital / Adjusted EBIT.

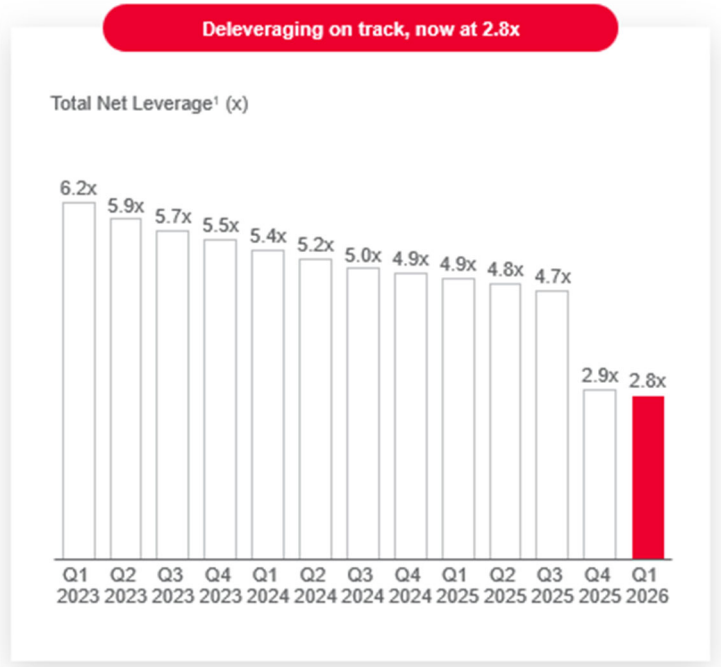
However, focusing solely on operating cash flows overlooks the ability to finance new customer acquisition with debt. Incremental customer acquisition investments generate their own debt capacity: as of December 31, 2025, we acquired new subscribers at approximately 3.7 times their first-year EBITDA contribution (the Acquisition Multiple). Depending on our financing strategy and target leverage levels, we can therefore finance some or all of the new customer acquisition investment with incremental debt.

The table below illustrates this effect. Assuming new customers contribute an average annualized EBITDA per customer of EUR 412 (calculated as EUR 34 of EPC achieved in 2025, multiplied by 12 months), then any incremental customers acquired above the level required to replace the attrition of existing customers would contribute to our financing capacity by an amount equal to EUR 412 multiplied by the target leverage level. At an illustrative leverage level of 2.5 times EBITDA (in line with the Company's future capital structure target) this would be equal to EUR 1,030, whereas at an illustrative leverage level of 2.9 times EBITDA (matching the Company's leverage level as of December 31, 2025) this would be EUR 1,194. Translating this into an aggregated figure for the entire pool of new customers acquired in 2025, this translates into incremental debt financing availability in the range of approximately EUR 575 million to EUR 670 million, based on constant leverage levels of 2.5x and 2.9x, respectively. This, in turn, could cover approximately 45% to 50% of the total customer acquisition cost and correspond to between 60% and 70% of Adjusted EBIT for the period.

Annualized EBITDA per Customer (EUR)	412	412
x Illustrative Leverage Level (x EBITDA)	2.5	2.9
Incremental Debt Capacity per New Customer (EUR)	**1,030**	**1,194**
Gross New Subscribers Added (thousands)	873	873
Gross Cancellations (thousands)	(433)	(433)
M&A and Others (thousands)	120	120
Net Subscribers Added (thousands)	**559**	**559**
x Incremental Debt Capacity per New Customer (EUR)	1,030	1,194
Total Incremental Debt Capacity from New Customers (EUR million)	**576**	**668**
	44%	51%
Relative to 2025 Customer Acquisition Cost of EUR 1,321 million (%)		
Relative to 2025 Adjusted EBIT of EUR 953 million (%)	60%	70%

Capital structure targets and capital allocation policies will therefore materially influence the cash flow generation to shareholders. Prior to 2021, shareholders periodically recapitalized the Company, effectively borrowing against incremental new customer cohorts acquired to finance the Company's growth investments while also enabling significant shareholder distributions. The most recent example of this was in March 2021,

when a EUR 1.7 billion dividend was distributed to shareholders. Since then, the Company has prioritized deleveraging. Following the IPO the Company decreased net leverage to approximately 3.0x, by year end, to 2.9x, and by March 31, 2026, to 2.8x. Our net financial debt reduced from €7.8 billion as of September 30, 2025 to €5.0 billion as of March 31, 2026, and the Company is targeting net leverage of approximately 2.5x-2.75x through the cycle.



(1) Total Net Leverage ratio excludes factoring arrangement (balance of €232m as of March 31, 2026) and includes LTM Adjusted EBITDA.

In the short term, this will improve cash flow generation by delivering savings on interest expenses and finance charges, driven by lower Net Financial Debt and by a lower weighted average cost of debt. Thereafter, once our targeted lower leverage is achieved, a portion of the Company's customer acquisition investment could again be funded with incremental debt, thereby increasing the cash available for shareholder distributions, for example through ordinary dividends, extraordinary dividends or share buybacks.

Our Principal Shareholders

The Issuer's share capital is wholly owned by our indirect parent company, Verisure plc, which successfully completed an initial public offering in October 2025. Verisure plc's ordinary shares are admitted to trading on Nasdaq Stockholm.

H&F

H&F is a global private equity firm with a distinctive investment approach focused on a limited number of large-scale equity investments in high-quality growth businesses. H&F seeks to partner with world-class management teams where its deep sector expertise, long-term orientation, and collaborative partnership approach enable companies to flourish. H&F targets outstanding businesses in select sectors, including technology, financial services, healthcare, consumer services & retail, and information, content & business services. Since its founding in 1984, H&F has invested in over 100 companies and had over $115 billion in assets under management as of December 31, 2025. According to Euroclear Sweden AB and public notifications to the Swedish Financial Supervisory Authority (the "**SFSA**"), as of December 30, 2025, H&F indirectly fully owns Aegis 1A, which owns approximately 43.7% of the share capital of the Issuer.

Eiffel

Eiffel is a nominated investment vehicle of GIC Special Investments Pte Ltd, a direct subsidiary of GIC. GIC is a leading global investment firm established in 1981 to manage Singapore's foreign reserves. GIC is a long-term value investor with investments across a wide range of asset classes, including real estate, private equity, equities and fixed income. In private equity, GIC invests through funds as well as directly in companies, partnering with its fund managers and management teams to help world class businesses achieve their

objectives. GIC has investments in over 40 countries and is headquartered in Singapore. According to Euroclear Sweden AB and public notifications to the SFSA, as of December 30, 2025, Eiffel indirectly owned approximately 16.0% of the share capital of the Issuer.

Alba

Alba is an investment vehicle of Corporación Financiera Alba which forms part of the Grupo March. Corporación Financiera Alba is an entity listed on the Spanish Stock Exchange (*Mercado Continuo*). Grupo March is one of the leading family-owned private business and financial groups in Spain in which Banca March and Fundación Juan March are also integrated. Corporación Financiera Alba currently holds assets across industrial, energy, telecom, technology, leisure and consumer sectors. According to Euroclear Sweden AB and public notifications to the SFSA, as of December 30, 2025, Alba indirectly owned approximately 6.3% of the share capital of the Issuer.

Recent Developments

On April 24, 2026, we completed the TLA Facility Upsize, the proceeds of which, together with borrowings under the Revolving Credit Facility, were used to fully redeem the 2028 Fixed Rate Senior Secured Notes, to redeem €175.0 million of principal amount of the Existing Senior Notes and to pay the accrued interest, the applicable redemption premium and the transaction fees (collectively, the "**Refinancing**"). After giving effect to the foregoing, the available commitments and/or indebtedness under the 2021 Senior Facilities Agreement is expected to comprise:

- €950.0 million of Revolving Credit Facility;
- €1,860.0 million of TLA Facility of which €1,215.0 million was established and incurred on October 8, 2025, €75.0 million was established and incurred on December 5, 2025 and €570.0 million was established and incurred on April 24, 2026; and
- €1,250.0 million of Facility B.

The Transactions

We intend to use the proceeds from the issuance of the Notes, together with cash on hand, to redeem all of the Existing Senior Notes and pay costs, fees and expenses in connection with the Transactions. See "*Use of Proceeds*" and "*Capitalization*."

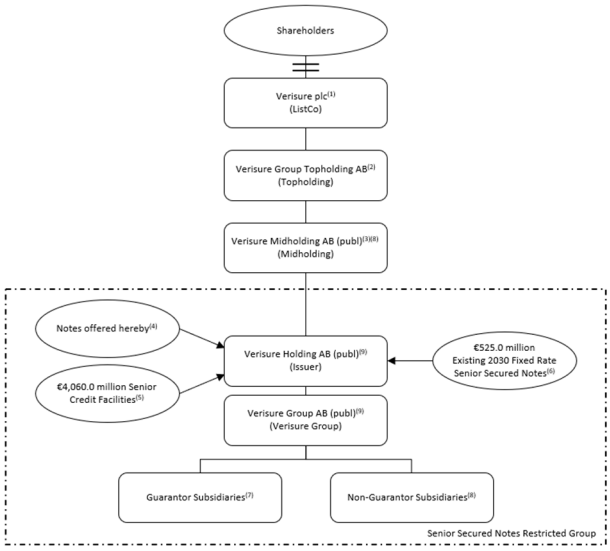
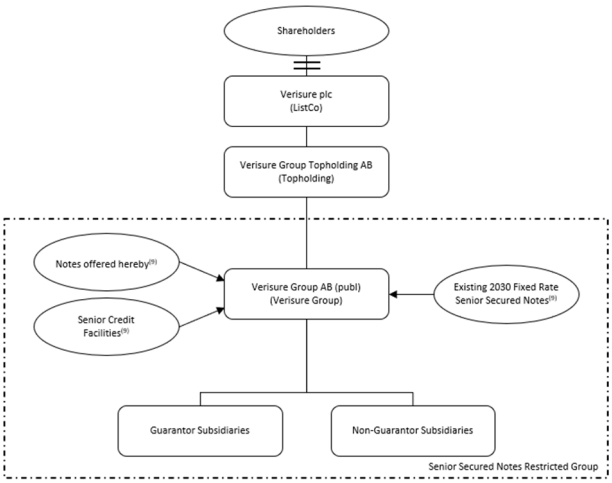
The "**Transactions**," as used herein, shall comprise the following: (i) the Offering and (ii) the application of proceeds therefrom. See "*Use of Proceeds*," "*Capitalization*," *"Description of Certain Indebtedness"* and "*Description of Notes*."

The Merger

Following the Transactions, it is intended that Midholding, the Issuer and Verisure Group shall be combined through a merger on or prior to the Post-Closing Date, with Verisure Group being the surviving entity (the "**Merger**") while Topholding will become the new parent entity under the Senior Facilities Agreement. Following the Merger, all outstanding obligations of the Issuer under the Notes will be assumed by Verisure Group. See "*Summary Corporate and Financing Structure*".

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following diagram shows a summary of our corporate and principal financing structure after giving effect to the Transactions before and immediately after completion of the Merger. For a summary of debt obligations identified in the diagrams below, see the sections entitled "*Description of Notes*," "*Description of Certain Indebtedness*" and "*Capitalization*." See also "*Principal Shareholders*" and "*Related Party Transactions*."

Corporate Structure After Transactions	**Proposed Corporate Structure After Merger**
	

(1) In October 2025, the Issuer's indirect parent company, Verisure plc, successfully completed the IPO and its ordinary shares were admitted to trading on Nasdaq Stockholm. See "*Principal Shareholders*" for an overview of our shareholders holding a significant interest in the issued ordinary share capital. Verisure plc was incorporated on May 9, 2025 as the new parent company in connection with its IPO and listing on Nasdaq Stockholm, which has formed the basis for consolidated financial statements for the Group since the IPO. Except as otherwise stated, the historical financial information as of and for the year ended December 31, 2025 and as of and for the three months ended March 31, 2026 presented in this Offering Memorandum is based on the financial information of Verisure plc and its consolidated subsidiaries. The Company's market capitalization as of June 18, 2026 was €11,244.3 million, based on the price of the ordinary shares on Nasdaq Stockholm of €10.875 per share and 1,033,962,264 ordinary shares outstanding.

(2) Topholding is a direct subsidiary of Verisure plc, which is the parent company of the Group. Except as otherwise stated, the historical financial information as of and for the years ended December 31, 2024 and 2023 and as of and for the three months ended March 31, 2025 presented in this Offering Memorandum is based on the financial information of Topholding and its consolidated subsidiaries.

(3) The Issuer is a holding company, with no operations of its own. The Issuer's ability to make payments on the Notes will depend entirely on its subsidiaries' ability to generate cash and make distributions to the Issuer.

(4) The Notes will be senior secured obligations of the Issuer and will rank *pari passu* in right of payment with all of the Issuer's existing and future senior indebtedness that is not expressly subordinated in right of payment to the Notes (including obligations of the Issuer under the Senior Facilities Agreement, the Existing 2030 Fixed Rate Senior Secured Notes Indenture and certain hedging obligations, if any), and will rank senior in right of payment to all of the Issuer's existing and future indebtedness that is expressly subordinated in right of payment to the Notes. The Notes will be structurally subordinated to all of the existing and future indebtedness of the Issuer's subsidiaries that do not guarantee the Notes, and will be effectively subordinated to the existing and future indebtedness or obligation of the Issuer that is secured by property or assets that do not secure the Notes to the extent of the value of such property or assets.

On and following the Post-Closing Date, the Notes will be secured by first-priority security interests in: (i) 100% of all issued and outstanding shares of capital stock of Verisure Group, as the surviving entity following the Merger, and the Guarantors; and (ii) bank accounts, certain fixed and current assets, receivables (including, in certain cases, intercompany loans and assignments of rights under certain contracts and insurance policies) of certain Guarantors and Verisure Group and material intellectual property of Verisure Sàrl (collectively, the "**Collateral**"), *provided* that, if by the Post-Closing Date the Merger has not been completed, the Issuer will procure that the Notes will be secured with the same collateral that secures the Issuer's obligations under the Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Senior Facilities Agreement. The validity and enforceability of the Collateral will be subject to the limitations described in "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral*."

(5) Represents the aggregate principal amount of the Senior Credit Facilities comprised of up to approximately €4,060.0 million, consisting of the €1,860.0 million TLA Facility, €1,250.0 million Facility B and the €950.0 million Revolving Credit Facility.

(6) Represents the aggregate principal amount of the Existing 2030 Fixed Rate Senior Secured Notes outstanding as of the date of this Offering Memorandum.

(7) On and following the Post-Closing Date, the Notes will be jointly and severally guaranteed on a senior secured basis (the "**Guarantees**") by each of ESML SD Iberia Holding, S.A.U., Securitas Direct España, S.A.U., Securitas Direct Sverige AB, Verisure Sverige AB, Securitas Direct Portugal, Unipessoal Lda., Verisure Holding AS, Verisure AS, Verisure SAS, Verisure International AB, Verisure A/S

and Verisure Sàrl (collectively, the "**Guarantors**"), *provided* that, if by the Post-Closing Date the Merger has not been completed, the Issuer will procure that the Notes will be guaranteed by the same guarantors that guarantee the Issuer's obligations under the Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Senior Facilities Agreement.

Each Guarantee will rank *pari passu* in right of payment with the relevant Guarantor's existing or future indebtedness that is not expressly subordinated in right of payment to such Guarantor's Guarantee (including the obligations of such Guarantor under the Senior Facilities Agreement, the Existing 2030 Fixed Rate Senior Secured Notes Indenture and certain hedging obligations, if any) and rank senior in right of payment to any existing or future indebtedness of such Guarantor that is expressly subordinated in right of payment to its Guarantee. Each Guarantee will be effectively subordinated to any existing or future indebtedness or obligation of the relevant Guarantor that is secured by property or assets that do not secure such Guarantor's Guarantee, to the extent of the value of the property or assets securing such indebtedness, and be structurally subordinated to any existing or future indebtedness of the subsidiaries of such Guarantor that are not Guarantors. The validity and enforceability of the Guarantees will be subject to the limitations described in "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral*." The Guarantors accounted for 99.2% of our Adjusted EBITDA excl. SDIs (exclusive of any such subsidiaries with negative EBITDA) and 77.6% of our Adjusted EBITDA excl. SDIs (inclusive of any such subsidiaries with negative EBITDA) as of and for the twelve months ended March 31, 2026.

(8) The subsidiaries of the Issuer that do not guarantee the Notes accounted for 0.8% of our Adjusted EBITDA excl. SDIs (exclusive of any such subsidiaries with negative EBITDA) and 22.4% of our Adjusted EBITDA excl. SDIs (inclusive of any such subsidiaries with negative EBITDA) as of and for the twelve months ended March 31, 2026.

(9) Following the Transactions, it is intended that Midholding, the Issuer and Verisure Group shall be combined through a merger on or prior to the Post-Closing Date, with Verisure Group being the surviving entity (the "Merger") while Topholding will become the new parent entity under the Senior Facilities Agreement. Following the Merger, all outstanding obligations of the Issuer will be assumed by Verisure Group. On and following the Post-Closing Date, the entities that will be guaranteeing the Notes will also be guaranteeing the Existing 2030 Fixed Rate Senior Secured Notes and the Senior Facilities Agreement, in each case on a senior basis. Accordingly, the Collateral securing the obligations under the Notes will also secure the obligations under the Existing 2030 Fixed Rate Senior Secured Notes Indenture and Senior Facilities Agreement on a first-priority basis. The Merger shall be permitted to take effect pursuant to the terms of the Senior Credit Facilities and the Notes. See the above chart for a summary of our corporate and principal financing structure after giving effect to the Merger.

THE OFFERING

The following summary of the Offering contains basic information about the Notes, the Guarantees and the Collateral. It is not intended to be complete and is subject to important limitations and exceptions. It may therefore not contain all the information that is important to you. For a more complete understanding of the Notes, the Guarantees and the Collateral, including certain definitions of terms used in this summary, see the sections of this Offering Memorandum entitled "*Description of Notes*" and "*Description of Certain Indebtedness—Intercreditor Agreement*."

Issuer	Verisure Holding AB (publ)
Notes Offered	€1,000,000,000 principal amount of 4.125% Senior Secured Notes due 2032.
Issue Date	July 3, 2026.
Offering Price	100.00% (issue price), plus accrued interest, if any, from the Issue Date.
Maturity Date	January 2, 2032.
Interest Rate	The Notes will bear interest at a rate of 4.125% *per annum*. Interest on the Notes will accrue from the Issue Date.
Interest Payment Date	Interest will be payable on the Notes semi-annually in arrears on January 15 and July 15 of each year, beginning on January 15, 2027.
Form and Denomination	The Notes will be issued in the form of global notes in denominations of €100,000 and integral multiples of €1,000 in excess of €100,000. Notes in denominations less than €100,000 will not be available.
Ranking	The Notes will: • be general, senior secured obligations of the Issuer; • be secured as set forth below under "—*Security*"; • be guaranteed by the Guarantors as described under "—*Guarantees*"; • rank *pari passu* in right of payment with any existing and future indebtedness of the Issuer that is not expressly subordinated in right of payment to the Notes (including obligations of the Issuer under the Senior Facilities Agreement, the Existing 2030 Fixed Rate Senior Secured Notes Indenture and certain hedging obligations, if any); • rank senior in right of payment to any existing or future indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes; • be effectively subordinated to any existing or future indebtedness or obligation (including obligations to trade creditors) of the Issuer that is secured by property or assets that do not secure the Notes to the extent of the value of the property or assets securing such indebtedness; and • be structurally subordinated to any existing or future indebtedness of subsidiaries of the Issuer that do not guarantee the Notes (including obligations to trade creditors).
Guarantees	• The Notes will be jointly and severally guaranteed on a senior secured basis (the "**Guarantees**") on and following the Post-Closing Date by each of ESML SD Iberia Holding, S.A.U., Securitas Direct España, S.A.U., Securitas Direct Sverige AB, Verisure Sverige AB, Securitas Direct Portugal, Unipessoal Lda., Verisure Holding AS, Verisure AS,

Verisure SAS, Verisure International AB, Verisure A/S and Verisure Sàrl (collectively, the "**Guarantors**"), *provided* that, if by the Post-Closing Date the Merger has not been completed, the Issuer will procure that the Notes will be guaranteed by the same guarantors that guarantee the Issuer's obligations under the Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Senior Facilities Agreement.

- The Guarantees will be subject to the terms of the Intercreditor Agreement. See "*Description of Certain Indebtedness—Intercreditor Agreement*."

- The obligations of the Guarantors will be contractually limited under the applicable Guarantees to reflect limitations under applicable law, including, but not limited to, with respect to maintenance of share capital, corporate benefit, fraudulent conveyance and other legal restrictions applicable to the Guarantors and their directors. In certain cases, these limitations may apply to the Guarantees, but not to the Guarantors' obligations under other debt. See "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral*."

- The Guarantees may also be released under certain circumstances. See "*Description of Notes—Releases of the Guarantees*."

Ranking of the Guarantees..... The Guarantee of each Guarantor will, at the time such Guarantor grants such Guarantee:

- be a general, senior secured obligation of the relevant Guarantor;

- rank *pari passu* in right of payment with any existing or future indebtedness of that Guarantor that is not expressly subordinated in right of payment to such Guarantor's Guarantee (including the obligations of such Guarantor under the Senior Facilities Agreement, the Existing 2030 Fixed Rate Senior Secured Notes Indenture and certain hedging obligations, if any);

- rank senior in right of payment to any existing or future indebtedness of that Guarantor that is expressly subordinated in right of payment to its Guarantee;

- be effectively subordinated to any existing or future indebtedness or obligation (including obligations to trade creditors) of such Guarantor that is secured by property or assets that do not secure such Guarantor's Guarantee, to the extent of the value of the property or assets securing such indebtedness; and

- be structurally subordinated to any existing or future indebtedness of the subsidiaries of such Guarantor that are not Guarantors, including their obligations to trade creditors.

Security.....

On and following the Post-Closing Date, the Notes will be secured by first priority security interests (*provided* that the security governed by Portuguese law shall be eighth or ninth-ranking (as appropriate) in relation to the security securing the Issuer's obligations under the Existing 2030 Fixed Rate Senior Secured Notes and the Senior Credit Facilities, and the security governed by French law shall be sixteenth-ranking or seventeenth-ranking (as appropriate) in relation to the security securing the Issuer's obligations under the Indenture, without prejudice to the provisions set out under the caption "*Description of Certain Indebtedness—Intercreditor Agreement—Application of Proceeds*") in:

- 100% of all issued and outstanding shares of capital stock of Verisure Group, as the surviving entity following the Merger and the Guarantors; and

- bank accounts, fixed and current assets (including, in respect of Verisure AS, inventory and operating assets), receivables (including, in certain cases, intercompany loans and assignments of rights under certain contracts and insurance policies) of certain Guarantors and Verisure Group, and material intellectual property of Verisure Sàrl (collectively, the "**Collateral**") *provided* that, if by the Post-Closing Date the Merger has not been completed, the Issuer will procure that the Notes will be secured with the same collateral that secures the Issuer's obligations under the Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Senior Facilities Agreement. On and following the Post-Closing Date, the Collateral will secure the Notes alongside, and on the same first priority basis as, the Existing 2030 Fixed Rate Senior Secured Notes and the Senior Facilities Agreement, which already benefit from security over the Collateral.

General ..... The security interests in the Collateral may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability. See "*Description of Notes—Security*," "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral*" and "*Risk Factors—Risks Related to Our Financing Arrangements and the Notes*."

The security interests securing the Notes may be released under certain circumstances. See "*Risk Factors—Risks Related to Our Financing Arrangements and the Notes—There are circumstances other than repayment or discharge of the Notes under which the security interests in the Collateral will be released and under which the Guarantees will be released, without your consent or the consent of the Trustee*", "*Description of Certain Indebtedness—Intercreditor Agreement*" and "*Description of Notes—Security—Release of Liens*."

Intercreditor Agreement..... The relative priority with regard to the security interests in the Collateral as between (i) the lenders under the Senior Facilities Agreement, (ii) the holders of the Notes, (iii) the counterparties to certain hedging agreements, if any and (iv) the creditors of certain other indebtedness permitted to be secured by the Collateral, is established by the Intercreditor Agreement, which provides that the obligations under the Senior Facilities Agreement, the Indenture and certain hedging obligations, if any, will be secured equally and ratably by security interests granted on a first-priority basis in the Collateral. Pursuant to the Intercreditor Agreement, subject to certain limited exceptions, the Security Agent will act with respect to the Collateral only at the direction of a simple majority of the senior secured creditors (including, for this purpose, both drawn and undrawn uncanceled commitments under the Senior Facilities Agreement, any hedging obligations and the Indenture). See "*Risk Factors—Risks Related to Our Financing Arrangements and the Notes—Holders of the Notes may not control certain decisions regarding the Collateral*."

Optional Redemption..... Prior to July 1, 2028, the Issuer will be entitled at its option to redeem all or a portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the applicable "make-whole" premium described in this Offering Memorandum and accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date.

Prior to July 1, 2028, the Issuer will be entitled at its option on one or more occasions to redeem the Notes in an aggregate principal amount not to exceed 40% of the original principal amount of the Notes (including the

	original principal amount of any additional Notes of the same series as the Notes issued on the Issue Date) with the net cash proceeds from certain equity offerings at a redemption price equal to 104.125% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date, so long as at least 50% of the original aggregate principal amount of the Notes (including the original aggregate principal amount of any additional Notes of the same series as the Notes issued on the Issue Date) remains outstanding immediately after each such redemption. Prior to July 1, 2028, during each 12-month period commencing on the Issue Date, the Issuer may redeem up to 10% of the original aggregate principal amount of the Notes (including the original aggregate principal amount of any additional Notes of the same series as the Notes issued on the Issue Date) at its option, from time to time, at a redemption price equal to 103% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date On or after July 1, 2028, the Issuer will be entitled at its option to redeem all or a portion of the Notes at the redemption prices set forth under the heading "*Description of Notes—Optional Redemption*," plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date.
Redemption for Tax Reasons....	If certain changes in the law of any relevant taxing jurisdiction impose certain withholding taxes or other deductions on the payments on the Notes, the Issuer may redeem the Notes in whole, but not in part, at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the redemption date. See "*Description of Notes—Redemption for Taxation Reasons*."
Additional Amounts.....	All payments made by the Issuer or any of the Guarantors or a successor of the Issuer or Guarantors on the Notes or any Guarantee, as applicable, will be free and clear of and without withholding or deduction for, or on account of, any taxes unless the withholding or deduction is then required by law or by the official interpretation or administration thereof. If any deduction or withholding for, or on account of, any taxes imposed or levied by or on behalf of any relevant taxing jurisdiction is required, the Issuer or the Guarantors, as applicable, will pay such additional amounts as may be necessary in order that the net amounts received in respect of such payments by the holders, the Principal Paying Agent or the Trustee, as the case may be, after such withholding or deduction, equal the amounts which would have been received in respect of such payments in the absence of such withholding or deduction, subject to certain exceptions and limitations. See "*Description of Notes—Withholding Taxes*."
Change of Control.....	Upon the occurrence of certain events constituting a change of control, the Issuer may be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount of the relevant Notes on the date of purchase, plus accrued and unpaid interest to, but excluding, the date of purchase. See "*Description of Notes—Change of Control*."
Certain Covenants.....	The Indenture, among other things, will restrict the ability of the Issuer and its restricted subsidiaries to: • create or incur certain liens; • consolidate or merge with other entities; and

	• impair the security interests for the benefit of the holders of the Notes. Each of these covenants is subject to significant exceptions and qualifications. See "*Description of Notes—Certain Covenants*."
Use of Proceeds	The proceeds of the Notes will, together with cash on hand, be used to redeem all of the Existing Senior Notes, and pay costs, fees and expenses in connection with the Transactions.
U.S. Federal Income Tax Considerations.....	For a discussion of certain U.S. federal income tax considerations of an investment in the Notes, see "*Tax Considerations—U.S. Federal Income Taxation*." You should consult your own tax advisor to determine the U.S. federal, state, local and other tax consequences of an investment in the Notes.
Transfer Restrictions.....	The Notes and the Guarantees have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and are subject to restrictions on transferability and resale. See "*Transfer Restrictions*." We have not agreed to, or otherwise undertaken to, register the Notes (including by way of an exchange offer).
Listing.....	Application has been made to list the Notes on the Securities Official List of the Luxembourg Stock Exchange (the "**Exchange**"). There can be no assurance that such listing will be maintained.
Governing Law.....	The Indenture, the Notes and the Guarantees will be governed by the laws of the State of New York. The Intercreditor Agreement is governed by English law. The Security Documents are or will be governed by the applicable law of the jurisdiction under which the security interests in the Collateral are granted.
Trustee.....	GLAS Trust Company LLC.
Principal Paying Agent, Transfer Agent and Registrar	GLAS Trust Company LLC.
Security Agent	Wilmington Trust (London) Limited.
Risk Factors.....	Investing in the Notes involves substantial risks. See "*Risk Factors*" for a description of certain of the risks you should carefully consider before investing in the Notes.

SUMMARY CONSOLIDATED HISTORICAL FINANCIAL AND OTHER DATA

We present below the summary consolidated financial and other data of Topholding and Verisure plc as of and for the periods ended and as of the dates indicated below.

The historical financial information of (i) Topholding as of and for the years ended December 31, 2024 and 2023 presented below has been extracted from the Topholding Audited Consolidated Financial Statements, (ii) Verisure plc as of and for the year ended December 31, 2025 presented below has been extracted from the Verisure plc Audited Consolidated Financial Statements, and (iii) Verisure plc as of and for the three months ended March 31, 2026, including comparative information for the three months ended March 31, 2025, presented as a continuation of the Topholding 2025 consolidated accounts on the basis that Verisure plc was not established as the parent company of Topholding until October 7, 2025 (see note 1 in the section "*Unaudited Condensed Consolidated financial statements of Verisure plc—March 31, 2026, 2025—Notes*" of this Offering Memorandum) presented below has been extracted from the March 31 Consolidated Financial Statements, prepared in each case in accordance with IFRS and included elsewhere in this Offering Memorandum.

The consolidated financial statements of Verisure plc are not directly comparable to the historical financial information of Topholding and its subsidiaries. The differences between the consolidated financial position and results of operations as of and for the year ended December 31, 2025 and as of and for the three months ended March 31, 2026 of Verisure plc and Topholding primarily related to costs related to the IPO.

The consolidated financial statements of Topholding are not directly comparable to the historical financial information of the Issuer and its subsidiaries. The differences between the consolidated financial position and results of operations as of and for the years ended December 31, 2024 and 2023 and as of and for the three months ended March 31, 2025 of Topholding and the Issuer primarily related to board member remuneration, intercompany items, acquisition-related items from historical acquisitions, and financing effects held in Midholding.

We present below certain consolidated financial information of Verisure plc for the last two quarters annualized, which we calculate by multiplying the applicable metric for the period from July 1, 2025 to December 31, 2025 by two. The financial information for the last two quarters annualized presented herein has not been audited, is not required by or presented in accordance with IFRS or any other generally accepted accounting principles, has been prepared for illustrative purposes only and is not representative of our results for such historical period or for any future period.

We also present below certain key operating metrics used by our management to evaluate, monitor and manage our business. None of these terms are measures of financial performance under IFRS, and so they should not be considered to be alternatives to our results of operations presented in accordance with IFRS. These terms may not be comparable to similar terms used by competitors or other companies. See "*Presentation of Financial and Other Information*."

We present certain Adjusted EBITDA figures, adjusted, among other things, to give effect to the impact of our FOG cost savings initiative. Our FOG cost savings initiative is forward-looking in nature and subject to certain assumptions, as described further in this section. We have also presented below unaudited adjusted data which give effect to the Transactions, including the issuance of the Notes and the application of the proceeds therefrom, as set forth under the heading "*Use of Proceeds*," as if the Transactions had occurred on (i) April 1, 2025, for the purposes of as adjusted income statement items for the twelve months ended March 31, 2026, (ii) January 1, 2026, for the purposes of as adjusted income statement items for the three months ended March 31, 2026, last two quarters annualized and (iii) March 31, 2026, for the purposes of as adjusted balance sheet items. The adjusted data have been provided for illustrative purposes only and do not purport to represent what our actual data would have been if, or would be when, the Transactions had occurred on such dates and should not be taken as indicative of Verisure plc's future consolidated results of operations or financial position. The Adjusted EBITDA figures and the as adjusted data have not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act, the Prospectus Regulation, the PRM or any generally accepted accounting standards. None of the assumptions underlying the adjustments in the Adjusted EBITDA figures or the adjusted data or the resulting Adjusted *Pro Forma* or as adjusted data has been audited or reviewed in accordance with any generally accepted auditing standards. In addition, the *pro forma* and adjusted financial information presented may not be indicative of our future results of operations.

Prospective investors should read the summary data presented below in conjunction with "*Summary—The Transactions—Sources and Uses*," "*Use of Proceeds*," "*Capitalization*," "*Management's Discussion and*

Analysis of Financial Condition and Results of Operations," "*Forward Looking Statements*" and our consolidated financial statements and the related notes included elsewhere in this Offering Memorandum.

Summary Consolidated Income Statement

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions)	2023	2024	2025	2025	2026
Revenue	3,090.0	3,408.0	3,745.4	919.9	1,019.3
Cost of Sales	(1,604.0)	(1,760.6)	(1,933.9)	(477.1)	(510.8)
Gross Profit	**1,485.9**	**1,647.4**	**1,811.5**	**442.8**	**508.5**
Selling expenses	(375.2)	(391.0)	(421.5)	(103.3)	(109.7)
Administrative expenses	(902.0)	(953.9)	(1,096.9)	(239.7)	(282.4)
Other income	4.3	4.9	5.6	1.1	5.4
Operating Profit	**213.0**	**307.4**	**298.7**	**100.9**	**121.8**
Financial income	15.9	28.0	2.0	0.3	41.6
Financial expenses	(549.6)	(523.5)	(496.9)	(131.2)	(72.9)
Profit or (loss) before tax	**(320.6)**	**(188.1)**	**(196.2)**	**(30.0)**	**90.5**
Income tax (expense)/credit	42.7	3.2	(59.7)	(13.3)	(28.7)
Net profit or (loss) for the period	**(278.0)**	**(184.9)**	**(255.9)**	**(43.3)**	**61.8**

Summary Consolidated Statement of Financial Position

	As of December 31,			As of March 31,
	Topholding		Verisure plc	Verisure plc
(€ millions)	2023	2024	2025	2026
Cash and cash equivalents	21.4	30.1	30.0	32.4
Inventories	296.4	316.2	281.7	319.1
Trade receivables	225.2	316.3	347.2	345.8
Property, plant and equipment	1,450.7	1,574.1	1,701.9	1,745.6
Total assets	**16,193.0**	**16,054.4**	**16,278.1**	**16,358.8**
Trade payables	171.2	176.0	179.5	162.3
Accrued expenses and deferred income	546.7	576.8	649.5	685.5
Long-term borrowings	7,414.2	7,580.0	4,985.5	4,947.8
Other non-current liabilities	127.2	137.0	108.2	105.3
Deferred tax liabilities	1,178.4	1,083.3	1,013.9	1,010.1
Total liabilities	**10,002.4**	**10,181.8**	**7,513.6**	**7,475.9**
Total equity	**6,190.7**	**5,872.6**	**8,764.5**	**8,882.9**

Summary Consolidated Cash Flow Statement

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions)	2023	2024	2025	2025	2026
Cash flow from operating activities	1,284.5	1,330.5	1,317.0	334.2	404.6
Cash flow from investing activities[(1)]	(884.0)	(918.8)	(1,200.3)	(239.1)	(241.1)
Cash flow from financing activities[(1)]	(421.7)	(401.9)	(114.6)	(96.2)	(161.8)

[(1)] For the years 2023 and 2024, interest received of EUR 1.8 million and EUR 1.9 million, respectively, were included in financing activities, while the corresponding impact of EUR 2.1 million in 2025 and EUR 0.5 million for the three months ended March 31, 2026 are included in investing activities due to a reclassification.

Other Financial Information

Segment information

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions)	2023	2024	2025	2025	2026
Portfolio Services	1,885.3	2,141.9	2,409.1	583.9	662.3
Customer Acquisition	(551.1)	(627.4)	(723.0)	(171.3)	(196.3)
Adjacencies	6.3	19.6	21.9	6.2	6.3
Adjusted EBITDA[(1)]	**1,340.6**	**1,534.0**	**1,708.0**	**418.8**	**472.3**
Separately disclosed items affecting EBITDA	(42.5)	(32.1)	(170.6)	(9.1)	(21.0)
Share-based compensation	—	—	(21.2)	—	(19.8)
Depreciation, amortization and retirement of assets	(1,085.1)	(1,194.5)	(1,217.5)	(308.8)	(309.7)
Operating profit	**213.0**	**307.4**	**298.7**	**100.9**	**121.8**
Financial items	(533.7)	(495.5)	(494.9)	(130.9)	(31.3)

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions)	2023	2024	2025	2025	2026
Profit or (loss) before tax	**(320.6)**	**(188.1)**	**(196.2)**	**(30.0)**	**90.5**

Geographical distribution of revenue for the years 2023-2025 and three months ended March 31, 2026 and 2025

Our Iberia and Nordics region includes Sweden, Denmark, Norway, Finland, Spain and Portugal, as well as our Seniors offering. Our Other Europe region includes Belgium, France, Netherlands, Germany, Ireland, the United Kingdom and Italy. Our Latin America region includes Brazil, Chile, Peru, Argentina and Mexico. Our Central and Other region includes Arlo, which is included in our Adjacencies segment and central functions. The impact from our Adjacencies segment, other than Arlo, is allocated to the geographic region where the customers are located.

Our operating segments Customer Acquisition and Portfolio Services are represented in all of the geographical regions presented. The operating segment Adjacencies is only represented in the Iberia and Nordics and Central and other geographical regions.

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions)	2023	2024	2025	2025	2026
Iberia and Nordics	1,731.3	1,852.6	1,998.9	493.4	529.4
Other Europe	1,044.5	1,200.5	1,340.4	329.9	359.2
Latin America	263.2	303.1	344.9	83.8	116.9
Central and Other[1]	51.1	51.9	61.2	12.8	13.8
Total	**3,090.0**	**3,408.0**	**3,745.4**	**919.9**	**1,019.3**

[1] Relates to certain Adjacencies revenue in different countries in Europe, which is not considered part of the Group's core business.

Key Operating Metrics

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions, unless otherwise stated)	2023	2024	2025	2025	2026
Revenue	3,090.0	3,408.0	3,745.4	919.9	1,019.3
Revenue growth (%)	9.3%	10.3%	9.9%	10.2%	10.8%
Adjusted EBITDA[1]	1,340.6	1,534.0	1,708.0	418.8	472.3
Adjusted EBITDA margin (%)[2]	43.4%	45.0%	45.6%	45.5%	46.3%
Adjusted EBITDA incl. SDIs[1]	1,298.1	1,501.9	1,537.4	409.7	451.3
Adjusted EBITDA margin incl. SDIs (%)[3]	42.0%	44.1%	41.0%	44.5%	44.3%
Adjusted EBIT[4]	694.0	819.1	952.9	230.6	277.0
Adjusted EBIT margin (%)[5]	22.5%	24.0%	25.4%	25.1%	27.2%
Adjusted Operating Cash Flow[6]	504.0	494.3	587.5	105.9	147.9
Adjusted Operating Cash Flow before portfolio growth[6]	1,099.7	1,125.3	1,252.7	268.6	315.0
Adjusted Earnings per Share (Adjusted EPS) (EUR)[7]	0.17	0.23	0.35	0.07	0.15
Operating profit	213.0	307.4	298.7	100.9	121.8
Capital employed[8]	2,980.8	3,278.7	3,887.5.	—	—
Return on capital employed (ROCE)[8]	23.8%	26.1%	27.0%	—	—
Acquisition Multiple (ratio)[9]	3.7x	3.6x	3.7x	3.6x	3.7x
Portfolio Services segment					
Portfolio Services segment revenue	2,635.3	2,947.8	3,267.8	797.0	899.2
Portfolio Services Adjusted EBITDA[10]	1,885.3	2,141.9	2,409.1	583.9	662.3
Portfolio Services Adjusted EBITDA margin (%)[10]	71.5%	72.7%	73.7%	73.3%	73.7%
Portfolio reinvestment rate (%)[11]	63.8%	60.8%	59.6%	59.5%	57.2%
Total subscribers (end of period), 000s	5,173.0	5,611.7	6,171.4	5,722.5	6,277.6
Cancellations, 000s[12]	376.4	401.1	433.2	106.3	116.7
LTM attrition rate (%)[13]	7.6%	7.4%	7.4%	7.4%	7.4%
Net subscriber growth, 000s	420.9	438.7	559.7	110.8	106.2
Subscriber growth rate, net (%)[14]	8.9%	8.5%	10.0%	8.3%	9.7%
Monthly average number of subscribers during the period, 000s	4,964.5	5,391.7	5,849.5	5,656.1	6,210.9
Average monthly revenue per user (ARPU) (EUR)[15]	44.2	45.6	46.6	47.0	48.3
Monthly Adjusted EBITDA per customer (EPC) (EUR)[16]	31.6	33.1	34.3	34.4	35.5
Recurring monthly cost (RMC) (EUR)[17]	12.6	12.5	12.2	12.6	12.7
Annualized Recurring Revenue (ARR)[18]	2,746.0	3,068.1	3,447.6	3,150.2	3,532.9
ARR growth (%)	10.8%	11.7%	12.4%	11.6%	12.1%

(€ millions, unless otherwise stated)	For the year ended December 31, Topholding 2023	Topholding 2024	Verisure plc 2025	For the three months ended March 31, Topholding 2025	Verisure plc 2026
Customer Acquisition segment					
Customer Acquisition revenue	362.3	367.4	362.2	98.3	93.7
Customer Acquisition Adjusted EBITDA	(551.1)	(627.4)	(723.0)	(171.3)	(196.3)
Customer Acquisition capital expenditures[19]	577.5	580.5	597.9	147.5	154.4
New subscribers added (gross), 000s	797.3	839.7	872.6	217.1	222.9
Cost per acquisition (CPA) (EUR)[20]	1,415.0	1,438.4	1,513.8	1,468.5	1,573.5
Adjacencies segment					
Adjacencies revenue	92.4	92.8	115.4	24.6	26.4
Adjacencies Adjusted EBITDA	6.3	19.6	21.9	6.2	6.3

(1) We define Adjusted EBITDA as operating profit, excluding depreciation and amortization, retirement of assets, separately disclosed items and share-based compensation, and Adjusted EBITDA incl. SDIs as operating profit, excluding depreciation and amortization and retirement of assets. Adjusted EBITDA and Adjusted EBITDA incl. SDIs are supplemental measures of financial performance that are not required by, or presented in accordance with, IFRS. Neither Adjusted EBITDA nor Adjusted EBITDA incl. SDIs are a measurement of performance or liquidity under IFRS and you should not consider Adjusted EBITDA or Adjusted EBITDA incl. SDIs as an alternative to (a) gross profit or operating profit (as determined in accordance with IFRS) or other measures derived in accordance with IFRS, (b) cash flow for the period as a measure of our ability to meet our cash needs or (c) any other measure of performance or liquidity under IFRS. We present Adjusted EBITDA and Adjusted EBITDA incl. SDIs because we believe that they are measures commonly used by investors and are measures that we use in managing our business. Adjusted EBITDA and Adjusted EBITDA incl. SDIs, as presented in this Offering Memorandum, however, may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated. Adjusted EBITDA and Adjusted EBITDA incl. SDIs as presented herein differ from "Consolidated EBITDA" as defined in the Indenture. In evaluating Adjusted EBITDA and Adjusted EBITDA incl. SDIs, you should be aware that Adjusted EBITDA and Adjusted EBITDA incl. SDIs are subject to certain limitations as an analytical tool. See "*Presentation of Financial and Other Information*."

The following table provides a reconciliation of Adjusted EBITDA and Adjusted EBITDA incl. SDIs to result for the periods indicated:

(€ millions)	For the year ended December 31, Topholding 2023	Topholding 2024	Verisure plc 2025	For the three months ended March 31, Topholding 2025	Verisure plc 2026
Operating profit	213.0	307.4	298.7	100.9	121.8
Depreciation, amortization and retirement of assets	(1,085.1)	(1,194.5)	(1,217.5)	(308.8)	(309.7)
Separately disclosed items	42.5	32.1	170.6	9.1	21.0
Share-based compensation	—	—	21.2	—	19.8
Adjusted EBITDA	**1,340.6**	**1,534.0**	**1,708.0**	**418.8**	**472.3**
Adjusted EBITDA Portfolio Services	1,885.3	2,141.9	2,409.1	583.9	662.3
Adjusted EBITDA Customer Acquisition	(551.1)	(627.4)	(723.0)	(171.3)	(196.3)
Adjusted EBITDA Adjacencies	6.3	19.6	21.9	6.2	6.3
Revenue	**3,090.0**	**3,408.0**	**3,745.4**	919.9	1,019.3
Revenue growth (%)	**9.3%**	**10.3%**	**9.9%**	**10.2%**	**10.8%**
Adjusted EBITDA margin (%)	**43.4%**	**45.0%**	**45.6%**	45.5%	46.3%
Adjusted EBITDA (as above)	1,340.6	1,534.0	1,708.0	418.8	472.3
Separately disclosed item add-back	(42.5)	(32.1)	(170.6)	(9.1)	(21.0)
Adjusted EBITDA incl. SDIs	**1,298.1**	**1,501.9**	**1,537.4**	**409.7**	**451.3**
Adjusted EBITDA margin incl. SDIs (%)	**42.0%**	**44.1%**	**41.0%**	**44.5%**	**44.3%**

(a) The following table provides a reconciliation of separately disclosed items ("**SDIs**") to result for the periods indicated. SDIs represent income and costs that have been recognized in the consolidated income statement which management believes, due to their nature, collective size or incident, should be disclosed separately to give a more comparable view of the year-on-year financial performance.

Separately disclosed items (SDIs) (€ millions)	For the year ended December 31, Topholding 2023	Topholding 2024	Verisure plc 2025	For the three months ended March 31, Topholding 2025	Verisure plc 2026
ERP[i]	—	—	(15.7)	(3.7)	(3.5)
Transformational	(12.8)	(14.7)[iv]	—	—	—
Organizational	(7.1)	(4.7)	(11.1)	(1.3)	(1.4)
IPO and M&A[ii]	(0.2)	(0.2)	(99.5)	(0.8)	(6.1)
Rebranding	—	—	(26.3)	—	(3.7)
Other	(22.3)	(12.5)[iv]	(18.0)	(3.3)	(6.3)
Total impacting EBITDA	**(42.5)**	**(32.1)**	(170.6)	**(9.1)**	**(21.0)**
Share-based compensation	—	—	(21.2)	—	(19.8)
Amortization of acquisition related items	(568.4)[v]	(568.7)[v]	(462.4)	(120.6)	(114.4)
Retirement of assets[iii]	—	(4.0)	—	—	—
Total impacting EBIT	**(610.9)[v]**	**(604.9)[v]**	**(654.2)**	**(129.7)**	**(155.2)**

(i) Amounts reported as "ERP" were previously included as "Transformational" in the Topholding Audited Consolidated Financial Statements.

(ii) Reported as "Strategic incentives" in the Topholding Audited Consolidated Financial Statements.

(iii) Reported as "Retirement of assets" in the Topholding Audited Consolidated Financial Statements.

(iv) EUR 3.5 million was reclassified from Transformational to Other, when ERP was separated in the Verisure plc Audited Consolidated Financial Statements and March 31 Consolidated Financial Statements.

(v) EUR 93.2 million in 2024 was reclassified between result excl. SDIs and SDIs in the Verisure plc Audited Consolidated Financial Statements and March 31 Consolidated Financial Statements. The purpose of the reclassification is to reflect the operating result absent the 2020 Business Combination. The amount in 2023 that would have been reclassified given the same presentation amounts to EUR 130.0 million.

(2) Adjusted EBITDA margin represents Adjusted EBITDA divided by revenue.

(3) Adjusted EBITDA margin incl. SDIs represents Adjusted EBITDA incl. SDIs divided by revenue.

(4) Adjusted EBIT represents operating profit, excluding acquisition-related items, share-based compensation expenses and separately disclosed items. Acquisition-related items relate to amortization and depreciation impact on operating profit mainly from the 2020 Business Combination. This impact is excluded from operating profit to better reflect underlying business performance absent the 2020 Business Combination.

(5) Adjusted EBIT margin represents Adjusted EBIT divided by revenue.

The following table provides a reconciliation of Adjusted EBIT and Adjusted EBIT margin to result for the periods indicated:

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions)	2023	2024	2025	2025	2026
Operating profit	**213.0**	**307.4**	**298.7**	**100.9**	**121.8**
Adjustment of acquisition-related items[(a)]	438.5	475.5	462.4	120.6	114.4
Separately disclosed items affecting EBIT[(b)]	42.5	36.2	170.6	9.1	21.0
Share-based compensation	—	—	21.2	—	19.8
Adjusted EBIT	**694.0**	**819.1**	**952.9**	**230.6**	**277.0**
Revenue	**3,090.0**	**3,408.0**	**3,745.4**	**919.9**	**1,019.3**
Adjusted EBIT margin (%)	**22.5%**	**24.0%**	**25.4%**	**25.1%**	**27.2%**

(a) Acquisition related items relate to amortization and depreciation included in net profit or (loss), mainly resulting from the 2020 Business Combination. The impact from these amortizations and depreciations are excluded to better reflect the underlying net profit or (loss) absent business combinations.

(b) Separately disclosed items excluding SDIs related to the 2020 Business Combination.

(6) Adjusted Operating Cash Flow is defined as Adjusted Operating Cash Flow before portfolio growth less organic portfolio growth investment (the difference between the number of new customers and the number of cancellations, multiplied by CPA). Adjusted Operating Cash Flow before portfolio growth is defined as Adjusted EBIT, add-back of depreciation and amortization and retirements of assets, Customer Acquisition Adjusted EBITDA, less capital expenditures, repayment of lease liabilities and change in working capital for the period, after the attrition replacement investment (the number of cancellations multiplied by CPA).

The following table provides a reconciliation of Adjusted Operating Cash Flow and Adjusted Operating Cash Flow before portfolio growth for the periods indicated:

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions)	2023	2024	2025	2025	2026
Adjusted EBIT	**694.0**	**819.1**	**952.9**	**230.6**	**277.0**
Depreciation and amortization and retirement of assets[(a)]	646.5	714.9	755.1	188.2	195.3
Customer Acquisition Adjusted EBITDA	551.1	627.4	723.0	171.3	196.3
Portfolio and other capital expenditure[(b)]	(291.0)	(339.4)	(382.6)	(91.7)	(103.8)
Change in working capital	86.3	(58.9)	(73.2)	(57.4)	(48.4)
Repayment of lease liability[(c)]	(54.4)	(61.0)	(66.7)	(16.3)	(17.7)
Adjusted Operating Cash Flow before Customer Acquisition	**1,632.5**	**1,702.2**	**1,908.5**	**424.7**	**498.7**
Attrition replacement investment[(d)]	(532.7)	(576.9)	(655.8)	(156.1)	(183.7)
Adjusted Operating Cash Flow before portfolio growth	**1,099.7**	**1,125.3**	**1,252.7**	**268.6**	**315.0**
Organic portfolio growth investment[(e)]	(595.8)	(631.0)	(665.2)	(162.7)	(167.1)
Adjusted Operating Cash Flow[(e)]	**504.0**	**494.3**	**587.5**	**105.9**	**147.9**
Adjusted Operating Cash Flow (excluding change in working capital)	**417.7**	**553.2**	**660.7**	**163.3**	**196.3**

(a) Represents depreciation, amortization and retirement of assets excluding acquisition-related amortization from historic business combinations.

(b) Portfolio and other capital expenditure consist of Portfolio Services capital expenditures (capital expenditures related to new equipment for existing customers), Adjacencies capital expenditures (direct costs related to acquisition of customer contracts within our Adjacencies segment) and other capital expenditures (capital expenditure related to research and development, IT and premises) as presented in section "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Capital Expenditures*".

(c) Reported as "Amortization of lease liability" in the Topholding Audited Consolidated Financial Statements.

(d) Number of cancellations multiplied by CPA.

(e) The difference between the number of new customers and the number of cancellations, multiplied by CPA.

(7) Adjusted earnings per share ("**Adjusted EPS**") is defined as net profit or (loss) for the period attributable to the shareholders of the parent company, before acquisition-related items, share-based compensation expenses and separately disclosed items including the tax impact of these components, divided by weighted average number of shares for the period. Acquisition-related items relate to the amortization and depreciation impact on net profit mainly from the 2020 Business Combination. This impact is excluded to better reflect the underlying net profit absent the 2020 Business Combination.

The following table provides a reconciliation of Adjusted EPS for the periods indicated.

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions)	2023	2024	2025	2025	2026
Net profit or (loss) for the period	**(278.0)**	**(184.9)**	**(255.9)**	**(43.3)**	**61.8**
Adjustment of acquisition-related items[(a)]	438.5	475.5	462.4	120.6	114.4
Deferred tax on acquisition-related items	(82.7)	(114.3)	(92.8)	(29.1)	(27.9)
Separately disclosed items affecting Net profit or (loss)	125.3	70.0	286.3	27.7	(0.2)
Tax impact of separately disclosed items affecting Net profit or (loss)	(24.1)	(11.7)	(38.7)	(4.7)	4.0
Adjusted Net profit for the period	**179.0**	**234.6**	**361.3**	**71.2**	**152.1**
Number of shares	1,033,962,264	1,033,962,264	1,033,962,264	1,033,962,264	1,033,962,264
Adjusted EPS (EUR)[(b)]	**0.17**	**0.23**	**0.35**	**0.07**	**0.15**

(a) Acquisition related items relate to amortization and depreciation included in net profit or (loss), mainly resulting from the 2020 Business Combination. The impact from these amortizations and depreciations are excluded to better reflect the underlying net profit or (loss) absent business combinations.

(b) Adjusted earnings per share (EPS), basic and diluted, is calculated based on the total number of Verisure plc shares following completion of the listing on Nasdaq Stockholm on October 8, 2025 and includes the issuance of new shares the same day. The amount of shares outstanding at October 8, 2025, including the shared issued the same day, has also been applied to the comparative period.

(8) Capital employed is defined as total value of equity and borrowings, adjusted for derivatives related to financing structures, tax assets/liabilities, cash and acquired intangible assets from the 2020 Business Combination. Return on capital employed (ROCE) is defined as LTM Adjusted EBIT divided by average capital employed in the last four quarters.

The following table provides a reconciliation of Capital employed and Return on capital employed (ROCE) for the periods indicated:

	For the year ended December 31,		
	Topholding		Verisure plc
(€ millions)	2023	2024	2025
Adjusted EBIT	**694.0**	**819.1**	**952.9**
Equity	6,190.7	5,872.6	8,764.5
Long-term borrowings	7,414.2	7,580.0	4,985.5
Short-term borrowings	337.7	357.5	329.8
Derivatives (related to financing structure)	22.0	12.3	20.4
Net tax assets and liabilities	1,151.6	1,026.0	989.5
Cash	(21.4)	(30.1)	(30.0)
Goodwill created by the 2020 Business Combination[(a)]	(7,538.9)	(7,462.6)	(7,500.6)
Intangibles created by the 2020 Business Combination[(a)]	(4,575.1)	(4,077.1)	(3,671.6)
Capital employed[(b)]	**2,980.8**	**3,278.7**	**3,887.5**
Capital employed – Average quarterly balances[(c)]	**2,918.1**	**3,132.5**	**3,529.4**
ROCE	**23.8%**	**26.1%**	**27.0%**

(a) Goodwill and Intangibles related to impact on balance sheet as of the 2020 Business Combination, showing incremental assets at the point of transaction.

(b) Figures presented are as of December 31 of each year.

(c) Average of the previous four quarterly Capital Employed balances, calculated for each quarter as the average between Capital Employed at the beginning and end of the quarter.

(9) Acquisition Multiple is our initial investment made to acquire a new customer ("**CPA**") divided by the annualized monthly Adjusted EBITDA per subscriber ("**EPC**").

The following table provides a reconciliation of Acquisition Multiple to result for the periods indicated:

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(EUR, except as indicated)	2023	2024	2025	2025	2026
Cost per acquisition (CPA)	1,415.0	1,438.4	1,513.8	1,468.5	1,573.5
Monthly Adjusted EBITDA per customer (EPC) (EUR)	31.6	33.1	34.3	34.4	35.5
Acquisition multiple (ratio)	**3.7x**	**3.6x**	**3.7x**	**3.6x**	**3.7x**

(10) Portfolio Services Adjusted EBITDA represents operating profit, excluding depreciation and amortization, retirement of assets and separately disclosed items for the Portfolio Services segment. Portfolio Services Adjusted EBITDA margin represents Portfolio Services Adjusted EBITDA divided by Portfolio Services revenue.

(11) Portfolio reinvestment rate represents the ratio of Customer Acquisition Cost and Portfolio Services Adjusted EBITDA less Portfolio Services capital expenditures.

The following table provides a reconciliation of Portfolio reinvestment rate to result for the periods indicated:

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions, except as indicated)	2023	2024	2025	2025	2026
Customer Acquisition Cost (net)[a]	(1,128.5)	(1,207.9)	(1,321.0)	(318.8)	(350.7)
Portfolio Services Adjusted EBITDA	1,885.3	2,141.9	2,409.1	583.9	662.3
Portfolio Services capital expenditures	117.8	155.1	191.6	47.6	48.6
Portfolio reinvestment rate (%)	**63.8%**	**60.8%**	**59.6%**	**59.5%**	**57.2%**

(a) Customer Acquisition Cost as presented in table – Cost per acquisition (CPA) and Customer Acquisition capital expenditures.

(12) Cancellations represents number of cancelled subscriptions net of reinstates during the period, including cancellations on acquired portfolios.

(13) LTM attrition rate represents number of net cancellations to our monitored alarm service in the last 12 months, divided by the average number of subscribers during the last 12 months.

(14) Subscriber growth rate represents the number of subscribers at the end of the period divided by the number of subscribers at the end of the relevant period.

(15) Monthly average revenue per user (ARPU) represents Portfolio Services segment revenue (consisting of monthly average subscription fees and sales of additional products and services) divided by the average number of subscribers during the relevant period.

The following table provides a reconciliation of ARPU to result for the periods indicated:

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions, except as indicated)	2023	2024	2025	2025	2026
Portfolio Services revenue	2,635.3	2,947.8	3,267.8	797.0	899.2
Monthly average Portfolio Services revenue	219.6	245.7	272.3	265.7	299.7
Monthly average number of subscribers during the period, 000s	4,964.5	5,391.7	5,849.5	5,656.1	6,210.9
ARPU (EUR)	**44.2**	**45.6**	**46.6**	**47.0**	**48.3**

(16) Monthly Adjusted EBITDA per customer (EPC) represents Monthly Adjusted EBITDA from our existing subscriber portfolio (Portfolio Services Adjusted EBITDA) divided by the average number of subscribers.

The following table provides a reconciliation of EPC and Portfolio Services Adjusted EBITDA for the periods indicated:

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions, except as indicated)	2023	2024	2025	2025	2026
Portfolio Services revenue	2,635.3	2,947.8	3,267.8	797.0	899.2
Portfolio Services expenses	(751.3)	(807.3)	(860.4)	(213.5)	(237.1)
Portfolio Services other revenue	1.3	1.4	1.7	0.4	0.2
Portfolio Services Adjusted EBITDA	**1,885.3**	**2,141.9**	**2,409.1**	**583.9**	**662.3**
Portfolio Services Adjusted EBITDA margin	71.5%	72.7%	73.7%	73.3%	73.7%
Monthly average Portfolio Services Adjusted EBITDA	157.1	178.5	200.8	194.6	220.8
Monthly average number of subscribers during the period, 000s	4,964.5	5,391.7	5,849.5	5,656.1	6,210.9
EPC (EUR)	**31.6**	**33.1**	**34.3**	**34.4**	**35.5**

(17) Recurring monthly cost (RMC) is the monthly cost per subscriber in our Portfolio Services segment, calculated as the difference between ARPU and EPC.

The following table provides a reconciliation of RMC for the periods indicated:

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions, except as indicated)	2023	2024	2025	2025	2026
ARPU	44.2	45.6	46.6	47.0	48.3
EPC	**31.6**	**33.1**	**34.3**	34.4	35.5
Recurring monthly cost (RMC) (EUR)	**12.6**	**12.5**	**12.2**	**12.6**	**12.7**

(18) Annualized recurring revenue (ARR) represents the total number of subscribers in our portfolio at the end of the period, multiplied by the last twelve months (LTM) average revenue per user ("**ARPU**"), multiplied by 12 months.

The following table provides a reconciliation of ARR to result for the periods indicated:

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions, except as indicated)	2023	2024	2025	2025	2026
Total subscribers (end of period), 000s	5,173.0	5,611.7	6,171.4	5,722.5	6,277.6
ARPU (EUR)	44.2	45.6	46.6	45.9	46.9
ARR	**2,746.0**	**3,068.1**	**3,447.6**	**3,150.2**	**3,532.9**

(19) Customer Acquisition capital expenditure represents purchases of equipment for new customers and direct incremental costs related to the acquisition of customer contracts.

(20) Cost per acquisition (CPA) represents net cash investment to acquire a subscriber, including costs related to the marketing and sales process, installation of the alarm system, costs of alarm system products and overhead expenses for the Customer Acquisition process. The metric is calculated net of revenue from security audit and installation fees charged to the subscriber and represents the sum of Adjusted EBITDA plus capital expenditures in our Customer Acquisition segment on average for every subscriber acquired.

The following table provides a reconciliation of CPA to result for the periods indicated:

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions, except as indicated)	2023	2024	2025	2025	2026
Customer Acquisition revenue	362.3	367.4	362.2	98.3	93.7
Customer Acquisition expenses	(916.3)	(998.3)	(1,089.2)	(270.3)	(290.2)
Customer Acquisition other revenue	3.0	3.5	4.0	0.7	0.2
Customer Acquisition Adjusted EBITDA	**(551.1)**	**(627.4)**	**(723.0)**	**(171.3)**	**(196.3)**
Customer Acquisition capital expenditures, material	338.1	326.7	335.2	82.3	85.8
Customer Acquisition capital expenditures, direct costs	239.3	253.8	262.8	65.2	68.6
Customer Acquisition capital expenditures[a]	**(577.5)**	**(580.5)**	**(597.9)**	**(147.5)**	**(154.4)**
Customer Acquisition Cost (net)	**(1,128.5)**	**(1,207.9)**	**(1,321.0)**	**(318.8)**	**(350.7)**
New subscribers added, 000s	797.3	839.8	872.6	217.1	222.9
CPA (EUR)	**1,415.0**	**1,438.4**	**1,513.8**	**1,468.5**	**1,573.5**
Customer Acquisition Cost (gross)[b]	**(1,493.8)**	**(1,578.8)**	**(1,687.2)**	**(417.8)**	**(444.6)**
Gross capitalization (%)	**38.7%**	**36.8%**	**35.4%**	**35.3%**	**34.7%**

(a) The nature of our Customer Acquisition capital expenditures is further described in section "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Capital expenditures*".

(b) Customer Acquisition Cost (gross) consists of Customer Acquisition expenses and Customer Acquisition capital expenditures.

Pro Forma and as Adjusted Financial Data

(€ millions)	As of and for the twelve months ended March 31, 2026
As adjusted secured indebtedness(1)	4,767.2
As adjusted net secured indebtedness(2)	4,743.7
As adjusted total funded indebtedness(3)	5,040.6
As adjusted total funded net indebtedness(4)	5,017.2
As adjusted interest expense(5)	209.8
As adjusted cash and cash equivalents(6)	23.4

(€ millions, except ratios)	Last two quarters annualized(8)
Adjusted *Pro Forma* EBITDA(7)	1,805.7
Portfolio Services Adjusted EBITDA	2,567.5
Ratio of as adjusted net secured indebtedness/Adjusted *Pro Forma* EBITDA(2)(7)	2.6x
Ratio of as adjusted net secured indebtedness/ Portfolio Services Adjusted EBITDA(2)	1.8x
Ratio of as adjusted total funded net indebtedness/Adjusted *Pro Forma* EBITDA(4)(7)	2.8x
Ratio of as adjusted total funded net indebtedness/ Portfolio Services Adjusted EBITDA(4)	2.0x
Ratio of Adjusted *Pro Forma* EBITDA/as adjusted interest expense(7)(5)	8.6x

(1) As adjusted secured indebtedness represents our secured indebtedness as of March 31, 2026, as adjusted to give effect to the Refinancing and the Transactions as if they occurred on March 31, 2026. As adjusted secured indebtedness has been presented for illustrative purposes only and does not purport to reflect what our secured indebtedness would have actually been had the Transactions occurred on the date assumed, nor does it purport to project our secured indebtedness for any future period. See "*Capitalization*."

(2) As adjusted net secured indebtedness represents our secured indebtedness net of cash and cash equivalents as of March 31, 2026, in each case, as adjusted to give effect to the Refinancing and the Transactions as if they occurred on March 31, 2026. As adjusted net secured indebtedness has been presented for illustrative purposes only and does not purport to reflect what our net secured indebtedness would have actually been had the Transactions occurred on the date assumed, nor does it purport to project our net secured indebtedness for any future period. See "*Capitalization*."

(3) As adjusted total funded indebtedness represents our total funded indebtedness as of March 31, 2026, as adjusted to give effect to the Refinancing and the Transactions as if they had occurred on March 31, 2026. As adjusted total funded indebtedness has been presented for illustrative purposes only and does not purport to reflect what our indebtedness would have actually been had the Transactions occurred on the date assumed, nor does it purport to project our indebtedness for any future period. See "*Capitalization*."

(4) As adjusted total funded net indebtedness represents our total funded indebtedness net of cash and cash equivalents as of March 31, 2026, in each case, as adjusted to give effect to the Refinancing and the Transactions as if they had occurred on March 31, 2026. As adjusted total funded net indebtedness has been presented for illustrative purposes only and does not purport to reflect what our net indebtedness would have actually been had the Transactions occurred on the date assumed, nor does it purport to project our net indebtedness for any future period. See "*Capitalization*."

(5) As adjusted interest expense for the twelve months ended March 31, 2026 represents our finance costs in respect of the Senior Credit Facilities, the Existing 2030 Fixed Rate Senior Secured Notes and the Notes, as adjusted to give effect to the Refinancing and the Transactions as if they had occurred on April 1, 2025, based on SONIA, SOFR, EURIBOR, NIBOR and STIBOR as of June 23, 2026, and assuming that the Revolving Credit Facility was drawn in the amount of EUR 132.2 million (see "*Capitalization*"). As adjusted interest expense excludes charges related to amortized debt issuance costs as well as interest and amortization expenses in connection with our leases. As adjusted interest expense has been presented for illustrative purposes only and does not purport to reflect what our interest expense would have actually been had the Transactions occurred on the date assumed, nor does it purport to project our interest expense for any future period. In addition, the definition of "Consolidated Interest Expense" for the purposes of calculation of the covenants under the Indenture may differ from "as adjusted interest expense" as presented herein.

(6) As adjusted cash and cash equivalents represents our cash and cash equivalents as of March 31, 2026, as adjusted to give effect to the Refinancing and the Transactions excluding accrued and unpaid interest in connection with the repayment of the Existing Senior Notes, which will be paid with operating cash and/or revolving borrowings in the ordinary course. See "*Capitalization*."

(7) The Adjusted *Pro Forma* EBITDA, last two quarters annualized, information presented in this Offering Memorandum is inherently subject to risks and uncertainties. It is not comparable to our consolidated financial statements or other financial information included elsewhere in this Offering Memorandum. In addition, Adjusted *Pro Forma* EBITDA, last two quarters annualized, does not purport to indicate our future consolidated results of operations. Our actual results may differ significantly from those reflected in our Adjusted *Pro Forma* EBITDA, last two quarters annualized. Further, the definition of "Consolidated EBITDA" for the purposes of calculation of the covenants under the Indenture will differ from Adjusted *Pro Forma* EBITDA, last two quarters annualized, as presented herein. See "*Presentation of Financial and Other Information—Non-IFRS Financial and Operating Information*" and the definition of "Consolidated EBITDA" in the Indenture.

The *pro forma* and adjusted information presented below is for illustrative purposes only and is based on various assumptions and management estimates. These numbers have not been and cannot be audited, reviewed or verified by any independent accounting firm. This information is inherently subject to risks and uncertainties and may not be comparable to our consolidated financial statements or the other financial information included in this Offering Memorandum and should not be relied upon when making an investment decision.

Adjusted *Pro Forma* EBITDA is included in this Offering Memorandum because we believe that it provides a useful measure of our results of operations; however, this measure does not constitute a measure of financial performance under IFRS and you should not consider Adjusted *Pro Forma* EBITDA as an alternative to operating profit or any other performance measure derived in accordance with IFRS or as measure of our results of operations or liquidity. Other companies, including those in our industry, may calculate similarly titled financial measures differently from us. Because all companies do not calculate these financial measures in the same manner the presentation of such financial measures may not be comparable to other similarly titled measures of other companies.

We encourage you to evaluate each adjustment and the reasons we consider it appropriate as a method of supplemental analysis. Our presentation of Adjusted *Pro Forma* EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. The following table sets forth the components of Adjusted *Pro Forma* EBITDA, last two quarters annualized for the period from October 1, 2025 to March 31, 2026.

(€ millions)	**Last two quarters annualized[8]**
Adjusted EBITDA excl. SDIs and IFRS 15 and 16[a]	1,654.0
Effect of IFRS 15[b]	45.9
Effect of IFRS 16[c]	85.8
Adjusted EBITDA excl. SDIs	1,785.7
Anticipated incremental cost savings under FOG program[d]	20.0
Adjusted *Pro Forma* EBITDA[e]	**1,805.7**

(a) Represents Adjusted EBITDA excl. SDIs and the impact of IFRS 15 (*Revenue from Contracts with Customers*) and IFRS 16 (Leases) for the two quarters ended March 31, 2026 multiplied by two, which we use for purposes of calculating our Consolidated EBITDA (as defined in the Indenture).

(b) This adjustment reflects the impact of IFRS 15 (*Revenue from Contracts with Customers*) for the two quarters ended March 31, 2026 multiplied by two.

(c) This adjustment reflects the impact of IFRS 16 (*Leases*) for the two quarters ended March 31, 2026.

(d) Represents management estimates of incremental cost savings for the period from October 1, 2025 to March 31, 2026 in excess of amounts already reflected in our Adjusted EBITDA, last two quarters annualized, based on our estimate of incremental cost savings for the period from October 1, 2025 to March 31, 2026. These direct and indirect cost savings relate to material costs, support functions, cost pools, continuous improvement of our operating model, or adoption of new technologies to modernize existing ways of working and increase efficiency, among others, in accordance with the group-wide operational improvement plan, FOG, that was launched in late 2014 with the aim of optimizing our cost structure and improving productivity by leveraging our scale and share proven best practices across our global footprint, thereby reducing costs and improving our margins. The program is closely monitored and savings are reported quarterly at the board and management level.

Our ability to realize these savings on the timetable anticipated is based upon internal as well as external factors and assumptions, including, without limitation, local and macroeconomic conditions, engagement with third parties (including contract counterparties), timely launch of various requests for proposals, foreign exchange rate, successful training with respect to customer care efficiency initiatives, effective rollout of automation of various systems, the implementation of initiatives in daily operations, follow-ups by management and effective leverage of successful strategies across jurisdictions, among other key factors. The assumptions used in estimating our cost savings are subject to a wide variety of business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in our cost savings estimates. We can provide no assurances that we will realize our cost savings target in the timeframe specified, if at all. See "*Risk Factors—Risk Related to Our Business and Industry—We are subject to increasing operating costs and inflation risk which may adversely affect our earnings, and we may not be able to successfully implement our comprehensive cost savings programs, Funding our Growth and Fit for Growth*."

(e) While calculating Adjusted EBITDA, last two quarters annualized, by multiplying Adjusted EBITDA for the last two quarters by two is the method used to calculate our "Consolidated EBITDA" under the Indenture for purposes of our covenants, including debt incurrence and restricted payments, the definition of "Consolidated EBITDA" for the purposes of calculation of the covenants under the Indenture differs from "Adjusted *Pro Forma* EBITDA, last two quarters annualized" as presented herein.

(8) Last two quarters annualized represents the applicable metric for the period from October 1, 2025 to March 31, 2026, multiplied by two.

RISK FACTORS

You should carefully consider the risks described below as well as the other information contained in this Offering Memorandum before making an investment decision. Any of the following risks may have a material adverse effect on our business, financial condition, results of operations or cash flows, and as a result you may lose all or part of your original investment. The risks described below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on our business, financial condition or results of operations.

Risks related to our industry and markets

The success of our business depends, in part, on our ability to respond to rapid changes in our industry and provide customers with technological features that meet their expectations.

Our business operates in markets that are characterized by rapidly changing technologies, evolving industry standards, potential new entrants and changes in customer needs and expectations. Therefore, our success and competitive position depend, in part, on our ability to develop and supply competitive and innovative products and services and keep pace with technological developments in the security and safety services industry.

Whether developed by us or by third-party suppliers, our ability to offer new products and services on a timely and cost-effective basis that differentiates us from our competitors can have a significant impact on a customer's initial decision to choose our products and services. Likewise, the quality of our customer services or monitoring services, which heavily depend on the technology used in our security and safety systems, also plays a large role in our ability to attract new customers and retain existing ones. Accordingly, the success of our business depends, in part, on our ability to continue enhancing our existing products and services and anticipate changing customer preferences and requirements, and industry standards. As a result, failure to adequately fund research and development could hinder our ability to innovate and maintain a competitive edge, potentially resulting in lost market opportunities and diminished customer satisfaction and loyalty. We may also face other situations in which we will not be able to successfully implement new technologies or adapt existing technologies to changing market demands, and, in any event, we may be required to incur significant additional costs to upgrade to improved technology.

Our ability to develop, independently or with third parties, or to acquire new products and services that are technologically innovative requires the investment of significant resources and can affect our competitive position. These acquisition and development efforts divert resources from other potential investments in our business and may not lead to the development of new commercially successful technologies, products or services on a timely basis.

Also, AI introduces novel risks and challenges that could impact our business. If we are unable to adapt our existing AI or integrate new AI into our technology, this may hinder our ability to effectively leverage AI in innovative ways within our business and solutions, which could harm our ability to effectively compete in the market, impair our ability to acquire new clients, increase our costs and/or result in the loss of customers or customer support. Further, new and existing competitors may adopt AI technologies more rapidly or effectively than we do, which could harm our position in the geographies in which we operate and impact our customer attrition rates and reputation.

We may not be able to develop or partner with third-party suppliers to gain access to technical advances before our competitors, match technological innovations made by our competitors or design systems that meet customers' preferences and requirements. Additionally, we may not have the financial resources required to successfully develop or implement such new technologies. If we are unable, for technological, legal, financial or other reasons, to adapt to changing market conditions or customer preferences and requirements in a timely manner, we could lose existing customers or encounter limitations in attracting new customers.

If we fail to anticipate and adapt to technological developments and trends in our industry, or if we make investment decisions that do not turn out as we expected, demand for our services and products could decline. This may lead to slower revenue growth, increased customer attrition and higher costs related to research and development ("**R&D**"), innovation and software development, which could, in turn, negatively impact our operational performance, financial position and ability to fund future growth initiatives.

A deterioration in economic conditions, including inflationary pressures, or the alteration of the political environment in the countries where we operate, could negatively affect our business.

We are sensitive to the deterioration of economic conditions or the alteration of the political environment of the countries in Europe and Latin America in which we operate. Any deterioration, including inflationary pressures, recession, rapid normalization of monetary policy, exchange rate or sovereign-risk fluctuations, as well as growing geopolitical tensions, may adversely affect, for example, the demand for our products and services.

The global economy is currently facing multiple challenges related to the conflicts in Eastern Europe and the Middle East. The Middle East conflict, in particular, has resulted in increased volatility in commodity markets and elevated energy prices, heightened inflationary pressures globally complicating the monetary policy outlook for major central banks, higher government bond yields, currency volatility and capital outflows from emerging markets, any of which could adversely affect global economic conditions, financial market stability and investor confidence. The duration and scope of this conflict remain highly uncertain. A prolonged or expanding conflict could result in continued energy market volatility, with knock-on impacts to inflation, interest rates, equity values, GDP and consumer confidence, which could adversely affect our business, partners and customers.

A material portion of our revenues and profitability is derived from countries in the EU. Macroeconomic conditions in the EU countries remain uncertain and may adversely affect the Group's operations, financial performance or growth prospects. The EU continues to face elevated inflationary pressures, tightening fiscal conditions, slowing consumer demand, supply chain vulnerabilities, and weakening competitiveness.

A portion of our revenues and profits are derived from countries in Latin America. The Group's operations in Latin America are subject to significant macroeconomic, political, and regulatory uncertainties that could adversely affect its operations, financial performance, or growth prospects. Several countries in the region experience periods of high inflation, currency depreciation, and interest rate volatility, which may reduce consumer purchasing power, increase operating costs, or restrict the Group's ability to repatriate funds. Political and regulatory environments may change with limited notice, including amendments to labor, tax, foreign-investment, and private security regulations, and such changes may impose additional costs or restrictions on the Group's activities.

Our financial performance depends primarily on residential consumers in single-family dwellings and, to a lesser extent, on small businesses. Periods of economic downturn, particularly those impacting the housing market or consumer discretionary spending, can increase our attrition rate among existing customers. Customer attrition rates increased across our business between 2021 and 2023, which we believe was partially driven by the more challenging economic outlook during this period. During periods of economic downturn in the residential subcategory, a proportion of customers discontinued our service for economic reasons, while others moved houses and did not re-subscribe to our service. In the small business subcategory, customers were particularly impacted by the economic downturn and sought to reduce their costs or were forced to close their businesses. As a result, any shift in economic conditions, geopolitical tensions, inflation or other similar impacts in the countries in which we operate, particularly within the EU and Latin America, could negatively influence our customers' purchasing behavior, consumer confidence and thereby the demand for our products and services. Such developments could lead to increased customer attrition rates and decrease our portfolio growth rate, which could have a material adverse impact on our operations and financial position.

We operate in a highly competitive industry that may adversely affect our results.

We operate in a highly competitive industry, facing significant competition from both established and new competitors. In the residential home and small business subcategory of the larger security services market (the "**RHSB subcategory**") in Europe and Latin America, the competitive landscape is highly fragmented. Within our category, our competitors employ various strategies, including offering lower security audit and installation and recurring fees, generally reflecting the product quality and service levels. Existing competitors may expand their current product and service offerings more rapidly, adapt to new or emerging technologies more quickly, take advantage of acquisitions or devote greater resources to the marketing and sale of their products and services than we do. Our higher fees compared to some of our competitors' could make our competitors' offers appear more attractive to potential customers, which could lead to loss of market share and reduced sales volumes, materially adversely affecting our customer attrition rates and portfolio growth rate.

We also face competition from self-monitored systems and video-surveillance solutions, which enable consumers to monitor and control their home environment through devices, such as connected video cameras, that they install and monitor without third-party involvement. Some of these providers also offer professional monitoring without a contractual commitment or other new "internet of things" devices and services with

automated features and capabilities, which may be appealing to customers and put us at a competitive disadvantage. In the video-surveillance segment, recent entries by consumer electronics producers have introduced a range of connected video camera solutions. These cameras could serve as self-monitored local security solutions, reducing demand for our professionally installed and professionally monitored alarms. These competitors may also expand into additional home security categories, such as door and window security sensors, sirens, smart locks or self-monitored alarm systems. Such actions could impact our ability to attract new customers through pricing pressure or erode our existing customer portfolio.

Additionally, continued pricing pressure, improvements in technology, increased smart phone penetration and shifts in consumer preferences towards self-monitoring could materially adversely impact our customer base, pricing structure, ability to grow and our revenue by higher customer attrition rates and lower portfolio growth rates. Such a shift could require us to invest more in product innovation, marketing or customer incentives, thereby increasing our selling and administrative expenses.

With respect to competition from potential new entrants, the entry or expansion of established players from the connected home and telecommunications industries, as well as large technology companies with strong brand recognition and existing customer relationships, could lead to increased pricing pressure, higher cost per acquisition and the need for greater investment in innovation and marketing, which could lead to lower revenue, increased investments in R&D, product and service innovation and software engineering and higher operating costs. See also section "—*Certain of our potential competitors may seek to expand their market share by bundling their existing offerings with additional products and services*".

We believe that players operating in the connected home space, who have existing access and relationships with customers and highly recognized brands, have the potential to move into the security and safety industry. While security and safety is the largest growing category within the connected home space, the connected home space itself is growing quickly and covers many different products and services, such as connected video cameras, utility management, entertainment, wellness management and smart appliances. Additionally, large players in adjacent or overlapping technology industries, such as Amazon, Google, Apple and Microsoft, operate existing smart home platforms or solutions. Such players could choose to leverage their well-known brand names and technological capabilities to enter or further expand into the security and safety category of the connected home space, either directly or indirectly by developing partnerships with our existing competitors.

Telecommunications players have also shown significant interest in the security and safety industry in Europe, complementing their existing offerings with monitored security services, often at lower monthly monitoring rates. For example, Comcast has already done so in the United States, and, in Spain, Telefonica entered into monitored security services through a joint venture with Prosegur in 2020. These companies may: (i) have existing access to and relationships with customers, as well as highly recognized brands, which may drive increased awareness of their security offerings relative to ours; (ii) have specific equipment installed at customers' premises in order to provide WiFi coverage, and such equipment sometimes be updated over the air to add new functionalities; (iii) have access to greater capital and resources than us; and (iv) spend significantly more on advertising, marketing and promotional resources.

If any of the above factors materialize or competition otherwise increases and we are unable to compete successfully, this could result in lower revenue, operating margins and operating profit, which could materially and adversely impact our operations and force us to change our business model.

Certain of our potential competitors may seek to expand their market share by bundling their existing offerings with additional products and services.

We may not be able to compete effectively with companies that integrate or bundle security offerings similar to ours with the other general services they provide. For example, home insurance companies (many of which offer reduced premiums for homes with security alarms), banks, telecommunications companies or utility companies (all of which may already have a relationship with our potential customers) may decide to expand into security and safety services and bundle their existing offerings with such services. For example, in recent years Telefonica has re-entered the alarm category in Spain and Orange has done the same in both France and Spain, offering customers security propositions combined with their telecommunication services. The existing access to and relationship with customers that these, and other, companies have could give them a substantial advantage over us, especially if they are able to offer customers a lower price by bundling these services. These potential competitors may subject us to increased pricing pressure, slower growth in our customer base, higher costs and increased attrition rate among our customers. If we are unable to sufficiently respond to these competitors or otherwise meet these competitive challenges, we may experience a decrease in the demand for our products and services, leading to lower revenue as a result of higher customer attrition

rates and lower portfolio growth rates as well as increased cost per acquisition, which could have a material adverse effect on our results of operations, financial position and future prospects.

In addition, in many locations, we work with guarding companies to respond to triggered alarms. In some cases, they also compete with us for security and safety monitoring services. If these or other guarding companies were to successfully expand or further expand into the alarm monitoring and installation market category, they could become direct and larger competitors with us. This development could also force us to find alternative first responders in the affected regions, and such alternative first responders may not be available on a timely basis or on commercially attractive terms. The costs and challenges associated with finding alternative providers, along with any decrease in our market share in the relevant regions due to these companies' presence, could lead to loss of market share and reduced sales volumes, materially adversely affecting our customer attrition rates and portfolio growth rate as well as margins and, by extension, have a material adverse effect on our operations, profit and future prospects.

Risks related to our business and operations

Cybersecurity breaches, attacks and other similar incidents, as well as disruptions or failures in our data security procedures, could expose us to liability and adversely impact our business, reputation, results of operations, financial condition and/or cash flows.

We operate in an environment increasingly prone to cyber-threats, and our products and services are intrinsically dependent on systems and platforms that are susceptible to cyberattacks. Cyberattacks can occur in various forms and levels of complexity, including commodity/generic malware, casual non-targeted external attackers, determined external targeted attackers (organized crime, espionage, hacktivists and nation states) and malicious insider threats. These threats have the potential to affect our platform and cause significant business disruption for extended periods of time, causing the business to suspend our alarm monitoring services or customer care services until the issues are resolved.

While we implement security measures with our products, components, networks, security systems and infrastructure, these measures may not prevent cybersecurity breaches, the access, capture or alteration of data by criminals, the exposure or exploitation of potential security vulnerabilities or the installation of malware or ransomware that could be detrimental to our reputation. For example, on October 17, 2025, we announced that we had detected unauthorized third-party access concerning data of a legacy acquired business of ours in Sweden, Alert Alarm, stored with an external billing partner's system in Sweden. Alert Alarm has an IT system separate from our main IT system, has total customers of fewer than 6,000 and forensic analysis to date has not identified any evidence of compromise within our own network or systems. We continue to work with expert advisors and have notified both the police and the relevant authority. While, based on present information available, the scope and scale of this unauthorized third-party access was quite limited, there can be no certainty that future breaches, if any, would be similarly contained.

When we experience a breach of our data security, we might find ourselves in a position where personal data regarding our customers was at risk of exposure. To the extent that any such exposure leads to credit card fraud or identity theft or the misuse or distribution of other personal data, including images or recordings taken by our photo detectors and cameras, we may experience a general decline in consumer confidence and trust in our business, which may lead to an increase in our customer attrition rate or make it more difficult to attract new customers.

In addition, we cannot be certain that advances in criminal capabilities, including as the result of the proliferation of AI capabilities, computing power, discoveries in the field of cryptography or other developments, or any mishandling of data by our employees or third-party partners, will not compromise or breach the technology protecting the networks that access our products and service, and we can make no assurance that we will be able to detect, prevent, timely and adequately address or mitigate the negative effects of cyber-attacks or other security breaches.

Furthermore, as we expand the automation of our services and offer increasingly centralized access for consumers through features such as new cameras or connected lock products, the potential risk associated with any form of cyberattack or data breach also increases, threatening either to expose consumer data or create higher risks if an attack maliciously interferes with our products.

In addition, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate or remediate any cybersecurity vulnerabilities, breaches, attacks or other similar incidents. Any cybersecurity incident, attack or other similar incident, or our failure to make adequate or timely disclosures to the public, regulators or law enforcement agencies following any such event, could

materially adversely affect our competitive position, result in violations of applicable data privacy or cybersecurity laws or regulations, result in a loss of customer confidence in the adequacy of threat mitigation and detection processes and procedures, cause disruption to business activities, divert management attention and other resources or otherwise adversely affect the internal operations and our reputation, degrade our financial results, incur significant costs to remedy the damages caused by the incident or defend legal claims, subject us to additional regulatory scrutiny and expose us to civil litigation, fines, damages or injunctions. As a result, the materialization of any of the aforementioned factors, events or developments could result in a material adverse effect on our operations, financial condition, operating profit and prospects.

Any significant or prolonged disruption of our monitoring centers, their supporting systems or our data centers could constrain our ability to effectively respond to alarms and serve our customers.

A disruption to any of our 19 monitoring center locations and our main data centers could constrain our ability to provide alarm monitoring services and serve our customers. Our alarm systems are linked to our monitoring centers by a variety of platforms and are supported by a complex set of systems and processes, including backup systems that support our systems in the event of malfunctions or other issues that may arise. It is critical that the platforms, systems and processes supporting our monitoring activities function properly and allow us to provide our full range of security solutions. We are exposed to various risks, ranging from outages and interruptions in the connections between our alarms and our monitoring centers, to errors or issues with our systems (such as regressions due to changes in the software), as well as larger-scale power failures or other catastrophes with respect to our monitoring centers or data centers. In addition, because our customer service operators are often in the same location as our monitoring staff, any damage or protracted telecommunication outages in a specific area or a wide range of areas affecting more than one of our monitoring stations, could significantly disrupt both our operations and customer services operations. For example, if any of our monitoring centers or data centers were to be affected by earthquakes, floods, fires or other natural disasters, health epidemics or pandemics, acts of terrorism, war, armed conflicts, power loss or other catastrophes, our operations and customer relations could be, in turn, materially adversely affected. Monitoring could also be disrupted by information systems and network-related incidents or cybersecurity attacks, such as computer hacking, computer viruses, worms or other malicious software, distributed denial of service attacks, malicious social engineering or other destructive or disruptive activities that could damage our properties, equipment and data.

Nevertheless, such facilities may not remain operational, or we may not be able to transfer our monitoring function in a timely manner. In addition, an auxiliary facility typically does not have all the same capabilities and functionalities as the main center, such as invoicing. Any significant disruption to our operations could have a material adverse effect on our ability to deliver timely and effective monitoring services, leading to increased customer attrition, reputational damage, loss of revenue, increased operating costs associated with service restoration and recovery efforts, and thereby materially adversely impact our business, financial condition, results of operations and prospects.

We are dependent on our ability to recruit and retain sufficient personnel at all levels of our organization.

Our success and our growth strategy are dependent in part on our ability to attract, train, and retain sufficient talent at all levels of our organization, including our experienced management team, sales marketing, installation and service technicians, finance and other personnel. Our ability to recruit, train and retain sufficient talent for these positions depends on our reputation as a successful business with a culture of fairly hiring, training and promoting qualified employees. In geographies where overall employment rates are high and/or our business is growing quickly, we may have difficulties attracting, training and retaining personnel of suitable capability. In addition, changes in the global job market may cause (or continue to cause) difficulty in recruiting, training and retaining a suitably skilled and qualified labor force. As a result, we could, for example, experience difficulty in scaling our sales teams to grow at the desired growth rates, or delivering our services in a high-quality manner, and we could be forced to increase wages to attract, train and retain colleagues, which would result in higher operating costs and reduced profitability. There can be no assurance that we will continue to attract or retain the qualified personnel needed for our business nor develop sufficient organizational talent to ensure effective succession for key roles. Specifically, we are dependent on experienced senior executives, as competition for qualified senior executives is intense and there is limited availability of professionals with the relevant experience. To the extent that the demand for qualified personnel exceeds supply, we could experience a delay or higher labor costs in order to attract and retain qualified professionals from time to time. Additionally, given our business model is specific and differentiated, we need to ensure new personnel have the time and training to become fully effective.

Following our IPO, some personnel experienced changes to their incentive arrangements. While we continue to maintain retention and incentivisation structures, liquidity events, associated tax considerations and subsequent adjustments may increase the risk of employee turnover, including among key personnel. Any such departures may require replacement hires, which can be both time-consuming and costly, and may also affect operational continuity, strategic initiatives and our corporate tax planning. The loss of such key personnel at any level of the organisation, the inability to hire and retain sufficient qualified talent in a timely manner, or associated increases in labour and related costs could materially adversely affect our business, financial condition, results of operations and prospects.

The obligations associated with being a public company involve significant expenses and require significant resources and management attention, which may divert from the Group's business.

As a result of the IPO, Verisure plc is a publicly listed company on Nasdaq Stockholm and, as such, Verisure plc and the Group in general, are required to comply with additional rules and regulations, which have resulted and will continue to result, in the Group incurring substantial legal and financial compliance costs. The attention of the Group's management may be diverted from other business concerns which could have a material adverse effect on its business, financial condition and results of operations. To meet these ongoing requirements, the Group may need to hire more employees and make further investments in its systems and processes in the future, which will increase its costs and expenses. Furthermore, as it grows its business or conducts any further acquisitions, its internal controls will become more complex and it may require significantly more resources to ensure its internal controls overall remain effective. Effective internal controls are necessary for the Group to produce reliable financial statements and are important to prevent financial fraud. Failure to implement required new or improved controls, or difficulties in their implementation, could harm the Group's operating results or cause it to fail to meet its reporting obligations.

In addition, Verisure plc's operation as a public company could make it more difficult and/or more expensive for the Group to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. Consequently, it may be challenging for the Group to attract and retain qualified professionals to serve in Verisure plc's executive positions.

An increase in customer attrition or failure to acquire new customers in a cost-effective manner could materially adversely affect our operations.

Our ability to grow and sustain our business depends on our ability to retain existing customers and attract new customers. We reinvest the cash flows from our customer portfolio into technology innovation, marketing and brand recognition to attract and retain high-quality new customers. If we cannot effectively retain existing customers and attract new ones in a cost-efficient manner, it could have a material adverse effect on our business, financial condition and reputation. Attracting new customers also requires upfront investment, and we have invested in the past and will continue to invest significantly in customer acquisition, including in respect of our sales and customer service teams, as well as marketing and advertising. The cost to acquire new customers varies depending on the market and our overall growth strategy, including market competition, market maturity and our go-to-market channels, and while many of our costs related to customer acquisition may be variable, there can be no assurance that we will not need to incur further unforeseen costs in the future in order to attract and retain customers.

Further, customer attrition reduces our revenues from monthly subscription fees and, to the extent we decide to invest in replacing such customers with new customers, increases our customer acquisition costs. Our overall average customer attrition rates were 7.4%, 7.4% and 7.6% for the years ended December 31, 2025, 2024 and 2023, respectively. Consequently, customer attrition, particularly prior to the end of the payback period (the time it takes to recapture our upfront investment, known as our "**Acquisition Multiple**") has a negative effect on our business and financial condition. If our customer acquisition investment increases, or if the security audit and installation fees or monthly subscription fees we charge decrease, the payback period will lengthen, increasing the negative effects that customer attrition may have on operations and operating profit.

Additionally, we contract with customers on standard terms within each country. Across many of our markets, our customers do not have a minimum contract period, while in some of our markets customers have contracts with minimum periods of duration – typically ranging from 12 to 36 months – during which cancellation fees or payments may be payable if the contract is terminated by the customer. As a result, most of our customers may be able to terminate their contract with us at any time, and should a large number of customers choose to terminate their contracts at once or over a short period of time, this could have a material adverse effect on our business and financial condition.

Any failure to attract new or retain existing customers could lead to reduced revenues from monthly subscription fees and/or increased cost per acquisition, which may negatively impact our operating margins. A declining customer base would also limit our ability to spread fixed costs across a broader portfolio, adversely affecting overall profitability. Moreover, if customer attrition outpaces acquisition, the extended payback period on upfront investments could strain our cash flows and liquidity, reducing financial flexibility. As a result, such developments could have a material adverse effect on our operations, financial condition, operating profit and prospects.

Our substantial concentration in Iberia (Spain and Portugal), Italy and France makes us more vulnerable to negative developments in these regions.

A significant portion of our operations are in Iberia (Spain and Portugal), Italy and France. These countries accounted for 63.7% of our revenue for the year ended December 31, 2025. Therefore, our business is particularly sensitive to developments that may materially impact the economy in these regions. Negative developments in, or the general weakness of, the Iberian, Italian and French economies may have a direct negative impact on the spending patterns of our existing and potential new customers. A recession, or public perception that economic conditions are deteriorating, could substantially decrease the demand for our services and may materially adversely affect our business. Additionally, increased competition from existing and new competitors in these regions could materially impact our business, financial condition, results of operations and prospects.

We are exposed to risks associated with foreign currency fluctuations as we translate our financial results into EUR.

We present our consolidated financial statements in EUR. As a result, we must translate the assets, liabilities, revenue and expenses of all of our operations with a functional currency other than the EUR into EUR at then-applicable exchange rates. Consequently, increases or decreases in the value of certain other currencies (the Swedish krona (SEK), the Brazilian real (BRL) and the Norwegian krone (NOK) in particular) against the EUR may affect the value of these items with respect to our non-EUR businesses in our consolidated financial statements, even if their value has not changed in their original currency. Our primary exposure is to the SEK, BRL and NOK. For the year ended December 31, 2025, 73.7% of our revenue was denominated in EUR, 15.5% was denominated in SEK, BRL and NOK and 10.8% of revenue was denominated in other currencies. The below table shows the historical average exchange rates for EUR against SEK, BRL and NOK from 2025 to 2023, respectively. There can be no guarantee that past exchange rates are representative of future exchange rates.

Historical Exchange rates	For the year ended December 31, 2025	For the year ended December 31, 2024	For the year ended December 31, 2023
EUR/SEK	SEK 11.0406 = EUR 1.0	SEK 11.4498 = EUR 1.0	SEK 11.4842 = EUR 1.0
EUR/BRL.....	BRL 6.2866 = EUR 1.0	BRL 5.8907 = EUR 1.0	BRL 5.3940 = EUR 1.0
EUR/NOK.....	NOK 11.7135 = EUR 1.0	NOK 11.6495 = EUR 1.0	NOK 11.4684 = EUR 1.0

Foreign exchange rate fluctuations can significantly affect the comparability of our results between financial periods and result in significant changes to the carrying value of our assets, liabilities and shareholders' equity. In addition, certain of our supply contracts in non-euro denominated countries contain clauses that reset the prices at which we buy our goods based on fluctuations in exchange rates, which can increase our costs if rates move in a manner that is unfavorable to us.

Where we are unable to match sales received in foreign currencies with costs paid in the same currency, our operating margins are impacted by currency exchange rate fluctuations and any unfavorable movement in currency exchange rates could have a material adverse effect on our operations, operating profit and financial position.

The retirement of older telecommunications technology, such as 2G or 3G, and limitations on our customers' telecommunications services and equipment could increase customer attrition and require significant capital expenditures.

Our technology relies on third-party infrastructure, such as mobile networks. If there are changes in third-party supplied infrastructure, we may need to upgrade the equipment in our customers' premises earlier than anticipated, which could lead to significant capital expenditures.

For example, telecommunications providers are expected to gradually discontinue 2G and 3G services in Europe over the next decade, as well as the Public Switched Telephone Network technology in certain of the countries in which we operate, with the phasing and timing of such discontinuations varying by operator, network and country. While this will not impact the growing cohort of customers using our "Moonshot" suite of devices,

it will impact some of our legacy customers, who use previous-generation devices that rely on such services. We have initiated a program to modify or upgrade the installed hardware for these customers to ensure continued service delivery and have established a group-wide program for the execution of this transition. As of December 31, 2025, our sunset portfolio comprised approximately 2.2 million customers, compared to 3.9 million customers as of December 31, 2022. We expect that the rollout will result in an estimated increase in Portfolio Services capital expenditures of approximately EUR 250 to 275 million, spread over the 2026 through 2030 period, with slightly elevated capital expenditures in the first two years as we invest in upgrading our hardware to 4G, which then tapers off as we upgrade such hardware across our customer base. See also section "*Business—Our Strategies—Provide the best security services available, leveraging cutting-edge innovation*". We cannot assure that there may not be additional costs or temporary increased attrition associated with such transition.

Continued shifts in technology regarding telecommunications services could divert management's attention and other important resources away from other strategic priorities. Our ability to offer our services to customers depends on the performance of these telecommunications services. We rely on them to provide our customers with constant connectivity to our alarm monitoring operations so that we can successfully provide our services. Such telecommunications services are, however, vulnerable to damage from a variety of sources, including power loss, malicious human acts and may become unavailable during natural disasters. For example, the increasing frequency and intensity of extreme weather events due to global climate change could directly or indirectly affect third-party infrastructure, such as telecommunications services. Moreover, these telecommunications services providers have the right to terminate their services under their agreements in certain circumstances and under certain conditions, some of which are outside our customers' control. The termination of such services would disrupt our ability to provide our customers with our services if we cannot successfully replace them. This could impact the quality of our product and service proposition and our ability to retain our existing customers and acquire new ones.

Any disruption or discontinuation of third-party telecommunications infrastructure on which our technology relies could impair the functionality and reliability of our services, adversely affect the customer experience and result in increased customer attrition rates, increase our capital expenditures, and constrain our ability to retain existing customers and acquire new ones. If we are unable to successfully manage the transition to new technologies, or if replacement infrastructure is not readily available or cost-effective, our revenue and operating costs could be negatively impacted. As a result, such developments could have a material adverse effect on our operations, results of operations and financial position and future prospects.

Product defects or shortfalls in our customer service may impact our ability to conduct operations, increase our costs and customer attrition and damage our reputation as a provider of high-quality security offerings.

Our business is dependent on the quality and continued functionality of the alarm system equipment installed at our customers' premises. Should equipment defects occur, we could face a range of issues varying from business disruption to increased costs to mitigate and remedy poor product performance. For example, product defects could expose us to more frequent battery replacements, a higher volume of false alarm signals for our monitoring centers to manage or even a full recall of the installed products in cases of serious product defects. Much of our work to maintain and enhance the quality of our products relies upon our ability to remotely upgrade the firmware of these products. For certain products, we depend on third-party vendors to provide ongoing support and development work essential for these upgrades. If these third-party vendors are not willing to support us, then we may face limitations in our ability to resolve product quality issues.

In addition, product defects or shortfalls in our customer service could expose us to reputational damage and potential recalls and/or financial compensation to affected customers. The nature of the services we provide potentially exposes us to liability for operational failures. If our alarm system fails to detect an intrusion, fire, flood or a personal emergency event, or fails to respond effectively to an alarm, our customers could be harmed, their items could be stolen or their property could be damaged.

Our customer contracts and other agreements pursuant to which we sell our products and services typically contain provisions limiting our liability to customers and third parties if certain failures lead to a loss due to a system failure or an inadequate response to alarm activation. However, these provisions as well as our insurance policies may be inadequate to protect us from potential liability. In addition, if a claim is brought against us, these limitations may not be enforced or enforceable. Any significant or material claim related to the failure of our products or services could lead to significant litigation costs, including the payment of monetary damages, reputational damage and adverse publicity.

Our relationships with our customers are of the utmost importance. Customers generally judge our performance through their interactions with the staff at our monitoring centers, the reliability of our products and our maintenance performance for any products that may require repair. Any failure to meet our customers' expectations could have a material impact on our customer attrition rate or make it difficult to attract new customers, which would increase cancellations and the cost per acquisition.

As a result, any significant or material claim, shortfalls in our customer service, operational failure or inability to resolve product quality issues could have a material adverse effect on our business, financial condition, operating profit and prospects.

Potential disputes or other events relating to the brand name SECURITAS may negatively impact our operating profit in countries where we use the SECURITAS DIRECT brand.

We trade under four brand names: VERISURE (across all our geographies except Mexico), SECURITAS DIRECT (in Spain, Portugal and Sweden), ARLO, for the sale of cameras and related products across Europe, and ADT in Mexico. We do not own the "SECURITAS" trademark. Instead, we license the "SECURITAS" (which can only be used in conjunction with "DIRECT") trademark and business name from Securitas AB (publ) for the relevant operating geographical locations. We currently operate under SECURITAS DIRECT in Spain and Portugal and certain professional customers in Sweden.

Securitas AB (publ) is our former parent company from whom we demerged in 2006. Historically, Securitas AB (publ) has primarily focused on the large enterprise category of the broader security services market, they also have some monitoring services for the residential and small business subcategories, which may cause consumer confusion.

Additionally, if our current licenses for the use of the "SECURITAS" trademark and business name expire in December 2029 without being renewed or in the case of an early termination event (due to circumstances such as a material breach of the existing terms), we will not be able to continue to use the "SECURITAS" brand. If we are not able to successfully renew these licenses or rebrand in time, this could in turn have a material adverse effect on our operating profit, competitive position and future prospects, as it could affect our net portfolio growth, decrease our revenue and increase operating costs due to, for example, investments in marketing, customer education, brand building and operational changes. As a result, we already began the process of a gradual rebranding in Portugal in October 2025 and in Spain in April 2026. We currently estimate the total cost of this rebranding exercise across the three countries to be between EUR 100-150 million over a six-year period, with significant cost intensity in the first two to three years, following which we will no longer need to pay the royalty we would then otherwise owe under the existing license agreements. However, there can be no assurance that we may not incur additional costs in the future as we undertake the rebranding exercise. Additionally, the rebranding may entail increased risks of contractual or intellectual property related disputes with Securitas AB. Overall, any of the foregoing could have a material adverse effect on operating profit, competitive position and future prospects, as it could affect our net portfolio growth, decrease our revenue and increase operating costs due to, for example, investments in marketing, customer education, brand building and operational changes.

Adverse developments in our relationships with our employees and the inability to attract new talent to sustain our expected future growth may adversely affect our business and profitability.

Maintaining positive relationships with our employees and attracting new talent are crucial to our ongoing success and growth. As of December 31, 2025, our workforce comprised approximately 30,500 employees (headcount), with the majority of our workforce covered by some form of internal or external employee representative arrangement or by a collective bargaining agreement. We may become subject to additional collective bargaining agreements in the future or our non-unionized workers may unionize, which could limit our operational flexibility, increase operating costs or impose additional obligations on us. While we have experienced minor strikes in the past, which did not impact our ability to deliver our services, we may experience significant strikes, work slowdowns and other labor actions in the future. Any such strikes, work slowdowns or other labor actions could disrupt our operations, damage our reputation and make it more difficult to retain and hire new employees. Further, a material increase in labor costs where we are not able to pass some or all of those costs on to our customers, or if we experience a deterioration in employee relations or face challenges in attracting talent to support our expected future growth, could constrain our ability to execute on our growth strategy and negatively impact our operating margins. As a result, any of these factors could materially adversely affect our operations, operating profit, financial condition and future prospects.

We are subject to increasing operating costs, which may adversely affect our earnings, and we may not be able to capture the full savings ambition of our comprehensive cost savings programs, Funding Our Growth and Fit for Growth.

We are subject to increasing operating costs across various aspects of our operations, including, but not limited to, increases in salaries, wages, benefits and other administrative costs. While we aim to increase our subscription rates to offset increases in operating costs, we may not be successful in doing so. Any failure to effectively pass on these increasing operating costs to our customers without adversely impacting customer satisfaction and increasing customer cancellations could lead to compression of operating margin.

In late 2014, we began a group-wide operational improvement plan, Funding Our Growth ("**FOG**"), with the aim of optimizing our cost structure and improving productivity. The program, which has evolved and become embedded in our culture, seeks to leverage our scale and share best practices across our global footprint in order to reduce costs and improve our margins. In early 2024, we introduced a new detailed cost savings program targeting gross aggregate cost savings of over EUR 175 million between January 1, 2024 and December 31, 2026. In early 2026, we introduced Fit for Growth, a transformation program that builds on the existing FOG initiatives to strengthen the Company's operating model and position it for the next phase of development. See section "*Business—Funding Our Growth and Fit for Growth—cost savings initiatives*" for further information.

However, there can be no guarantee that such benefits will be realized or that additional costs will not be incurred. The continued success of the program is contingent on many factors, including the implementation of initiatives in daily operations, follow-ups by management, effective leverage of successful strategies across jurisdictions, assumptions regarding local and macroeconomic conditions, engagement with third parties (including contract counterparties), timely launch of various requests for proposals, foreign exchange rates, successful training with respect to customer care efficiency initiatives and effective rollout of automation of various systems, some of which may not materialize in accordance with our expectations. If the planned measures to increase efficiency and achieve cost savings fail in whole or in part or are not sustainable, we may not operate profitably or may experience less profitability than we expect to. Any of the foregoing risks could materially adversely affect our business, financial condition, results of operations and prospects.

We may suffer future impairment losses, as a result of potential declines in the fair value of our assets, or challenges to our accounting classifications.

We have a significant amount of goodwill and intangible assets. As of March 31, 2026, we had recorded on our balance sheet goodwill of EUR 7,738.2 million, customer portfolio of EUR 4,022.8 million and other intangible assets of EUR 1,407.4 million, which consist primarily of computer software, development costs and trademarks. In accordance with applicable accounting standards, we review on an annual basis, or more frequently when the circumstances require it, the need to introduce changes to the book value of our goodwill and intangible assets. Goodwill and other intangible assets with an indefinite useful life are evaluated for impairment by computing the recoverable value of a cash-generating unit or intangible asset and comparing it with its carrying value. If the recoverable value of the intangible asset or the cash-generating unit, in the case of goodwill, is less than its carrying amount, an impairment is recorded. Significant judgment is involved in estimating cash flows and recoverable value. Management's recoverable value estimates are based on historical and projected operating performance, recent market transactions and current industry trading multiples. In addition, some of our accounting classifications are based on our interpretation of applicable rules, such as for capitalization and depreciation or amortization periods. We cannot assure that our accounting classifications will not be reassessed and that such new classifications may have a material adverse effect on our business, financial condition, results of operations and prospects.

Unauthorized use of or disputes involving our proprietary technology and processes may adversely affect our business.

Our success and competitive position depend in part on a combination of trade secrets and proprietary know-how. We use our in-house development team to design proprietary products, including hardware and software protocols. We also cooperate with our network of manufacturing partners to jointly develop new and share patents for proprietary products and solutions. While we are increasingly seeking patent protection for new proprietary technologies, such efforts may be inadequate to prevent the unauthorized use. Likewise, the remedy for any unauthorized use of Verisure proprietary technologies may not be adequate to compensate us for the damages suffered. Any access to or use by competitors of our technology could impair our ability to differentiate our products in our markets, which, in turn, could slow our growth trajectory, reduce pricing power and negatively affect our operating results, customer acquisition and retention.

In addition, we may be subject to claims of patent or other intellectual property rights infringement by third parties. In developing technologies and systems, we may not adequately identify third-party intellectual property rights or assess the scope and validity of these third-party rights. Accordingly, we may become subject to lawsuits alleging that we have infringed the intellectual property rights of others and seeking that we cease to use the relevant technology or otherwise take a license. Intellectual property litigation could represent a significant expense and divert our personnel's attention and efforts and could adversely affect the development or sale of the challenged product or technology or require us to pay damages or royalties to license proprietary rights from third parties. Furthermore, we rely upon licensed technologies for core parts of our systems. Our use of these technologies may not fully comply with the terms of our licenses, and licenses may not be available on commercially reasonable terms, if at all. These challenges may expose us to additional costs, which could be material, or force us to stop using the licensed technologies, which may have an impact on our operational process.

Furthermore, we operate under brand names VERISURE, SECURITAS DIRECT, ARLO and ADT. See also "*—Potential disputes or other events relating to the brand name SECURITAS may negatively impact our operating profit in countries where we use the SECURITAS DIRECT brand*". While we actively manage and protect these brands to prevent unauthorized use and ensure clear market differentiation, such efforts may be inadequate to fully safeguard against infringement or consumer confusion.

Any unauthorized use or disputes over our brand names could lead to significant impact on brand reputation and legal expenses. Further, any of the aforementioned events or factors, including unauthorized access to our proprietary technologies and operational disruptions from licensing issues, could have a material adverse effect on our business, revenue growth and operating costs.

Our insurance policies may not fully protect us from significant liabilities.

We carry insurance of various types, including claims, general liability and professional liability insurance, in amounts management considers adequate and customary for our industry. However, we may experience claims in excess of or not covered by the Company's current insurance policies. For example, the Company may be held liable for claims associated with data breaches and cyber incidents. Some of our insurance policies, and the laws of some of the jurisdictions in which we operate, may limit, or prohibit, insurance coverage for punitive or certain other types of damages, or liability arising from gross negligence. As such, our insurance policies may be inadequate to protect us against liability from the hazards and risks related to our business.

Additionally, we may fail to obtain or maintain adequate insurance coverage on acceptable terms in the future, which could in turn create a need or desire for the Company to build up an internal contingency reserve to cover such risks, thus affecting the Company's financial position. Furthermore, damage caused to the Company could, even if covered by the insurances, result in increased insurance premiums. Accordingly, we may not be able to obtain adequate insurance coverage in the future at rates we consider reasonable. The occurrence of an event not fully covered by insurance, or an event that we did not carry adequate insurance for, could result in substantial losses and could have a material adverse effect on our business, financial condition, operating profit and prospects.

We may be unable to effectively manage our growth into new geographies or realize the intended benefits from our acquisitions.

Our growth plan includes expansion into new or recently entered regions in Europe and Latin America. Expanding into these geographies involves significant expenditures, over a period of several years, on development of monitoring and backup centers, hiring and training of personnel and marketing efforts to introduce our brand to the new geography. We may not accurately predict such costs or accurately anticipate operational difficulties caused by local conditions and therefore may not achieve our financial targets and strategic objectives for our operations in the new geographies. Accordingly, we may incur losses as we expand our operations due to increased costs for such investments. Some examples of the risks encountered in entering new regions include:

- costs associated with signing up customers who may not prove as loyal as our current customer base, which would cause our customer attrition rate to increase;

- increased investment associated with understanding new geographies and following trends in these areas in order to effectively compete;

- challenges associated with taking market share from existing competitors in the region;

- increased costs associated with adapting our products and services to different requirements in the local markets, which may decrease our margins and profitability;

- challenges relating to developing and maintaining appropriate, and risk of non-compliance with, risk management and internal control structures for operations in new geographies and understanding and complying with new regulatory schemes;

- reduced ability to predict our performance because we will have less experience in the new geographies than in our existing geographies;

- trade barriers such as export requirements, which could cause us to experience inventory shortages or an inability to offer our full set of products;

- tariffs, taxes and other restrictions and expenses, which could increase the prices of our products and make us less competitive in some countries;

- currency effects, such as future currency devaluations;

- actual and/or perceived decreasing crime and burglary rates, lowering consumer interest in home security solutions; and

- political, regulatory and other local risks.

While our primary focus remains on organic growth opportunities, we have occasionally engaged in the selective pursuit of acquisitions. For instance, we acquired all of the commercial operations of Arlo in Europe in December 2019 and in October 2025 acquired ADT Mexico from Johnson Controls, Inc. Although we anticipate that such acquisitions may offer certain benefits, realizing these benefits involves various uncertainties, such as the ability to operate the acquired business as intended. If the anticipated benefits and synergies are not achieved, it could lead to increased costs, reduced revenue generation from the combined business, a potential diversion of management's attention and potential claims or litigation.

We are also subject to applicable competition and antitrust laws, rules and regulations in the countries in which we operate. Our business serves a substantial portion of the market, and as a result, we could become subject to investigations into the strength of our position or market allocation in any of the product and geographical markets in which we are active. We may also become subject to national or international antitrust investigations in connection with any acquisitions or otherwise. Both our failure to accurately predict or manage costs or any operational difficulties we encounter in expanding into new geographies and our failure to accurately anticipate or capture expected benefits from our add-on acquisitions, could have a material adverse effect on our operations, financial condition, operating profit and prospects.

We may incur unexpectedly high costs as a result of being unable to recover costs related to defective alarm system equipment under our suppliers' warranties.

Given that we offer a recurrent monitoring service to our customers, we must ensure that the alarm system equipment installed at our customers' premises functions properly at all times. If there is a defect with certain equipment during the term of the customer contract, we need to repair or replace it, so that the customer receives the service for which they are paying. Depending on the product defect warranty arrangements in place with the relevant supplier, we may be able to recover only a portion of our costs from them. Additionally, all suppliers' product warranties expire after a period of time and do not provide us with protection for defects that occur or become evident after expiration. Further, our suppliers' warranties typically also have limitations on the extent of their liability for repairs or replacements. We may also encounter situations where we believe that a product is defective, but the supplier contests our claim and/or otherwise fails to remedy the problem. In any of these situations, we may have to cover the cost of remedying defective equipment. Any significant incurrence of such expense in excess of our estimates, for which we are unable to receive reimbursement from the supplier, could have a material adverse effect on operating costs, operating margins and operating profit.

We rely on third-party suppliers for the assembly of our alarm system devices, and any failure or interruption in the provision of such products, including international trade restrictions, could harm our ability to operate our business.

The majority of our alarm system devices are designed and sourced by Verisure, but are manufactured by third-party suppliers. The ability of our suppliers to meet our needs and standards is subject to various risks, including political and economic stability, natural calamities, health epidemics or pandemics, interruptions in

transportation systems, sourcing issues, financial difficulties, unavailability of raw materials, terrorism, war, armed conflicts and labor issues. We are therefore subject to the interruption of supply or the receipt of faulty products from our suppliers. Difficulties encountered with suppliers may result in disruptions to our operations, increased operating costs and damage to our reputation.

We also rely upon select suppliers for certain critical components of our products, such as silicon and electronics, for which we may only have a single source and do not have alternative sources readily available. This reliance exposes us to potential business disruptions in the event of supply chain interruptions, which could result from various factors including manufacturing delays, geopolitical tensions or natural disasters. Further, should we need to find an alternative supplier in the future, there can be no assurance that we can find one in a cost-efficient or timely manner, which could result in business disruptions and delays, or that we will be unable to find one at all.

If suppliers for key components face difficulties related to the production or extraction of materials or fail to deliver products or experience delays in delivery, such difficulties may prevent us from upgrading equipment, delivering products to our customers on time, or otherwise hinder our ability to install and upgrade systems and provide replacement parts. This could result in higher costs and a potential decline in confidence in our products and services among our existing and potential new customers. We are also particularly vulnerable to any disruptions in supply of our legacy systems or replacement parts for these systems, as these products may become obsolete and may be out of production. In addition, we have a supplier relationship with a company based in Israel, which supplies hardware for the delivery of our services in certain geographies. In selected European countries, their hardware is purchased by Verisure as part of maintenance and repair activities to ensure continued service for customers using our legacy alarm systems with ongoing services; while in our Latin American market, their hardware is used both for maintenance of legacy systems used by our existing customers and is still sold to a part of our new customer base. The Israel-Hamas war that commenced in October 2023 and the more recent Israel-Iran conflict may adversely impact our supplier directly or indirectly and could result in us bearing increased costs or suffering from disruptions to supplies of the products that are manufactured by them. Such disruptions could hinder our ability to maintain our installed base or deliver new installations in certain parts of our geographies.

Additionally, we are exposed to risks related to the practices of our suppliers, including any alleged or actual violations of anti-bribery and anti-money laundering laws, child labor laws, sanctions and other similar areas, which could adversely affect our brand, reputation and/or our ability to access such supplier's products. Our suppliers' engagement in unethical activities poses a risk to our brand integrity and reputation. We also often partner with key suppliers to develop proprietary technologies and products. We use these partnerships to supplement our own internal product development team. If these suppliers fail to keep pace with technological innovations in the RHSB subcategory, we may incur increased product development costs or lose customers to competitors with access to these technological innovations.

The possible adoption of new protectionist measures in certain parts of the world, and/or the adoption of lockdown or other restrictive measures as a result of any crisis or pandemic, as well as those derived from geopolitical tensions such as the current war in Ukraine, the Israel-Hamas war, the Israel-Iran conflict or the Red Sea crisis, could disrupt global supply chains or may have an adverse impact on certain of our suppliers and other players in the industry. The semiconductor industry in particular is facing various challenges, primarily as a result of supply problems at a global level, which in turn is affecting multiple sectors, including ours, through delivery delays and price increases. See also section "*—Risks related to our industry and markets – A deterioration in economic conditions, including inflationary pressures, or the alteration of the political environment in the countries where we operate, could negatively affect our business*".

Any interruption in supply, failure to produce quality products, inability to deliver critical components or inability to keep pace with technological innovation by a key supplier could materially adversely affect our operations and operating margins, as it may be difficult for us to find alternatives in due time and/or on terms acceptable to us, which could have a material adverse effect on our operating profit, financial conditions and future prospects.

Our actual results may differ significantly from our financial targets, and our estimates of market share and penetration may prove to be inaccurate, and potential investors should not put undue weight on such targets and estimates.

In line with our strategic direction, we have adopted financial targets related to our revenue, profitability and capital structure. Please refer to the sections "*Business—Our Strategies*" for more information on our strategy and financial targets. Our financial targets are based on a range of management assumptions regarding future events and conditions including, *inter alia*, the expectation that there will be no material changes in political,

legal, regulatory, fiscal and other market or economic conditions, estimates on our market share and penetration, other market or economic conditions, nor in applicable legislation and rules (including, but not limited to, accounting policies and accounting treatments), and that we will not be subject to any litigation or administrative proceedings that may have a material impact on us. Some of these assumptions are beyond our control and influence and inherently subject to significant risks and uncertainties. For example, adverse developments in the macroeconomic environment, such as adverse movements in interest rates, foreign exchange rates or unemployment rates may negatively affect our actual results of operations going forward, irrespective of whether our assumptions otherwise prove to be correct. Similarly, shifts in the competitive landscape or our ability to successfully launch new products and services or otherwise retain existing customers could adversely affect our operations and our ability to achieve our financial targets. Further, our estimates on market share and penetration rely on data from third-party sources such as company websites, public company reports, as well as industry, trade and government publications. While our estimates of market share and penetration were made in good faith and are based on assumptions we believe to be reasonable, both the third-party data and our own assessments may be based on assumptions and estimates that may prove inaccurate.

As such, there is a risk that our assumptions are inaccurate or will not continue to reflect the environment in which we operate and unforeseen events may require us to revise our expectations. If the assumptions underpinning our financial targets or market share are inaccurate or do not materialize, or if unexpected developments occur, our actual market share and penetration could vary materially from our estimates and our results could deviate significantly from our financial targets. Potential investors should therefore not put undue weight on our estimated market share and penetration or the financial targets when making an investment decision.

If we fail to meet our financial targets due to changed assumptions or other factors, we may experience diminished results of operations, decreased margins or reduced cash flow, which may adversely affect our financial position and profitability. In turn, we may be unable to access suitable financing or pursue attractive business opportunities, which may further limit our ability to maintain our market position and competitiveness.

Sustainability and environmental, social and governance factors are key focus areas for politicians, policy makers, regulators, investors, activists, consumers and other stakeholders worldwide. If we fail to keep pace with the growing and diverging body of legislative and regulatory reform in this area and regulator and client expectations, our business may be adversely affected.

There has been complex scrutiny and evolving expectations, including by governmental and non-governmental organizations, consumer advocacy groups, third-party interest groups, investors, consumers, employees and other stakeholders, on Environmental, Social, and Governance ("**ESG**") practices, commitments, performance and disclosures. New ESG-related laws and regulations on disclosure requirements, governance and risk management and benchmarks have been introduced or enacted in jurisdictions where we operate. Adoption of proposed laws and regulations, or expansion of enacted laws and regulations in the future, could introduce new requirements or otherwise materially impact our business and operations.

We may also be impacted by a series of ongoing legislative initiatives. For example, in the United Kingdom, we may be impacted by the continued expansion of sustainability-related disclosures including the Climate-related Financial Disclosure regime and the Sustainability Reporting Standards ("**UK SRS**"). The UK SRS were published on February 25, 2026, and are of voluntary adoption. They could be mandatory for listed companies starting in 2027, subject to the finalization of the Financial Conduct Authority's rules following the conclusion of its consultation on March 20, 2026. These standards will form part of a wider Sustainability Disclosure Reporting framework led by HM Treasury. Additional and varied ESG-related regulations have been and may be imposed in other jurisdictions, such as the EU Corporate Sustainability Reporting Directive and Corporate Sustainability Due Diligence Directive.

A lack of harmonization globally and within jurisdictions in relation to ESG legal and regulatory reform could lead to a risk of fragmented or conflicting group-level priorities, as a result of the different pace of sustainability transition across global jurisdictions. This may create conflicts across our global business, which could risk inhibiting our future implementation of, and compliance with, rapidly developing ESG standards and requirements. Failure to keep pace with the sustainability transition could impact our competitiveness in the market and damage our reputation, resulting in a material impact on our business. In addition, failure to comply with applicable legal and regulatory changes in relation to ESG matters may attract increased regulatory scrutiny of our business and could result in penalties, fines and/or other sanctions being levied against us as well as lawsuits or other proceedings.

Sustainability-related practices differ by region, industry and issue and are evolving accordingly, including in light of a rapidly changing political and regulatory landscape in relation to ESG matters. Our sustainability-related practices and how such practices are assessed and/or perceived may change over time. Similarly, new sustainability requirements imposed by jurisdictions in which we do business may result in additional compliance costs, disclosure obligations or other implications or restrictions on our business and/or operations.

Our business, products and our customer base could exacerbate the effect of new ESG rules. Legislative and regulatory reform could also cause us to change our business or operations, limit opportunities for further expansion, affect our competitive position, cause us to incur significant compliance and risk management costs and lead to a decline in the demand for our services. If our ESG-related data, processes and reporting are incomplete or inaccurate, it could lead to private, regulatory or administrative challenges or proceedings, including with respect to our disclosure controls and procedures, as well as adverse publicity, any of which could damage our reputation and business. Beyond regulation, we need to assess and understand the impacts of our business on people and the environment and the financial impact of sustainability matters in our company in terms of risks and opportunities. Failure to properly address our ESG-related impacts and risks could lead to reputational loss, litigation and/or incremental costs. In addition, there is no guarantee that processes and procedures we have or may put in place will have the desired outcome or be sufficient to meet these varied and changing requirements and expectations.

Additionally, organizations that provide information to investors and financial institutions on ESG performance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. In addition, many investors have created their own proprietary ratings that inform their investment and voting decisions. Unfavorable ratings or negative assessment of our ESG practices, including our compliance with certain disclosure standards and frameworks, as well as changing market and investor sentiment in relation to ESG matters, may lead to negative investor sentiment toward us and the diversion of investment to other companies, which could have a negative impact on our stock price and our access to and cost of capital.

We have communicated, and may in the future communicate, certain ESG- or climate-related initiatives and goals to our stakeholders; please refer to section "*Business—ESG strategy*" for further information. These initiatives and goals could be difficult and expensive to quantify and implement. In addition, such initiatives and goals are subject to risks and uncertainties, many of which may not be foreseeable or may be beyond our control. We may be criticized for the scope or nature of such initiatives or goals, for any revisions to such initiatives or goals, for failing, or being perceived to have failed, to achieve such initiatives or goals, or for establishing ESG-related initiatives and goals at all. Further, the disclosure standards or frameworks we choose to align with, or are or will be required to align with, may evolve over time, which may result in a lack of consistent or meaningful comparative data from period to period and/or significant revisions to our goals or reported progress in achieving such goals and aspirations. We may also be adversely impacted as a result of conduct by suppliers or partners that fail to meet our or our stakeholders' ESG expectations, and we could face legal and/or regulatory scrutiny resulting in penalties, fines and/or other sanctions being levied against us as a result of actual or perceived ESG concerns relating to our suppliers or partners. We could also suffer reputational damage as a result of the sustainability performance of our suppliers and partners.

Our competitors could have more robust ESG goals and commitments or be more successful at implementing and/or disclosing their ESG matters, goals and commitments, which could cause us to lose clients and adversely affect our reputation. Our competitors could also decide not to establish ESG goals and commitments at a scope or scale that is comparable to our ESG goals and commitments or may not be required to comply with as stringent ESG requirements as we are, which could cause our operating costs to be comparatively higher. Any of the above factors could adversely affect our business, financial condition, results of operations and prospects.

Legal, tax and regulatory risks

We are subject to tax risks, including risks arising from changes in tax laws or their interpretation or application, as well as from tax and customs audits and bilateral or mutual agreement procedures, particularly in relation to our transfer pricing model.

We are subject to tax risks across multiple jurisdictions, including exposure to transfer pricing challenges, value-added tax ("**VAT**") compliance and tax audits. Our operations span several countries, subjecting us to complex and evolving tax regimes. We are required to comply with a broad range of tax laws, including those related to corporate income tax, VAT and transfer pricing. These rules vary by country and are frequently interpreted differently by local tax authorities. Any misinterpretation of laws, unfavorable tax rulings against us

or any kind of failure to manage tax risks adequately could result in increased charges, financial loss, including penalties and reputational damage.

As a multinational enterprise, our transfer pricing arrangements are subject to continuous scrutiny by tax authorities across the jurisdictions in which we operate. Transfer pricing is a complex and evolving area of international taxation, and audits or reassessments are a common feature for global groups. In line with this, we are currently subject to reviews in certain jurisdictions, including Spain and Sweden. Such processes are often protracted and may involve bilateral or multilateral procedures between tax authorities. Even where we have acted in good faith and in line with our policies, these reviews can lead to changes in our tax liabilities, including additional taxes, interest and penalties.

Further, tax and customs authorities in the jurisdictions in which we operate may challenge our tax positions or the customs treatment of certain transactions and propose adjustments that could result in additional taxes, customs duties, penalties or interest being assessed against the Group. Additionally, the eligibility of our business for different VAT rates may vary between jurisdictions, and certain activities may trigger reduced rates, registration, collection or reporting obligations, each subject to varying interpretations, which may create potential exposure to penalties or retroactive assessments.

Furthermore, the international tax environment continues to evolve, with a growing regulatory focus on base erosion and profit shifting, minimum taxation (such as the OECD Pillar Two initiative, as defined below) and transparency in tax reporting. New legislation, or reinterpretations of existing laws in any of the countries where we operate, may result in increased tax burdens, retroactive charges or additional compliance costs.

Any such adverse outcomes could lead us to face additional tax liabilities, which could adversely impact our financial condition, cash flows and profit. In addition, an adverse audit outcome could lead to reputational harm, increased scrutiny from other tax authorities and a need to adjust our transfer pricing structure or business practices, potentially resulting in higher ongoing operating costs, higher effective tax rate and operational complexity, which could materially adversely impact our operating profit, net income and financial position.

Potential Impact of changes in tax laws

There may be changes in tax laws or interpretations of tax laws (possibly with retrospective effect) in a jurisdiction in which we or one of our subsidiaries operate that are adverse to us or our subsidiaries. In particular, both the level and basis of taxation may change. Changes to taxation treaties or interpretations of taxation treaties between one or more such jurisdictions and the countries through which we or any of our subsidiaries are operating or change to, EU directives may adversely affect us or the Group. Consequently, it is possible that we or our subsidiaries may face unfavorable tax treatment in such jurisdictions that may materially adversely affect our financial condition, cash flows and profit.

Implementation of the OECD's "Pillar Two" global minimum tax rules and related domestic regimes

In December 2021, the Organization for Economic Co-operation and Development ("**OECD**") released model rules (the Global Anti-Base Erosion or "**GloBE**" rules, commonly referred to as "**Pillar One**" and **"Pillar Two**"). While Pillar One is focused on the international allocation of tax rights and is designed to ensure that the allocation of taxing rights is more closely aligned with where a multinational group's consumers are located, Pillar Two contemplates a global minimum effective tax rate of 15 per cent for large multinational groups. A number of jurisdictions globally have introduced legislation aligned with the GloBE rules to implement Pillar Two including the UK, European Union member states (including through the adoption of Council Directive (2022/2523) on December 14, 2022 on ensuring a global minimum level of taxation for multinational enterprise (MNE) groups and large-scale domestic groups in the EU) and other jurisdictions in which we do business. The rules generally apply to groups with consolidated annual revenues of at least EUR 750 million and operate by imposing a "top-up" tax where the effective tax rate in a jurisdiction falls below the minimum rate.

When introducing the Pillar Two rules, the OECD provided for certain transitional "safe harbor" provisions. These rules are intended to reduce initial compliance burdens on large multinational groups to which the rules apply and provide relief in the early years of implementation by allowing qualifying groups to apply simplified calculations or to rely on specified financial data to test whether a top-up tax liability arises.

The scope, design and timing of legislation implementing Pillar Two (and any related safe harbor), and any related administrative guidance, may vary significantly between jurisdictions and remain subject to further clarification and change. Application of the rules may involve complex calculations, reliance on data not previously required for tax reporting, and the need to reconcile different local accounting, IFRS and tax rules.

We continue to monitor legislative developments, including additional guidance from local tax authorities, in order to assess the impact of the Pillar Two rules on our business.

Based on the legislation and guidance in force, we are within the scope of Pillar Two in the jurisdictions in which we operate. There can be no assurance that any safe harbors will be available to the Group, that the Group will qualify for them, or that they will provide meaningful relief from the compliance obligations or potential tax liabilities arising under Pillar Two. As a result, we may be required to pay additional taxes (including top-up taxes), incur increased compliance and reporting costs, and generally face uncertainty in forecasting our effective tax rate.

If we fail to comply with constantly evolving interpretations of the laws and regulations regarding data privacy, we could face substantial penalties, liability, and reputational harm, and our business, operations, and financial condition could be materially adversely affected.

As part of our operations, we collect and retain a large amount of personal data from our customers, including name, address, bank details, credit card information, images, videos, voice recordings and other personal data. In all of the countries in which we operate, the processing of personal data is subject to governmental regulation and legislation, including laws and regulations concerning the collection, use, retention, security, processing and transfer of personal data. In particular, our operations in the EU are subject to the provisions of Regulation (EU) 2016/679 of April 27, 2016 (the "**GDPR**") as well as to other laws and regulations relating to data privacy and protection. Complying with applicable data protection laws and regulations requires significant resources, strong processes and ongoing focused effort.

Notwithstanding our significant efforts to protect personal data and comply with all applicable laws and regulation, we are exposed to the risk that data could be wrongfully appropriated, lost or disclosed, or processed in breach of data protection regulation, by us or on our behalf.

We may become subject to heightened scrutiny by regulators, and any finding that we failed to comply with such regulations or legislation could lead to sanctions, including fines, or the initiation of criminal or civil proceedings. Such an event could additionally result in unfavorable publicity and therefore materially adversely affect our credibility and reputation with our customers, which may lead to customer distrust and could result in an increase in our customer attrition rate or make it more difficult to attract new customers. For example, the Swedish Authority for Privacy Protection (Sw. *Integritetsskyddsmyndigheten*) ("**IMY**") opened an investigation into Verisure Sverige AB in 2022 following the publication by a Swedish tabloid media outlet that year of anonymous allegations made about the use of certain customer data by our employees. Refer to section "*Business—Legal Proceedings– Investigation by IMY*" for further information. While the allegations were found unsubstantiated by the IMY and the case was closed without material findings in 2024, the allegations affected customer perception and trust in us at the time, which triggered a temporary increase in customer attrition and decline in sales in Sweden. As the regulatory focus on privacy issues continues to increase while, at the same time, technology continues to evolve, these potential risks to our business may intensify. The consequences for violating applicable data privacy and protection laws and regulations can be significant; for example, the GDPR provides for maximum fines of up to the higher of (i) EUR 20 million or (ii) 4% of annual global turnover.

Our business is subject to increasing regulatory scrutiny, and non-compliance with general or industry-specific laws or regulations could expose us to fines, penalties and other liabilities and negative consequences.

Our operations and employees are subject to various general and industry-specific laws and regulations. We are subject to EU and local laws, rules and regulations in the geographic regions in which we operate. These regulations govern our operations, from the marketing, sales and installation process throughout the monitoring and alarm verification process, as well as broader regulations including consumer protection, employment, health and safety and other areas of law.

Relevant regulation for our operations includes country-specific security industry regulations (including with respect to hardware requirements or operational requirements). For example, in most of our European geographies, we are required to install alarm equipment that has been certified against relevant European standards, such as EN50131, and in order to install an alarm system, we generally must be licensed in the country where we install the system. Additionally, in many of our countries, we must obtain operating certificates or permits for our alarm monitoring centers and provide specified levels of training to our employees at those centers. We are also governed by regulations relating to when we can notify emergency providers of verified alarms, and may in some countries be subject to consequences if we forward false alarms to such emergency providers. Furthermore, any misconduct by our employees, independent contractors or vendors could expose us to regulatory investigations. Any failure to comply with the security-related laws, rules or regulations (local or

otherwise) in jurisdictions in which we operate may result in fines, penalties or a suspension or termination of our right to sell, install and/or monitor alarm systems in the relevant jurisdiction.

We are also subject to numerous laws and regulations relating to a broad range of different areas, including data protection and privacy, labor standards and practices, antitrust and competition and anti-money laundering. In addition, we are subject to consumer protection laws in the jurisdictions where we operate and have been subject to regulatory scrutiny from time to time. For example, in March 2024, the Italian Competition and Commerce Authority ("**AGCM**") fined Verisure Italy EUR 4.25 million for alleged breaches of consumer protection law, a decision which Verisure Italy has appealed. See also "*—We are subject to consumer protection laws, which may impose stricter sanctions and increase liability risks, which could have a material adverse effect on our business, financial position and reputation*". Scrutiny under these regulatory regimes is increasing, and as we continue to grow within existing countries and globally, including by gaining in market share, entering into a wider range of services and facing increased competition, the risk of being the target of regulatory enforcement action grows.

Furthermore, these laws and regulations are becoming increasingly stringent, and compliance with them requires the dedication of substantial resources. For example, in France, additional restrictions on telephone solicitation will enter into force in August 2026. In the Netherlands, an amendment to the Telecommunication Act will ban unsolicited calls to consumers, even if they are or have been customers, without explicit consent, effective July 1, 2026. In a region in Spain, local legislation restricting door-to-door activities entered into force in 2025. Additionally in Spain, new regulations expected to enter into force in December 2026 will require customers to be notified 15 days before a rolling subscription contract is renewed. If the adoption of such ordinances reduces the demand for our products or services we could experience increased customer attrition rates and lower subscription growth, and/or if we are unable to pass related assessments, fines and penalties on to our customers, we could experience increasing operating costs, which could materially adversely impact our operating margins, operating profit and financial position.

Additionally, changes in laws or regulations in the jurisdictions in which we operate, or the introduction of new EU regulation (such as the EU AI Act, the EU Data Act, Corporate Sustainability Reporting Directive and Corporate Sustainability Due Diligence Directive) could cause us to incur significant costs and expenses to comply with such laws or regulations. Such changes may result in adaptations to our service delivery and related processes and IT systems. In addition, given the rapid AI technological progression, we face an evolving regulatory landscape on the use of AI, and as we incorporate AI into our current technology, any significant changes in the legislation governing the use of AI in our markets could have a negative impact on our business. Any limitation on our ability to operate our business, or adaptations to our service delivery or business processes, due to legal or regulatory reasons could have a material adverse effect on our business, financial condition, operating profits and prospects.

We are subject to consumer protection laws, which may impose stricter sanctions and increase liability risks, which could have a material adverse effect on our business, financial position and reputation.

Our consumer-facing practices are governed by stringent and frequently evolving EU and national consumer protection laws in the jurisdictions where we operate. Non-compliance with such laws may result in fines, penalties, reputational damage and loss of trust with consumers, which would negatively impact our attrition and sales. In many European countries, regulations govern consumer sales methods, including door-to-door, telemarketing (including phone canvassing) and online sales, as well as consumer's right to withdraw during the "cooling off" period, during which customers may terminate their contracts without any reason or cost if they reconsider their purchase decisions.

From May 28, 2022, EU member states were required to implement Directive (EU) 2019/2161, the aim of which was to enhance the enforcement and modernization of EU consumer protection rules. For several EU member states where we conduct business, implementation of this directive has resulted in stricter sanctions for consumer protection law infringements. Additionally, some member states have introduced the possibility for consumers to bring individual claims for breaches of unfair competition or consumer protection laws. These developments could lead to significant sanctions, an increase in consumer claims for damages and contract rescissions.

Furthermore, the interpretation and implementation of consumer protection laws have evolved, and continue to evolve, over time, potentially subjecting our business conduct, selling practices, customer documentation or operations to greater regulation and/or restrictions. Our business activities may also face challenges from competitors, customers, consumer protection organizations, competent authorities or other parties, and we have had interactions with consumer regulatory bodies in certain of the regions where we operate and have had only

one enforcement of any materiality ever. In March 2024, the AGCM fined Verisure Italy EUR 4.25 million for alleged breaches of consumer protection law, a decision which Verisure Italy has appealed. Following this, Verisure Italy settled a related class action threat from a consumer organization; see section "*Business—Legal Proceedings—Investigation by AGCM*" for further information. The negative publicity of any consumer protection claims or other threats of litigation could harm our reputation and undermine our brands, which would have a negative impact on attrition and sales.

If our business activities are challenged or found to violate consumer protection laws, and/or if they result in litigation, claims, investigations or other regulatory action, we could face increased regulatory scrutiny, higher compliance and litigation costs, monetary fines and reputational damage, each of which could adversely impact our customer attrition rates, revenue growth, operating profit and financial position.

We are subject to risks from legal and arbitration proceedings, especially relating to the consumer protections, which could materially adversely affect our financial results and condition.

From time to time, we are involved in legal and arbitration proceedings, the outcomes of which are difficult to predict. We could become involved in legal and arbitration disputes in the future, which may involve substantial claims for damages or other payments, or which may result in findings or injunctive rulings that could require us to change certain of our practices. For example, in 2020, the Norwegian Competition Authority conducted an investigation into Verisure Norway's and Sector Alarm's (one of our competitors in the region) into alleged breaches of competition law during the period 2011 to 2017 in Norway and ultimately fined us NOK 766 million and Sector NOK 467 million based on findings we firmly disagree with. Following such decision, a class action lawsuit was commenced against us seeking damages on behalf of affected consumers, which the Supreme Court of Norway dismissed in its entirety in June 2023. Separately, following the fine by AGCM in Italy relating to alleged breaches of consumer protection laws, Verisure Italy settled a related class action threat from a consumer organization without any admission of liability. See "*—We are subject to consumer protection laws, which may impose stricter sanctions and increase liability risks, which could have a material adverse effect on our business, financial position and reputation*". While these threats are now closed without the involved affiliates having incurred any material cost or impact, there can be no assurance that, in the future, similar class actions or other claims will not be brought against us. In the event of a negative outcome of any material legal or arbitration proceeding, whether based on a judgment or a settlement agreement, we could be obligated to make substantial payments or to change certain of our practices. In addition, the costs related to litigation and arbitration proceedings may be significant.

As we continue to grow within existing countries and globally, we may attract more visibility, which ultimately may increase the risk of becoming a target of legal and arbitration proceedings. Any increase in litigation, even in the case of a positive outcome in such proceedings, may still result in increased costs to us as we will have to bear part or all of our advisory and other costs to the extent they are not reimbursed by the opponent. All of which could have a material adverse effect on our business, financial condition, operating profit and prospects.

Risks Related to Our Financing Arrangements and the Notes

The Issuer and certain of the Guarantors are holding companies with no operations of their own.

The Issuer and certain of the Guarantors are holding companies with no independent business operations and no significant assets, other than the equity interests each of the companies holds in its subsidiaries. Each of these holding companies will be dependent upon the cash flow from its subsidiaries in the form of dividends, interest payments on intercompany loans or other distributions or payments to meet its obligations, including its obligations under the Notes and the Guarantees, as applicable. The amounts of dividends, intercompany loan payments, distributions available or other payments to each holding company will depend on the profitability and cash flows of its subsidiaries and the ability of its subsidiaries to make such dividends, payments or distributions under applicable law. The subsidiaries of the Issuer and these Guarantors, however, may not be permitted to make such dividends, payments or distributions to the Issuer or the Guarantors to enable them to make payments in respect of their respective indebtedness, including the Notes and the Guarantees, as applicable. Various regulations, including tax laws, and agreements governing certain of our subsidiaries may restrict, and in some cases, actually prohibit the ability of these subsidiaries to move cash to the Issuer or the Guarantors. Any restrictions on such subsidiaries could materially adversely affect the ability of the Issuer or such Guarantor to make payment on the Notes or the Guarantees, as applicable. Also, the Indenture will not limit the ability of the Issuer's subsidiaries to enter into future consensual restrictions on their ability to pay dividends and make other payments to the Issuer and the Guarantors. See "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and Collateral*." In addition, financial assistance or corporate benefit restrictions may prevent upstream loans being made to the Issuer or such Guarantors by their

respective subsidiaries to enable the Issuer or such Guarantors to service their respective obligations, including those under the Notes or the Guarantees, as applicable. Goodwill impairment and other non-cash charges in our profit or loss account, as well as charges recognized directly in equity, if incurred, could potentially reduce the Issuer's subsidiaries' reserves available for distribution and thus reduce or prevent upstream dividend payments directly or indirectly to the Issuer or the Guarantors. In addition, the subsidiaries of the Issuer that do not guarantee the Notes have no obligation to make payments with respect to the Notes.

Our substantial debt could limit our flexibility to conduct our business, adversely affect our financial health and prevent us from fulfilling our obligations under the Notes.

We have a substantial amount of debt and significant debt service obligations. As of March 31, 2026, as adjusted to give effect to the Transactions, our total indebtedness would have been €5,040.6 million. Our ability to fund capital expenditures and other expenses and to service our indebtedness will depend on our future operating performance and ability to generate sufficient cash. For a detailed description of our debt, please see "*Description of Notes*" and "*Description of Certain Indebtedness*."

Our substantial debt could have important negative consequences for us and you as holder of the Notes. For example, our substantial debt could:

- make it difficult for us to satisfy our obligations with respect to the Notes and our other debt, including the Senior Credit Facilities and the Existing 2030 Fixed Rate Senior Secured Notes;
- require us to dedicate a substantial portion of our cash flow from operations to making payments on our debt, thereby limiting the availability of funds for business opportunities and other general corporate purposes;
- increase our vulnerability to a downturn in our business or adverse general economic or industry conditions;
- limit our flexibility in reacting adequately to changes in our business or the industry in which we operate;
- place us at a competitive disadvantage compared to those of our competitors that have less debt than we do; or
- limit our ability to borrow additional funds in the future and increase the costs of any such additional capital.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes.

Our ability to incur additional debt, sell assets, pay dividends, make investments without any limitations may conflict with the interests of holders of the Notes.

The Indenture will allow us to incur additional debt, sell assets, pay dividends and make investments without any limitations. Furthermore, as at the date of this Offering Memorandum, a suspension event has occurred as a result of a Qualifying IPO under the Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Senior Facilities Agreement resulting in the suspension of certain covenants including the limitation on indebtedness, limitation on restricted payments, restrictions on distributions from restricted subsidiaries, limitations on sale of assets and subsidiary stock and limitation on affiliate transactions. As such, the Indenture, the Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Senior Facilities Agreement may not prevent us from incurring additional debt, selling assets, paying dividends and making investments in any amounts, each of which may conflict with the interests of holders of the Notes.

Our ability to satisfy our covenants under the Indenture, the Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Senior Facilities Agreement may be affected by events beyond our control.

Our ability to satisfy our covenants under the Indenture, the Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Senior Facilities Agreement may be affected by events beyond our control, and we cannot assure you that we will satisfy such covenants. A breach of any of those covenants or restrictions could result in an event of default under the Senior Facilities Agreement. Upon the occurrence of any event of default that is continuing under the Senior Facilities Agreement, subject always to any applicable cure periods and other limitations on acceleration or enforcement, the relevant creditors could cancel the availability of the Senior Credit Facilities and elect to declare all amounts outstanding under the Senior Credit Facilities, together with accrued interest, immediately due and payable. In addition, a default under the Senior Facilities Agreement could lead to an event of default and acceleration under other debt instruments that contain cross default or cross

acceleration provisions, including the Indenture and the Existing 2030 Fixed Rate Senior Secured Notes Indenture. If our creditors, including the creditors under the Senior Facilities Agreement, accelerate the payment of those amounts, we cannot assure you that our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts, to satisfy all other liabilities of our subsidiaries that would be due and payable and to make payments to enable us to repay the Notes. In addition, if we are unable to repay those amounts, our creditors could proceed against any Collateral granted to them to secure repayment of those amounts.

We will require a significant amount of cash to service our debt and sustain our operations, which we may not be able to generate or raise.

Our ability to make principal or interest payments when due on our indebtedness, including the Notes, the Existing 2030 Fixed Rate Senior Secured Notes and the Senior Credit Facilities, and to fund our ongoing operations or expansion plans, will depend on our future performance and ability to generate cash, which, to a certain extent, is subject to the success of our business strategy as well as general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in these "*Risk Factors*," many of which are beyond our control.

We cannot assure you that our business will generate sufficient cash flows from operations, that currently anticipated growth, cost savings or synergies will be realized or that future debt financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs including the repayment at maturity of the then outstanding amount under the Senior Credit Facilities and the Existing 2030 Fixed Rate Senior Secured Notes. At the maturity of the Senior Credit Facilities, the Existing 2030 Fixed Rate Senior Secured Notes, the Notes or any other debt that we may incur, if we do not have sufficient cash flows from operations and other capital resources to pay our debt obligations, or to fund our other liquidity needs, we may be required to refinance or restructure our indebtedness.

If our future cash flows from operations and other capital resources are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

The type, timing and terms of any future financing, restructuring, asset sales or other capital-raising transactions will depend on our cash needs and the prevailing conditions in the financial markets. We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In such an event, we may not have sufficient assets to repay all of our debt.

Any failure to make payments on the Notes on a timely basis would likely result in a reduction of our credit rating, which could also harm our ability to incur additional indebtedness. In addition, the terms of our debt, including the Notes, the Existing 2030 Fixed Rate Senior Secured Notes, the Indenture and the Senior Credit Facilities, limit or will limit, and any future debt may limit, our ability to pursue any of these alternatives. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business. There can be no assurances that any assets that we could be required to dispose of could be sold or that, if sold, the timing of such sale and the amount of proceeds realized from such sale would be acceptable. If we are unsuccessful in any of these efforts, we may not have sufficient cash to meet our obligations.

Adverse credit and financial market events and conditions could, among other things, impede access to or increase the cost of financing, which could have a material adverse impact on our business, results of operations, financial condition and/or cash flows.

Disruptions in credit or financial markets could make it more difficult for us to obtain, or increase our cost of obtaining, financing for our operations or investments or to refinance our indebtedness, or cause lenders to depart from prior credit industry practice and not give technical or other waivers under applicable agreements governing such indebtedness to the extent we may seek them in the future, thereby causing us to be in default. The interest rate with respect to any additional financing will be set at the time of the pricing or incurrence of such debt and may be greater than the interest rate applicable to the our existing debt, including, in the case of a refinancing, the debt that is being refinanced, which would increase our cash interest expense on a *pro forma* basis.

The drawings under the Senior Credit Facilities and any other variable interest rate debt we incur in the future bear or will bear interest at floating rates that could rise significantly, thereby increasing our costs and reducing our cash flow.

As of March 31, 2026, 33.8% of the Group's borrowings bears interest at variable rates. The Senior Credit Facilities bear interest at floating rates of interest per annum equal to SONIA, SOFR, EURIBOR, STIBOR or NIBOR, as applicable, as adjusted periodically, plus a spread. These interest rates could rise significantly in the future, increasing our interest expense associated with these obligations, reducing cash flow available for capital expenditures and hindering our ability to make payments on the Notes. The Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Senior Facilities Agreement do not, and the Indenture will not, contain a covenant requiring us to hedge all or any portion of our floating rate debt.

Although we may enter into and maintain certain hedging arrangements designed to fix a portion of these rates, there can be no assurance that hedging will continue to be available on commercially reasonable terms. Hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any hedging arrangements. To the extent interest rates were to rise significantly, our interest expense would correspondingly increase, thus reducing cash flow.

SONIA, SOFR, EURIBOR, STIBOR or NIBOR and other interest rates or other types of rates and indices which are deemed to be "benchmarks" are or may be the subject of ongoing national and international regulatory reform, including the implementation of the IOSCO Principles for Financial Market Benchmarks (July 2013) and the new European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, which entered into force on June 30, 2016. Following the implementation of any such reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. The elimination of any relevant benchmark, changes in the manner of administration of any benchmark, or actions by regulators or law enforcement agencies could result in changes to the manner in which EURIBOR, NIBOR or STIBOR is determined, which could require an adjustment to the terms and conditions, or result in other consequences, in respect of any debt linked to such benchmark (including but not limited to the Senior Credit Facilities whose interest rates are linked to EURIBOR, NIBOR and STIBOR as applicable). Any such change, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported EURIBOR, NIBOR or STIBOR, which could have an adverse impact on our ability to service debt that bears interest at floating rates of interest.

The Issuer and the Guarantors will have control over the Collateral securing the Notes, and the sale of particular assets could reduce the pool of assets securing the Notes.

The Security Documents will allow the Issuer and the Guarantors to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from the Collateral securing the Notes. So long as no default or event of default under the Existing 2030 Fixed Rate Senior Secured Notes Indenture, the Indenture or the Senior Facilities Agreement would result therefrom, the Issuer and the Guarantors may, among other things, without any release or consent by the Security Agent, conduct ordinary course activities with respect to the Collateral, such as selling, abandoning or otherwise disposing of Collateral (other than with respect to the pledges over the shares of the Issuer other than in connection with an enforcement sale) and making ordinary course cash payments, including repayments of indebtedness. To the extent these activities are allowed with regard to security interests under Swedish law such security interests could be considered to be not validly perfected. See "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral—Sweden—Creation of valid security interests*."

Holders of the Notes may not control certain decisions regarding the Collateral.

The Notes will be secured by the same collateral securing our obligations under our Senior Credit Facilities and the Existing 2030 Fixed Rate Senior Secured Notes on a *pari passu* basis (*provided* that (i) the security governed by Portuguese law shall be eighth or ninth-ranking (as appropriate) in relation to the security securing the Issuer's obligations under, amongst others, the Existing 2030 Fixed Rate Senior Secured Notes and the Senior Credit Facilities and (ii) the security governed by French law shall be sixteenth-ranking or seventeenth-ranking (as appropriate) in relation to the security of the Indenture, without prejudice to the provisions set out under the caption "*Description of Certain Indebtedness—Intercreditor Agreement—Application of Proceeds*"). The Notes will also be secured by the same collateral (to the extent of the Collateral) securing our obligations under the Senior Credit Facilities. In addition, under the terms of the Existing 2030 Fixed Rate Senior Secured Notes Indenture, the Indenture, the Senior Facilities Agreement, we are or will be permitted to incur significant additional indebtedness and other obligations that may be secured by liens over the same Collateral.

Prior to the Senior Term Lender Discharge Date

Prior to the Senior Term Lender Discharge Date, and subject to certain limited exceptions, the Security Agent will act with respect to the Collateral only at the direction of a simple majority (more than 50%) of our senior secured creditors (including, for this purpose, both drawn and undrawn uncanceled commitments under our Senior Credit Facilities, debt in respect of the Existing 2030 Fixed Rate Senior Secured Notes, debt in respect of certain hedging obligations and debt under the Notes). It is anticipated that, upon issuance of the Notes, the holders of the Notes will, together, hold a lower percentage of the total senior secured credit participations than the lenders under the Senior Credit Facilities, holders of Existing 2030 Fixed Rate Senior Secured Notes and other obligations (including hedging obligations) that may be secured by the Collateral and, accordingly, the holders of the Notes will not initially have effective control of whether to enforce the Collateral.

The holders of the Notes will not have separate rights to enforce the Collateral. As a result, the holders of the Notes will not be able to instruct the Security Agent, force a sale of the Collateral or otherwise independently pursue the remedies of a secured creditor under the relevant Security Documents, if amounts under any other senior secured debt (including, for this purpose, both drawn and undrawn uncanceled commitments under our Senior Credit Facilities, debt in respect of the Existing 2030 Fixed Rate Senior Secured Notes and debt in respect of certain hedging obligations) remain outstanding in an amount equal to or greater than 50% of the aggregate principal amount of the total senior secured credit participations.

Disputes may occur between the holders of the Notes, holders of Existing 2030 Fixed Rate Senior Secured Notes and creditors under our Senior Credit Facilities (and/or other secured creditors) as to the appropriate manner of pursuing enforcement remedies and strategies with respect to the Collateral. In such an event, the holders of the Notes will be bound by any decision of the Instructing Group (as defined in "*Description of Certain Indebtedness—Intercreditor Agreement—Restrictions on Enforcement: Senior Lenders and Senior Secured Noteholders*") which may result in enforcement action in respect of the Collateral, whether or not such action is approved by the holders of the Notes or may be adverse to such holders. The creditors under our Senior Credit Facilities, holders of Existing 2030 Fixed Rate Senior Secured Notes and any of our other secured creditors may have interests that are different from the interests of holders of the Notes and they may elect to pursue their remedies under the Security Documents at a time when it would otherwise be disadvantageous for the holders of the Notes to do so.

In addition, if the Security Agent sells Collateral comprising the shares of any of the Issuer's subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, any Guarantees and the liens provided by any such subsidiaries may be released. See "*Description of Certain Indebtedness—Intercreditor Agreement*," and *"Description of Notes—Security—Release of Liens*." In such a situation, your ability to recover on the Notes may be materially impaired.

On and After the Senior Term Lender Discharge Date

On and after the Senior Term Lender Discharge Date, in general, the creditor representatives representing the Senior Creditors (as defined in "*Description of Certain Indebtedness—Intercreditor Agreement*") whose senior credit participations (representing, on and after the Senior Term Lender Discharge Date, liabilities with super priority status) aggregate more than 66.67% of the total senior credit participations (being the Majority Senior Creditors as defined in "*Description of Certain Indebtedness—Intercreditor Agreement—Restriction on Enforcement: Senior Lenders and Note Holders*") and the creditor representatives representing the Senior Secured Noteholders and Pari Passu Hedge Counterparties (each as defined in "*Description of Certain Indebtedness—Intercreditor Agreement—Restriction on Enforcement: Senior Lenders and Note Holders*") whose *pari passu* credit participations aggregate more than 50% of the total Pari Passu Credit Participations at that time (being the "Majority Pari Passu Creditors" as defined in "*Description of Certain Indebtedness—Intercreditor Agreement—Restriction on Enforcement: Senior Lenders and Note Holders*"), may provide enforcement instructions to the Security Agent to enforce the Collateral.

The Intercreditor Agreement provides that, in general, the instructions of the Majority Pari Passu Creditors will prevail. However, if within three months of such Initial Enforcement Notice (as defined in "*Description of Certain Indebtedness—Intercreditor Agreement*"), the Majority Pari Passu Creditors have not either: (A) made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue, or (B) appointed a financial adviser to assist them in making such a determination; the Majority Senior Creditors determine in good faith that a delay in issuing enforcement instructions could reasonably be expected to have a material adverse effect on the ability to effect a distressed disposal or on the expected realized proceeds of enforcement and deliver enforcement instructions to the Security Agent which they reasonably believe are necessary or advisable in enhancing the prospects of achieving a prompt and expeditious realization of the

value of the Collateral; or (C) an Insolvency Event (other than an Insolvency Event directly caused by any Enforcement Action taken by or at the request or direction of a Senior Lender) is continuing with respect to a Debtor; or (D) if the Super Senior Discharge Date has not occurred within six months of the date of the Initial Enforcement Notice (each as defined in "*Description of Certain Indebtedness—Intercreditor Agreement—Restriction on Enforcement: Senior Lenders and Note Holders*"), then the Security Agent will act in accordance with enforcement instructions received from the Majority Senior Creditors until the discharge date in respect of the Senior Lender Liabilities has occurred.

During the period on and after the Senior Term Lender Discharge Date, the Senior Creditors (as defined in "*Description of Certain Indebtedness—Intercreditor Agreement*") shall receive proceeds from the enforcement of Collateral and certain distressed disposals of assets in priority to holders of the Notes and may otherwise have interests that are different from the interests of holders of the Notes. As a result, the Senior Creditors may, subject to the terms of the Intercreditor Agreement, elect to pursue their remedies under the Security Documents at a time or in a manner that would be disadvantageous for the holders of the Notes.

In addition, as the Intercreditor Agreement provides that following the Senior Term Lender Discharge Date the Security Agent may be instructed by the Majority Pari Passu Creditors (which encompasses holders of over 50% of the aggregate credit participation of the Notes and other *pari passu* debt as well as certain hedging liabilities), holders of incremental *pari passu* debt may have a significant influence on the outcome of such instructions under the Intercreditor Agreement and such creditors may have interests that are different from the interests of the holders of the Notes. See "*Description of Certain Indebtedness—Intercreditor Agreement*."

Upon the Senior Term Lender Discharge Date, creditors under the Revolving Credit Facility and certain hedging obligations will be entitled to be repaid with recoveries from the enforcement of the Notes Collateral and certain distressed disposals of assets in priority to the Notes and the Guarantees.

The Notes and the Guarantees will rank *pari passu* with our other senior debt, including the Senior Credit Facilities and the Existing 2030 Fixed Rate Senior Secured Notes. The Intercreditor Agreement includes provisions governing the sharing of recoveries from proceeds from enforcement of the Collateral. Such recoveries and enforcement proceeds are required to be turned over to the Security Agent after certain events, including the enforcement of the Collateral. After the Senior Term Lender Discharge Date, the Security Agent is required to pay turned over amounts and other recoveries by the Security Agent from enforcement actions on the Notes Collateral and certain distressed disposals of assets to discharge the Senior Lender Liabilities and Super Senior Hedging Liabilities, as defined in "*Description of Certain Indebtedness—Intercreditor Agreement*" and being the liabilities owed to the lenders under the Revolving Credit Facility and the hedging liabilities that are permitted to be secured on the Collateral (the "**Senior Liabilities**"), prior to paying any such amounts to discharge the Notes and the Guarantees. As such, in the event of a foreclosure of the Collateral, holders of the Notes may not benefit from such recoveries if the then outstanding Senior Liabilities are greater than the proceeds recovered. Any proceeds remaining from an enforcement sale of Collateral and certain distressed disposals, as defined in "*Description of Certain Indebtedness—Intercreditor Agreement*," will, after all obligations under the Senior Liabilities have been discharged, be applied pro rata in repayment of the Notes and any hedging obligations or other indebtedness secured by the Collateral on a *pari passu* basis with the Notes, including the Existing 2030 Fixed Rate Senior Secured Notes.

The Notes and the Guarantees will be secured only to the extent of the value of the Collateral that has been granted as security for the Notes and the Guarantees, and such security may not be sufficient to satisfy the obligations under the Notes and the Guarantees.

If there is an event of default on the Notes, the holders of the Notes and the Guarantees will be secured only by the Collateral that has been granted as security for each of the Notes and the Guarantees, which also secures or will secure the obligations under the Senior Facilities Agreement, the Existing 2030 Fixed Rate Senior Secured Notes and certain hedging obligations. The Collateral may also secure additional debt ranking *pari passu* with the Notes to the extent permitted by the terms of the Indenture, the Senior Facilities Agreement, the Existing 2030 Fixed Rate Senior Secured Notes and the Intercreditor Agreement. The rights of the holders of the Notes to the Collateral may therefore be diluted by any increase in obligations secured on a *pari passu* basis with the Notes, or a reduction of the Collateral securing such Notes. To the extent that the claims of the holders of the Notes exceed the value of the Collateral securing the Notes and other obligations, these claims will rank equally with the claims of the holders of all other existing and future senior unsecured indebtedness ranking *pari passu* with the Notes and the Guarantees. There is no guarantee that the value of the Collateral will be sufficient to enable the Issuer to satisfy its obligations under the Notes. The proceeds of any sale of the Collateral following an event of default with respect to the Notes may not be sufficient to satisfy, and may be substantially less than, amounts due on the Notes.

No appraisals have been prepared by or on behalf of the Issuer or the Guarantors in connection with the issue of the Notes. The value of the Collateral may be subject to fluctuations based on factors that include, among others, general economic conditions, industry conditions and similar factors. The amount to be received upon an enforcement of such Collateral will depend upon many factors, including, among others, the ability to sell the Collateral in an orderly sale, the availability of buyers, whether or not our business is sold as a going concern, the jurisdiction in which the enforcement action or sale is completed, the ability to readily liquidate the Collateral and the condition of the Collateral. Further, there may not be any buyer willing and able to purchase our business as a going concern, or willing to buy a significant portion of our assets in the event of an enforcement action. The book value of the Collateral should not be relied on as a measure of realizable value for such assets. All or a portion of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that there will be a market for the sale of the Collateral, or, if such a market exists, that there will not be a substantial delay in our liquidation.

To the extent that security interests and other rights granted to other parties encumber assets constituting Collateral owned by the Issuer or the Guarantors or a security provider, those parties have or may exercise rights and remedies with respect to the property subject to their security interests or other rights that could materially adversely affect the value of that Collateral and the ability of the Security Agent, the Trustee or investors as holders of the Notes to realize or enforce that Collateral. If the proceeds of any sale of Collateral are not sufficient to repay all amounts due on the Notes and the Guarantees, investors (to the extent not repaid from the proceeds of the sale of the Collateral) would have only an unsecured claim (if the relevant Guarantee has not been released) against the Issuer's and the Guarantors' remaining assets. Each of these factors or any challenge to the validity of the security interests in the Collateral or the Intercreditor Agreement could reduce the proceeds realized upon enforcement of the Collateral.

Not all of our subsidiaries will guarantee the Notes, and the Guarantees will be structurally subordinated to all of the claims of creditors of those subsidiaries that do not guarantee the Notes.

Not all of our subsidiaries will be Guarantors of the Notes. The Indenture will not limit the transfer of assets to, or the making of investments in, any of our restricted subsidiaries, including our restricted subsidiaries that do not guarantee the Notes. As payments on the Notes are only required to be made by the Issuer and the Guarantors, no payments are required to be made from assets of subsidiaries that do not guarantee the Notes unless those assets are transferred by dividend or otherwise to the Issuer or one of the Guarantors.

Accordingly, in the event that any non-guarantor subsidiary becomes insolvent, is liquidated, reorganized or dissolved or is otherwise wound up other than as part of a solvent transaction:

- the creditors of the Issuer and the Guarantors (including the holders of the Notes) will have no right to proceed against the assets of such subsidiary; and

- the creditors of such non-guarantor subsidiary, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before the Issuer or any Guarantor, as a direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

As such, the Notes and each related Guarantee will be structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of our non-guarantor subsidiaries.

As of March 31, 2026, after giving effect to the Transactions, the subsidiaries of the Issuer that are not Guarantors had no material outstanding financial indebtedness. The subsidiaries of the Issuer that do not guarantee the Notes accounted for 0.8% of our Adjusted EBITDA excl. SDIs (exclusive of any such subsidiaries with negative EBITDA) for the last twelve months ended March 31, 2026.

Any of the debt that our non-guarantor subsidiaries incur in the future in accordance with the Indenture will rank structurally senior to the Notes and the related Guarantees.

The Notes will not be guaranteed or secured on the Issue Date.

On the Issue Date, the Notes will not be guaranteed or secured. On or about the Issue Date, the Trustee under the Indenture will execute an accession document to the Intercreditor Agreement but the Notes will not benefit from any guarantee or security until the accession of the Guarantors and the entry into security confirmations and/or new security documents to confirm or extend the security interests in the Collateral to secure the Notes, respectively. Although the Issuer has an obligation to procure that the Notes will be guaranteed and secured as

described in this Offering Memorandum on and following the Post-Closing Date, such guarantees and security may be subject to significant limitations and exceptions.

The Guarantees and the Collateral securing the Notes will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability.

On and following the Post-Closing Date, the Notes will be guaranteed by the Guarantors, which are incorporated under the laws of Sweden, Norway, Spain, Portugal, Denmark, Switzerland and France and secured by security interests over the Collateral, which will be governed by the laws of Sweden, Norway, Switzerland, Spain, Portugal, Denmark and France. The Indenture will provide that the Guarantees, and the Security Documents provide that the security interests, will be limited to the maximum amount that can be guaranteed or in respect of which security interests may be granted by the relevant Guarantor or grantor, as applicable, without rendering the relevant Guarantee or security interest, as it relates to that Guarantor or grantor, voidable or otherwise ineffective or limited under applicable law. See "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral*."

In addition, enforcement of any of the Guarantees against any Guarantor or security interests against any security provider will be subject to certain defenses available to Guarantors or security providers in the relevant jurisdiction. Although laws differ among these jurisdictions, these laws and defenses generally include those that relate to corporate purpose or benefit, fraudulent conveyance or transfer, voidable preference, insolvency or bankruptcy challenges, financial assistance, preservation of share capital, thin capitalization, capital maintenance, set-off, counter-claim and prescription (time bar) or similar laws, regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, a Guarantor or grantor of security interests may have no liability or decreased liability under its Guarantee or security interest, as applicable, depending on the amount of its other obligations and applicable law.

Although laws differ among various jurisdictions, in general, under bankruptcy or insolvency law and other laws, a court could (i) subordinate or void any Guarantee or any security interest, (ii) direct that the holders of the Notes return any amounts paid under a Guarantee or security interest to the relevant Guarantor or security provider, or to a fund for the benefit of the Guarantor's creditors or (iii) take other action that is detrimental to you, typically if the court found that:

- the Guarantee or security interest was granted with actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor or the security provider or, in certain jurisdictions, even when the recipient was merely aware that the Guarantor or the security provider was insolvent when it granted the relevant Guarantee or security;

- the Guarantor or security provider did not receive fair consideration or reasonably equivalent value for the granting of the Guarantee and/or security interest and the Guarantor or security provider: (i) was insolvent or was rendered insolvent as a result of having granted the relevant Guarantee or security interest; (ii) was under-capitalized or became under-capitalized because of the relevant Guarantee or security interest; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;

- the granting of the relevant Guarantee and/or security interest was held not to be in the best interests or not to be for the corporate benefit of the Guarantor or security provider or was held to exceed the corporate objects of the Guarantor or security provider;

- the relevant Guarantee and/or security interest was granted or perfected after the date on which the Guarantor or the security provider incurred the relevant indebtedness so guaranteed/secured, including during a period in which such grant or perfection could be subject to avoidance or clawback under applicable law; or

- the aggregate amounts paid or payable under the relevant Guarantee or enforcement proceeds under the relevant security were in excess of the maximum amount permitted under applicable law.

These or similar laws may also apply to any future guarantee granted by any of our subsidiaries pursuant to the Indenture.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon applicable governing law. Generally, an entity would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair value of all its assets;

- the present fair value of its assets was less than the amount required to pay its existing debts and liabilities, including contingent liabilities, as they became due; or

- it could not pay its debts as they became due.

The liability of each Guarantor under its Guarantee, or security provider under the relevant Security Document, will be limited to the amount that will result in such Guarantee or security interest not constituting a fraudulent preference or conveyance or improper corporate distribution or otherwise being set aside. However, there can be no assurances as to what standard a court will apply in making a determination of the maximum liability of each Guarantor or security provider. There is a possibility that the entire Guarantee or security interest may be set aside, in which case the entire liability may be extinguished.

If a court were to find that the issuance of the Notes or a Guarantee, or the granting of the security, was a fraudulent preference or conveyance or unenforceable for any other reason, the court could hold that the payment obligations under the Notes or such Guarantee or Security Document are ineffective, could void the security over the Collateral, or could require the holders of the Notes to repay any amounts received with respect to the Notes or such Guarantee or any enforcement proceeds received from enforcement of the security. In the event of a finding that a fraudulent preference or conveyance occurred, you may cease to have any claim in respect of the relevant Guarantor or security provider and would be a creditor solely of the Issuer, any other Guarantor or security provider, if applicable, under any Guarantees or Security Documents that have not been declared void.

Additionally, any future pledge or charge of Collateral in favor of the Security Agent (or, in favor of the holders of the Notes, as represented by the Security Agent, as applicable), including pursuant to Security Documents delivered after the date of the Indenture, might be avoidable by the security provider (as debtor-in-possession) or by its trustee in bankruptcy (or similar officer) if certain events or circumstances exist or occur, including, among others, if the security provider is insolvent at the time of the pledge or charge, the pledge or charge permits the holders of the Notes to receive a greater recovery than if the pledge or charge had not been given and a bankruptcy proceeding in respect of the security provider is commenced within a certain time period following the pledge or charge.

In some of the jurisdictions in which we operate, such as Spain and France, procedural and administrative proceedings, including proceedings for enforcement and insolvency, have been suspended or delayed. This may hinder your ability to enforce your rights in the Collateral or to launch insolvency proceedings. See "*Insolvency Considerations and Limitations on Validity*" and "*Enforceability of the Guarantees and the Collateral*" and "*Enforceability of Judgments*."

The security over the Collateral will be granted to the holders of the Notes as represented by the Security Agent and the concept of "trust" is not a recognized concept in certain jurisdictions.

The security interests in the Collateral that will secure the obligations of the Issuer and the Guarantors under the Notes and the Guarantees, respectively, will be granted to the holders of the Notes as represented by the Security Agent. The Indenture and the Intercreditor Agreement provide that only the Security Agent has the right to enforce the Security Documents. As a consequence, the holders of the Notes will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee, who will provide instructions to the Security Agent in accordance with the Intercreditor Agreement. Holders of the Notes will also bear some risks associated with a possible insolvency or bankruptcy of the Security Agent as the representative of the holders of the Notes.

To the extent that the appointment of the Security Agent as authorized representative of the holders of the Notes would not be respected by a competent court or a receiver in bankruptcy and the security interests in the Collateral created to the benefit of the holders of the Notes as represented by the Security Agent as a result are successfully challenged by other parties or deemed invalid, holders of the Notes will not be entitled to receive on this basis any proceeds from an enforcement of the security interests in the Collateral. The concept of "trust" does not exist under Swedish law and Spanish law and there can be no assurances that "trust" structure will be recognized and effective in Sweden and Spain.

See "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral*."

There are circumstances other than repayment or discharge of the Notes under which the security interests in the Collateral will be released and under which the Guarantees will be released, without your consent or the consent of the Trustee.

Under various circumstances, the Collateral will be released, including:

- in connection with any sale or other disposition of Collateral (other than the security interests in respect of the shares of capital stock of the Issuer (the "**Issuer Collateral**")) to (a) a person that is not any of the Issuer or a restricted subsidiary (but excluding any transaction subject to the merger and consolidation covenant), if such sale or other disposition is not prohibited under the Indenture or (b) any restricted subsidiary; *provided* that this clause (b) shall not be relied upon in the case of a transfer of capital stock to a restricted subsidiary (other than in connection with a qualified receivables financing) unless the relevant property and assets remain subject to, or otherwise become subject to, a lien in favor of the Notes following such sale or disposal; *provided* that, nothing in this paragraph shall restrict the release of security interests in respect of Issuer Collateral to the extent security interests over such Issuer Collateral having equivalent ranking as prior to such release are granted substantially concurrently with such release for the benefit of holders of the Notes;

- in the case of a Guarantor that is released from its Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and capital stock, of such Guarantor;

- as described under "*Description of Notes—Amendments and Waivers*";

- upon payment in full of principal, interest and all other obligations under the Notes, the Indenture, the Security Documents and the Intercreditor Agreement or legal defeasance, covenant defeasance or satisfaction and discharge of the Notes, as provided in "*Description of Notes—Defeasance*" and "*Description of Notes—Satisfaction and Discharge*";

- as permitted by the covenants described under "*Description of Notes—Certain Covenants—Release of Collateral*," "*Description of Notes—Certain Covenants—Impairment of Security Interests"* or *"Description of Notes—Certain Covenants—Merger and Consolidation*"; or

- as otherwise permitted in accordance with the Indenture.

In addition, the security interests may be released in connection with the Intercreditor Agreement.

As set out under the section "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral—Sweden—Creation of valid security interests*" below, if, in relation to any security interest governed by Swedish law, there are any automatic release provisions or other arrangements providing for the release of a security interest over an asset in connection with the disposal thereof or upon the occurrence of other circumstances, such security interest could be considered not to be validly perfected under Swedish law.

In addition, under various circumstances, the Guarantee of a Guarantor will be terminated, including:

- upon a sale or other disposition (including by way of consolidation or merger) of the capital stock of the relevant Guarantor (whether by direct sale or sale of a holding company) or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Issuer or a restricted subsidiary) otherwise permitted by the Indenture;

- upon payment in full of principal, interest and all other obligations under the Indenture, the Notes, the Security Documents and the Intercreditor Agreement or upon defeasance or discharge of the Notes and the Indenture, as provided in "*Description of Notes—Defeasance*" and "*Description of Notes—Satisfaction and Discharge*";

- in accordance with an enforcement action pursuant to the Intercreditor Agreement or any additional intercreditor agreement;

- as described under "*Description of Notes—Amendments and Waivers*";

- so long as no event of default has occurred and is continuing, to the extent that (i) such Guarantor is unconditionally released and discharged from its liability with respect to the Senior Credit Facilities and (ii) such Guarantor would not otherwise be required at the time of such release to provide a Guarantee

pursuant to the covenant described under "*Description of Notes—Certain Covenants—Additional Guarantees*";

- upon release of the guarantee of indebtedness that resulted in the creation of the Guarantee under the covenant described under "*Description of Notes—Certain Covenants—Additional Guarantees*"; or

- as a result of any transaction permitted by the covenant described under "*Description of Notes—Certain Covenants—Merger and Consolidation*."

Your rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

Under applicable law, a security interest in certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor, as applicable, of the security. The liens on the Collateral securing the Notes may not be perfected with respect to the claims of such Notes if we fail or are unable to take the actions required to perfect any of these liens.

Absent perfection, the holder of the security interest may have difficulty enforcing such holder's rights in the Collateral with regard to third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral. In addition, a debtor may discharge its obligation by paying the security provider until, but not after, the debtor receives a notification of the existence of the security interest granted by the security provider in favor of the security taker over the claims the security taker (as creditor) has against the debtor. Finally, a security interest may not in all circumstances have priority over a security interest granted over the same Collateral on a later date. None of the Trustee or the Security Agent has any obligation to monitor the acquisition of additional property or rights that constitute Collateral or the perfection of, or to take steps to perfect, any security interest in the Notes against third parties. See "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral*."

Additionally and as set out under the section "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral—Sweden—Creation of valid security interests*" below, under Swedish law, a security interest over an asset can only be validly perfected if the grantor is deprived of its right to control and deal with the asset being subject to security.

It may be difficult to realize the value of the Collateral securing the Notes.

The Collateral securing the Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture, the Existing 2030 Fixed Rate Senior Secured Notes Indenture, the Senior Facilities Agreement and Intercreditor Agreement and accepted by other creditors that have the benefit of security interests in the Collateral from time to time. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could materially adversely affect the value of the Collateral securing the Notes as well as the ability of the Security Agent to realize or foreclose on such security.

The security interests of the Security Agent will be subject to practical problems generally associated with the realization of security interests over real or personal property such as the Collateral. For example, the Security Agent may need to obtain the consent of a third party to enforce a security interest and be under a fiduciary duty to protect the interest of the pledgor. We cannot assure you that the Security Agent will be able to obtain any such consents or that such consents will be given when required. Accordingly, the Security Agent may not have the ability to foreclose upon security and the value of the security may significantly decrease. See "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral*."

The value of the Collateral may decrease because of obsolescence, impairment or certain casualty events.

The value of the properties that the Issuer and the other Guarantors or a security provider own or lease serving as Collateral may be adversely affected by depreciation and normal wear and tear or because of certain events that may cause damage to these properties. Although the Security Documents may contain certain covenants in relation to the maintenance and preservation of assets, the Issuer and the Guarantors or a security provider will not be required to improve the Collateral.

The granting, confirmation or extension of the security interests in connection with or following the issuance of the Notes, or the incurrence of permitted debt in the future, may create or restart hardening

periods, i.e., the periods of time following the granting of security interests during which such security interests may be challenged in accordance with applicable laws.

The granting, confirmation or extension of security interests in the Collateral to secure the Notes (including by way of granting of security interests in the Collateral on and following the Post-Closing Date) and the Guarantees, or the incurrence of permitted debt in the future, may create or restart hardening periods, *i.e.,* the periods of time following the granting of security interests during which such security interests may be challenged in accordance with the laws of Sweden, Norway, Spain, Portugal and France.

The granting, confirmation or extension of security interests to secure the Notes and the Guarantees may create hardening periods for such security interests in each of the above-mentioned jurisdictions. The granting, confirmation or extension of shared security interests to secure future indebtedness permitted to be secured on the Collateral may restart or reopen such hardening periods in particular, because the Indenture will permit the release and retaking of security granted in favor of the Notes in certain circumstances, including in connection with the incurrence of future indebtedness. The applicable hardening period for these new security interests can run from the moment each new security interest has been granted or perfected. At each time, if the security interest granted or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void or ineffective and/or it may not be possible to enforce it. See "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral*."

For the avoidance of doubt, and as further described under "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral—Sweden—Challengeable transactions*" below, under Swedish law a Guarantee and/or a security interest over an asset may be subject to clawback risk and set aside as a preference if such Guarantee and/or security interest was granted or perfected after the date on which the relevant Guarantor or security provider incurred the indebtedness so guaranteed or secured, including where security interests in the Collateral are granted on and following the Post-Closing Date.

We are relying on the Intercreditor Agreement to achieve a first-priority security interest in respect of the Collateral.

Under Swedish law, the security interests over Swedish Collateral will rank equally, and there are no lien subordination provisions in the relevant security documents governed by Swedish law. The security governed by Portuguese law shall be eighth or ninth-ranking (as appropriate) in relation to the security securing the Issuer's obligations under, amongst others, the Existing 2030 Fixed Rate Senior Secured Notes and the Senior Credit Facilities. Pursuant to the terms of the Intercreditor Agreement, the liens securing the Collateral will secure obligations under the Notes, the Existing 2030 Fixed Rate Senior Secured Notes and the Senior Credit Facilities on a first priority basis. Therefore, the ranking of the security interests granted in such Collateral in favor of the Security Agent on behalf of the secured parties and holders of the Notes will depend on the validity and enforceability of the Intercreditor Agreement. As a result, if the Intercreditor Agreement or the relevant provisions thereof were found to be invalid or held to be unenforceable for any reason, the holders of Notes and the Existing 2030 Fixed Rate Senior Secured Notes and creditors under the Senior Credit Facilities would not benefit from such first priority treatment and the security interests granted in favor of the Security Agent on behalf of the secured parties and holders of the Notes, the Existing 2030 Fixed Rate Senior Secured Notes and creditors under the Senior Credit Facilities would rank pari passu under Swedish law, which could reduce the potential recoveries available for the holders of the Notes in the case of an enforcement of such Collateral.

We may not be able to finance a change of control offer and the occurrence of certain important corporate events will not constitute a change of control.

Upon a change of control, as defined in the Indenture, we are required to make an offer to repurchase the Notes at 101% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the date of purchase. Our ability to pay cash to the holders of the Notes following the occurrence of a change of control may be limited by our financial resources at that time. Sufficient funds may not be available when necessary to make any required repurchases. We expect that we would require third-party financing to make an offer to repurchase the Notes upon a change of control. We cannot assure you that we would be able to obtain such financing. Any failure by the Issuer to offer to purchase the Notes would constitute a default under the Indenture which would, in turn, constitute a default under the Senior Facilities Agreement and the Existing 2030 Fixed Rated Notes Indenture. See "*Description of Notes—Change of Control*." In addition, a change of control could constitute a default under our other indebtedness. Further, the occurrence of certain of the events that constitute a change of control would also require the Issuer to make a similar offer to the lenders under the Senior Credit Facilities. Future indebtedness of the Issuer or its subsidiaries may also contain prohibitions of certain events

that would constitute a change of control or require such indebtedness to be repurchased or repaid upon a change of control.

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including reorganizations, restructurings, mergers or other similar transactions involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "change of control" as defined in the Indenture.

The definition of "change of control" contained in the Indenture will include a disposition of all or substantially all of the assets of the Issuer and its restricted subsidiaries, taken as whole, to any person. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "substantially all" of the assets of the Issuer and its restricted subsidiaries, taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes. Additionally, an enforcement of the share pledge over the Issuer could constitute a "change of control" under the Indenture.

Enforcement of civil liabilities and judgments against the Issuer or the Guarantors or any of our directors or officers may be difficult.

The Issuer and the Guarantors are incorporated under the laws of Sweden, Norway, Spain, Portugal, France, Denmark, and Switzerland, and some of our assets and substantially all of our operations are located, and substantially all of our revenue is derived, outside the United States. In addition, all of the directors and officers of the Issuer are non-residents of the United States, and all or a substantial portion of the assets of such persons are or may be located outside the United States. As a result, investors may be unable to effect service of process within the United States upon such persons, or to enforce judgments against them obtained in U.S. courts, including judgments with respect to the payment of principal, premium, interest, additional amounts, if any, and any redemption price and any purchase price with respect to the Notes. In addition, we cannot assure you that judgments rendered by a court in the United States will be enforceable in Sweden, Norway, Spain, Portugal, France, Denmark and Switzerland. See "*Enforceability of Judgments*."

Your rights as a creditor may not be as favorable under the insolvency laws of Sweden, Norway, Spain, Portugal, France, Denmark and Switzerland as compared to the insolvency laws of the United States or other jurisdictions and may limit your ability to enforce your rights under the Notes, the Guarantees or the security interests in the Collateral.

The Issuer and the Guarantors are organized or incorporated, as applicable, under the laws of Sweden, Norway, Spain, Portugal, France, Denmark and Switzerland. Insolvency proceedings with respect to companies in each of these countries would likely be governed by local law. However, they could be required to proceed under the laws of the jurisdiction in which the company has its "centre of main interests," as defined in Regulation (EU) 2015/848 of the European Parliament and the Council of 20 May 2015 on insolvency proceedings (the "**EU Insolvency Regulation**"), at the time insolvency proceedings are commenced. Although there is a rebuttable presumption that the "centre of main interests" will be in the jurisdiction where its registered office is situated, this presumption is not conclusive. Accordingly, insolvency proceedings with respect to these companies may proceed under, and be governed by Swedish, Norwegian, Spanish, Portuguese, French, Danish or Swiss laws or potentially by the insolvency laws of another jurisdiction if the centre of main interests of those companies is determined to be in such other jurisdiction at the relevant time. The insolvency laws of such jurisdictions may not be as favorable to your interests as those of the United States or another jurisdiction with which you may be familiar. See "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral*" for a brief description of certain aspects of insolvency laws in Sweden, Norway, Spain, Portugal, France, Denmark and Switzerland.

In the event that the Issuer, the Guarantors, any future Guarantors or any of their subsidiaries experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

Guarantees and Collateral which may be provided by entities organized in jurisdictions not discussed in this Offering Memorandum are also subject to material limitations pursuant to their terms, by statute or otherwise. Any enforcement of the Guarantees or Collateral after a bankruptcy or an insolvency event in such other jurisdictions will be subject to the insolvency laws of the relevant entity's jurisdiction of organization or other jurisdictions. The insolvency and other laws of each of these jurisdictions may be materially different from, or in

conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferential transfers, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceedings. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, or could materially adversely affect your ability to enforce your rights under the Guarantees and limit any amounts that you may receive.

Multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. There can also be no assurances that you will be able to enforce your rights effectively in such complex, multiple bankruptcy, insolvency or similar proceedings. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's law should apply, adversely affect your ability to enforce your rights under the Notes, the Guarantees and the Collateral in those jurisdictions or limit any amounts that you may receive.

For more information regarding insolvency laws and enforceability issues as they relate to the Issuer, the Guarantees and security interests in the Collateral, see "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral*."

You may be required to pay a cash amount ("soulte") in the event you decide to enforce a pledge over securities or securities account granted under French law by judicial or contractual foreclosure of the Collateral consisting of securities rather than by a sale of such Collateral in a public auction.

Security interests governed by French law may only secure payment obligations, may only be enforced following a payment default and may only secure up to the secured amount that is due and remaining unpaid. Under French law, pledges over assets may generally be enforced at the option of the secured creditors either (i) pursuant to a judicial process (x) by way of a sale of the pledged assets in a public auction (the proceeds of the sale being paid to the secured creditors) or (y) by way of the judicial foreclosure (*attribution judiciaire*) of the pledged assets or (ii) by way of contractual foreclosure (*pacte commissoire*) of the pledged assets to the secured creditors, following which the secured creditors become the legal owner of the pledged assets. If the secured creditors choose to enforce by way of foreclosure (whether a judicial foreclosure or private foreclosure), the secured liabilities would be deemed extinguished up to the value of the foreclosed assets. Such value is determined either by the judge in the context of a judicial foreclosure (*attribution judiciaire*) or by an expert pre-contractually agreed or appointed by a judge in the context of a private foreclosure (*pacte commissoire*). In a proceeding regarding an *attribution judiciaire* or a *pacte commissoire*, an expert is appointed to determine the value of the foreclosed collateral (in this case, the securities) and if the value of the foreclosed collateral exceeds the amount of secured debt, the secured creditor may be required to pay the pledgor a cash amount (*soulte*) equal to the difference between the value of the securities as so determined and the amount of the secured debt. This is true regardless of the actual amount of proceeds ultimately received by the secured creditor from a subsequent on-sale of the collateral.

If the value of such securities is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such securities, and the remaining amount owed to such creditors will be unsecured in that respect.

An enforcement of the pledged securities could be undertaken through a public auction in accordance with applicable law. If enforcement is implemented through a public auction procedure, it is possible that the sale price received in any such auction might not reflect the value of the securities since the latter will not be sold pursuant to a competitive bid process and/or a private sale organized by an investment bank and controlled by the vendor on the basis of a value determined pursuant to the methods usually used for the purpose of the acquisition of companies or groups of companies. See "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral—France—Limitations on enforcement of security interests and cash amount ("soulte")*."

The approval of the French regulatory authorities may be required in order to allow the Security Agent to enforce the pledges over the shares of a French entity.

In addition, in view of the area of activity of the Group or certain members of the Group, it should be noted that foreign investments in companies or businesses which operate in certain sectors (notably where their activities relate to equipment, products or services which are critical to the interests of France in terms of public order, public safety or national security, in particular in the areas of the provision of private security services, energy and water supply, public health, public transport and electronic communication) may require the prior authorization of the French authorities. This requirement may interfere with the enforcement of the Collateral consisting of shares or a business.

Where any of the above sectors are involved, the following shall constitute foreign investments which are subject to the prior authorization procedure:

- A transaction as a result of which a non-EU investor (i) acquires the control (within the meaning of Article L. 233-3 of the French Commercial Code), (ii) acquires all or part of a business (*branche d'activité*) or (iii) crosses the threshold of 33.33% of the share capital, in each case of a company whose registered office is located in France.

- A transaction as a result of which an EU investor (i) acquires the control (within the meaning of Article L. 233-3 of the French Commercial Code) or (ii) acquires all or part of a business, in either case of a company whose registered office is located in France.

- A transaction as a result of which a French investor under non-French control acquires all or part of a business of a company whose registered office is located in France.

When a foreign investment is subject to the authorization of the French authorities as above, the transaction cannot be completed prior to authorization. The foreign investor must submit a formal application for prior authorization to the French authorities which must render a decision within two months of receipt of a filing which is deemed complete by the French authorities (failing which authorization shall be deemed to have been granted).

We can provide no assurance that the approval of the French authorities would not be required in order to allow the Security Agent to enforce the pledge over the shares of a French entity or that such approval, if required, would be granted.

An active trading market may not develop for the Notes, in which case your ability to sell the Notes may be limited.

The Notes will be a new issue of securities for which there is currently no established trading market. Accordingly, we cannot assure you as to the liquidity of any market in the Notes, your ability to sell your Notes or the prices at which you would be able to sell your Notes.

Even if an active trading market for the Notes does develop, there is no guarantee that it will continue. In addition, recent regulatory actions by the U.S. Securities and Exchange Commission under Rule 15c2-11 of the U.S. Securities Exchange Act of 1934 (the "**Exchange Act**") may restrict the ability of brokers and dealers to publish quotations on the Notes on any interdealer quotation system or other quotation medium after January 3, 2023, which may materially adversely affect the liquidity and trading prices for the Notes.

Future trading prices for the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. Subsequent to their initial issuance, the Notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors. The trading market for the Notes may attract different investors and this may affect the extent to which the Notes may trade. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of the Notes, regardless of our prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all.

The delisting (whether or not for an alternative admission to listing on another stock exchange) of the Notes or from the Securities Official List of the Exchange may have a material effect on a holder's ability to resell the Notes in the secondary market.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign, or amend previously assigned, credit ratings to the Notes. The credit ratings address our ability to perform our obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy,

sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurances can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could materially adversely affect the value and trading of the Notes.

Investors may face foreign exchange risks by investing in the Notes.

The Notes will be denominated and payable in euros. Further, if investors measure their investment returns by reference to a currency other than euros, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro relative to the currency by reference to which such investors measure the return on their investments. These changes may be due to economic, political and other factors over which we have no control. Depreciation of the euro against the currency by reference to which such investors measure the return on their investments could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return on the Notes is translated into the currency by reference to which such investors measure the return on their investments.

The transferability of the Notes will be limited under applicable securities laws.

The Notes and the Guarantees have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or any other jurisdiction of the United States and, unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or any other jurisdiction. The Notes are not being offered for sale in the United States except to QIBs in accordance with Rule 144A. We have not agreed to or otherwise undertaken to register the Notes with the U.S. Securities and Exchange Commission (including by way of an exchange offer). Please see "*Transfer Restrictions*," and "*Description of Notes—Transfer and Exchange.*" It is the obligation of holders of the Notes to ensure that their offers and sales of the Notes within the United States and other countries comply with applicable securities laws.

The Notes will initially be held in book-entry form and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes will be initially issued in global registered form and held through Euroclear and Clearstream.

Unless and until definitive Notes are issued in exchange for book-entry interests in the Notes (which will only occur in very limited circumstances), owners of the book-entry interests will not be considered owners or holders of Notes. The common depositary (or its nominee) for the accounts of Euroclear and Clearstream will be the sole registered holder of any Global Notes. After payment to the common depositary, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear or Clearstream, as applicable, and if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder under the Indenture.

Unlike holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents or requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream or, if applicable, from a participant. We cannot assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until definitive registered notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear or Clearstream. We cannot assure you that the procedures to be implemented through Euroclear or Clearstream will be adequate to ensure the timely exercise of rights under the Notes. See "*Book-Entry, Delivery and Form.*"

USE OF PROCEEDS

The gross proceeds from the issuance of the Notes are expected to be €1,000.0 million.

We intend to use the proceeds from the issuance of the Notes, together with cash on hand, to redeem all of the Existing Senior Notes, and pay costs, fees and expenses in connection with the Transactions.

The following table presents the sources and uses for the Transactions. Amounts included in the table below are based on estimated data as of the Issue Date. Actual amounts will vary from estimated amounts depending on several factors, including differences from the estimates of outstanding amounts of existing debt to be repaid on or about the Issue Date and differences between estimated and actual fees and expenses. Any increase in these amounts will be funded with cash on balance sheet. This table should be read in conjunction with "*Capitalization*."

Sources		**Uses**	
	(€ millions)		*(€ millions)*
Notes offered hereby[(1)]	1,000.0	Full repayment of the Existing Senior Notes[(2)]	1,000.0
Cash on balance sheet	9.0	Transaction costs and expenses[(3)]	9.0
Total sources	**1,009.0**	**Total uses**	**1,009.0**

(1) Represents the aggregate principal amount the Notes.

(2) Represents amounts to be repaid under the Existing Senior Notes (excluding accrued and unpaid interest).

(3) Represents estimated costs, fees and expenses incurred in connection with the Transactions, including underwriting fees and commissions, professional fees and expenses and other transaction costs, excluding accrued and unpaid interest in connection with the repayment of the Existing Senior Notes, which will be paid with operating cash and/or revolving borrowings in the ordinary course.

CAPITALIZATION

The following table describes the cash and cash equivalents and capitalization as of March 31, 2026 of Verisure plc on a historical basis derived from the Verisure plc's unaudited condensed consolidated financial statements as of March 31, 2026, which are included elsewhere in this Offering Memorandum, and as adjusted to give effect to the Refinancing and the Transactions.

You should read this table in conjunction with "*Use of Proceeds*," "*Summary Consolidated Historical Financial and Other Data*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the consolidated financial statements and accompanying notes appearing elsewhere in this Offering Memorandum. Except as set forth below, there have been no other material changes to our capitalization since March 31, 2026. The as adjusted information below is illustrative only and does not purport to be indicative of what our actual capitalization will be following the consummation of the Transactions.

	As of March 31, 2026			
(€ millions)	**Historical**	**Refinancing Adjustments**	**Transactions Adjustments**	**As Adjusted for Refinancing and Transactions**
Cash and cash equivalents[(1)]	32.4	—	(9.0)	23.4
Total Debt				
Revolving Credit Facility[(2)]	54.2	78.0	—	132.2
TLA Facility[(3)]	1,290.0	570.0	—	1,860.0
Facility B[(4)]	1,250.0	—	—	1,250.0
2028 Fixed Rate Senior Secured Notes[(5)]	450.0	(450.0)	—	—
Existing 2030 Fixed Rate Senior Secured Notes	525.0	—	—	525.0
Notes offered hereby	—	—	1,000.0	1,000.0
Total Secured Indebtedness	**3,569.2**	**198.0**	**1,000.0**	**4,767.2**
Existing Senior Notes[(6)]	1,175.0	(175.0)	(1,000.0)	—
Other liabilities[(7)]	55.4	—	—	55.4
Leases[(8)]	218.0	—	—	218.0
Total Funded Indebtedness[(9)]	**5,017.6**	**23.0**	—	**5,040.6**
Total Equity	**8,882.9**	—	—	**8,882.9**
Total Capitalization	**13,900.5**	**23.0**	**—**	**13,923.5**

(1) Historical cash and cash equivalents reflect our cash and cash equivalents as of March 31, 2026. As adjusted cash and cash equivalents reflects our cash on balance sheet after giving effect to the Refinancing and the Transactions excluding accrued and unpaid interest in connection with the repayment of the Existing Senior Notes, which will be paid with operating cash and/or revolving borrowings in the ordinary course.

(2) Represents the outstanding aggregate principal amount of drawings under the Revolving Credit Facility as of March 31, 2026. As adjusted Revolving Credit Facility reflects principal amount of drawings after giving effect to the Refinancing but does not purport to show any other drawings or repayments made since March 31, 2026.

(3) Represents the aggregate principal amount outstanding under the TLA Facility as of March 31, 2026. As adjusted TLA Facility reflects the aggregate principal amount outstanding under the TLA Facility after giving effect to the Refinancing.

(4) Represents the aggregate principal amount outstanding under Facility B as of March 31, 2026.

(5) Represents the full repayment of the 2028 Fixed Rate Senior Secured Notes on May 5, 2026 pursuant to the Refinancing.

(6) Represents the full repayment of the Existing Senior Notes pursuant to the Refinancing and the Transactions.

(7) Other liabilities consist of the Group's unsecured loans including local facilities. See "*Description of Certain Indebtedness—Local Facilities.*"

(8) Represents our current and non-current liabilities under our financial leases and capital leases under IFRS 16 as of March 31, 2026.

(9) Total Funded Indebtedness does not include adjustments to amortized cost required by IFRS 9, as well as the balance of accrued interest expense and qualified receivables financing.

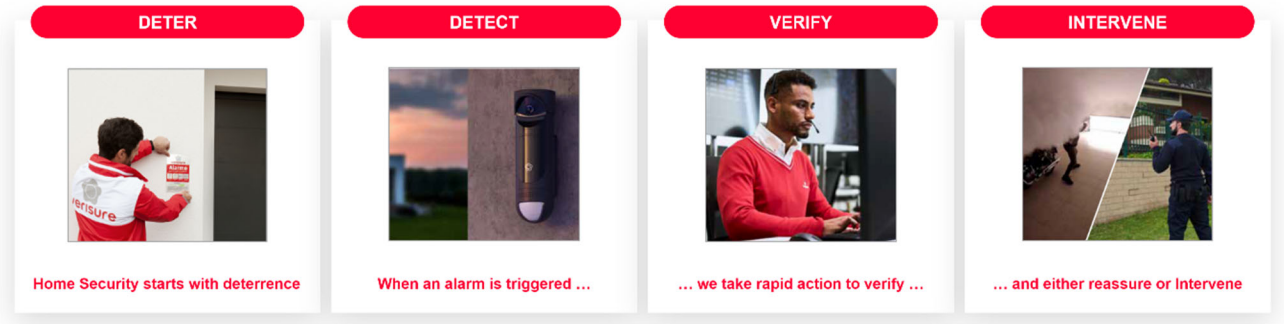
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with the "Presentation of Financial and Other Information" and "Summary Consolidated Historical Financial and Other Data" sections of this Offering Memorandum and our financial statements and related notes included elsewhere in this Offering Memorandum. The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in the "Risk Factors" and "Forward-Looking Statements" sections of this Offering Memorandum. Our actual results may differ materially from those contained in or implied by any forward-looking statements. Unless the context indicates otherwise, in this "Management's Discussion and Analysis of Financial Condition and Results of Operations," references to "we," "us," "our" or the "Group" refer to Topholding and its subsidiaries on a consolidated basis for the years ended December 31, 2023 and 2024, and to Verisure plc and its consolidated subsidiaries on a consolidated basis for the year ended December 31, 2025, and as of and for the three months ended March 31, 2026 and any period thereafter;

Overview

The Group is the global leader in professionally monitored security services by customers served, with a market-leading presence across Europe and Latin America.[25] We believe that everyone has the right to feel safe and secure, and we are committed to protecting what matters most to our customers. We are proud that, as of March 31, 2026, close to 6.3 million families and small businesses placed their trust in us. It is our responsibility, and we take it seriously.

We work to protect our customers against intrusion, burglary, fires, physical attack, home occupation, theft from a business, life-threatening emergencies and other hazards that may risk the safety, wellbeing or condition of our customers and their properties. We define our service offering by the following four pillars: *Deter*, *Detect*, *Verify* and *Intervene*.



We are highly intentional in our business focus. We provide differentiated products and services that generate recurring revenues to residential homes and small businesses across Europe and Latin America. We do not pursue large enterprises or government installations, and we avoid low-price, low-content and non-monitored systems that lack a path to recurring revenue, and we do not operate in the United States, Asia or Africa. As of March 31, 2026, our customer portfolio comprised 81% residential households and 19% small businesses, with 88% of our customer portfolio located in Europe and 12% in Latin America.

We are not a hardware business; our products are the platform that supports our subscription-based service model, generating recurring revenue. Our annualized recurring revenue ("**ARR**") has seen a steady increase since 2015, with a compound annual growth rate ("**CAGR**") of 14% from 2015 to 2025. For the year ended December 31, 2025, approximately 92% of our revenues were recurring.

We operate a highly integrated business model with full control over the value chain, including in-house services such as product and service innovation, category-creating marketing, sales and installation expertise, maintenance, customer service and support, 24/7 monitoring, expert verification and remote intervention. The final intervention step of our value chain, including guarding, policing, health emergencies and fire response, is completed by third-party partners who respond to incidents.

[25] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

We are highly active in our marketing and commercial efforts, dedicating significant resources to further grow awareness of our brand and stimulate demand for the category. Our brand awareness is high in most geographies where we operate. For example, in each of Spain, Portugal, Italy, France, Belgium, Finland, Brazil, Chile, Peru and Mexico, our prompted brand awareness is higher than 70%.[26]

We attract high-quality residential and small business customers through our marketing-led, booking-based, counselled sales process. We typically sell on appointment, in the customer's house or small business. Our customers co-create their installation with us for all-around protection of the premises, and are invested in our proposition and service. We work hard to ensure our customers remain satisfied during their time with us. This contributes to our industry-leading level of attrition and long customer lifetime. Our customers remain with us, on average, for approximately 15 years.[27] Customer loyalty is one of our strengths.[28]

We sold our first system in Sweden in 1988. Since then, we have grown continuously, developing a recurring revenue security service for residential and small business customers in underpenetrated geographies across Europe and Latin America. We attribute our success to category-creating marketing focused on brand building and activation of latent demand, award-winning innovation, go-to-market excellence and a strong focus on customer experience.

As of March 31, 2026, we protected close to 6.3 million customers across 18 countries. Approximately 88% of our customers are in 13 European countries (Sweden, Norway, Denmark, Finland, Spain, Portugal, Italy, France, Belgium, the United Kingdom, Ireland, the Netherlands and Germany), with the remainder in five Latin American countries (Brazil, Chile, Peru, Argentina and Mexico). We expanded our Latin American footprint when we entered Mexico in the fourth quarter of 2025 through our acquisition of ADT Mexico. In addition, through our Arlo Europe business, we are also a large camera and video surveillance provider, serving more than 1.2 million users across 49 countries as of December 31, 2025, including close to 300,000 customers who subscribed to our premium video service across 33 countries.[29]

It took approximately 20 years to reach 1 million portfolio customers from 1988 to 2008, and approximately seven years to double our customer base to reach 2 million by 2015. Our investments in innovation, category-creating marketing, go-to-market expertise and customer experience accelerated our growth. We further added 2 million customers to our portfolio over the following 6 years, reaching 4 million customers in 2021.

Our strong growth profile continues, with our new installations growing by a CAGR of 11% for the last 10 years, increasing to close to 873,000 alarm systems installed in 2025, marking the highest annual sales in our history, taking our total portfolio to close to 6.2 million customers served as of December 31, 2025.

According to our estimates, we are well established as the leader in our category across our core regions of Europe and Latin America.[30] As of December 31, 2025, we estimate that we are the leading provider of professionally-monitored alarms worldwide, both in terms of total number of customers protected and of total annual new installations.

We estimate that, as of December 31, 2025, our portfolio size in the professionally-monitored alarms category for residential and small business markets was over six times larger than the second largest player across the geographies where we operate.[31] In 14 of our 18 geographies, we estimate that we are the market leader in terms of the number of customers served, including in all five of our top five markets.[32]

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[26] Third-party consumer research. Consumers are shown a list of brands and asked which they recognize as home alarm brands. Figures are reported for "Securitas Direct" and "Securitas" in Spain and Portugal, and for "ADT" in Mexico.

[27] Average implied customer lifetime of approximately 15 years calculated based on acquisition cohort decay rates over the past eight years as of December 31, 2025.

[28] Based on publicly reported attrition and churn rates for monitored alarms and telecommunications companies for which such data is available, including ADT, Vivint, Prosegur, Movistar Prosegur Alarmas, Sector Alarm, Vodafone, Orange, Telefónica and TeliaSonera.

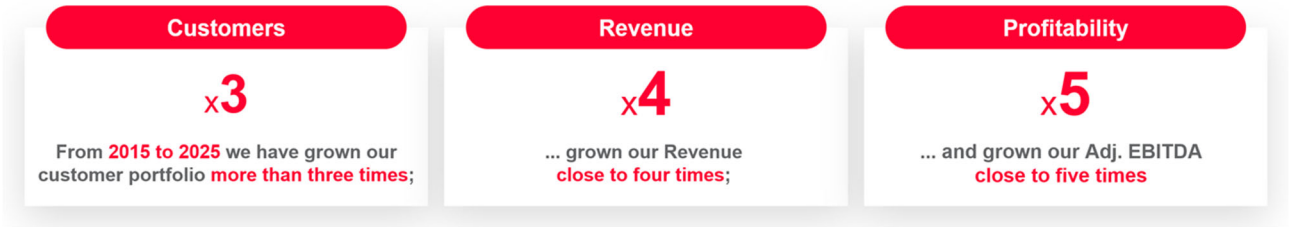
[29] These figures do not include Verisure customers who may also have bought Arlo cameras in conjunction with their alarm system. Neither our Seniors nor our Arlo customers are counted in our Verisure customer portfolio.

[30] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

[31] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

[32] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

As a business, we aim to serve an ever-growing number of customers, increase the value of the service we provide, and keep costs under control. From 2015 to 2025, we have grown our customer base more than three times, our revenue close to four times and our Adjusted EBITDA close to five times.



We operate in markets with low penetration and a long runway of growth ahead. Latent demand for home security remains very large. We believe our service offering, market position and scale mean that we are well-suited to continue to create and capture future category growth across our footprint.

Key factors affecting our results of operations

Our results of operations have been affected, and are expected to continue to be affected, by several factors, which are described below. The below section also includes a summary of recent key development trends relating to our Customer Acquisition and Portfolio Services segments from the end of the financial year 2025 up to the date of this Offering Memorandum. In addition, the summary includes all known trends, uncertainties, claims, commitments or events that are reasonably likely to have a material impact on our prospects for the current financial year, and which are known to us.

General Market Conditions

Changing economic cycles impact disposable income, unemployment rates and consumption, and thereby affect subscription services supply and demand. More recently, inflation and other macroeconomic pressures – such as rising interest rates, energy price volatility, and reduced consumer confidence – have contributed to an increasingly complex global economic environment. While our business model has a strong track record of profitable and resilient growth, economic conditions in the geographic regions in which we operate can affect the result of our operations.

We believe we have a resilient business model as evidenced by our strong track record of growth and relatively low attrition rates compared to our competitors. However, during periods of economic downturn, we have experienced higher attrition rates than during periods of economic growth in some regions. For example, recent cost-of-living pressures and its impact on household incomes led households to frequently reassess their budgets and spending choices in 2022 and 2023, resulting in a higher volume of calls for subscription changes. Consequently, our overall attrition rates on a twelve-month rolling basis increased from 6.4% in 2021 to 7.2% in 2022 and 7.6% in 2023. Conversely, improving economic conditions tend to be correlated with declining attrition rates, as observed in 2024 and 2025. Our attrition rate decreased to 7.4% in 2024 and remained flat in 2025.

Our track record of organic growth and low attrition rates, even during economic downturns, has been consistent to date.

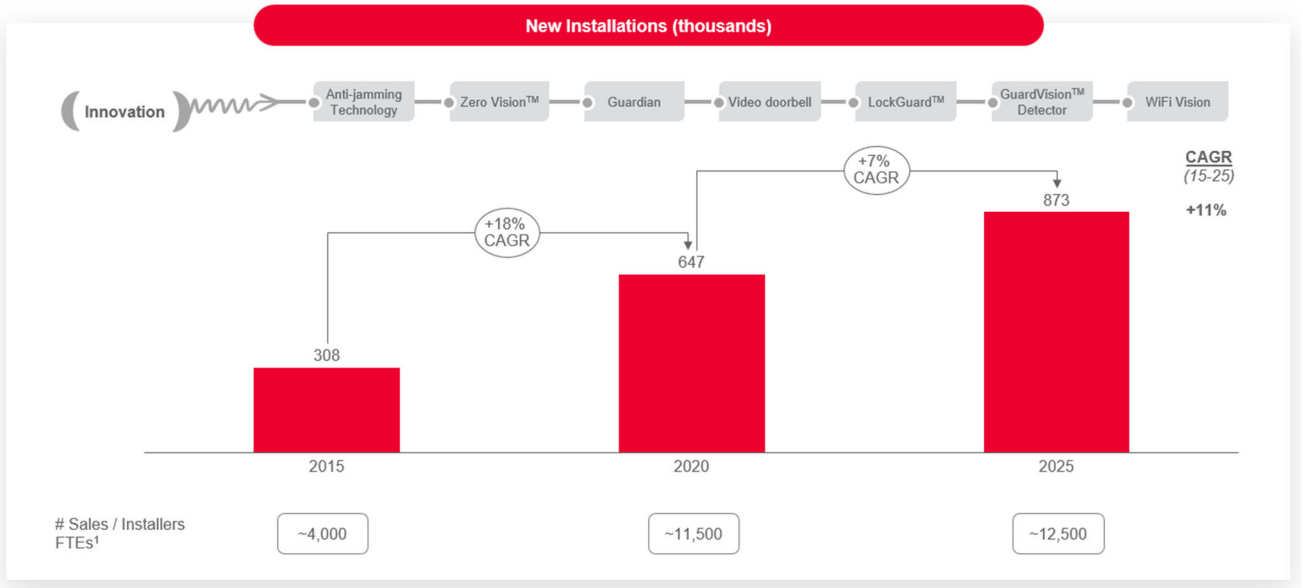
New installations

We deliberately choose to invest a significant part of the cash generated from our growing customer base to acquire new high-quality customers, thereby scaling our customer acquisition engine. We pay careful attention to the long-term value and return on investment from these new customers. Given that our investments in new customer acquisition are largely discretionary, we have the flexibility to adjust the pace of growth and customer acquisition. This provides us with the levers to manage both growth targets and cash flow objectives.

We believe many potential customers who would benefit from increased home security are not yet familiar with the advantages of a monitored security system and our differentiated solution. We plan to continue to deploy our playbook of innovation, category-creating marketing and go-to market excellence to continue to grow our customer base. Importantly, we aim to deliver a superior experience at every critical interaction with customers once they join our portfolio.

New customers in excess of our attrition result in growth in our customer portfolio. Following any successful expansion of our customer portfolio, we expect to generate increased revenue from customer subscription fees

and, because our business model is scalable with costs that are semi-fixed or fixed, improvements in our profit margin. For the years ended December 31, 2025, 2024 and 2023, the number of new installations was 872,616, 839,746 and 797,312, respectively, and has grown at a CAGR of 11.0% between 2015 and 2025, as demonstrated by the graphic below.



(1) Headcount including field, alliances, telesales agents and sales support. Excludes contingent workers. Headcount not in thousands.

Our new installation for the three month ended March 31, 2026 was 222,882, our second highest quarter on record, compared to new installations for the three months ended March 31, 2025 of 217,114.

Cost per acquisition (CPA)

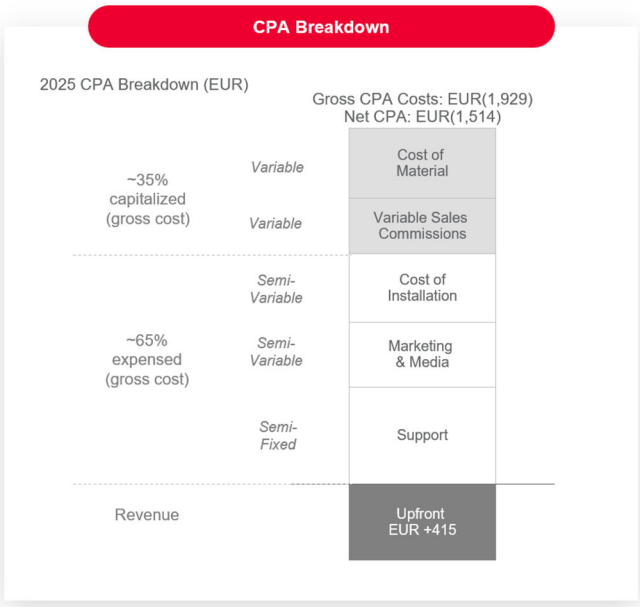
CPA is the net investment required to acquire a new customer. Key components of our net costs to sell and install our products include fully variable elements such as the upfront amount we charge our customers upon the security audit and installation, the cost of the security alarm equipment we source from our supplier network that we continuously optimize or the variable sales commissions we pay to our sales force. In addition, we also include costs that are not directly linked to sales but upon which we can act quickly, such as marketing and advertising costs. Finally, we also include other costs which are semi-fixed or fixed in nature, such as the fixed labor costs of our sales force, costs associated with our branches or other support activities.

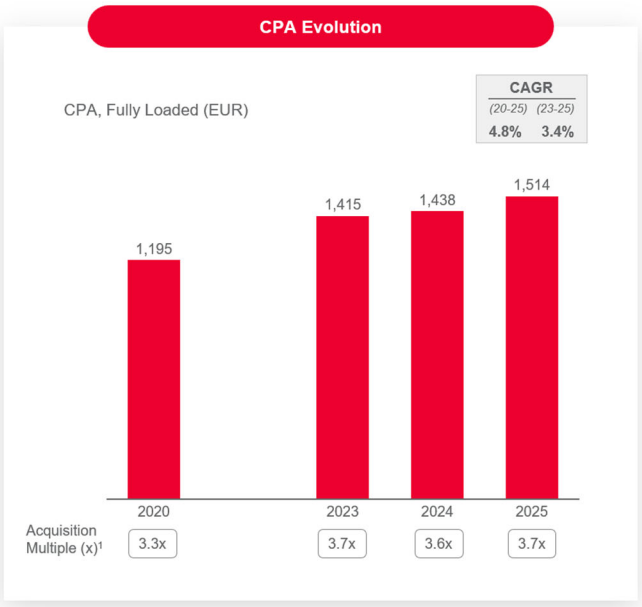
The upfront amount we charge our customers upon the security audit and installation is a lever to influence the quality of our customer intake. We believe a customer is less likely to cancel if they are invested in our product and service.

CPA varies according to several factors, including market competition, cost development, our overall growth strategy and investments in marketing and advertising. At the Group level, CPA is also influenced by the mix of countries at different levels of maturity and different go-to-market channels. As a company, we manage CPA in a target range. We aim to obtain the highest total Customer Lifetime Value[33] over the approximate 15 years that a customer stays with us, on average.

For the years ended December 31, 2025, 2024 and 2023, CPA was EUR 1,514, EUR 1,438 and EUR 1,415, respectively.

[33] Customer Lifetime Value calculates high-level value for each customer in our portfolio, based on EBITDA per customer, multiplied by recent average lifetime.





(1) Acquisition multiple is our initial investment made to acquire a new customer ("**CPA**") divided by the annualized monthly Adjusted EBITDA per subscriber ("**EPC**"), as further described under footnote (9) under "*Summary Consolidated Historical Financial and Other Data—Key Operating Metrics*".

Any increase in these costs or a reduction in our security audit and installation fees may increase the amount of time it takes for us to recoup the upfront cost of acquiring customers, which we refer to as Acquisition Multiple. CPA is only one part of the equation, and we believe that this should be looked at alongside the average EBITDA per customer (EPC). We define the Acquisition Multiple as the ratio between the initial capital investment made to acquire a new customer ("**CPA**") and the monthly Adjusted EBITDA per subscriber ("**EPC**"). For the years ended December 31, 2025, 2024 and 2023, our Acquisition Multiple was 3.7x, 3.6x and 3.7x, respectively, showing consistent stability across periods.

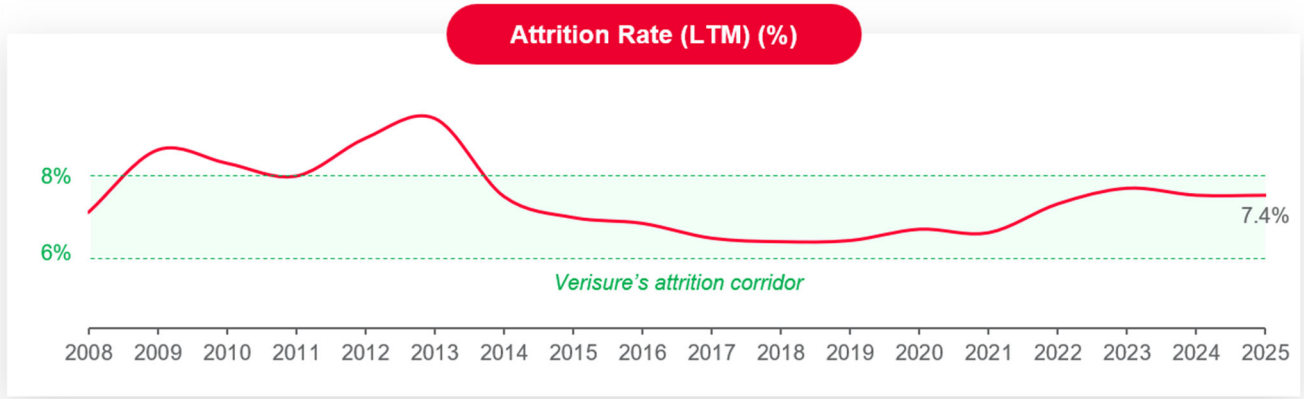
Customer attrition

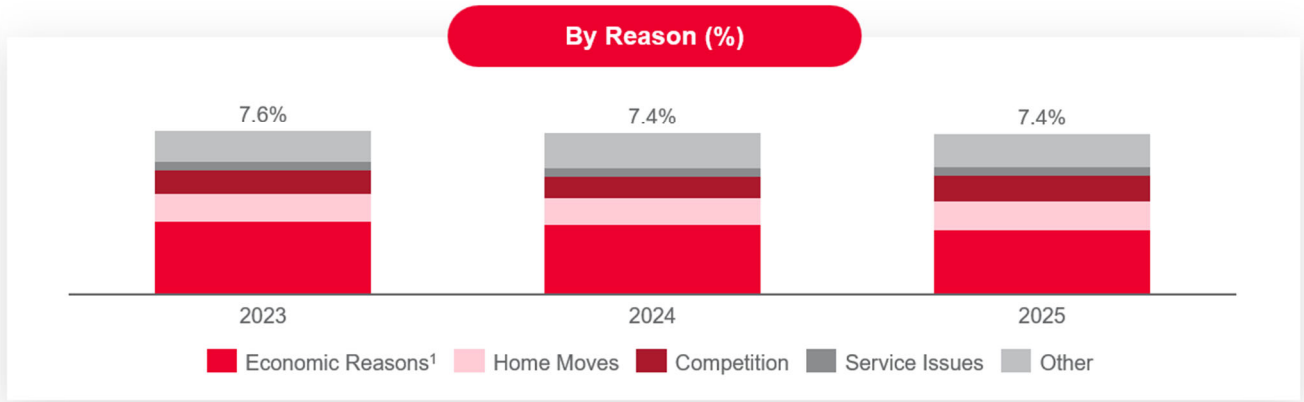
Our business model combines increasing, predictable cash flows driven by strong customer loyalty with high-quality customer growth. We choose to reinvest the cash flows from our growing customer portfolio into technology innovation and superior propositions, category-creating marketing, brand recognition and go-to-market excellence, allowing us to attract and retain high-quality new customers. Our attrition rate is a key factor impacting our business, as it directly impacts the results of our Portfolio Services segment and the recurring cash flow it generates.

Customer loyalty is one of our strengths. We believe our attrition rate not only leads our industry, but also other customer subscription-based businesses. The critical starting point is our high-quality customer intake. Our sales process includes a counselled sales visit with a meaningful upfront fee charged to new customers. This helps screen for more committed customers, and we believe, increases the likelihood of long-term system use. In some markets, we also use credit scoring to enhance customer quality. Credit policies are reviewed regularly to reflect changes in economic conditions.

Once customers are onboarded, we aim to provide an excellent service at every touchpoint, including our alarm receiving center, remote verification, customer care and onsite maintenance. Our deep expertise in customer retention (through the use of analytics focusing on usage patterns and identifying early detraction for immediate intervention by our trained staff), combined with ongoing service efforts has enabled us to maintain low attrition rates, and consequently, allowed for better revenue growth.

Factors influencing customer attrition often differ between our customer types and regions, and to a certain extent, also vary over time. In our experience, for residential customers, the main reasons for cancelling a subscription include factors such as moving to a new home, financial distress or dissatisfaction with customer service or prices, and for small businesses, attrition is usually related to financial distress, the failure, closure or relocation of the business or dissatisfaction with customer service or prices. For illustrative purposes, the charts below summarizes the breakdown of key reasons for attrition for 2023, 2024 and 2025.





(1) Economic Reasons include bad debt, business closure, and other economic reasons.

Our overall attrition rate for the years ended December 31, 2025, 2024 and 2023 was 7.4%, 7.4% and 7.6%, respectively. For the last ten years ended December 31, 2025, we maintained an attrition rate below 8%, which remains within our targeted attrition corridor of between 6% and 8%.

Average Monthly Revenue Per User (ARPU)

Through our Portfolio Services segment, we provide a professional security service to our customers for a monthly subscription fee. Our service includes 24/7 monitoring, expert verification and response, customer care, maintenance and technical support. The monthly subscription fees that we charge depend on the product package and level of service our customers receive.

Pricing is typically reviewed annually during the first quarter of the year, with the aim of balancing profitability, customer "value-for-money" proposition, experience and lifetime value, taking into account potential impact on customer attrition. We believe that taking a long-term approach to pricing and profitability maximizes value creation, which is reflected by average lifetime of approximately 15 years for customers as of December 31, 2025.

Over the past several years, we have generally been able to price our products and services above local inflation indices. As a premium service company, we continuously invest in technological innovation to create differentiated security solutions. Our ability to sustain increased pricing levels is influenced by our ability to introduce new technologies and features that enhance our value proposition. This includes consistently delivering quality products and services to our customers, driving upselling activities to our portfolio as well as attracting high-quality customers who recognize and understand the value proposition of our offering.

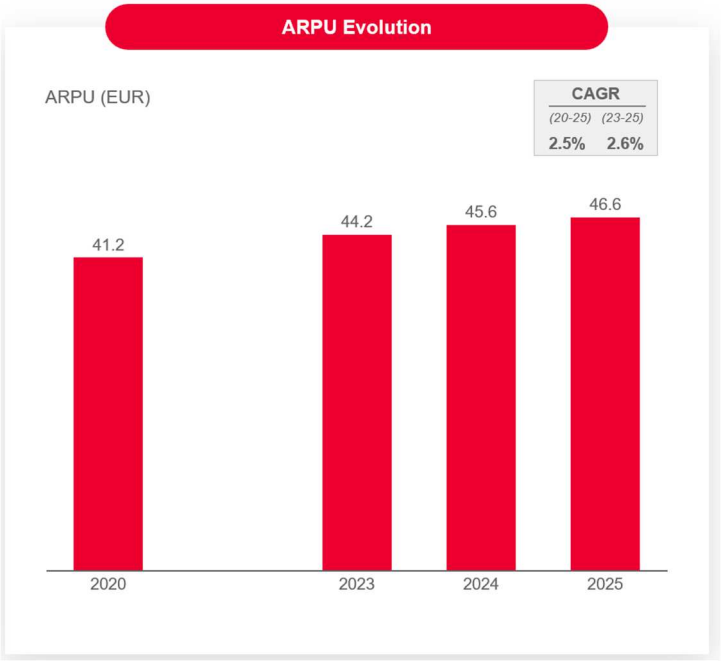
Our ARPU is also influenced by the pricing level at which new customers are acquired and existing customers churn. We prioritize high-quality customer intake, ensuring meaningful upfront customer commitments and entry pricing that is aligned with the selected product package selected. We apply a disciplined approach to both

discounting customer intake and quality and ensuring new customers are priced in line with our existing portfolio. As a result, we do not experience a material "front book/back book effect", i.e., a significant difference between the ARPUs of the most recent and historical customer cohorts. Between 2019 and 2025, our ARPU grew at a CAGR of at 2.1%, highlighting stable pricing dynamics and customer quality. We drive quality intake through the following levers:

- **Credit Scoring**: We perform real-time credit assessments at the point of sale, enabling us to tailor upfront contributions and onboard customers based on credit risk.
- **Upfront Contributions**: We require a meaningful upfront payment, which reinforces customer commitment and validates ability to pay.
- **ARPU Discipline**: We increase Entry ARPU annually, ensuring no dilution from new customer cohorts and supporting ARPU growth across our customer base.

Pricing decisions are further influenced by our ability to maintain high customer satisfaction, both with our services offering and relative to those of our competitors. Subscription fee increases may vary by jurisdiction depending on local conditions.

We also seek to differentiate the pricing within each subcategory to reflect the service and value proposition provided, and between residential and small business customers to compensate for the typical shorter life span of small business customers. For the years ended December 31, 2025, 2024 and 2023, our ARPU was EUR 46.6, EUR 45.6 and EUR 44.2, respectively. Our ARPU has consistently been expanding as a result of the above factors and in line with historical performance, as demonstrated by the chart below.



Recurring Monthly Costs (RMC)

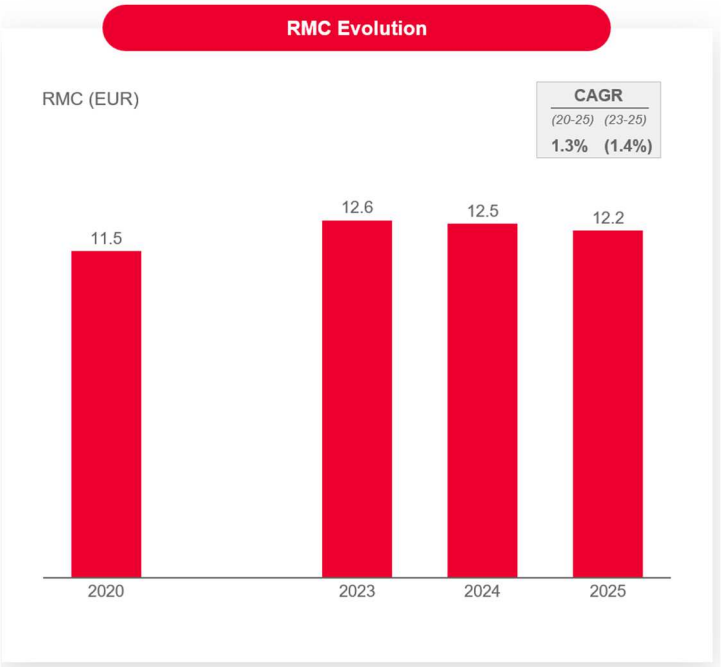
Operating cost efficiency is a priority across all of our markets. In late 2014, we began a group-wide operational improvement plan called Funding Our Growth ("**FOG**"), with the aim of optimizing our cost structure and improving productivity by leveraging our scale and sharing best practices across our global footprint. Since then, the program has evolved and has become embedded in our culture. In early 2026, we introduced a new program, Fit for Growth, incorporating new initiatives with a clear focus on technology and support-function cost optimization, with Artificial Intelligence as a key enabler.

Through vertical integration, we optimize the total cost of ownership for our technology. Our designs focus on delivering high-quality security, device longevity and operational efficiency, which supports our efforts to manage recurring costs effectively.

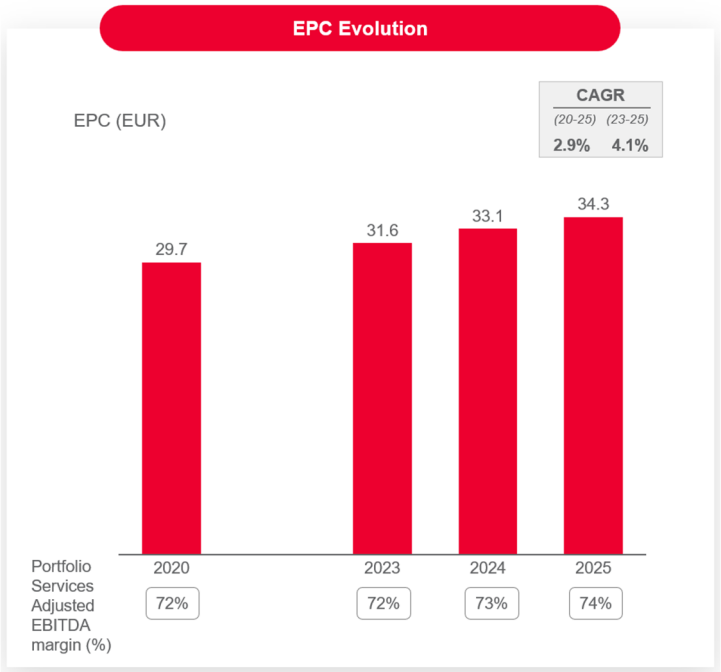
We have a strong track record at delivering disciplined cost performance keeping our RMC, measured on a customer basis, broadly the same as it was at an absolute level 20 years ago. Despite inflationary pressures

and salary increases, we are able to maintain stable RMC through workload reduction initiatives, including process re-engineering, customer self-service and remote resolution via our app as well as AI-enabled automation. Additionally, we enhance productivity by leveraging proprietary vendor tools, providing on-the-job training to upskill our workforce and developing balanced benefits and labor cost policies. We also manage a recurrent cost program focused on efficiency, aiming to capture operating leverage within the Portfolio Services and Customer Acquisition segments while reducing purchased costs.

For the years ended December 31, 2025, 2024 and 2023, our RMC was EUR 12.2, EUR 12.5 and EUR 12.6, respectively.



In conjunction with continued ARPU build driven by revenue optimization through pricing, innovation and upselling, we have enjoyed continuous expansion in EBITDA per customer ("**EPC**"), achieving EPC margins of approximately 74% in the portfolio as of March 31, 2026.



Investment in technology and innovation

We are a technology-enabled human services company. Technology is at the core of our operations, enabling us to provide peace of mind to our customers in our offering of end-to-end protection through deterrence, detection, verification and intervention. Our business strategy relies significantly on continuing to develop innovative products and services that address customer needs and differentiate us and our product offering and services from our competitors.

Our proprietary technology stack allows us to deliver innovative and differentiated products to market quickly. We know that innovation that brings novelty and utility can drive customer demand and reduce attrition. We aim to remain at the forefront of innovation due to the insights we gain from our numerous customer touch points across the value chain. Continued investment and deep expertise will ensure we continue to design and build user-friendly products that meet the needs of our customers.

Our innovation roadmap is focused on both enhancing our current offerings and launching disruptive technologies that help to expand our SAM. Recent key innovations include LockGuard™ (smart access control), GuardVision™ Outdoor (AI-powered perimeter protection) and WiFi Vision™ (non-line-of-sight motion detection). These are supported by a fully integrated technology stack – spanning proprietary hardware, software and AI-driven monitoring – which enables faster innovation, better verification and cost-effective delivery. The roadmap aims to increase usage, reduce attrition, improve margins and support premium pricing, while unlocking new customer segments such as apartments and senior care.

During the periods under review, we have made substantial investments in R&D, product and service innovation, software engineering and other IT-related intangible assets, with capital expenditures amounting to EUR 169.6 million, EUR 149.1 million and EUR 139.2 million for the years ended December 31, 2025, 2024 and 2023, respectively.

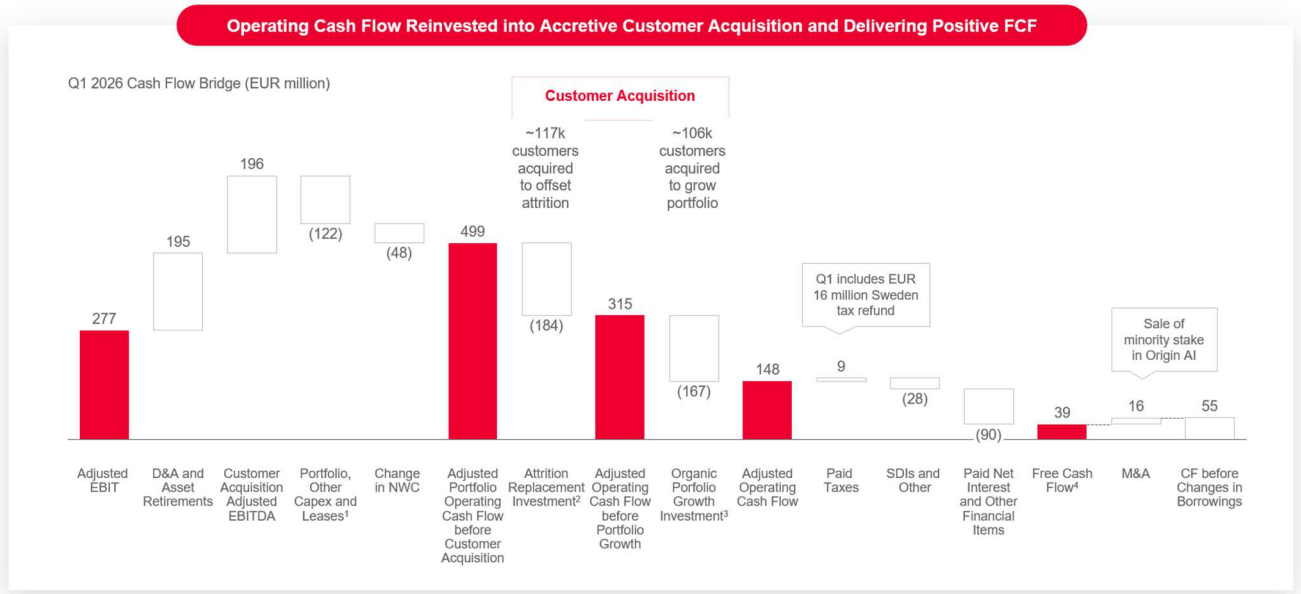
Operating cash flow management

Our business model generates high-quality, stable recurring cash flows from our growing customer portfolio. This strong underlying cash flow generation allows for both financial resilience and strategic flexibility.

Our underlying cash flow is mostly generated from our Portfolio Services segment, which has an inherently low level of capital intensity.

Adjusted Operating Cash Flow before portfolio growth illustrates a proxy for “steady state” operating cash flow generation, assuming a stable and constant portfolio size with an average lifetime of approximately 15 years. For the year ended December 31, 2025, Adjusted Operating Cash Flow before portfolio growth was EUR 1,252.7 million, which includes EUR 655.8 million of investment to replace attrition. For the three months ended March 31, 2026, Adjusted Operating Cash Flow before portfolio growth was EUR 315.0 million, which includes EUR 183.7 million of investment to replace attrition. We consciously decide to invest a significant part of this excess cash flow to grow our portfolio size. We do so because we believe it is the best use of our capital given the high returns we obtain on the investment. Our disciplined approach ensures new customer intakes deliver attractive IRRs while preserving long-term value creation. We believe this is a very important feature of our business model.

For the year ended December 31, 2025, we invested EUR 665.2 million in growing our portfolio. As a result, our Adjusted Operating Cash Flow in the period was EUR 587.5 million, or EUR 660.7 million, excluding change in working capital. For the three months ended March 31, 2026, we invested EUR 167.1 million in growing our portfolio. As a result, our Adjusted Operating Cash Flow in the period was EUR 147.9 million, or EUR 196.3 million, excluding change in working capital.



(1) Sum of capital expenditures related to new equipment for existing customers, capital expenditures related to R&D, IT, Premises and Adjacencies, and Leases.

(2) Number of cancellations multiplied by CPA.

(3) (Number of new customers – number of cancellations) multiplied by CPA.

(4) Cash Flow for the period excluding changes in borrowings, M&A activity, and returns to shareholders.

We assess cash conversion by analyzing our Adjusted Operating Cash Flow, excluding change in working capital, after growth investment relative to our Adjusted EBIT. For the years ended December 31, 2025, 2024 and 2023, this ratio was 69%, 68% and 60%, respectively, showing a positive trend. Amongst other things, this is because of the increasing capital efficiency and the declining Portfolio Reinvestment Rate as our geographies mature. Our reported Cash Conversion metric is depressed by the strong investment on organic portfolio growth, which we expect to yield attractive return on capital for the following 15 years on average.

Fluctuations in exchange rates

We report our consolidated financial statements in EUR. As a result, we translate the assets, liabilities, revenue and expenses of all our operations with a functional currency other than the EUR into EUR at then applicable foreign exchange rates. Consequently, increases or decreases in the value of certain other currencies (the Swedish krona (SEK), the Brazilian real (BRL) and the Norwegian krone (NOK) in particular) against the EUR may affect the value of these items with respect to our non-euro businesses in our consolidated financial statements, even if their value has not changed in their original currency. For example, a stronger EUR will reduce the reported results of operations of the non-EUR businesses, and conversely, a weaker EUR will increase the reported results of operations of the non-EUR businesses. Our primary exposure is to the SEK, BRL and NOK. For the year ended December 31, 2025, 73.7% of our revenue was denominated in EUR, 15.5% was denominated in SEK, BRL and NOK and 10.8% of revenue was denominated in other currencies.

Foreign exchange rate fluctuations can significantly affect the comparability of our results between financial periods and result in significant changes to the carrying value of our assets, liabilities and stockholders' equity. In addition, certain of our supply contracts in non-euro denominated countries contain clauses that reset the prices at which we buy our goods based on fluctuations in exchange rates, which can increase our costs if rates move in a manner that is unfavorable to us. We believe that we have limited foreign exchange transaction risk as we incur costs and derive subscription fees in the local currency of our geographies. Further, although 26.3% of our revenue for the year ended December 31, 2025 is denominated in non-euro currencies, most of our indebtedness is denominated in euros.

Key Operating Metrics

Our management uses a number of key operating metrics, in addition to our IFRS financial measures, in order to evaluate, monitor and manage our business. The Non-IFRS Metrics and related information in regards to our operations included in this section is unaudited and has been derived from internal reporting systems. Although

none of these metrics are measures of financial performance under IFRS, we believe that these metrics provide important insight into the operations and strength of our business. These metrics may not be comparable to similar terms used by competitors or other companies, and from time to time we may change our definitions of these metrics. For more information about the Non-IFRS Metrics, see "*Presentation of Financial and Other Information—Non-IFRS Financial and Operating Information*." These metrics include the following:

"**Acquisition Multiple**" is our initial investment made to acquire a new customer ("**CPA**", as defined below) divided by the annualized monthly Adjusted EBITDA per subscriber ("**EPC**", as defined below).

"**Adjacencies Adjusted EBITDA**" is defined as operating profit, excluding depreciation and amortization, retirement of assets and separately disclosed items for the Adjacencies segment.

"**Adjusted EBIT**" is defined as operating profit, excluding acquisition-related items, share-based compensation expenses and separately disclosed items. Acquisition-related items relate to amortization and depreciation impact on operating profit mainly from the 2020 Business Combination. This impact is excluded from operating profit to better reflect underlying business performance absent the 2020 Business Combination.

"**Adjusted EBIT margin**" is defined as Adjusted EBIT divided by revenue.

"**Adjusted EBITDA**" is defined as operating profit, excluding depreciation and amortization, retirement of assets, separately disclosed items and share-based compensation.

"**Adjusted EBITDA incl. SDIs**" is defined as operating profit, excluding depreciation and amortization and retirement of assets.

"**Adjusted EBITDA margin**" is defined as Adjusted EBITDA divided by revenue.

"**Adjusted EBITDA margin incl. SDIs**" is defined as Adjusted EBITDA incl. SDIs divided by revenue.

"**Adjusted earnings per share (Adjusted EPS)**" is defined as net profit or (loss) for the period attributable to the shareholders of the parent company, before acquisition-related items, share-based compensation expenses and separately disclosed items including tax impact of these components, divided by the weighted average number of shares for the period. Acquisition-related items relate to amortization and depreciation impact on net profit mainly from the 2020 Business Combination. This impact is excluded to better reflect the underlying net profit absent the 2020 Business Combination.

"**Adjusted Net Profit or (Loss)**" is defined as net profit or loss for the period, before acquisition-related items, share-based compensation expenses and separately disclosed items (net of tax). Acquisition-related items relate to the amortization and depreciation impact in net profit absent historic business combinations.

"**Adjusted Operating Cash Flow**" is defined as Adjusted Operating Cash Flow before portfolio growth less organic portfolio growth investment (the difference between the number of new customers and the number of cancellations, multiplied by CPA).

"**Adjusted Operating Cash Flow before portfolio growth**" is defined as Adjusted EBIT, add-back of depreciation and amortization and retirements of assets, Customer Acquisition Adjusted EBITDA, less capital expenditures, repayment of lease liabilities and change in working capital for the period, after the attrition replacement investment (the number of cancellations multiplied by CPA).

"**Adjusted *Pro Forma* EBITDA, last two quarters annualized**" refers to our last two quarters of Adjusted EBITDA, multiplied by two, as further adjusted by the pro forma calculations.

"**Annualized recurring revenue (ARR)**" is defined as the total number of subscribers in our portfolio at the end of the period, multiplied by the last twelve months (LTM) average revenue per user ("**ARPU**"), multiplied by 12 months.

"**ARR growth**" is defined as ARR for the relevant period divided by ARR for the same period last year.

"**Cancellations**" is defined as the number of cancelled subscriptions net of reinstates during the period, including cancellations on acquired portfolios.

"**Cash Conversion**" is defined as Adjusted Operating Cash Flow divided by Adjusted EBIT;

"**Capital employed**" is defined as total value of equity and borrowings, adjusted for derivatives related to financing structures, tax assets/liabilities, cash and acquired intangible assets from the 2020 Business Combination.

"**Cost per acquisition (CPA)**" is defined as net cash investment to acquire a subscriber, including costs related to the marketing and sales process, installation of the alarm system, costs of alarm system products and overhead expenses for the Customer Acquisition process. The metric is calculated net of revenue from security audit and installation fees charged to the subscriber and represents the sum of Adjusted EBITDA plus capital expenditures in our Customer Acquisition segment on average for every subscriber acquired.

"**Customer Acquisition Adjusted EBITDA**" is defined as operating profit, excluding depreciation and amortization, retirement of assets and separately disclosed items for the Customer Acquisition segment.

"**Customer Acquisition capital expenditures**" is defined as purchases of equipment for new customers and direct incremental costs related to the acquisition of customer contracts.

"**Last two quarters annualized**" refers to our last two quarters of the relevant metric, multiplied by two.

"**LTM attrition rate**" is defined as the number of net cancellations to our monitored alarm service in the last 12 months, divided by the average number of subscribers during the last 12 months.

"**Monthly Adjusted EBITDA per customer (EPC)**" is defined as Monthly Adjusted EBITDA from our existing subscriber portfolio (Portfolio Services Adjusted EBITDA) divided by the average number of subscribers.

"**Monthly average revenue per user (ARPU)**" is defined as Portfolio Services segment revenue (consisting of monthly average subscription fees and sales of additional products and services) divided by the average number of subscribers during the relevant period.

"**Portfolio reinvestment rate**" is defined as the ratio of Customer Acquisition Cost and Portfolio Services Adjusted EBITDA less Portfolio Services capital expenditures.

"**Portfolio Services Adjusted EBITDA**" is defined as operating profit, excluding depreciation and amortization, retirement of assets and separately disclosed items for the Portfolio Services segment.

"**Portfolio Services Adjusted EBITDA margin**" is defined as the Portfolio Services Adjusted EBITDA divided by Portfolio Services revenue.

"**Recurring monthly cost (RMC)**" is defined as the monthly cost per subscriber in our Portfolio Services segment, calculated as the difference between ARPU and EPC.

"**Return on capital employed (ROCE)**" is defined as LTM Adjusted EBIT divided by average capital employed in the last four quarters.

"**Revenue growth**" is defined as the Revenue for the relevant period divided by revenue for the same period last year.

"**Separately disclosed items (SDI)**" is defined as income and costs that have been recognized in the consolidated income statement which management believes, due to their nature, collective size or incident, should be disclosed separately to give a more comparable view of the year-on-year financial performance.

"**Subscriber growth rate**" is defined as the number of subscribers at the end of the period divided by the number of subscribers at the end of the relevant period.

The following table shows those key operating metrics for each of our segments as of and for the periods set forth below. These metrics are presented in this Offering Memorandum because we believe that these metrics provide a clearer picture of our results of operations generated by our core operating activities, thus enabling our management to evaluate relevant trends more meaningfully when considered in conjunction with (but not in lieu of) other measures that are calculated in accordance with IFRS. These metrics may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles. The Non-IFRS Metrics and related information in regards to our operations included in this section have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for analysis of our results or any performance measures under IFRS as set forth in our financial statements. You should compensate for these limitations by relying primarily on our IFRS results and using

these Non-IFRS Metrics and related information in regards to our operations included in this section only as supplements to evaluate our performance. See "*Presentation of Financial and Other Information*."

We have defined each of the measures and shown their calculation in "*Summary Consolidated Historical Financial and Other Data*."

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions, unless otherwise stated)	2023	2024	2025	2025	2026
Revenue	3,090.0	3,408.0	3,745.4	919.9	1,019.3
Revenue growth (%)	9.3%	10.3%	9.9%	10.2%	10.8%
Adjusted EBITDA	1,340.6	1,534.0	1,708.0	418.8	472.3
Adjusted EBITDA margin (%)	43.4%	45.0%	45.6%	45.5%	46.3%
Adjusted EBITDA incl. SDIs	1,298.1	1,501.9	1,537.4	409.7	451.3
Adjusted EBITDA margin incl. SDIs (%)	42.0%	44.1%	41.0%	44.5%	44.3%
Adjusted EBIT	694.0	819.1	952.9	230.6	277.0
Adjusted EBIT margin (%)	22.5%	24.0%	25.4%	25.1%	27.2%
Adjusted Operating Cash Flow	504.0	494.3	587.5	105.9	147.9
Adjusted Operating Cash Flow before portfolio growth	1,099.7	1,125.3	1,252.7	268.6	315.0
Adjusted earnings per share (Adjusted EPS) (EUR)	0.17	0.23	0.35	0.07	0.15
Operating profit	213.0	307.4	298.7	100.9	121.8
Capital employed	2,980.8	3,278.7	3,887.5	—	—
Return on capital employed (ROCE) (%)	23.8%	26.1%	27.0%	—	—
Acquisition Multiple (ratio)	3.7x	3.6x	3.7x	3.6x	3.7x
Portfolio Services segment					
Portfolio Services revenue	2,635.3	2,947.8	3,267.8	797.0	899.2
Portfolio Services Adjusted EBITDA	1,885.3	2,141.9	2,409.1	583.9	662.3
Portfolio Services Adjusted EBITDA margin (%)	71.5%	72.7%	73.7%	73.3%	73.7%
Portfolio reinvestment rate (%)	63.8%	60.8%	59.6%	59.5%	57.2%
Unaudited operating data					
Total subscribers (end of period), 000s	5,173.0	5,611.7	6,171.4	5,722.5	6,277.6
Cancellations, 000s	376.4	401.1	433.2	106.3	116.7
LTM attrition rate (%)	7.6%	7.4%	7.4%	7.4%	7.4%
Net subscriber growth, 000s	420.9	438.7	559.7	110.8	106.2
Subscriber growth rate, net (%)	8.9%	8.5%	10.0%	8.3%	9.7%
Monthly average number of subscribers during the period, 000s	4,964.5	5,391.7	5,849.5	5,656.1	6,210.9
Average monthly revenue per user (ARPU) (EUR)	44.2	45.6	46.6	47.0	48.3
Monthly Adjusted EBITDA per customer (EPC) (EUR)	31.6	33.1	34.3	34.4	35.5
Recurring monthly cost (RMC) (EUR)	12.6	12.5	12.2	12.6	12.7
Annualized Recurring Revenue (ARR)	2,746.0	3,068.1	3,447.6	3,150.2	3,532.9
ARR growth (%)	10.8%	11.7%	12.4%	11.6%	12.1%
Customer Acquisition segment					
Customer Acquisition revenue	362.3	367.4	362.2	98.3	93.7
Customer Acquisition Adjusted EBITDA	(551.1)	(627.4)	(723.0)	(171.3)	(196.3)
Customer Acquisition capital expenditures	577.5	580.5	597.9	147.5	154.4
New subscribers added (gross), 000s	797.3	839.7	872.6	217.1	222.9
Cost per acquisition (CPA) (EUR)	1,415.0	1,438.4	1,513.8	1,468.5	1,573.5
Adjacencies segment					
Adjacencies revenue	92.4	92.8	115.4	24.6	26.4
Adjacencies Adjusted EBITDA	6.3	19.6	21.9	6.2	6.3

Description of Key Items in Our Income Statement

Revenue recognition

Revenue includes alarm monitoring fees as well as fees for installation and security audit. The revenue is recognized only where there is persuasive evidence of a sales agreement, the delivery of goods or services has occurred, the sale price is fixed or determinable and the collectability of revenue is reasonably assured. Revenue is recognized less discounts and value added tax and after eliminating sales within the Group and is calculated under the IFRS 15 standard "Revenue from Contracts with Customers".

For customer agreements containing multiple deliverables (security audit and installation as well as monitoring services) the transaction price is allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.

More specifically, income is recognized as follows:

- ***Alarm monitoring.*** Income from alarm monitoring services is recognized over time during the period to which the service relates.

- ***Installation and security audit fees***. As part of alarm installation, customers pay an installation upfront fee for the work performed, mainly related to the security audit and installation of the alarm. This fee is recognized as income on the installation date. In circumstances where part of an upfront fee is deferred, we recognize as income the present value of the deferred payments, adjusted for cost of capital and the risk of default.

Revenue also consists of upgrades and extensions in our existing installations and revenue from our Adjacencies segment.

Cost of sales

Cost of sales includes cost of materials (excluding material costs that are capitalized), salaries, commissions, depreciation, amortization, bad debt expense, cost due to retirement of alarms and other costs directly attributable to installation of new alarms or alarm monitoring. We currently capitalize the costs of the alarm equipment purchased by us from our suppliers and installed in connection with newly acquired customers to the extent we retain ownership of the equipment, and these costs are not reflected as cost of sales. In addition to material costs, we also capitalize direct costs related to the acquisition of customer contracts as intangible assets as they fulfil the requirement in IAS 38, intangible assets, of internally generated intangible assets.

Our salespeople sometimes both sell systems to new customers and install such systems once the sales are made. As a result, in these instances, the costs of both selling and installing the systems are included in costs of sales because they cannot be accurately separated. Thus, “cost of sales” includes some costs that are actually selling expenses but cannot be separately allocated to a specific selling and administrative function.

Selling and administrative expenses

Selling and administrative expenses includes salaries, commissions, depreciation and amortization, cost due to retirement of property, plant and equipment as used in selling and administrative functions, rents and other indirect costs for sales supervision, sales branches, customer support supervision, information technology services and other overhead costs such as finance and human resources and management and SDIs.

Financial income

Financial income primarily includes income earned from our currency and interest rate derivatives and interest income as well as exchange rate differences.

Finance costs

Finance costs relate mainly to exchange rate differences, interest expenses, net effects from currency derivatives, changes in fair value of interest rate swaps, foreign exchange rate swaps and other finance costs. External and intra-group loan balances denominated in currencies other than the functional currency of the respective entity are revalued at the end of each reporting period and adjusted for currency fluctuations.

Income tax (expense)/credit

Income taxes include current and deferred tax. These taxes have been calculated at a nominal amount according to each country’s tax provisions and the tax rates that have been defined or announced and are highly likely to become effective. Current tax is tax that should be paid or received for the current year and includes any adjustments to current tax for prior years. In the case of items recognized directly in equity or other comprehensive income, any tax effect on equity or other comprehensive income is also recognized. Deferred income tax is recognized using the balance sheet method, by which deferred income tax is calculated on all temporary differences between the tax bases of assets and liabilities and their carrying amounts. Deferred tax assets are recognized to the extent it is probable that future taxable profits will be available against which the amounts can be utilized.

Analysis of Operating Results

The table below sets forth consolidated income statement data for the periods indicated:

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions)	2023	2024	2025	2025	2026
Consolidated Income Statement Data					

(€ millions)	For the year ended December 31, Topholding 2023	Topholding 2024	Verisure plc 2025	For the three months ended March 31, Topholding 2025	Verisure plc 2026
Revenue	3,090.0	3,408.0	3,745.4	919.9	1,019.3
Cost of sales	(1,604.0)	(1,760.6)	(1,933.9)	(477.1)	(510.8)
Gross profit	**1,485.9**	**1,647.4**	**1,811.5**	**442.8**	**508.5**
Selling expenses	(375.2)	(391.0)	(421.5)	(103.3)	(109.7)
Administrative expenses	(902.0)	(953.9)	(1,096.9)	(239.7)	(282.4)
Other income	4.3	4.9	5.6	1.1	5.4
Operating profit	**213.0**	**307.4**	**298.7**	**100.9**	**121.8**
Financial income	15.9	28.0	2.0	0.3	41.6
Financial expenses	(549.6)	(523.5)	(496.9)	(131.2)	(72.9)
Profit or (loss) before tax	**(320.6)**	**(188.1)**	**(196.2)**	**(30.0)**	**90.5**
Income tax (expense)/credit	42.7	3.2	(59.7)	(13.3)	(28.7)
Net profit or (loss) for the period	**(278.0)**	**(184.9)**	**(255.9)**	**(43.3)**	**61.8**

The discussions set forth below provide a separate analysis of each of the line items that comprise our consolidated income statement for each of the periods described below. Our consolidated income statement data for the years ended December 31, 2025, 2024 and 2023 and for three months ended March 31, 2026 and 2025 are presented on an adjusted basis giving effect to changes in accounting principles as more fully described in Financial Statements included elsewhere in this Offering Memorandum. Foreign exchange rate changes have had a translation impact on our reported operating results in the periods presented below, since a portion of our operations have functional currencies other than our applicable presentation currency. As further described in section "*Risk factors – Risks related to our business and operations – We are exposed to risks associated with foreign currency fluctuations as we translate our financial results into EUR*", our primary exposure is to the SEK, BRL and NOK. For the year ended December 31, 2025, 73.7% of our revenue was denominated in EUR, 15.5% was denominated in SEK, BRL and NOK and 10.8% of revenue was denominated in other currencies. In preparing our financial statements, translations in currencies other than our functional currency are recognized at the rates of exchange prevailing at the dates of transaction. Accordingly, our results for each of the periods presented have been impacted by fluctuations in foreign exchange rate.

Three months ended March 31, 2026 and 2025

Revenue

The following table shows the split of our revenue by market segment for the three months ended March 31, 2026 and 2025:

(€ millions, other than percentages)	For the three months ended March 31, 2025	Percentage of total revenue	For the three months ended March 31, 2026	Percentage of total revenue
	Topholding		Verisure plc	
Revenue by segment				
Portfolio Services	797.0	86.6%	899.2	88.2%
Customer Acquisition	98.3	10.7%	93.7	9.2%
Adjacencies	24.6	2.7%	26.4	2.6%
Total	**919.9**	**100%**	**1,019.3**	**100%**

Total revenue for the three months ended March 31, 2026 increased by 10.8%, or EUR 99.4 million, to EUR 1019.3 million from EUR 919.9 million for the three months ended March 31, 2025. The increase is primarily due to increase in Portfolio Services revenue, which is driven by a higher number of customers and an increase in ARPU.

Revenue for Portfolio Services for the three months ended March 31, 2026 increased by 12.8%, or EUR 102.2 million, to EUR 899.2 million from EUR 797.0 million for the three months ended March 31, 2025. The increase is primarily due to a higher number of customers and an increase in ARPU.

Revenue for Customer Acquisition for the three months ended March 31, 2026 decreased by 4.7%, or EUR 4.6 million, to EUR 93.7 million from EUR 98.3 million for the three months ended March 31, 2025.

Cost of sales

Cost of sales increased by 7.1%, or EUR 33.7 million, to EUR 510.8 million for the three months ended March 31, 2026 from EUR 477.1 million for the three months ended March 31, 2025. This increase was primarily due to costs associated with a higher number of customers served and an increase in new installations.

Selling expenses

Selling expenses increased by 6.2 %, or EUR 6.4 million, to EUR 109.7 million for the three months ended March 31, 2026 from EUR 103.3 million for the three months ended March 31, 2025. This increase was primarily due to media cost inflation and rebranding costs.

Administrative expenses

Administrative expenses increased by 17.8%, or EUR 42.7 million, to EUR 282.4 million for the three months ended March 31, 2026 from EUR 239.7 million for the three months ended March 31, 2025. This increase was primarily due to IPO related costs.

Finance income

Finance income increased by EUR 41.3 million, to EUR 41.6 million for the three months ended March 31, 2026 from EUR 0.3 million for the three months ended March 31, 2025. The difference between the periods is mainly related to positive revaluation effects on derivative instruments and favorable unrealized exchange rate movements on internal debt.

Finance expenses

Finance expenses decreased by 44.4%, or EUR 58.3 million, to EUR 72.9 million for the three months ended March 31, 2026 from EUR 131.2 million for the three months ended March 31, 2025. This decrease was partly driven by EUR 42.4 million lower net interest income and expense, reflecting lower financing costs following the IPO.

Income tax (expense)/credit

Income tax expense increased to EUR 28.7 million for the three months ended March 31, 2026, compared to EUR 13.3 million in the three months ended March 31, 2025. Current tax expense increased to EUR 40.0 million in the three months ended March 31, 2026, compared to EUR 33.4 million in the three months ended March 31, 2025. This was largely offset by deferred tax benefits of EUR 11.3 million in the three months ended March 31, 2026, and EUR 20.0 million in the three months ended March 31, 2025.

Years Ended December 31, 2025 and 2024

Revenue

The following table shows the split of our revenue by market segment for the years ended December 31, 2025 and 2024:

(€ millions, other than percentages)	**For the year ended December 31, 2024**	**Percentage of total revenue**	**For the year ended December 31, 2025**	**Percentage of total revenue**
	Topholding		**Verisure plc**	
Revenue by segment				
Portfolio Services	2,947.8	86.5%	3,267.8	87.2%
Customer Acquisition	367.4	10.8%	362.2	9.7%
Adjacencies	92.8	2.7%	115.4	3.1%
Total revenue	**3,408.0**	**100.0%**	**3,745.4**	**100.0%**

Total revenue for the year ended December 31, 2025 increased by 9.9%, or EUR 337.4 million, to EUR 3,745.4 million from EUR 3,408.0 million for the year ended December 31, 2024. The increase in revenue was primarily due to increase in the customer base, which increased by 10.0% from 5,611,685 customers as of December 31, 2024, to 6,171,388 customers as of December 31, 2025, as well as the increase in ARPU by 2.2% from EUR 45.6 in 2024 to EUR 46.6 in 2025.

Revenue for Portfolio Services for the year ended December 31, 2025 increased by 10.9%, or EUR 320.0 million, to EUR 3,267.8 million from EUR 2,947.8 million for the year ended December 31, 2024. The increase was primarily driven by a higher number of customers and an increase in ARPU.

Revenue for Customer Acquisition for the year ended December 31, 2025 decreased slightly by 1.4%, or EUR 5.2 million, to EUR 362.2 million from EUR 367.4 million for the year ended December 31, 2024.

Cost of sales

Cost of sales increased by 9.8%, or EUR 173.3 million, to EUR 1,933.9 million for the year ended December 31, 2025 from EUR 1,760.6 million for the year ended December 31, 2024. This increase was primarily due to cost associated with higher number of customers serviced and increased customer installations.

Selling expenses

Selling expenses increased by 7.8%, or EUR 30.5 million, to EUR 421.5 million for the year ended December 31, 2025 from EUR 391.0 million for the year ended December 31, 2024. This increase was primarily due to costs associated with market and advertising, rebranding and commercial activities to support new customer acquisitions.

Administrative expenses

Administrative expenses increased by 15.0%, or EUR 143.0 million, to EUR 1,096.9 million for the year ended December 31, 2025 from EUR 953.9 million for the year ended December 31, 2024. This increase was primarily due to growth in sales and IPO related costs, direct acquisition related costs and one-off items related to various transformational and strategic initiatives.

Financial income

Financial income decreased by EUR 26.0 million, to EUR 2.0 million for the year ended December 31, 2025 from EUR 28.0 million for the year ended December 31, 2024. This decrease was primarily due to fair value changes in derivatives of a positive impact of EUR 16.9 million in the year ended December 31, 2024, compared to a negative impact of EUR 11.4 million in the year ended December 31, 2025.

Financial expenses

Financial expenses decreased by 5.1%, or EUR 26.6 million, to EUR 496.9 million for the year ended December 31, 2025 from EUR 523.5 million for the year ended December 31, 2024. This decrease was primarily due to the repayment of certain indebtedness following the IPO in 2025.

Income tax (expense)/credit

Income tax expense increased to EUR 59.7 million for the year ended December 31, 2025, compared to a benefit of EUR 3.2 million in the year ended December 31, 2024. Current tax expense decreased to EUR 118.2 million in the year ended December 31, 2025, compared to EUR 119.3 million in the year ended December 31, 2024. This was largely offset by deferred tax benefits of EUR 58.5 million in the year ended December 31, 2025, and EUR 122.4 million in the year ended December 31, 2024.

Years Ended December 31, 2024 and 2023

Revenue

The following table shows the split of our revenue by market segment for the years ended December 31, 2024 and 2023:

(€ millions, other than percentages)	**For the year ended December 31, 2023**	**Percentage of total revenue**	**For the year ended December 31, 2024**	**Percentage of total revenue**
	Topholding			
Revenue by segment				
Portfolio Services	2,635.3	85.3%	2,947.8	86.5%
Customer Acquisition	362.3	11.7%	367.4	10.8%
Adjacencies	92.4	3.0%	92.8	2.7%
Total revenue	**3,090.0**	**100.0%**	**3,408.0**	**100.0%**

Total revenue for the year ended December 31, 2024 increased by 10.3%, or EUR 318.0 million, to EUR 3,408.0 million from EUR 3,090.0 million for the year ended December 31, 2023. The increase in revenue was primarily due to the growing customer base, which increased by 8.5% from 5,173,032 customers for the year ended December 31, 2023, to 5,611,685 customers for the year ended December 31, 2024.

Revenue for Portfolio Services for the year ended December 31, 2024 increased by 11.9%, or EUR 312.5 million, to EUR 2,947.8 million from EUR 2,635.3 million for the year ended December 31, 2023. The increase was primarily driven by the higher number of customers in the portfolio as well as increased monthly average revenue per customer (ARPU).

Revenue for Customer Acquisition for the year ended December 31, 2024 increased by 1.4%, or EUR 5.1 million, to EUR 367.4 million from EUR 362.3 million for the year ended December 31, 2023. The increase was mainly due to an increase in new installations compared to last year.

Cost of sales

Cost of sales increased by 9.8%, or EUR 156.6 million, to EUR 1,760.6 million for the year ended December 31, 2024 from EUR 1,604.0 million for the year ended December 31, 2023. This increase was primarily due to growth in the portfolio.

Selling expenses

Selling expenses increased by 4.2%, or EUR 15.8 million, to EUR 391.0 million for the year ended December 31, 2024 from EUR 375.2 million for the year ended December 31, 2023. This increase was primarily due to growth in sales.

Administrative expenses

Administrative expenses increased by 5.8%, or EUR 51.9 million, to EUR 953.9 million for the year ended December 31, 2024 from EUR 902.0 million for the year ended December 31, 2023. This increase was primarily due to growth in sales.

Financial income

Financial income increased by EUR 12.1 million, to EUR 28.0 million for the year ended December 31, 2024 from EUR 15.9 million for the year ended December 31, 2023. This increase was primarily due to the impact from fair value changes in derivatives of a positive EUR 16.9 million in the year ended December 31, 2024, whereas the same impact was negative by EUR 24.1 million in 2023. As a consequence, the impact affected financial expenses in 2023.

Financial expenses

Financial expenses decreased by 4.7%, or EUR 26.1 million, to EUR 523.5 million for the year ended December 31, 2024 from EUR 549.6 million for the year ended December 31, 2023. This decrease was primarily due to the negative impact of EUR 24.1 million from the impact of fair changes in derivates on financial expenses in 2023. In 2024, the corresponding effect is a positive impact of EUR 16.9 million included in financial income. There was also an increase in interest expense by EUR 20.0 million driven by higher total gross debt and a decrease in exchange rate differences, net of EUR 32.8 million, which was primarily due to less negative impact from exchange rate difference from internal loans.

Income tax (expense)/credit

Income tax expense decreased by 92.5%, or EUR 39.5 million, to EUR 3.2 million for the year ended December 31, 2024, down from EUR 42.7 million in the year ended December 31, 2023. Current tax expense increased to EUR 119.3 million in the year ended December 31, 2024, compared to EUR 96.2 million in the year ended December 31, 2023. This was largely offset by deferred tax benefits of EUR 122.4 million in the year ended December 31, 2024, and EUR 138.9 million in the year ended December 31, 2023.

Cash Flows

The following table shows a summary of our cash flows for the years ended December 31, 2025, 2024 and 2023 and for the three months ended March 31, 2026 and 2025.

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions)	2023[1]	2024	2025	2025	2026
Cash flow from operating activities before change in working capital[3]	1,198.2	1,389.4	1,390.2	391.6	453.0
Change in working capital[2]	86.3	(58.9)	(73.2)	(57.4)	(48.4)
Cash flow from operating activities[2][3]	1,284.5	1,330.5	1,317.0	334.2	404.6
Cash flow from investing activities	(884.0)	(918.8)	(1,200.3)	(239.1)	(241.1)
Cash flow from financing activities[4]	(421.7)	(401.9)	(114.6)	(96.2)	(161.8)
Cash flow for the period	(21.2)	9.8	2.1	(1.1)	1.7
Cash and cash equivalents at beginning of period	43.7	21.4	30.1	30.1	30.0
Translation differences on cash and cash equivalents	(1.2)	(1.1)	(2.2)	(0.4)	0.7
Cash and cash equivalents at end of period	21.4	30.1	30.0	28.6	32.4

(1) We have restated the financials for the years ended December 31, 2023 to correctly reflect under IFRS 9 a pre-existing factoring agreement with a financial institution, where a contractual term changed in 2020. There is no impact on the consolidated income statement or on shareholder's equity. Please refer to the Financial Statements included elsewhere in this Offering Memorandum for more information.

(2) We define "working capital" to include inventories, trade receivables and other operating receivables less trade payables and other operating payables.

(3) Consistent with our regular reporting, cash flow from operating activities is calculated after giving effect to tax liabilities.

(4) Consistent with our regular reporting, cash flow from financing activities includes paid interest.

Cash flow from operating activities before change in working capital

Cash flow from operating activities before change in working capital for the three months ended March 31, 2026 was EUR 453.0 million compared to EUR 391.6 million for the three months ended March 31, 2025. The increase was mainly driven by an increase in operating profit and the receipt of a tax refund in the quarter.

Cash flow from operating activities before change in working capital for the year ended December 31, 2025 was EUR 1,390.2 million compared to EUR 1,389.4 million for the year ended December 31, 2024. The increase was mainly driven by movements in working capital, primarily driven by higher levels of trade and other receivables offset by lower inventory and higher other payables.

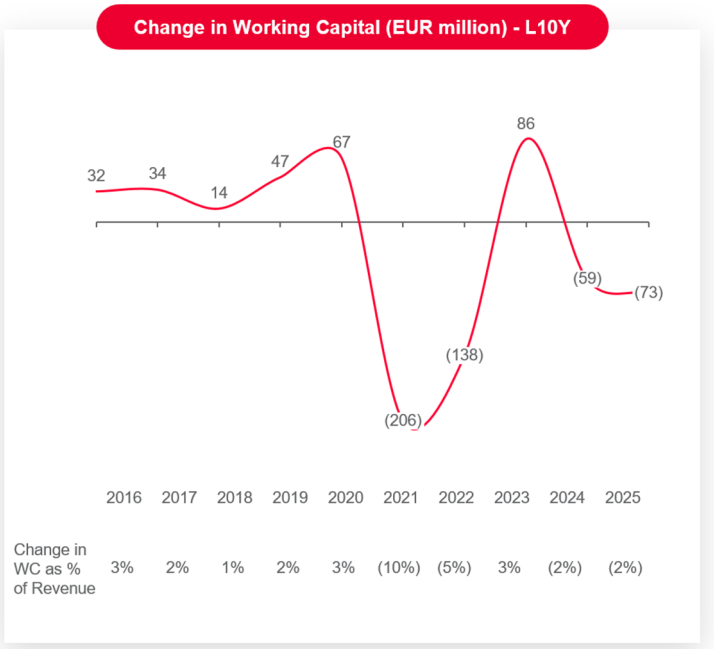
Cash flow from operating activities before change in working capital for the year ended December 31, 2024 was EUR 1,389.4 million compared to EUR 1,198.2 million for the year ended December 31, 2023. The increase was mainly driven by higher operating profit.

Change in working capital

Change in working capital for the three months ended March 31, 2026 was an outflow of EUR 48.4 million, compared to an outflow of EUR 57.4 million for the three months ended March 31, 2025. The primary driver of working capital investment in the three months ended March 31, 2026 was higher inventory, consistent with the customary first-half seasonal pattern.

Change in working capital for the year ended December 31, 2025 was an outflow of EUR 73.2 million, compared to an outflow of EUR 58.9 million for the year ended December 31, 2024. The increase in working capital outflow was mainly driven by higher levels of trade receivables and other receivables, partially offset by a reduction in inventories and an increase in other payables. The increase in trade receivables was primarily linked to the growth in revenues across the Group. Other receivables also increased, mainly reflecting the expansion of the business. These effects were partially offset by a reduction in inventories, reflecting dedicated inventory optimization initiatives implemented across the Group, as well as an increase in other payables, mainly driven by higher employee-related accrued expenses associated with headcount growth across geographies.

Change in working capital for the year ended December 31, 2024 was an outflow of EUR 58.9 million, compared to an inflow of EUR 86.3 million for the year ended December 31, 2023. The decrease was mainly driven by the negative impacts on cash flow generation from inventories, mostly associated with the support for the LockGuard™ product launch, trade receivables and other receivables, which were partially offset by positive movements in cash flow generation from trade payables and other payables.



Cash flow from investing activities

Cash outflow from investing activities for the three months ended March 31, 2026 was EUR 241.1 million, compared to EUR 239.1 million for the three months ended March 31, 2025. The increase relates mainly to increased capital expenditure in R&D, product and service innovation as well as software engineering.

Cash outflow from investing activities for the year ended December 31, 2025 was EUR 1,200.3 million, compared to EUR 918.8 million for the year ended December 31, 2024. The increase relates mainly to increased customer installations and higher upselling activity, higher investment in R&D, product and service innovation, and software engineering.

Cash outflow from investing activities for the year ended December 31, 2024 was EUR 918.8 million, compared to EUR 884.0 million in the year ended December 31, 2023. The increase relates mainly to higher upselling activity to existing customers and higher investment in R&D, product and service innovation and software engineering.

Cash flow from financing activities

Cash outflow from financing activities for the three months ended March 31, 2026 was EUR 161.8 million, compared to EUR 96.2 million for the three months ended March 31, 2025. The increase in outflow from the financing activities in the three months ended March 31, 2026 was mainly due to reduced utilization of the Revolving Credit Facility offset by lower interest payments as a result of both lower interest rates and lower debt levels. Interest payments declined to EUR 82.3 million in the three months ended March 31, 2026 compared to EUR 133.2 million in the three months ended March 31, 2025.

Cash outflow from financing activities for the year ended December 31, 2025 was EUR 114.6 million, compared to an outflow of EUR 401.9 million for the year ended December 31, 2024, reflecting post-IPO refinancing activities in 2025. Compared to the same period in 2024, interest payments decreased to EUR 411.7 million, from EUR 464.8 million, mainly due to lower interest rates and lower debt levels.

Cash outflow from financing activities for the year ended December 31, 2024 was EUR 401.9 million, compared to an outflow of EUR 421.7 million for the year ended December 31, 2023. Key components in the full year of 2024, include interest payments of EUR 464.8 million, positive net changes in borrowings of EUR 75.8 million and paid bank, advisory fees and other financial items of EUR 12.9 million. Compared to the same period in

2023, net interest payments increased by EUR 12.9 million, from EUR 451.9 million, mainly due to increases in the amount of gross debt and increases in the cost of debt.[34]

Capital Expenditures

The Group's capital expenditures primarily consist of (i) Customer Acquisition capital expenditures, which include purchases of equipment for new customers and direct incremental costs related to the acquisition of customer contracts; (ii) Portfolio Services capital expenditures, which relate to new equipment and related direct costs for existing customers; (iii) Adjacencies capital expenditures, which include direct costs related to the acquisition of customer contracts within our Adjacencies segment; and (iv) other capital expenditures related to investments in R&D, IT and premises. The costs of the alarm equipment installed in connection with newly acquired customers are capitalized as tangible fixed assets to the extent we retain ownership of the equipment. The Group also capitalizes the incremental (direct) costs to obtain new customer contracts as intangible fixed assets.

The following table shows a summary of our capital expenditures on a historical basis for the years ended December 31, 2025, 2024 and 2023 and for the three months ended March 31, 2025 and 2026:

	For the year ended December 31,			For the three months ended March 31,	
	Topholding		Verisure plc	Topholding	Verisure plc
(€ millions)	2023[1][2]	2024[1]	2025[1]	2025[1]	2026[1]
Customer Acquisition capital expenditures, material	338.1	326.7	335.2	82.3	85.8
Customer Acquisition capital expenditures, direct costs	239.3	253.8	262.8	65.2	68.6
Portfolio Services capital expenditures	117.8	155.1	191.6	47.6	48.6
Adjacencies capital expenditures	17.3	16.7	5.0	1.5	1.1
Capital expenditures, other	155.9	167.6	186.0	42.7	54.1
Consolidated capital expenditures	**868.5**	**919.8**	**980.6**	**239.3**	**258.2**

(1) The difference between reported capital expenditure and cash flow from investing activities is due to non-cash inflation adjustment under IAS 29 – Financial reporting in Hyperinflationary Economies.

(2) The difference between reported capital expenditure and cash flow from investing activities is due to the investment of EUR 11.4 million in GuardVision™ Camera program, which was classified as an investment in financial assets, not a capital expenditure.

Capital expenditures for the three months ended March 31, 2026 were EUR 258.2 million, compared to EUR 239.3 million for the three months ended March 31, 2025. This increase was mainly driven by the investment in R&D, product and service innovation and software engineering as well as the increase in net customer subscriptions (equipment installations) and continued investment to upgrade existing customers to 2G/3G hardware ahead of the expected network sunsets towards the end of the decade.

Capital expenditures for the year ended December 31, 2025 were EUR 980.6 million, compared to EUR 919.8 million for the year ended December 31, 2024. This increase was mainly driven by the increase in net customer subscriptions, higher investments in technology and innovation as well as an increase in upselling activity to existing customers, including EUR 67.1 million relating to the 2G/3G sunset upgrades, compared to EUR 42.6 million in 2024.

Capital expenditures for the year ended December 31, 2024 were EUR 919.8 million, compared to EUR 868.5 million for the year ended December 31, 2023. This increase is mainly driven by higher upselling and equipment upgrade activities of existing customers and higher investment in R&D, product and service innovation and software engineering.

Since March 31, 2026, up to and including the date of this Offering Memorandum, we have not made any material investments in tangible or intangible fixed assets. As of the date of this Offering Memorandum, we have no material ongoing investments, and we have not made any material commitments regarding any investment in tangible or intangible assets.

Liquidity, Liabilities and Financing Agreements

Our primary sources of liquidity are cash and cash equivalents, short-term deposits, cash flow from operations, and undrawn committed facilities (primarily the Revolving Credit Facility). Our primary liquidity requirements are

[34] Net interest payments in Topholding Audited Consolidated Financial Statements include interest received, which is included within cash flow from investing activities in the Verisure plc Audited Consolidated Financial Statements and March 31 Consolidated Financial Statements.

to fund our customer acquisition operations, including category-creating marketing spend, to invest in product and service innovation, to service our debt and for other general corporate purposes. Our ability to generate cash from our operations depends on our future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond our control, as well as other factors including those discussed in the section entitled "*Risk factors*".

Lease liability (IFRS 16)

As of March 31, 2026, the IFRS lease liability increased to EUR 218.0 million, up by EUR 24.1 million from EUR 193.9 million as recorded on March 31, 2025. On December 31, 2025, the lease liability stood at EUR 209.0 million.

Off-Balance Sheet Transactions

We are not a party to any material off-balance sheet arrangements.

Receivables Financing

To enhance the payment plan flexibility to our customers, some of the Group's entities offer to finance part of the upfront fee, i.e., the customer gets the opportunity to pay the financed amount in monthly instalments, typically over a three-year period. This offered service supports the Group's growth and profitability targets and may be arranged in two alternative ways: external or internal financing.

External Financing

We have established a strategic alliance with a financial institution that has successfully expanded over the past decade in Spain, one of our major markets. This partnership involves the bundling of our services with mortgages and insurance products offered by the financial institution and includes a factoring component.

As part of these factoring arrangements, customer receivables are transferred to our strategic partner in exchange for cash. Where we retain the customer payment default risk on the factored receivables, we recognize a corresponding financial liability in our consolidated financial statements until the full amount of such receivables is collected from the customer.

Quantitative and Qualitative Information Regarding Market and Operating Risks

The principal categories of financial risk to which we are exposed are credit risk, liquidity risk, offsetting financial assets and financial liabilities, foreign exchange risk, market risk and interest rate risk. For a summary of, and additional information regarding, our financial risk management, please see note 22 in the section "*Consolidated financial statements of Verisure Group Topholding AB—Full year 2024, 2023, 2022—Notes*", note 22 in the section "*Consolidated financial statements of Verisure plc—Full year 2025—Notes*" and note 5 in section "*Unaudited Condensed Consolidated financial statements of Verisure plc—March 31, 2026, 2025—Notes"* of this Offering Memorandum.

Critical Accounting Estimates and Judgments

For a summary of, and additional information regarding, our critical accounting estimates and judgments, please see note 3 in the section "*Consolidated financial statements of Verisure Group Topholding AB—Full year 2024, 2023, 2022—Notes*", note 3 in the section "*Consolidated financial statements of Verisure plc—Full year 2025—Notes*" and note 2 in section "*Unaudited Condensed Consolidated financial statements of Verisure plc—March 31, 2026, 2025—Notes"* of this Offering Memorandum.

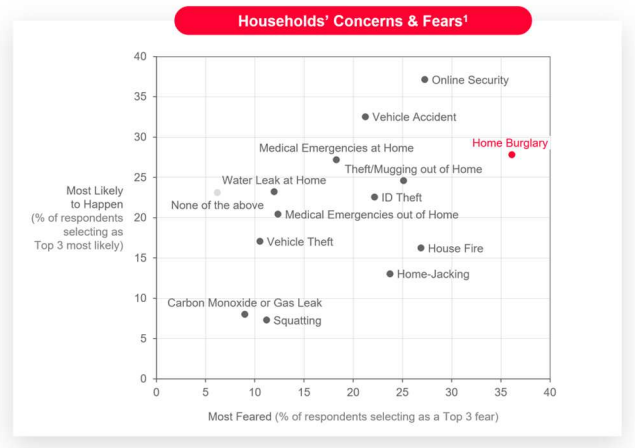
INDUSTRY

Our category: professionally-monitored security

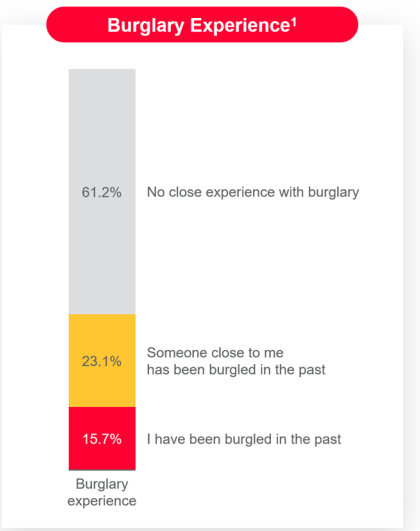
We operate within the professionally-monitored security category of the broader security market. We believe that everyone has the right to feel safe and secure, and we are committed to protecting what matters most to our customers.

We believe families have the fundamental right to feel safe and secure in their homes. Yet, families continue to face concerns and fears, such as intrusion, burglary, fire and domestic emergencies. Historically, mitigation of these concerns typically involved a range of passive physical protection solutions, such as fences, strong doors, multiple locks, shutters, or over time, self-monitored solutions such as neighbors, dogs, bell alarms, as well as self-monitored alarms and connected cameras. More recently, families are increasingly turning to active protection by means of a professionally-monitored solution, which ensures 24/7 monitoring for incidents and rapid intervention whenever required.

When families are queried on their concerns and fears related to home security, certain fears are ranked higher than others. Our most recent consumer research, conducted in October 2025 involving close to 14,000 households across Verisure's European footprint, shows that weighted by population, an average of 36% of European families list burglary as one of their top three fears. This percentage is higher than any other consumer fear covered in the survey. Other home-related risks, such as fire or domestic emergencies, also rank high among household concerns.



(1) Company Data Analysis, October 2025. Based on a sample of 13,567 households across 13 European countries, weighted by population.



(1) Company Data Analysis, October 2025. Based on a sample of 13,567 households across 13 European countries, weighted by population.

Consumer fears appear to be grounded in reality. Our consumer research studies show that approximately 39% of European families have either experienced a home intrusion or know someone who has, as of October 2025, as illustrated by the graph. The same consumer research also shows that direct or indirect burglary experience was identified as a purchasing driver by about 29% of households that are currently equipped with an alarm system, more than any other potential installation triggers listed in the survey.

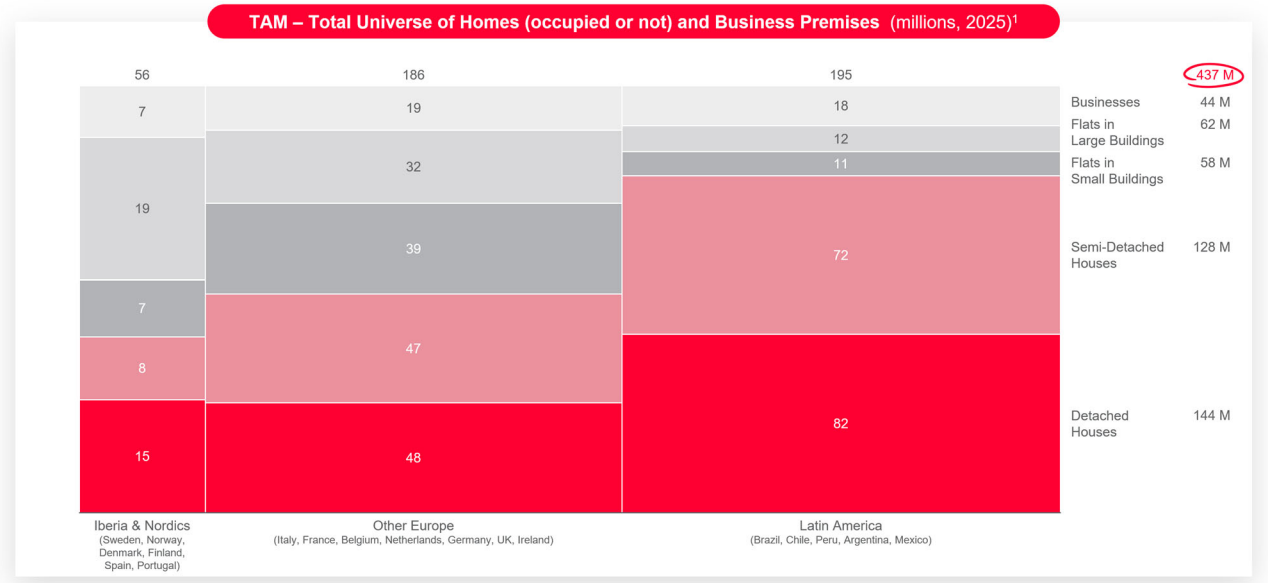
Crime rates vary by country and by city. Different geographical areas also prioritize different home security concerns. While burglaries are, on average, the biggest concern for families, home protection measures are not limited to preventing intrusions. For instance, the same consumer survey indicates that Spanish families are as concerned about home occupation and squatting as they are about burglaries. Furthermore, Norwegian families are twice as concerned about a home fire as they are about a burglary, whereas German families prioritize the risk of a potential medical emergency at home. Monitored security, which allows for rapid identification and response to different types of incidents, provides an adequate solution to a wide range of risk situations.

Large addressable market

Verisure currently operates in 13 countries across Europe (Sweden, Norway, Denmark, Finland, Spain, Portugal, Italy, France, Belgium, the United Kingdom, Ireland, the Netherlands and Germany) as well as in five countries in Latin America (Brazil, Chile, Peru, Argentina and Mexico). We entered Mexico in the fourth quarter of 2025 and have incorporated the relevant market size and penetration data in our calculations of both Total Addressable Market ("**TAM**") and Serviceable Addressable Market ("**SAM**"). We believe our TAM is substantial, comprising all family homes, unoccupied residential dwellings and business premises across these geographies.

Small business owners share similar concerns to those of families. Their place of business is often family-owned and represents a major asset to be protected. Within Verisure, we call these customers "prosumers" and we treat them as belonging to the same addressable market.

As of December 31, 2025, our TAM comprised approximately 437 million homes and small businesses across our footprint.

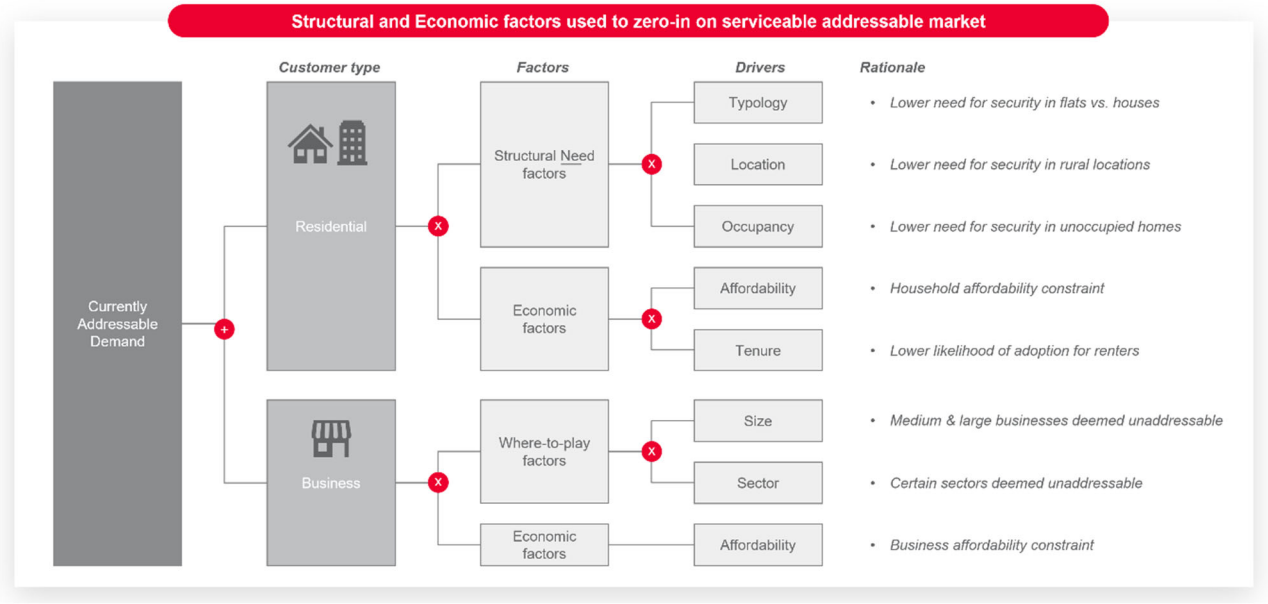


(1) Third-party industry data by Eurostat and national statistics agencies across Latin America.

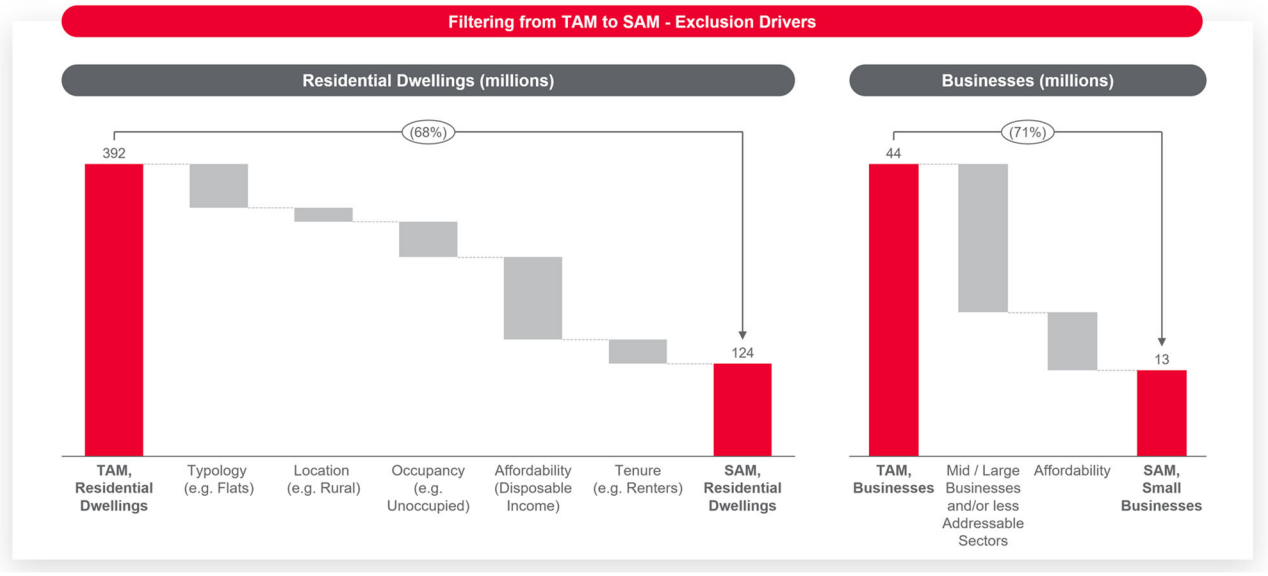
We recognize that not all of our TAM is immediately serviceable. For example, the feeling of insecurity may be higher for those living in a house compared to living in an apartment. Additionally, crime is more prevalent in urban areas than in rural ones; unoccupied dwellings are not always perceived as an asset worth protecting; certain households or business owners may not able to afford the ongoing costs associated with a professional monitoring service; and homeowners typically have more assets to protect than renters, and renters also often face restrictions on making structural changes to the dwelling they occupy.

We benefit from extensive experience in the category and are able to leverage that experience to model and size the SAM for professionally-monitored security. Our starting point is our large TAM of 437 million homes

and small businesses across our geographies. We then account for the different levels of addressability we have measured and observed over time, using criteria including dwelling typology, location, occupancy, affordability and tenure, as well as activity sector for small businesses.

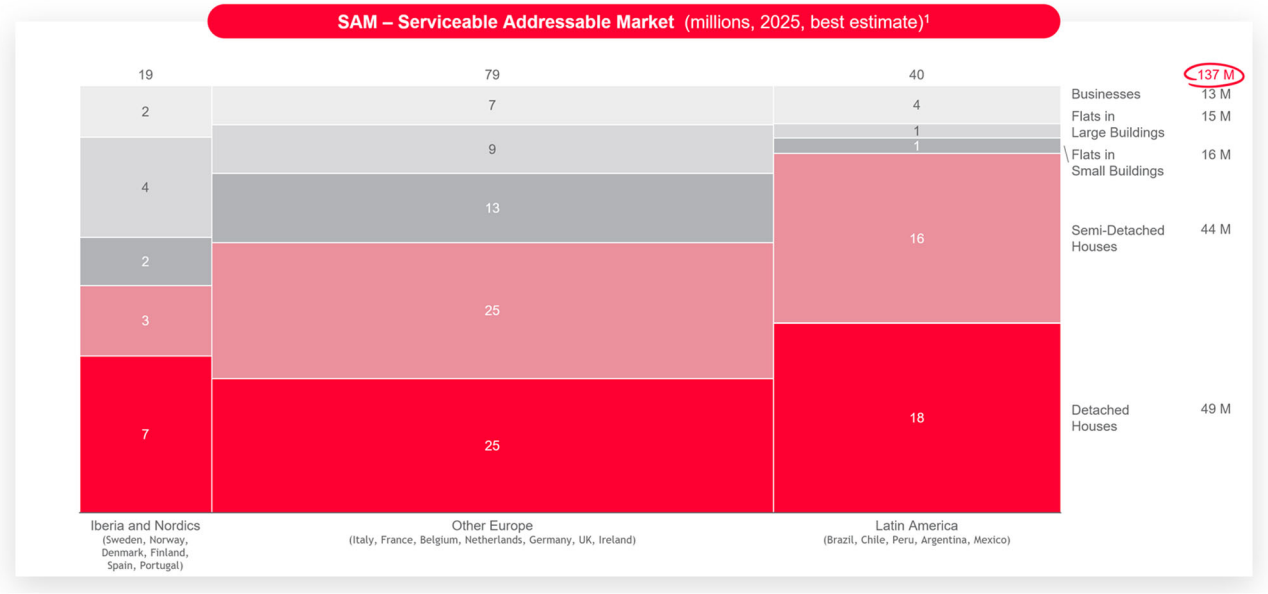


Under our central modelling scenario, we estimate our current SAM to be 124 million homes and 13 million small businesses, for a total SAM of 137 million locations, as of December 31, 2025.



We conduct sensitivity analyses on our model, varying the aforementioned criteria. Based on assumptions made on typology, location, occupancy, affordability and tenure, we estimate that our currently serviceable addressable demand ranges from 12 to 22 million homes and small businesses in our Iberia and Nordics geographic region, 58 to 94 million in our Other Europe geographic region, 23 to 47 million in our Latin America geographic region, for a total of 94 to 163 million addressable homes and small businesses overall, in each case as of December 31, 2025.

The chart below represents our central modelling scenario and best estimate for our current SAM:



(1) Company SAM modelling.

Going forward, we expect our TAM, and consequently our SAM, to experience moderate organic growth, driven by general population growth, household formation (which is typically faster than total population growth, as the average family size declines over the long term), progressive urbanization and an increase in home ownership and disposable income.

As a company, we aim to help expand our SAM beyond its naturally slow growth, mainly through our innovation program. An example is our LockGuard™ connected lock, which we launched in Spain, France and Italy in 2024, followed by Sweden, Norway, Belgium and the Netherlands in 2025. As of December 31, 2025, approximately 208,000 customers were equipped with LockGuard™. This product has shown increased appeal to apartment residents compared to our previous propensity analysis. We see our proven ability to innovate and expand our SAM as a source for additional growth opportunities in the future.

When estimating latent demand, we complement our SAM calculations by comparing the penetration in our geographies with the more mature U.S. market, as well as conducting recurrent consumer surveys. These complementary approaches do not aim to model the potential addressability of our TAM, and we believe they underestimate the potential long-term demand in our markets. Nevertheless, both approaches point to a substantial reservoir of latent demand for professionally-monitored security, which we consider as confirmatory to our SAM modelling.

Penetration in our core geographies vs. the U.S. market

One way we corroborate latent demand for professionally-monitored security is by comparing the observed penetration in our core geographies with the estimated penetration in the United States, a market where monitored security has benefited from a much longer history. Average penetration rates remain much lower in our footprint than in the United States, despite European countries and the United States having fairly similar crime rates.

Several of our European geographies, including Sweden, Norway, Denmark, Spain, Italy, France, Belgium, the Netherlands and the United Kingdom, exhibit higher burglary rates than the United States, according to governmental and police sources.[35] Yet, according to our Company Data Analysis, penetration of monitored alarms as a percentage of the population was approximately 24% in the United States compared to an average penetration rate of monitored security systems of approximately 5% in homes and small businesses across our

[35] Based on 2024 data from Brottsförebyggande Rådet (Sweden), Statistikkbanken (Norway), Danmarks Statistik (Denmark), Ministerio del Interior (Spain), I.Stat (Italy), Ministère de l'intérieur (France), Police Fédérale (Belgium), CBS Statline (Netherlands), gov.uk (UK) and FBI (United States).

European footprint as of December 31, 2025. Overall, we see no structural factors when assessing relative penetration rates that would lead us to believe that Europe cannot meet or exceed U.S. penetration levels.

Bridging the observed penetration gap with the United States over time would mean equipping an additional 45 million European locations with professionally-monitored security, effectively increasing the current European installed base fourfold. Additionally, although reliable statistics on crime in Latin America are limited, our experience indicates that safety concerns are higher in those geographies. With Latin America underpenetrated as compared to both Europe and the United States, the region offers additional growth potential.

Consumer surveys

We also corroborate latent demand for professionally-monitored security by assessing consumer intentions. We commission large-scale consumer research twice a year, covering a wide range of questions to large samples totaling more than 18,000 households across our footprint, and have done so for nearly a decade. Based on those surveys, the declared intention to purchase a professionally-monitored home alarm has been broadly stable over time, even as penetration has increased over the same period. The most recent survey conducted in October 2025 indicated more than 17% of respondents across our 13 European countries express the intention to purchase a professionally-monitored alarm in the next three years. The level of self-reported interest varies from country to country within a 9% to 25% range across our European geographies. We estimate that approximately 5% of European homes were equipped with a professionally-monitored security system as of December 31, 2025.[36]

Such levels of purchasing intentions, when applied to the total population across those 13 countries, would result in an increase of 32 million professionally-monitored alarms, effectively tripling the current European installed base. While we acknowledge the limitations of relying on declarations of intention, we view these results as positive confirmations of interest in our category. When queried, families express strong interest in our category.

Competitive landscape

The competitive structure in the professionally-monitored security category is fragmented. We have identified more than 70 professionally-monitored security service providers across our footprint, though we know many more exist.

We estimate that, as of December 31, 2025, the total installed base of professionally-monitored security systems across our footprint totaled approximately 15.8 million, including approximately 5.8 million in our Iberia and Nordics geographic region, approximately 7.2 million in our Other Europe geographic region and approximately 2.8 million in our Latin America geographic region.[37]

As of December 31, 2025, Verisure was the leading provider of professionally-monitored security for homes and small businesses in both our core regions of Europe and Latin America. As of the same date, we estimate that we were also the leading provider of professionally-monitored security for homes and small businesses in the world, both in terms of total number of customers protected and of total annual new installations.

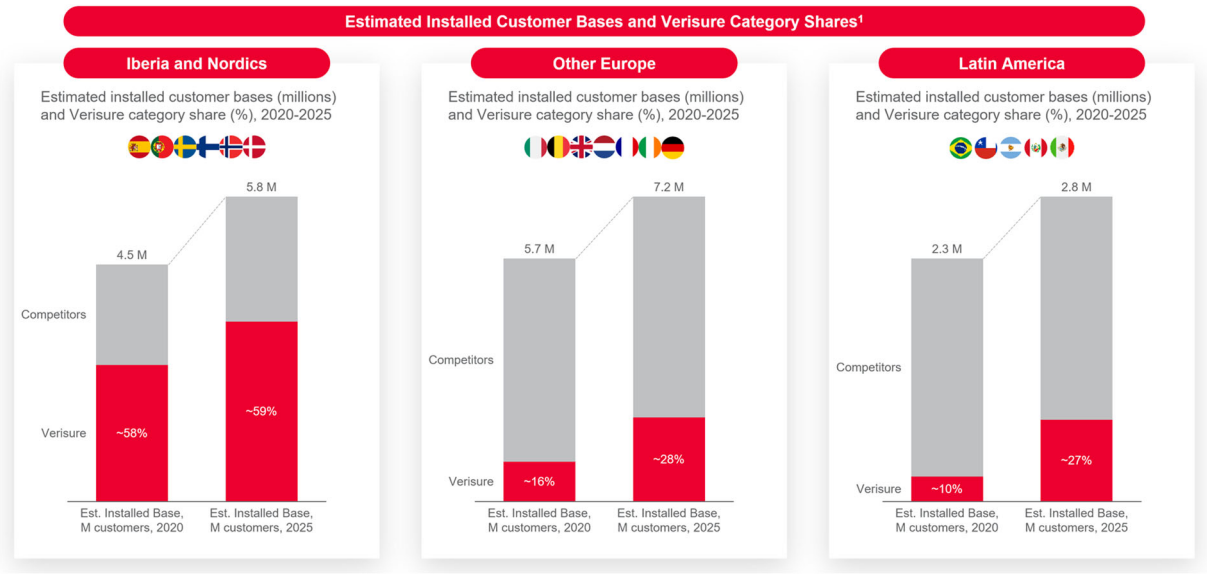
We estimate that as of December 31, 2025, we held an average share of approximately 39% of the total installed base of professionally-monitored security systems for residential and small business customers across our total footprint (including Mexico).[38] This represents a gain of 9% of market share over the approximately 30% share that we estimate we held of the total installed base of professionally-monitored security systems across the same geographies as of December 31, 2020. Between 2020 and 2025, we estimate that we captured more than two-thirds of the growth in the category's installed base across our footprint.

The following graph shows our share of the estimated installed bases of professionally-monitored security systems for residential and small business customers across our geographic regions, as of December 31, 2025, compared to December 31, 2020:

[36] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

[37] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

[38] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.



(1) Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

We have a track record of increasing market share over time and across countries. From December 31, 2020 to December 31, 2025, we estimate that our share of the total installed base of professionally-monitored security systems for residential and small business customers increased from approximately 58% to approximately 59% across our Iberia and Nordics region, from approximately 16% to approximately 28% across our Other Europe region and from approximately 10% to approximately 27% across our Latin America region, respectively.

We also estimate that our category share in Spain grew from 47% of the total installed base of professionally-monitored alarms in 2014 to 57% in 2019 and 63% in 2024.[39]

Some of the other largest players in the professionally-monitored security industry include: Sector Alarm, G4S Security Services and Movistar Prosegur Alarmas in our Iberia and Nordics geographic region; EPS Homiris, Nexecur, IMA Protect, Orange Maison Protégée, ADT Fire & Security and Securitas in our Other Europe geographic region; and ADT Security Services and Prosegur in our Latin America geographic region. Some of these players are affiliated with banks, such as Homiris, Nexecur and IMA Protect, while others are affiliated with telecommunication companies, such as Movistar Prosegur Alarmas, Orange Maison Protégée, and NOS Securitas. Other players, such as G4S Security Services, Chubb and AJAX, do not offer the same breadth of products and services as we do.

Professionally-monitored alarm systems can be delivered through either professional installation or self-installation models. Across our core markets in Europe and Latin America, self-installation has seen comparatively limited adoption, in part due to regulatory requirements governing alarm system certification, installation and maintenance. These frameworks have created operational constraints for self-installed models and shaped the distribution strategies of market participants. For example, alarm hardware is required to be certified in accordance with European Norm standards or similar standards across Sweden, Spain, Portugal, the United Kingdom, the Netherlands and other geographies. Installation on-site is required to be executed by a certified professional installer in all these countries as well as in Norway, Denmark, Belgium and Brazil. Professional maintenance is also required in the aforementioned countries as well as in Chile. Furthermore, applicable rules and regulations affect how quickly first responders such as the police, the fire department or ambulance services, can be dispatched. For example, in France, police will generally only respond to an alarm they have been forwarded once that alarm has been professionally verified. In Spain, police forces require that alarms are verified either through video, audio or personal verification steps in order to be considered a "confirmed alarm". Similar to Spain, in the United Kingdom, police response to intruder alarms follows recently rolled-out guidance by the National Police Chief's Council ("**NPCC**"), under which police generally respond only to verified alarms and may withdraw response after three false alarm activations within a rolling 12-month period.

Across our top 10 geographies, we estimate that, as of December 31, 2025, our weighted-average geographical share, with respect to the total number of customers served (residential and small businesses), was 2.8 times

[39] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

that of our nearest competitor. Across our total footprint, we estimate that, as of December 31, 2025, we were more than six times larger by customer portfolio size than our single largest competitor.

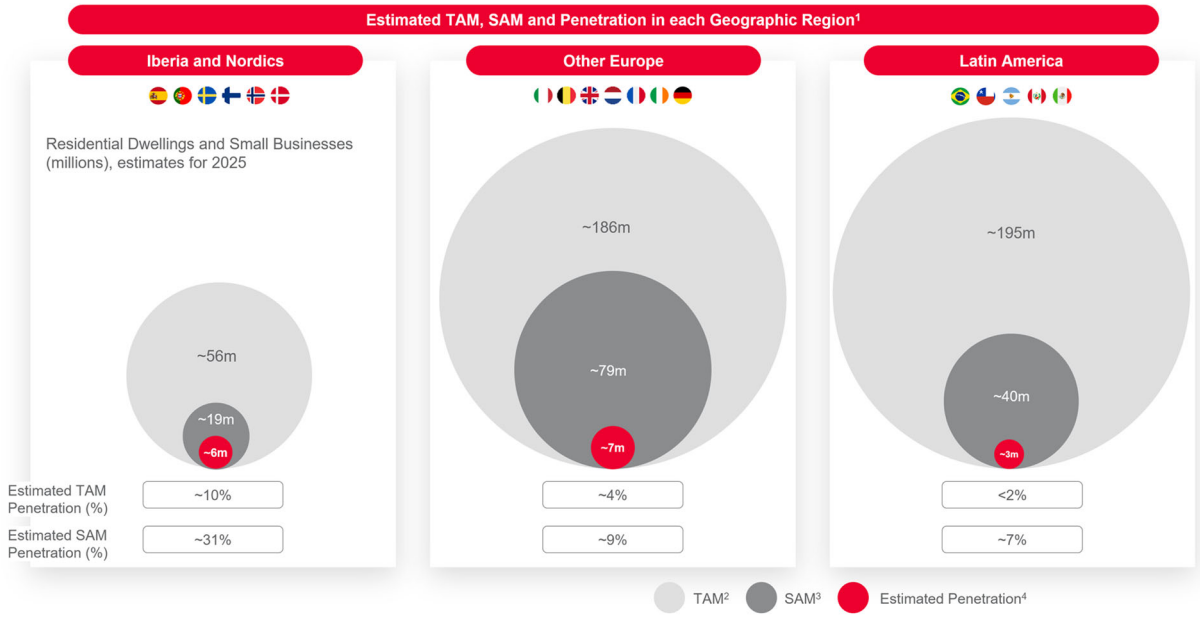
Significant headroom for future growth

Whether compared to the total universe of homes and small businesses in our footprint, or to the estimated SAM in that same footprint, we believe the current penetration levels across our geographies is low.

As of December 31, 2025, the estimated installed base was approximately 15.8 million monitored security systems, representing a penetration rate of approximately 4% of our TAM and a penetration rate of approximately 12% of our SAM across our footprint.

As of the same date, we estimate that the TAM penetration rate was about 10% of all homes and small businesses in our Iberia and Nordics geographic region, about 4% in our Other Europe geographic region, and less than 2% in our Latin America geographic region.

The graph below shows the estimated TAM, SAM and penetration for each of our geographic regions as of December 31, 2025.



(1) Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

(2) TAM = Total addressable residential dwellings and small businesses in Verisure footprint.

(3) SAM = Currently serviceable addressable residential dwellings and small businesses in Verisure footprint.

(4) Penetration = estimated Segment installed base of Professionally-Monitored Alarms.

We believe our category offers substantial potential for future growth within our current TAM and SAM, across all geographic regions and within each country where we operate.

For example, we estimate that in Spain, as of December 31, 2024, our TAM was approximately 31 million homes and small businesses, with our SAM being approximately 9 million homes and small businesses and penetration being approximately 3 million homes and small businesses. We believe that Spain is a good example of how SAM and penetration can be increased over time, driven by our ability to target new segments, combining innovations in our value proposition with a strong marketing share of voice and an enhanced go-to-market approach. We estimate that in Spain, as of December 31, 2014, our TAM was approximately 28 million homes and small businesses, with our SAM being approximately 6 million homes and small businesses but penetration being only approximately 1.5 million homes and small businesses. Between 2014 and 2024, penetration in Spain has approximately doubled.

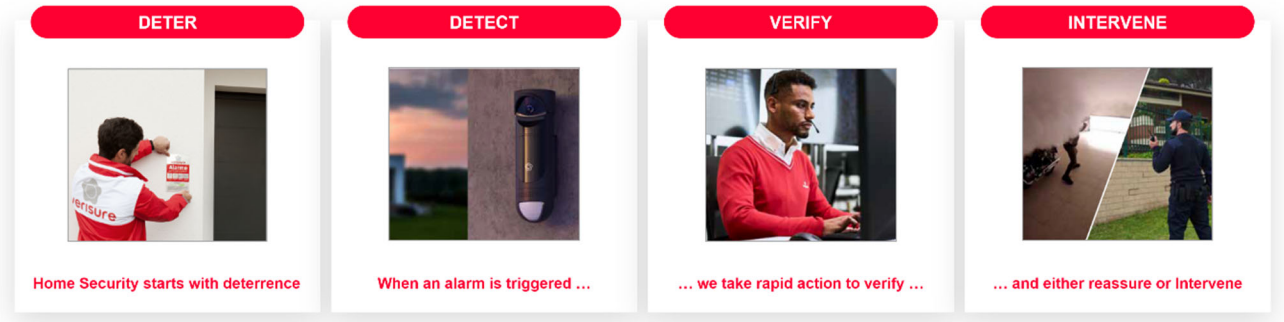
We believe we have a strong track record of activating and capturing that underlying market potential. See section "*Business—Our Strengths—Strategic and operational strengths: our differentiated playbook*".

BUSINESS

Overview

The Group is the global leader in professionally monitored security services by customers served, with a market-leading presence across Europe and Latin America.[40] We believe that everyone has the right to feel safe and secure, and we are committed to protecting what matters most to our customers. We are proud that, as of March 31, 2026, close to 6.3 million families and small businesses placed their trust in us. It is our responsibility, and we take it seriously.

We work to protect our customers against intrusion, burglary, fires, physical attack, home occupation, theft from a business, life-threatening emergencies and other hazards that may risk the safety, wellbeing or condition of our customers and their properties. We define our service offering by the following four pillars: *Deter*, *Detect*, *Verify* and *Intervene*.



We are highly intentional in our business focus. We provide differentiated products and services that generate recurring revenues to residential homes and small businesses across Europe and Latin America. We do not pursue large enterprises or government installations, and we avoid low-price, low-content and non-monitored systems that lack a path to recurring revenue, and we do not operate in the United States, Asia or Africa. As of March 31, 2026, our customer portfolio comprised 81% residential households and 19% small businesses, with 88% of our customer portfolio located in Europe and 12% in Latin America.

We are not a hardware business; our products are the platform that supports our subscription-based service model, generating recurring revenue. Our annualized recurring revenue ("**ARR**") has seen a steady increase since 2015, with a compound annual growth rate ("**CAGR**") of 14% from 2015 to 2025. For the year ended December 31, 2025, approximately 92% of our revenues were recurring.

We operate a highly integrated business model with full control over the value chain, including in-house services such as product and service innovation, category-creating marketing, sales and installation expertise, maintenance, customer service and support, 24/7 monitoring, expert verification and remote intervention. The final intervention step of our value chain, including guarding, policing, health emergencies and fire response, is completed by third-party partners who respond to incidents.

We are highly active in our marketing and commercial efforts, dedicating significant resources to further grow awareness of our brand and stimulate demand for the category. Our brand awareness is high in most geographies where we operate. For example, in each of Spain, Portugal, Italy, France, Belgium, Finland, Brazil, Chile, Peru and Mexico, our prompted brand awareness is higher than 70%.[41]

We attract high-quality residential and small business customers through our marketing-led, booking-based, counselled sales process. We typically sell on appointment, in the customer's house or small business. Our customers co-create their installation with us for all-around protection of the premises, and are invested in our proposition and service. We work hard to ensure our customers remain satisfied during their time with us. This

[40] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

[41] Third-party consumer research. Consumers are shown a list of brands and asked which they recognize as home alarm brands. Figures are reported for "Securitas Direct" and "Securitas" in Spain and Portugal, and for "ADT" in Mexico.

contributes to our industry-leading level of attrition and long customer lifetime. Our customers remain with us, on average, for approximately 15 years.[42] Customer loyalty is one of our strengths.[43]

We sold our first system in Sweden in 1988. Since then, we have grown continuously, developing a recurring revenue security service for residential and small business customers in underpenetrated geographies across Europe and Latin America. We attribute our success to category-creating marketing focused on brand building and activation of latent demand, award-winning innovation, go-to-market excellence and a strong focus on customer experience.

As of March 31, 2026, we protected close to 6.3 million customers across 18 countries. Approximately 88% of our customers are in 13 European countries (Sweden, Norway, Denmark, Finland, Spain, Portugal, Italy, France, Belgium, the United Kingdom, Ireland, the Netherlands and Germany), with the remainder in five Latin American countries (Brazil, Chile, Peru, Argentina and Mexico). We expanded our Latin American footprint when we entered Mexico in the fourth quarter of 2025 through our acquisition of ADT Mexico. In addition, through our Arlo Europe business, we are also a large camera and video surveillance provider, serving more than 1.2 million users across 49 countries as of December 31, 2025, including close to 300,000 customers who subscribed to our premium video service across 33 countries.[44]

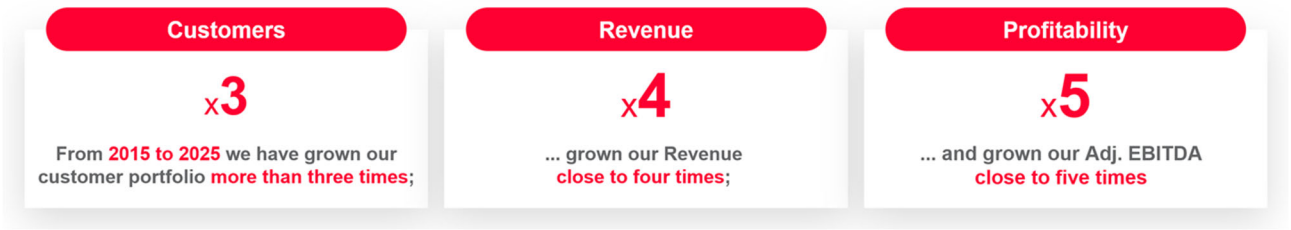
It took approximately 20 years to reach 1 million portfolio customers from 1988 to 2008, and approximately seven years to double our customer base to reach 2 million by 2015. Our investments in innovation, category-creating marketing, go-to-market expertise and customer experience accelerated our growth. We further added 2 million customers to our portfolio over the following 6 years, reaching 4 million customers in 2021.

Our strong growth profile continues, with our new installations growing by a CAGR of 11% for the last 10 years, increasing to close to 873,000 alarm systems installed in 2025, marking the highest annual sales in our history, taking our total portfolio to close to 6.2 million customers served as of December 31, 2025.

According to our estimates, we are well established as the leader in our category across our core regions of Europe and Latin America.[45] As of December 31, 2025, we estimate that we are the leading provider of professionally-monitored alarms worldwide, both in terms of total number of customers protected and of total annual new installations.

We estimate that, as of December 31, 2025, our portfolio size in the professionally-monitored alarms category for residential and small business markets was over six times larger than the second largest player across the geographies where we operate.[46] In 14 of our 18 geographies, we estimate that we are the market leader in terms of the number of customers served, including in all five of our top five markets.[47]

As a business, we aim to serve an ever-growing number of customers, increase the value of the service we provide, and keep costs under control. From 2015 to 2025, we have grown our customer base more than three times, our revenue close to four times and our Adjusted EBITDA close to five times.



[42] Average implied customer lifetime of approximately 15 years calculated based on acquisition cohort decay rates over the past eight years as of December 31, 2025.

[43] Based on publicly reported attrition and churn rates for monitored alarms and telecommunications companies for which such data is available, including ADT, Vivint, Prosegur, Movistar Prosegur Alarmas, Sector Alarm, Vodafone, Orange, Telefónica and TeliaSonera.

[44] These figures do not include Verisure customers who may also have bought Arlo cameras in conjunction with their alarm system. Neither our Seniors nor our Arlo customers are counted in our Verisure customer portfolio.

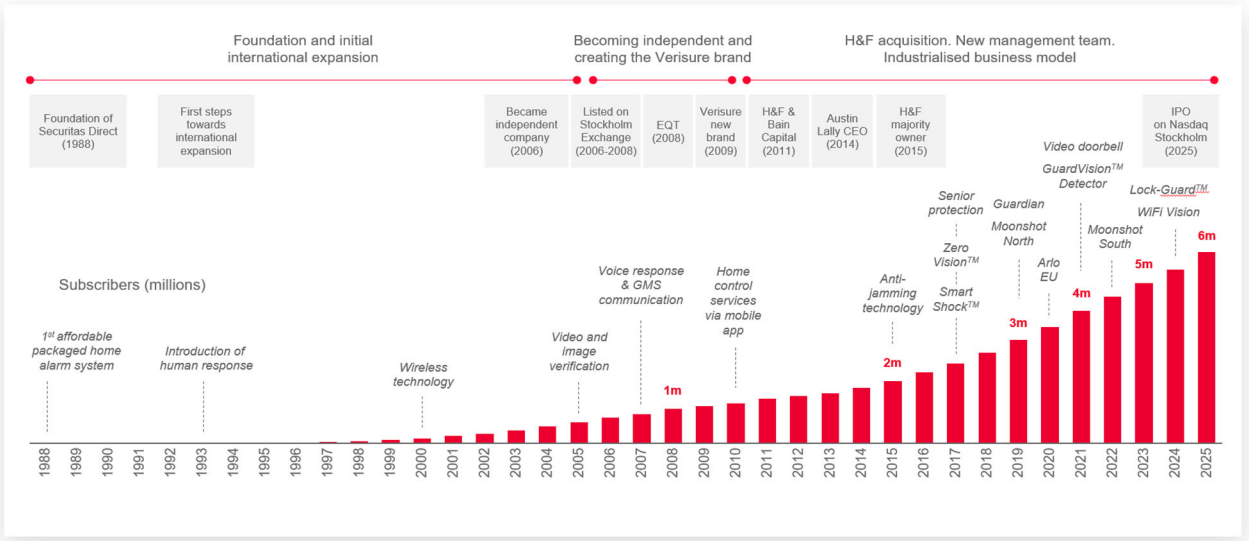
[45] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

[46] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

[47] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

We operate in markets with low penetration and a long runway of growth ahead. Latent demand for home security remains very large. We believe our service offering, market position and scale mean that we are well-suited to continue to create and capture future category growth across our footprint.

Our History



Foundation and initial international expansion

Our company was founded in Sweden in 1988 as a division of Securitas AB, initially focusing on the Swedish residential home security market category. Within our first ten years of operations, we expanded internationally in the Nordic and Southern European regions, entering the home security market categories of Norway, Denmark, Finland, Spain and France, with subsequent expansion into Portugal in 2001 and Belgium in 2002.

Spin-off, listing on the OMX Stockholm Nordic Exchange, EQT acquisition and launch of the Verisure brand

In September 2006, we spun-off from Securitas AB and were listed on the OMX Stockholm Nordic Exchange. In 2008, we were delisted and taken private, following a public offer by ESML Intressenter AB (indirectly owned by EQT V, a fund managed by EQT AB, a private equity investor).

In 2009, the Verisure brand name was launched. That same year, we entered Latin America by establishing operations in Chile.

Hellman & Friedman and Bain Capital acquisition and new Company Management Team

The Company was subsequently acquired from EQT V jointly by Hellman & Friedman and Bain Capital, L.P. (Bain Capital) in 2011.

We entered Brazil in 2011 and Peru in 2013. We also continued to expand in Europe, entering Italy in 2013 and the United Kingdom in 2014. In 2014, Austin Lally was appointed Chief Executive Officer as part of the new management build-out carried out by Verisure's new owners.

Hellman & Friedman ownership and industrialized business model

In late 2015, Hellman & Friedman acquired Bain Capital's stake in Verisure, making it the majority shareholder and sharing ownership with management, who held a minority stake. Hellman & Friedman is a global private equity firm with a distinctive investment approach focused on a limited number of large-scale equity investments in high-quality growth businesses. Hellman & Friedman seeks to partner with world-class management teams where its deep sector expertise, long-term orientation, and collaborative partnership approach enable companies to flourish. Hellman & Friedman targets outstanding businesses in select sectors, including technology, financial services, healthcare, consumer services & retail, and information, content & business services. Since its founding in 1984, Hellman & Friedman has invested in over 100 companies and has over $115 billion in assets under management as of December 31, 2024.

The Company's new headquarters were established in Switzerland in 2017.

In July 2017, Hellman & Friedman sold a portion of its stake in Verisure to Eiffel. In January 2019, Hellman & Friedman sold a further stake to Eiffel, and, in April 2019, Hellman & Friedman sold a stake in Verisure to Corporación Financiera Alba.

In December 2020, Hellman & Friedman reviewed and extended its long-term commitment to Verisure by completing the transfer of its indirect shareholdings in Verisure, from Hellman & Friedman Capital Partners VII, L.P. to certain new Hellman & Friedman managed entities, including Hellman & Friedman Capital Partners IX, L.P (the "**2020 Business Combination**"). In accordance with IFRS 3: Business Combinations, this transfer of shareholdings resulted in a change in control and a significant uplift in asset values due to the fair valuation adjustments at the time of the transfer. The fair value adjusted assets, defined as acquisition-related items, are depreciated and amortized over their useful lives (when applicable) in the consolidated financial statements of the Group. Since this transfer of indirect shareholdings did not have any impact on the underlying Verisure trading activities, and in order to present in a more transparent view, the depreciation and amortization charges arising on these new/incremental acquisition-related items have been excluded when presenting Adjusted EBIT and Adjusted net profit or loss.

According to Euroclear Sweden AB and public notifications to the SFSA, as of December 30, 2025, Hellman & Friedman owned approximately 43.7% of the Issuer through Aegis 1A.

In 2018, we separated our Dutch operations from Belgium, creating renewed focus and a platform for growth in the Netherlands. We subsequently continued our expansion, entering Germany in 2018, Argentina in 2019, Ireland in 2022 and Mexico in 2025.

*The Initial Public Offering (the "**IPO**")*

On October 8, 2025, we successfully completed our IPO and our ordinary shares commenced trading on Nasdaq Stockholm. The IPO consisted of 238,113,207 ordinary shares, comprising 233,962,264 newly issued shares sold in a primary offering and 4,150,943 existing shares sold in a secondary offering, at an offering price of €13.25 per share. On October 23, 2025, the Overallotment Option of an additional 33,042,453 ordinary shares was exercised in full, resulting in aggregate gross proceeds of approximately €3.6 billion.

The IPO represented the largest-ever European private equity-backed initial public offering, one of the largest listings globally in 2025, the largest initial public offering in Europe in over three years, and the largest initial public offering in Sweden in 25 years.

According to Euroclear Sweden AB and public notifications to the SFSA, as of December 30, 2025, Aegis 1A held approximately 43.7% of the share capital of Verisure plc. Eiffel, Alba and Securholds Spain S.L. held approximately 16.0%, 6.3% and 5.4%, respectively. Company and company-related shareholders held approximately 3.9% of the share capital of Verisure plc as of December 30, 2025, and other shareholders held approximately 24.7%. See "*Principal Shareholders*."

Aegis 2 Redemption and Liquidation

Following the IPO, certain shares in Aegis 2 were redeemed in order to distribute proceeds from the IPO received by Aegis 2 and certain shares in Verisure plc to certain shareholders in Aegis 2 (the "**Redemption**").

On December 30, 2025, Aegis 2 was placed into liquidation (the "**Aegis 2 Liquidation**") and, as part of the Aegis 2 Liquidation, on December 30, 2025 and January 2, 2026, Aegis 2 distributed certain assets to its shareholders (the "**Aegis 2 Distribution**"). These assets principally comprised the shares in Verisure plc held by Aegis 2.

Our Geographies

As of March 31, 2026, we operated our monitored security services in 13 European countries (Sweden, Norway, Denmark, Finland, Spain, Portugal, Italy, France, Belgium, the United Kingdom, Ireland, the Netherlands, and Germany) and five Latin American countries (Brazil, Chile, Peru, Argentina and Mexico).

As a pure-play provider, we strive to operate a homogenous, predictable, replicable business model in each of the geographies in which we operate (with some level of natural local adaptation). Our objective is to continuously codify, industrialize and replicate our business model across geographies while maintaining strong local accountability.

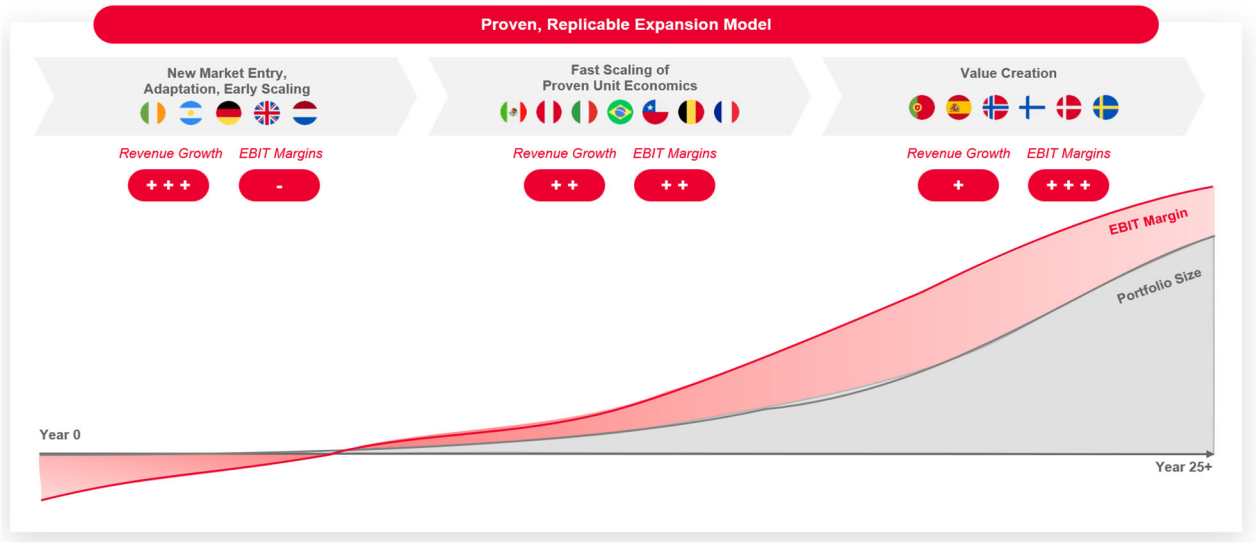
But as our geographies mature over time, we recognize different stages in their lifecycle depending on their maturity level, with each stage characterized by a distinct economic and growth profile:

- **Market entry**: Entry into a new market does not typically require major investment to get started, as we already have a platform with established business model and required technologies in place and no existing portfolio to manage in that region. We focus on understanding local sales characteristics, testing and adapting elements as needed. We start by building out a small number of sales branches and making modest investments to generate a level of booked appointments. We grow quickly, focusing on targeted regions and progressively scaling our branch network. The early years in a country typically include fast portfolio growth from a low base, while profitability is low.

- **Fast scaling**: Upon satisfactorily completing our market entry stage, we invest with confidence, as we have already proven an attractive set of economics. We understand labor costs, the ability to grow the salesforce, how to generate demand, local marketing costs and the right pricing levels. We expand the regional coverage build-up within the market, with revenue growth remaining high and profitability improving.

- **Mature value creation**: When markets reach higher levels of penetration, revenues continue to grow and profit delivery increases rapidly. For instance, Spain has notably demonstrated a CAGR of 15% in its Portfolio Services Adjusted EBITDA between 2014 and 2024, and has a Portfolio Services Adjusted EBITDA margin several basis points higher than the Group as a whole. This is because the profits from the portfolio of existing customers exceed what we could sensibly deploy in new customer acquisition without compromising intake quality or maintaining strong control over customer acquisition investments. As the share of new additions to portfolio size declines, the share of Customer Acquisition Cost[48] to portfolio cash flows (defined as Portfolio Reinvestment Rate) naturally declines, driving increased cash flow conversion over time.

Over time, we expect countries within our new market entry geographic regions to mature and progressively resemble our more mature European geographies.



The lifecycle stages and their differing economics are evident within our geographic regions, which are closely aligned with these general concepts. We believe that each of our geographic regions presents significant opportunities for growth due to the low penetration rates within our current footprint.

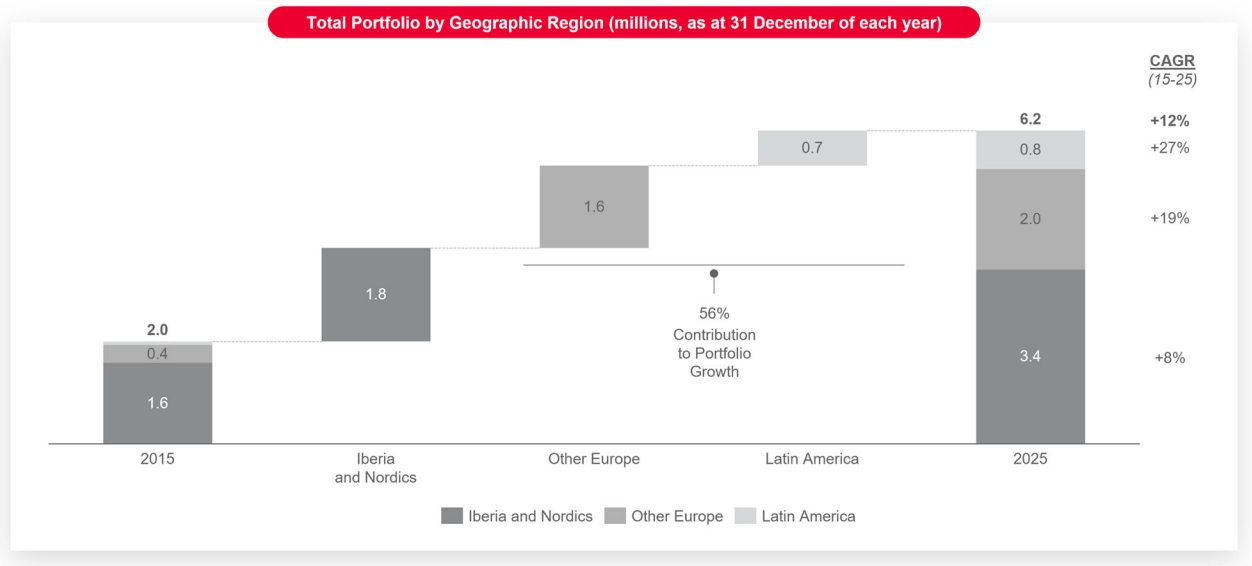
- Our "**Iberia and Nordics**" region, representing our earlier market entries where we have been operating for more than 30 years, delivers high profitability and solid revenue growth. The total market penetration rate in this geographic region as of December 31, 2025 was approximately 10% of all residential and business premises, with the total number of installations estimated to be close to 6 million out of a TAM of 56 million locations.

[48] Customer Acquisition capital expenditures consist of purchases of equipment for new customers and direct incremental costs related to the acquisition of customer contracts.

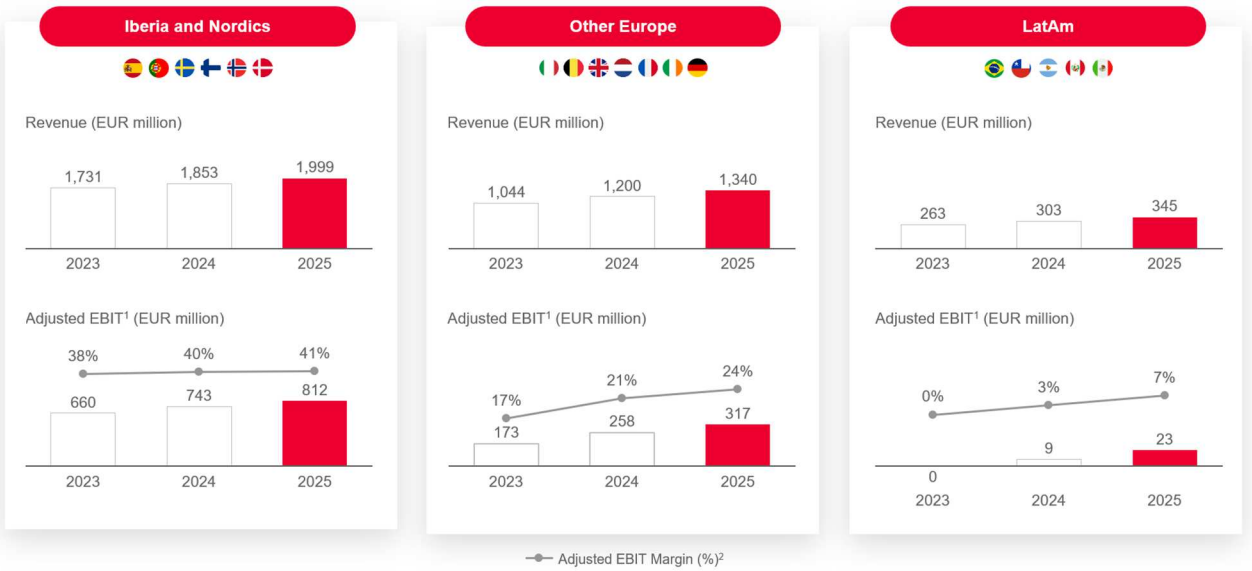
- Our "**Other Europe**" region, representing more recent market entries, delivering faster growth and already showing strong profitability, which improves rapidly over time. The total market penetration rate in this geographic region as of December 31, 2025 was approximately 4% of all residential and business premises, with the total number of installations estimated to be more than 7 million out of a TAM of 186 million locations.

- Our "**Latin America**" region currently demonstrates the fastest growth rate, with lower profitability levels in this region, in line with the earlier stages of development and maturity of our underlying operations in many of these countries. The total market penetration rate in this geographic region as of December 31, 2025 was less than 2% of all residential and business premises, with the total number of installations estimated to be approximately 3 million out of a TAM of 195 million locations.

The contribution of each of our geographic regions to our total customer portfolio and to our portfolio growth from 2015 to 2025 is presented below.



Our revenue, Adjusted EBIT margin and Adjusted EBIT in each of our geographic regions is presented below.



(1) Regional Adjusted EBIT figures shown above (totalling EUR 1,152 million for 2025) exclude Central and Other Group revenues and costs (totalling (EUR 199 million) of Adjusted EBIT for 2025, equivalent to approximately 5% of Group Revenues).

(2) Defined as Adjusted EBIT divided by revenue.

Over time, we expect countries within our new market entry geographic regions to mature and progressively resemble our more mature European geographies.

Our Strengths

Strategic and operational strengths: our differentiated playbook

We believe that our successful trajectory to date has been built on a differentiated playbook, supported by several strategic and operational strengths, and that these same strengths will deliver continued future performance.

Industry Leader across both Europe and Latin America

We are the leading provider of monitored security services for residential households and small businesses in both our core regions of Europe and Latin America. We estimate that, as of December 31, 2025, we are also the largest provider of monitored security services for residential households and small businesses worldwide, both in terms of total number of customers protected and of total annual new installations.

We estimate that, as of December 31, 2025, we were more than six times larger by customer portfolio size than our largest competitor across our total footprint.

As of March 31, 2026, we operated our monitored security service in 18 countries. Based on the Company Data Analysis, we estimate that we are the largest provider of monitored security services in:[49]

- 5 of our top 5 geographies (Spain, France, Sweden, Italy, Brazil),
- 9 of our top 10 geographies (Spain, France, Sweden, Italy, Brazil, Norway, Portugal, Belgium, the United Kingdom, Denmark), and
- 14 of our 18 total geographies.

In our top 10 geographies, we estimate that, as of December 31, 2025, our weighted average share, with respect to the total number of customers served (residential and small businesses), was 2.8 times that of our nearest competitor.[50]

In three of the four countries where we are not currently the leader in terms of portfolio size, we are gaining category share and estimate that we lead in new installations of professionally installed and monitored alarm systems. For example, we saw more app downloads for our Verisure app than for any alarm competitor in the United Kingdom, the Netherlands and Argentina in 2025.[51]

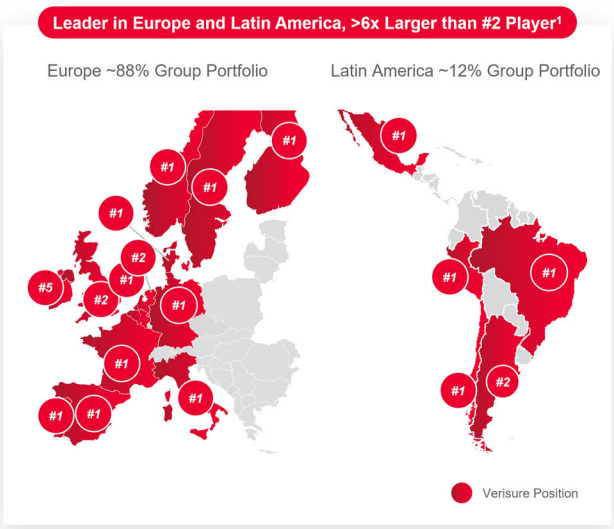
Our strong commercial performance is further reinforced by high customer satisfaction and loyalty (see section "*– High levels of customer loyalty and best-in-class attrition*" below). The combined effect of both higher sales and lower attrition, according to our estimates, enabled Verisure to capture more than two-thirds of the net growth of the category in our footprint between 2020 and 2025.[52]

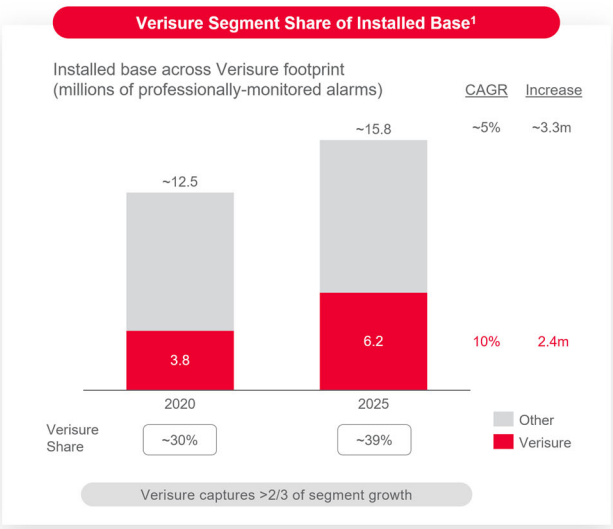
[49] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

[50] Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

[51] Company Data Analysis based on our estimates of App downloads of professionally-monitored security systems for United Kingdom, the Netherlands and Argentina.

[52] Based on publicly reported attrition and churn rates for monitored alarms and telecommunications companies for which such data is available, including ADT, Vivint, Prosegur, Movistar Prosegur Alarmas, Sector Alarm, Vodafone, Orange, Telefónica and TeliaSonera.



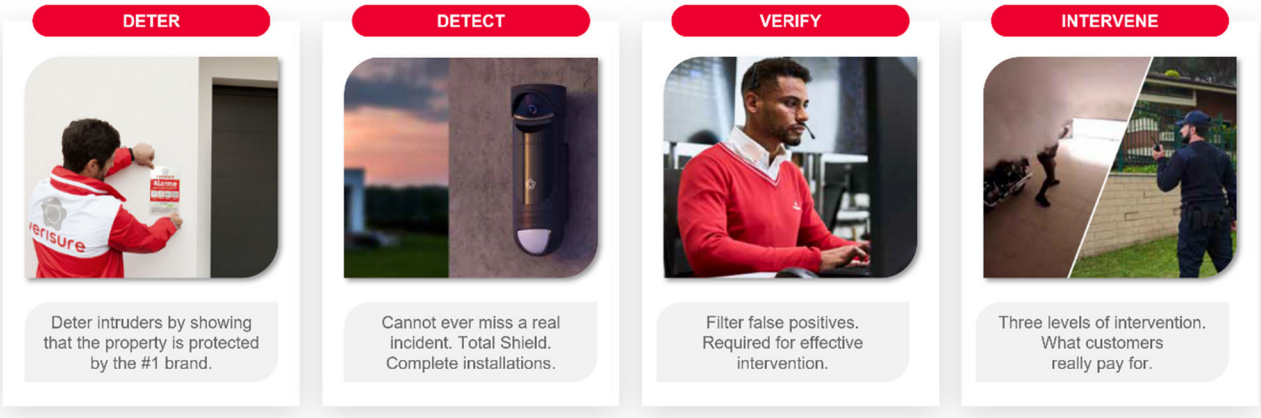


(1) Company Data Analysis based on our estimates of installed bases of professionally-monitored security systems.

We believe our leadership positions and large scale benefit us and will continue to benefit us in the future. We are able to fund substantial investments in innovation and marketing and sustain sizeable commercial efforts, at levels unmatched by competitors in our category. We are also present in more countries than any of our direct competitors and are able to identify and replicate best practices throughout our large footprint, creating a positive reinforcing effect throughout our operations.

Strongly differentiated customer proposition

We are a technology-enabled human services company. We develop and operate our own vertically integrated product and service stack, to deliver a service that is best described as resting on four pillars:



- **Deter**: Home protection starts with deterrence, aiming to deter intruders by showing that the property is protected by Verisure. Deterrence relies on exterior signs placed by the Verisure security expert in plain sight, including warnings about our anti-jamming capabilities and smoke-releasing devices, complemented by alarm sirens. Additional outdoor detectors and cameras can also be positioned prominently in key passage areas to enhance deterrence.

- **Detect**: When an alarm is triggered, our clear objective is to never miss a real incident. Professional installation ensures system effectiveness, range and privacy compliance. Multiple components protect all potential vulnerabilities, including shock sensors that detect intruders before entry, smart locks that protect the front door, and connected video and photo detectors.

- **Verify**: We take rapid action to verify all alerts triggered and delineate real danger from false alarms. This ensures we can act effectively on genuine threats, reducing costs both to us and to public first responders. Our 24/7 in-house monitoring centers rely on multiple sensors including image and two-way audio

communication and typically achieve more than 99% filtering of false alarms across our European footprint by combining AI-based risk prediction and professional human expertise.

- **Intervene**: Our high-quality verification rates enable us to either reassure the customer or intervene with high confidence. We maintain direct links to first responders, including police, fire and ambulance services. Our relationship of trust with those public third parties, earned from decades of experience, allows us to send help promptly. We frequently deploy a guard, employed by a third party, to enhance coverage, reduce response times and attend to the incident. Where customers are equipped with our ZeroVision™ technology, we take immediate action to expel intruders through the release of thick vision-impairment smoke.

The starting point for this service is the devices deployed at the customer premises, typically including:

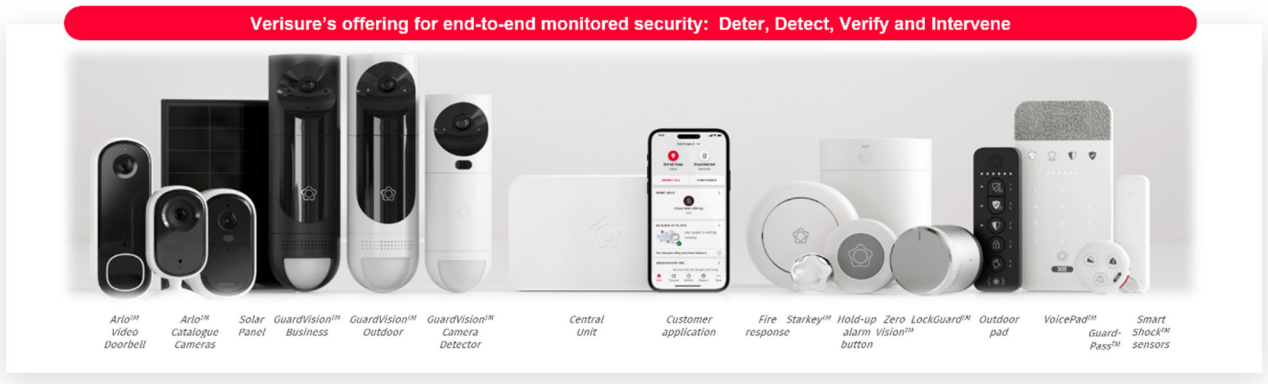
- Our **Central Unit**: This serves as the "brains" of our alarm system. It controls the system's state and response to alarms. It also manages connectivity to the sensors deployed around the protected premise and to our backend via cellular connectivity and the customer internet (if available). It connects to our devices primarily via a proprietary RF protocol.

- Our **VoicePad™**: This is the user interface of the alarm system, allowing the user to control the system. It enables two-way voice communication between our monitoring center agents and the premise when an alarm occurs.

- Our **Smart Shock Sensors**: These detect whether doors and windows are opened and trigger alarms on shock detection.

- Our **GuardVision™ Camera Detectors**: These are motion-activated cameras with an embedded detection algorithm, using proprietary machine learning on the "PIR" sensor. They trigger the alarm upon motion detection and allow for visual verification of the situation.

Our alarm can be managed via our mobile application wherever the customer is. We also offer additional value-add protection services, such as our Verisure Guardian™ service, allowing users to trigger an SOS alarm for response by our monitoring centers via the application from anywhere. In addition, we have multiple other devices that enhance the protection we offer our customers. These can be added at point of installation or through a subsequent later upsell, and include, for example, our connected smoke detectors, hold-up alarm buttons for small businesses, or our LockGuard™, ZeroVision™ and GuardVision™ Outdoors innovations (see "*—Vertically integrated tech stack, fueling continuous innovation*").



All our devices integrate seamlessly with our proprietary alarm management systems. This allows us to control one of Europe's largest IoT networks, with more than 90 million deployed devices, generating approximately 1.5 trillion signals as of December 31, 2025. It combines AI and other advanced signal processing techniques to manage and prioritize our response to alarm signals. This allows our alarm receiving centers to respond to and verify each alarm incident quickly and efficiently, leveraging the sensors deployed in each property, and to manage appropriate responses.

While the best recognition of our technology is in the protection we provide our customers, we have regularly received external design and innovation awards. From 2021 to 2025, for example, our products have garnered

10 awards from Red Dot Design and IF Design,[53] as well as accolades such as 'Product of the Year', 'Consumer Choice', 'Best Home Alarm', among others, across multiple geographies.



In November 2019, we formed a strategic partnership with Arlo, one of the global leaders in connected cameras and video surveillance, and acquired their European operations – Arlo Europe. This partnership enhances and complements our professionally-monitored security offerings and allows us to provide standalone video surveillance services. It also opened new go-to-market opportunities in e-commerce and retail channels. Through Arlo Europe, we are a large provider of camera and video surveillance systems, with more than 1.2 million users served across 49 countries as of December 31, 2025.

Ensuring data security and privacy behind the devices we install is key to maintaining our customers' trust. We operate a 24/7 Security Operations Centre, staffed by more than 60 information security experts, funded by approximately 10% of our IT spend in 2025, and supported by what we believe to be the best-in-class tools and external partners. We also employ about 30 data privacy professionals across our local operations to continuously safeguard our customers' data and comply with the GDPR.

Vertically integrated tech stack, fueling continuous innovation

The end-to-end ownership of the platform, from sensors in the premise to backend signal reception and management, followed by our human intervention process, allows us to innovate and improve the service we provide. We have a strong, long-term track record of product and service innovation, which is critical to the promise made to our customer and enables our growth algorithm. We have chosen to be vertically integrated in our approach, and we aim to control the design, functionalities and cost efficiency of our technology platform.

We operate three main technology centers, with our primary technology hub located in Geneva, Switzerland, supported by two additional centers in Malmö, Sweden, and Madrid, Spain. In November 2025, we announced the planned opening of an additional site in Alicante, Spain. Our Technology organization comprised more than 1,800 technologists (with about half being employees and half being contingent workers) as of December 2025. Our team of technologists collaborates closely with our operations, marketing and sales departments to ensure our developments are strongly rooted in customer insights.

Product and service innovation often creates news, which in turn stimulates demand. Innovation can also increase our addressable market, by unlocking additional demand and bringing new customers to the category. Product innovation, such as a better app experience or a protected lock, may also increase the usage frequency amongst our existing customers. Experience shows that higher usage is correlated with lower customer attrition. New or improved products, services, or internal processes, can also justify higher prices or help reduce costs, thereby improving the profitability of our operations.

We regularly deploy new innovations to our markets, including in recent years:

- **Sentinel Anti-Jamming Alarm**: Our anti-jamming alarm detects attempts to disrupt our wireless communication networks and notifies our backend to allow for an appropriate response via Sigfox, an ultra-narrowband communications protocol.

- **ZeroVision™**: The first affordable battery-operated vision-impairment device. When our monitoring station has evidence of an intrusion, it can remotely detonate the device, releasing thick smoke to quickly fill the protected property, slowing or stopping any on-going theft and expelling the intruder.

[53] The Red Dot Design Award and the IF Design Award are international, annual design competitions for product and industrial design.

- **Verisure Guardian™**: Our SOS service, controlled via our mobile application, allows users to trigger emergency alarms for response by our monitoring centers wherever they are, extending our protection to outside the home.

- **Advanced Monitoring**: A proprietary machine learning model that assesses the threat level for each alarm signal received based on comprehensive data surrounding the installation and the alarm. This allows us to adapt our response protocols based on the level of risk for each incident, accelerating our response to the highest risk events.

- **PreSense™**: Our new-generation alarm platform, increasing our communication resilience and supporting critical new functionalities, such as WiFi Vision™ and HD quality video.

- **GuardVision™**: Security cameras with an on-device proprietary AI detection algorithm. Launched in two versions, indoor and outdoor; with the EN-certified outdoor version leveraging multiple AI and computer vision models to filter out noise and decide when to trigger an alarm.

- **LockGuard™**: An advanced electronic front door lock integrated with the alarm system, using machine learning algorithms to detect tamper attempts and offering remote control and monitoring capabilities. The lock not only increases protection against intrusion but also allows us to facilitate entry for first responders to access the property during a fire or medical emergency.

- **WiFi Vision™**: We are pioneering the commercial deployment of WiFi sensing technology in Europe. This new technology leverages WiFi waves propagating through a property to detect presence and posture, unhindered by (most) walls and, unlike cameras, not constrained by line-of-sight.

We embrace artificial intelligence ("**AI**") wherever we believe its adoption can enhance our proposition, customer experience or our business efficiency. We have created a scalable platform to ensure rapid deployment of AI use cases, while putting in place appropriate compliance, security and quality safeguards. Early examples of innovative AI use cases include:

- **State-of-the-art detection**: For example, our latest outdoor detector, GuardVision™ Outdoors, leverages embedded algorithms to reduce false alarm rates, including on the passive infrared detector signal and the camera images. The latest version of our algorithms has, according to our estimates, reduced false alarms by approximately 28%, with further improvements expected in the future.

- **Alarm risk management system**: We utilize a predictive AI model analyzing alarm signals received at the monitoring station and assessing risk of a real event, using multiple algorithms including image analytics. According to our estimates, we improved our response rate to real events by approximately 13%, while decreasing operator average handling time by approximately 20%.

- **Predictive maintenance**: We use predictive analytics to assess when devices are likely to run out of battery, allowing us to optimize when to replace device batteries and reduce unnecessary maintenance workload. In our Northern European geographies, for example, this helped lower low battery signals by approximately 50% between October 2023 and October 2024 according to our estimates. Across the Company and adjusted for portfolio growth, we observed an approximately 9% reduction in maintenance visits per customer between the first quarter of 2025 and the first quarter of 2026, according to our estimates.

- **Speech analytics**: We use a suite of models to audit marketing calls in our contact center, helping to monitor quality standards and reducing the number of human supervisors required.

Even though we are still in the early stages of capturing the full benefits of the emerging use cases of AI, we already see tangible impacts. For example, in Spain, a comparison of our monitoring station's performance in the second quarter of 2024 compared to the first quarter of 2021 showed that AI adoption led to a 20% reduction in average handling time of alarm signals and a 13% improvement in response to real events. According to our estimates, as of March 31, 2026, we analyzed approximately 250,000 customer calls a month in Spain.

We are committed to protecting our technological advancements through patents, registered designs, and trade secrets. As of March 20, 2026, we have protected 139 inventions across Europe, Latin America and other regions with 572 granted patents and 247 patent applications, covering innovative aspects of our products and services. In addition to this, we protect the distinctive industrial designs of our products and user interfaces with a portfolio of 429 registered designs.

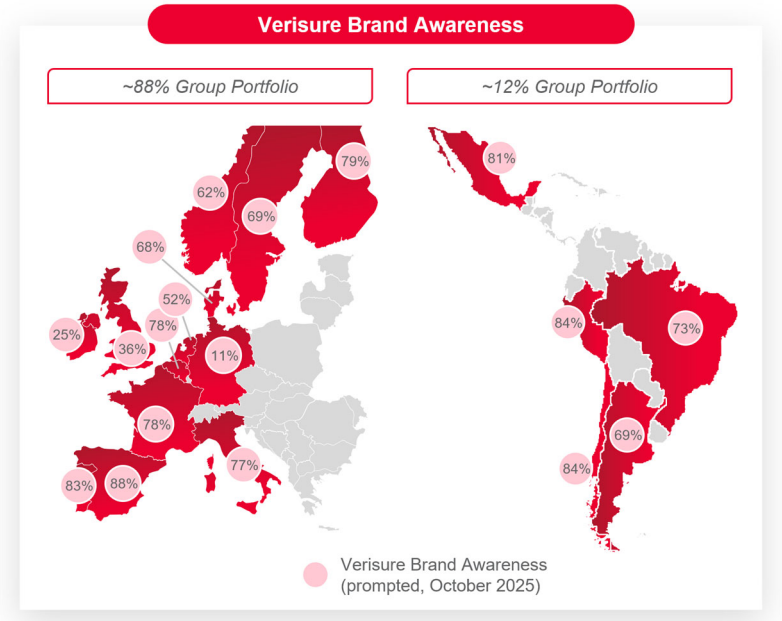
We outsource the manufacture of our products to a limited number of electronic equipment manufacturers, almost all of which are in Asia or Europe, with the share of the former gradually declining and expected to reach approximately 15% of total sourcing by 2027 (from approximately 40% as of December 31, 2025). We have increasingly strengthened contingency plans in place in case of a disruption in supply. For example, we have, in some cases, equivalent products that we can offer our customers, and in others we have alternative suppliers for the affected products. We actively maintain second sourcing for our high runner products. Based on our anticipated spending, we have active second sourcing in place covering approximately 60% of direct spend (either two vendors able to supply the product or two production sites) for 2025, and we plan to implement a second source for an additional 20% of our direct spend in 2026. For the remaining 20% of direct spend, which are low runner items, we rely on a combination of inventory buffering and our suppliers' own business continuity plans. We believe we are also minimally impacted by tariff effects, allowing us to maintain stable operations and consistent service delivery.

Category creating marketing

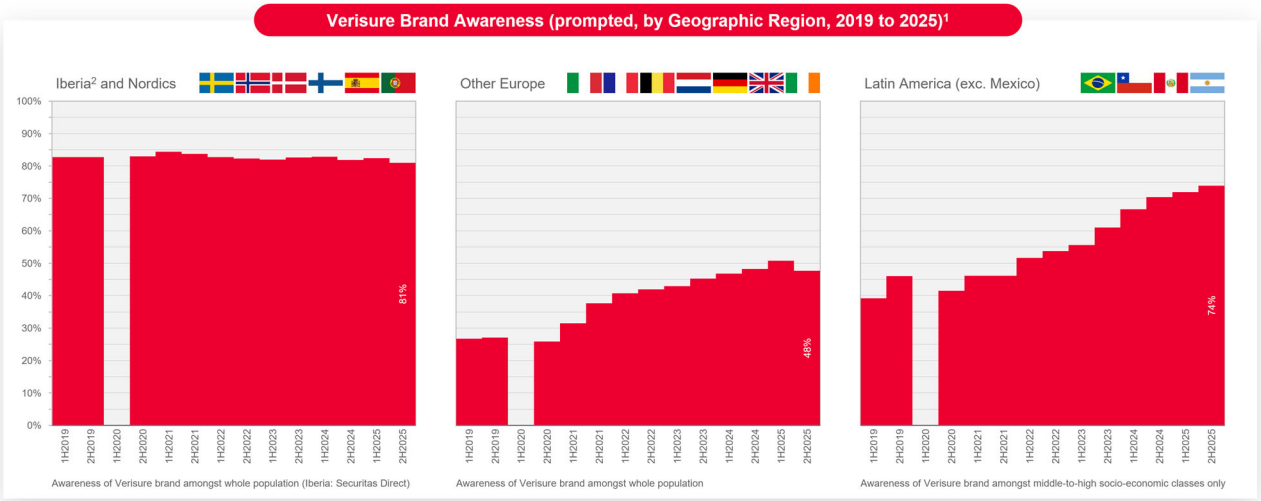
We believe we have a proven track record in driving category development and capturing growth. We operate some of the strongest brands in our space, with Verisure (across most of our geographies) and Securitas Direct (in Spain, Portugal, and in Sweden for our business customers).

We dedicate significant resources to category-creating marketing, advertising and selling activities to further grow awareness of our brand and of the category. We invest in a broad range of media, including TV, radio, online platforms and outdoor advertising. As a result, our brand awareness is high in most established geographies. Our market position and scale enable us to fund substantial marketing investments. Our marketing spend totaled EUR 306 million for the year ended December 31, 2025.

As a result, we have established strong positions for prompted brand awareness. Our most recent consumer survey, commissioned by the Company in October 2025 and based on more than 18,000 households across our footprint, showed that when respondents are shown a long list of possible brands and asked if they recognize any as a home alarm brand, our highest awareness levels are in Spain (88%), France (78%), Belgium (78%), Portugal (83%), Italy (77%), Chile (84%), Peru (84%) and Finland (79%).



We are highly active in our marketing efforts, and we aim to continuously build our brand over time. The following graph, based on our biannual consumer surveys conducted from 2019 to 2025 and involving between 12,000 and 21,000 households, illustrates the evolution of our prompted brand awareness across our geographic regions, and the remaining potential to further build our brand in our Other Europe and Latin America regions.



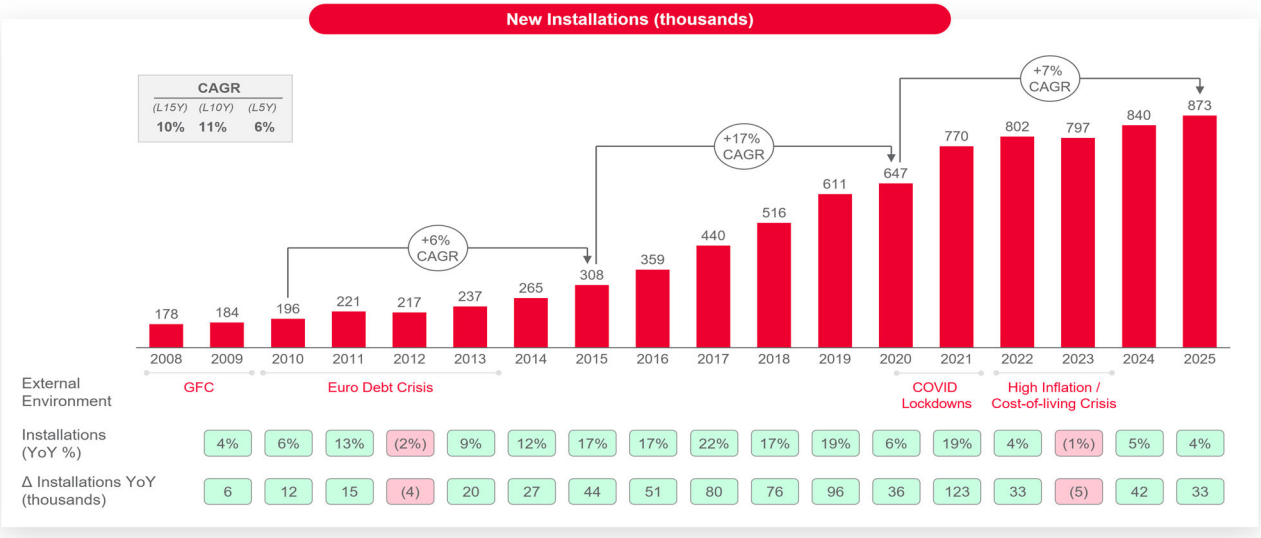
(1) Company Data Analysis, biannual consumer survey involving 12,000 to 21,000 households, 2019 to 2025. European surveys built to be representative of the whole population; Latin America surveys limited to middle-to-high socio-economic classes.

(2) Securitas Direct for Spain and Portugal.

We reach our target consumer segments across multiple communication channels, leveraging both offline and digital media. We understand that the majority of homeowners seeking to protect their homes are doing so for the first time, and they usually start their search for information online. We capture a disproportionate share of all online traffic in our category. Across our 18 geographies, we estimate for the 12 months ended December 31, 2025 that we captured about 71% of unique monthly visitors to the websites of 101 identified professionally-monitored security providers.[54]

Go-to-market expertise

We have developed an industrialized and scalable customer acquisition engine that underpins our growth trajectory, which has allowed us to scale our new customer intake over time.



Our go-to-market ("**GTM**") playbook is one that we believe allows us to execute at scale and is structured around four key pillars:

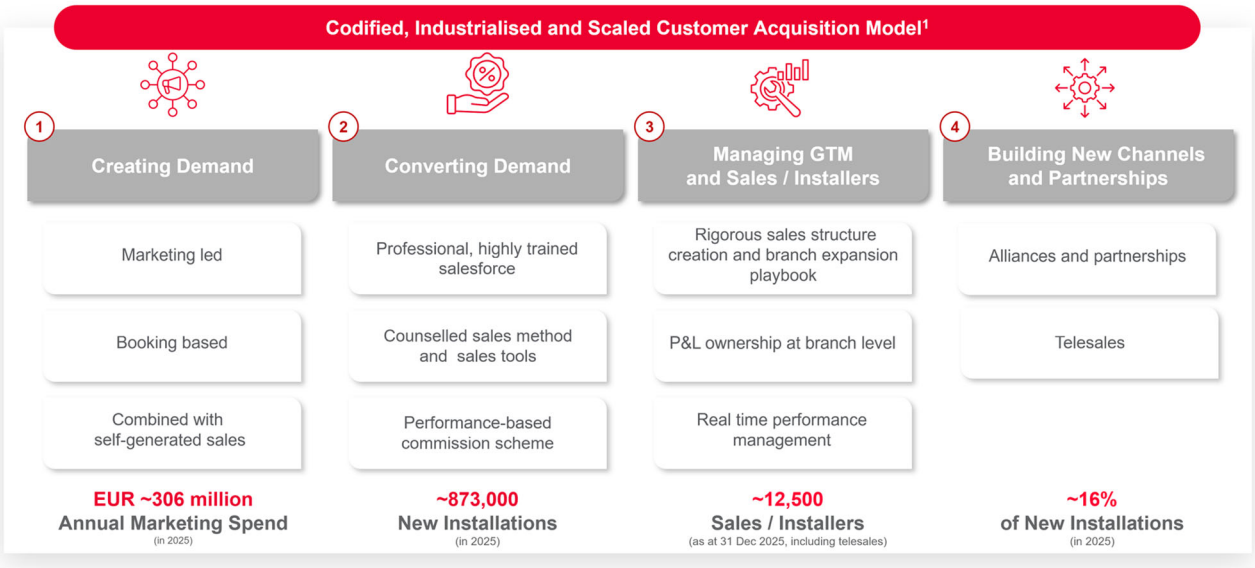
1. **Creating demand**: We generate demand through a combination of marketing-led efforts, booking-based outreach and self-generated sales. This diversified demand generation model ensures a steady and qualified lead flow into the top of the sales funnel.

[54] Company Data Analysis based on our estimates of unique monthly visitors to websites of professionally-monitored security providers.

2. **Converting demand**: Conversion is driven by our highly trained, professional salesforce. Our counselled sales method is supported by specialized tools that guide the customer journey. Performance is incentivized through a structured commission scheme. This approach delivers consistent conversion efficiency and enables us to capitalize on the demand we create, resulting in approximately 873,000 new installations for the year ended December 31, 2025.

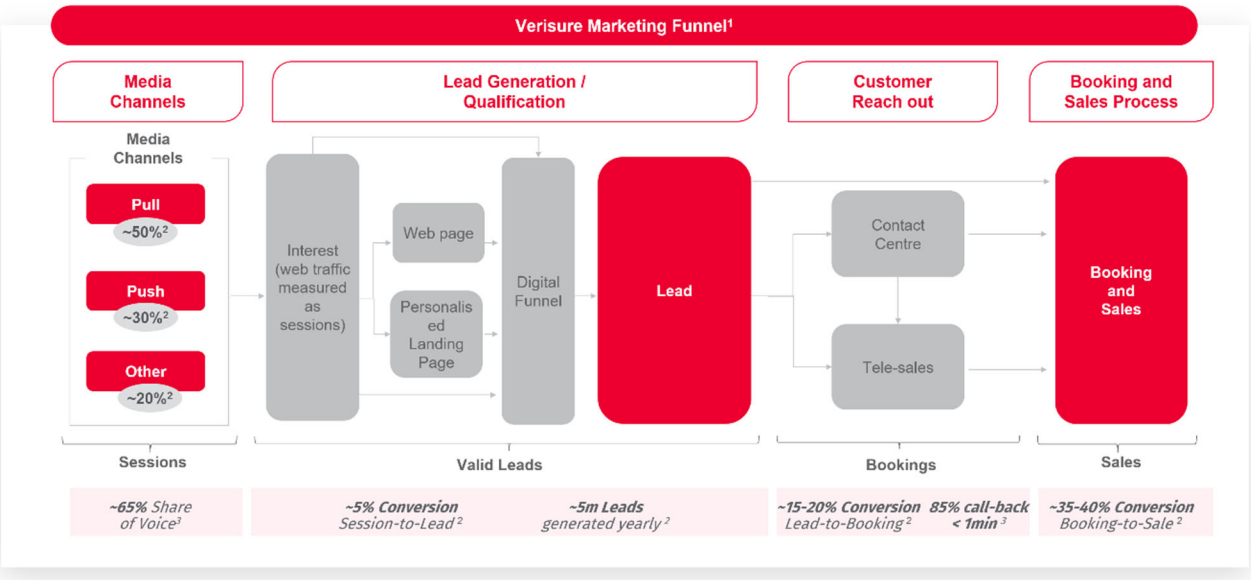
3. **Managing the GTM and salespeople**: Our GTM model is managed through a rigorous sales structure that includes detailed processes for both branch execution and individual performance. Responsibility over our regional balance sheets is held at the branch level, creating strong accountability and ownership. We complement this with real-time performance management systems that enable responsive coaching, data-driven decision-making and continuous optimization.

4. **Building new channels and partnerships**: To expand our reach and improve customer access, we are actively building new distribution channels through strategic alliances and partnerships. We also leverage telesales to drive incremental volume. These additional channels account for around 16% of new installations, evidencing the scalability and diversification of our model.



(1) Company information.

Our sales funnel encompasses a comprehensive customer outreach strategy, supported by over 1,000 contact center agents and a total sales force of around 12,500 agents as of December 31, 2025, including both direct and indirect channels. This integrated system ensures that we maintain high levels of customer engagement and conversion efficiency at every stage of the funnel: from lead generation and qualification (turning prospects into valid leads through landing pages and AB-testing) to customer outreach, bookings and sales. Our sales and marketing funnel is illustrated below.

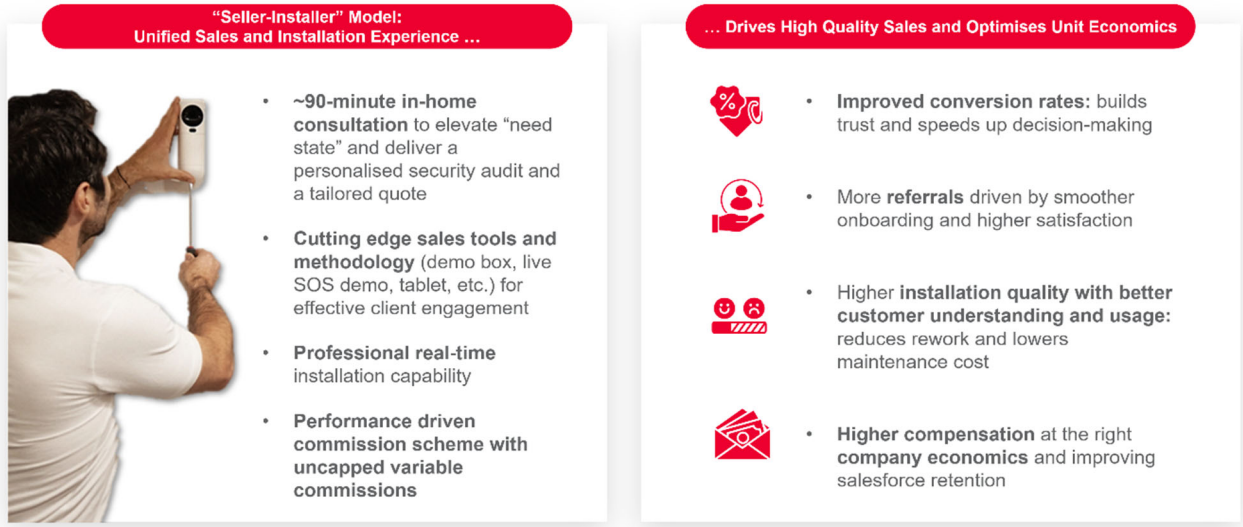


(1) Company internal operational data, and third-party media agency partners for share of voice.

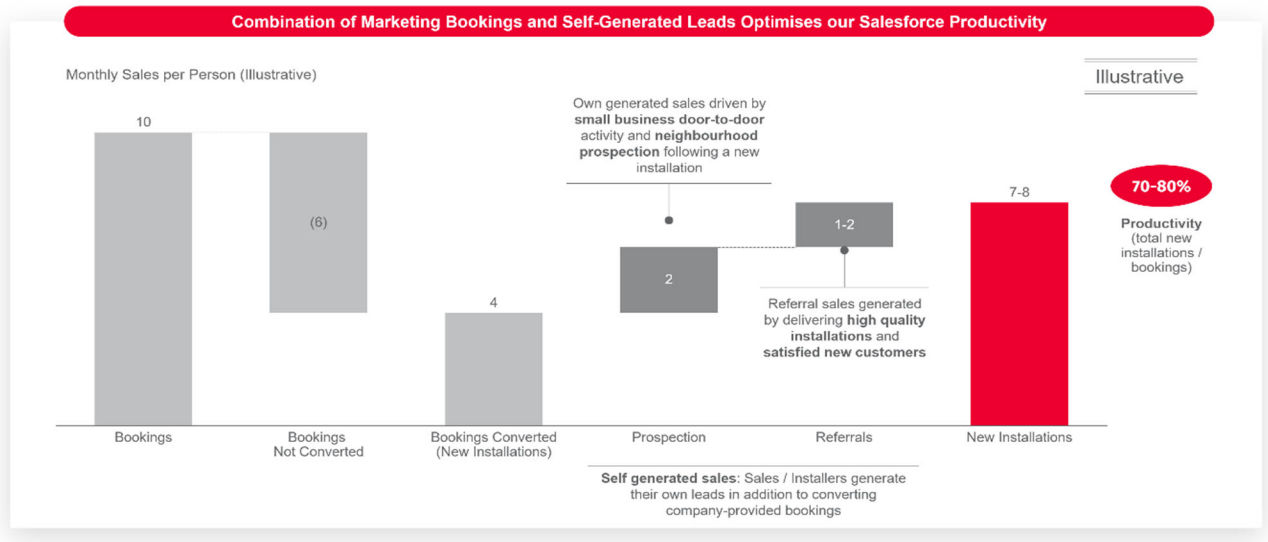
(2) As of the year ended December 31, 2023.

(3) As of the year ended December 31, 2024.

Leads from our online and telephone channels are qualified and passed to our field sales force of security experts. We organize on-site visits, aiming to schedule them promptly after we obtain a lead, during which our field sales force describes and demonstrates our proposition, collaborates with the customer to design the system tailored to the specific premises, and usually installs it immediately, with no need for a second visit before the customer is protected.



Upon closing a sale, our security expert typically explains in detail how to best use the system, onboarding family members or employees to maximize usage and customer satisfaction. Finally, our field salesperson typically asks for referrals and, where appropriate and feasible, may talk to neighbors to see if any are interested in becoming customers. This increases our commercial reach and improves our sales efficiency, which, in turn, allows us to build larger and more productive sales structures. We measure how many sales we close, relative to the number of bookings we provide our salesforce. We call this our bookings productivity. Our sales teams have 70-80% bookings productivity, of which 30-40% are self-generated (i.e., in addition to company-produced bookings).



Our large-scale sales force benefits from what we believe to be industry-leading training and a sales method that we have codified and standardized at group level, and that we continually refine and improve. We believe that the depth and scale of our activities, combined with the strength of our proposition, provide us with a significant advantage in attracting talented employees, by offering a leading, growing and international career platform, combined with attractive compensation mechanisms and development opportunities. Our structured talent promotion system makes data-driven recruiting decisions and configures employee career track programs, prioritizing 100% internal mobility. Seller-installers are trained into team leaders, and then accompanied along the path from branch manager to territorial manager and regional director, ensuring long-term growth and operational resilience of our talent base. Throughout this process, we track the effectiveness of the seller-installer model through rigorous KPIs: First Time Right, Customer NPS, Maintenance Operating Ratio (calculated as the number of maintenance tickets opened during the first 90 days), and alarm usage during first 90 days.

We leverage additional sales channels alongside our field salesforce of security experts. One such channel is telesales, where we sell over the phone to consumers who either already know our system well or cannot easily be present on-site (for example, in the case of secondary residences). As of December 31, 2025, we had deployed telesales in 17 of our 18 geographies. Another channel is commercial alliances, for example, with banking and insurance partners, which would typically recommend and, in some cases, even directly sell, our system and services to their customers acquiring or moving into a new home. As of December 31, 2025, we had 16 different commercial partnerships in place across our footprint. In certain geographies, such as Sweden and Norway, we also leverage exclusive local partners to sell, install and maintain our alarm systems.

We believe our ability to continue to bring to market an innovative and ever-evolving proposition, under a strong brand and through a large and effective salesforce complemented by additional channels, will remain a competitive advantage going forward. This allows us to continue shaping and taking the majority share of future category growth.

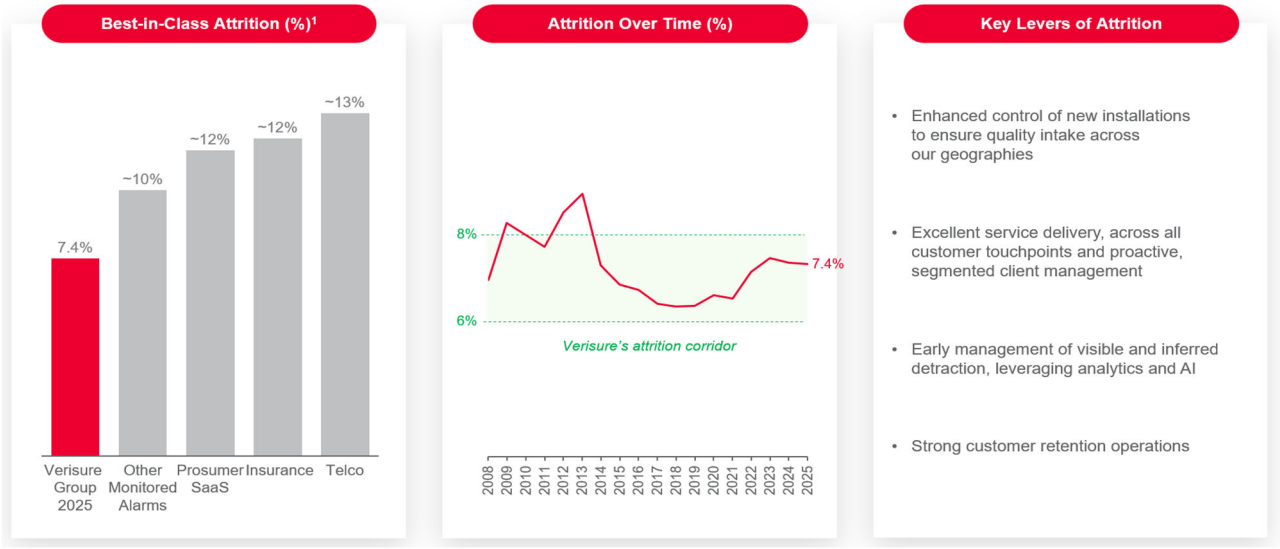
High levels of customer loyalty and best-in-class attrition

We are a consumer and customer-centric company. Business success starts with delivering to our customers a service they value, are satisfied with, and will remain subscribed to over the long term.

We focus on residential homes and small businesses, offering differentiated security services and products. Residential customers and small businesses are served by the same sales, customer service teams and utilize the same customer hardware. We strive to provide an exceptional experience to our customers, bolstering trust and loyalty. Our residential customers tend to be middle to higher income households with assets to protect and lower price sensitivity. We believe that the demand for our security services is underpinned by the strength and reputation of our brand and the nature and quality of the services we offer, as we address the safety of our customers' families and property.

Customer loyalty is one of our strengths. Our customers remain with us, on average, for approximately 15 years.

We estimate that our customer attrition rate is the lowest amongst our industry peers and among the lowest of other consumer subscription-based businesses (as shown in the chart below).[55] From 2014 to 2025, our attrition rates have ranged between 6% and 8%.



(1) Company information. Competitor data based on median of latest available attrition rates of selected Monitored Alarm, Prosumer SaaS, Insurance and Telco companies.

Our low attrition is the result of striving for operational excellence across all touchpoints.

We believe the key starting point is our high-quality customer intake. Our commercial process primarily rests on marketing-led, booking-based, counselled sales. Through our advertising, we aim to elevate the consumer need state and attract motivated potential customers. We direct interested prospects to our marketing contact centers, where we offer an in-home security survey with one of our experts. This booking gives us the opportunity for a detailed explanation and on-site demonstration of our proposition. We tailor our offering to the specific space to be protected and make a fully customized offer to the customer. Typically, the same security expert will close the sale and install the alarm system during the same visit. We believe speed of installation is particularly important for customers who contact us immediately after experiencing or witnessing a burglary.

Our sales process includes a counselled sales visit with a meaningful upfront fee charged to new customers. This not only contributes to partially cover our upfront costs but also helps qualify new customers and underscores their commitment to the system they have co-created with our security expert. We believe it also increases the likelihood of higher levels of system use. In some markets, we also use credit scoring to validate and enhance customer quality. Credit policies are reviewed regularly to reflect changes in economic conditions.

Once customers are onboarded, we aim to provide an excellent customer experience at every touchpoint: alarm receiving center, customer care, remote verification and on-site maintenance. We focus on providing exceptional service to new customers during the initial phase, forming good habits around alarm and app usage in the first 90 days. We continuously track service performance across our operations.

We continuously measure customer satisfaction through a combination of biannual large-scale Net Promoter Score ("**NPS**") surveys and immediate Closed-Feedback Loops questions ("**CFL**") following service touchpoints.

We also continuously implement initiatives to improve customer satisfaction and contain attrition, including by using data-led predictive analytics with respect to customer behavior to enable early intervention in the event of non-usage. Our deep retention expertise and ongoing customer service efforts have enabled us to maintain low attrition rates, and consequently, support better revenue growth.

[55] Based on publicly reported attrition and churn rates for monitored alarms and telecommunications companies for which such data is available, including ADT, Vivint, Prosegur, Movistar Prosegur Alarmas, Sector Alarm, Vodafone, Orange, Telefónica and TeliaSonera

Experienced and highly engaged team Verisure with proven execution capabilities

Verisure is led by the Board and the senior managers (the "**Senior Managers**"), supported by a carefully selected larger group of high-performing executives (the "**Company Management Team**") who play a pivotal role in shaping and delivering our strategy and long-term objectives. Led by our CEO, Austin Lally, the team combines the deep institutional knowledge of long-tenured leaders with the fresh perspectives and diverse experiences of more junior leaders who have joined more recently.

The team provides leadership across all core areas of the business, including strategy, finance, marketing, operations, HR and technology. They are responsible for driving key initiatives, enabling scalable growth and fostering continuous improvement. Members of the Company Management Team work closely with country leaders, ensuring strong alignment between strategic priorities and local execution, while contributing to the overall culture, performance and agility of the organization. Please see section "*Management*" for more information.

We had around 30,500 colleagues as of December 31, 2025, of whom more than 83% work in customer-facing functions. Our team is young, with around 50% colleagues under the age of 35. Our leadership team, comprising over 200 global and local management teams and other key talents, also reflects this dynamic profile. Our leaders bring substantial experience and deep expertise in our business – more than 74% have been with us for over five years, underscoring strong continuity and commitment.

Our people feel genuinely proud of what we do. We maintain a consistently high level of employee engagement, as demonstrated by our Sustainability Engagement Survey, launched in 2016. In 2025, the survey achieved a participation rate of over 90% across the organization. Our Sustainable Engagement Index score has remained above 85 for the past two years, with consistently strong results across functions, countries, and demographic cohorts. This score is based on the arithmetic average of nine questions designed by Willis Towers Watson to assess whether employees are engaged, enabled and energized. In 2025, our Employee Net Promoter Score ("**eNPS**") increased to 54, and our Product and Services eNPS improved to 61.



We are committed to cultivating talent growth and development, continuously nurturing and developing a robust leadership bench ready to step up when needed. We maintain a solid succession plan for our key leadership roles, with particular focus on those where internal expertise is essential.

Our efforts to create supportive and high-performance working environments have been acknowledged through external awards and certifications. As of March 2026, all 18 countries in which we operate have received various prestigious recognitions for working environments and are officially recognized as either a Top Employer® or Great Place to Work™, or both (except for Mexico, which has been recognized as a great employer featured in one of the Top Companies local ranking).[56] In addition, Verisure has been named as Top Employer® in Europe consecutively in 2024 and 2025 and was listed in the Financial Times' inaugural selection of the best employers in Europe for 2025.

Financial strengths: our value-creation proposition

We believe that our successful trajectory to date has also been built on several financial strengths, and that these same strengths will deliver continued future performance.

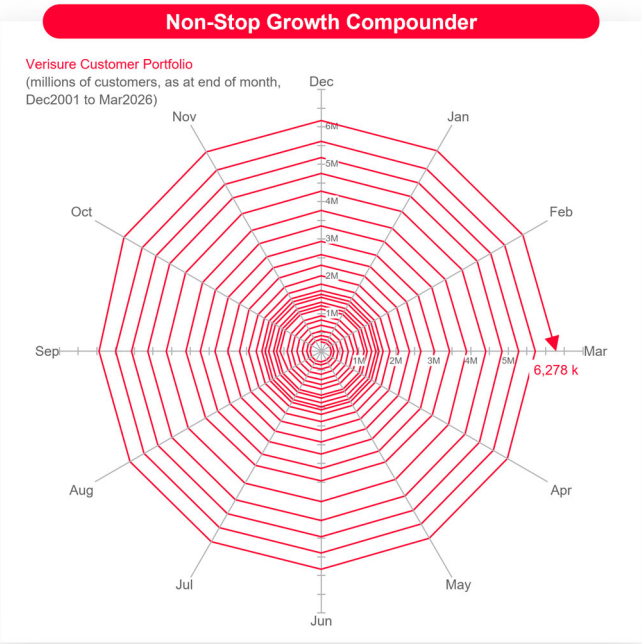
Long-Term, uninterrupted, profitable growth compounder

We believe that it is a right for families and small businesses to feel safe and secure and, as a result, we are committed to growing penetration of professionally installed monitored alarm systems in the geographies we serve.

[56] Mexico was not recognized as Top Employer® or Great Place To Work™ in 2025 because we only entered the country in the fourth quarter of 2025 through our acquisition of ADT Mexico.

Our growth has been uninterrupted throughout our history. It took approximately 20 years to reach 1 million customers in our portfolio by 2008, and approximately seven years to reach 2 million by 2015. Our increased investments in innovation, category-creating marketing, go-to-market expertise and customer service enabled us to accelerate our growth. We reached 3 million customers in 2019, 4 million in 2021, 5 million in 2023 and 6 million in 2025. As of March 31, 2026, we served close to 6.3 million customers.

For more than 20 years, our customer portfolio has consistently grown every month without interruption, as illustrated in the following graph.



Since we first began operations, we have almost exclusively pursued an organic growth strategy. From December 2015 to December 2025, our total customer portfolio has grown by more than four million customers. During the same period, we added only about 220,000 customers (approximately 5%) through acquisitions. In the past decade, we have executed complementary, add-on acquisitions in Brazil (TeleAlarme in October 2017), Norway (NorAlarm in May 2016 and Falck Norway in September 2016), Denmark (Falck Denmark in September 2016) and Mexico (ADT Mexico in October 2025).

We completed the acquisition of ADT Mexico from Johnson Controls, Inc in October 2025, at an enterprise value of approximately EUR 200 to 220 million, expressed at current foreign exchange rates.

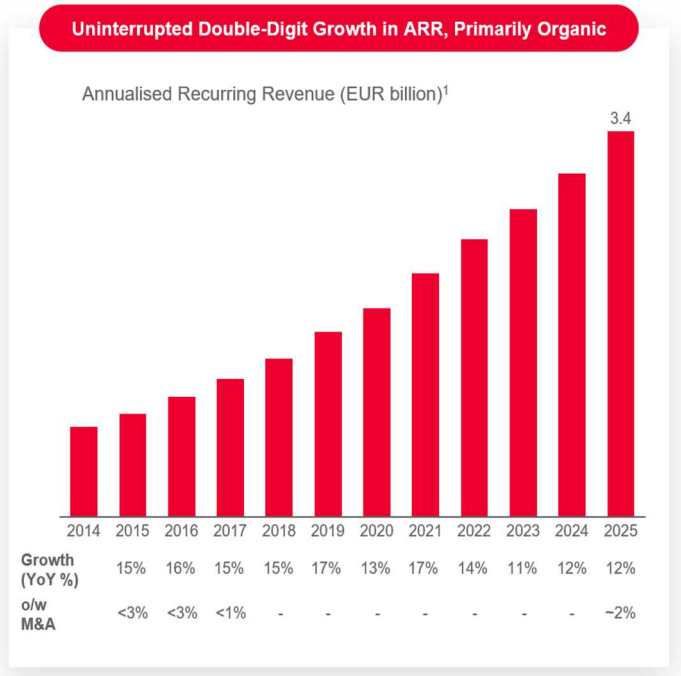
We believe ADT Mexico is a high-quality external growth opportunity. ADT Mexico holds the leading position in Mexico with a category share of close to 40%, serving approximately 125,000 residential and small business customers. ADT Mexico operates customer-level unit economics in line with our own Latin American operations capturing revenue of approximately EUR 78 million with an Adjusted EBIT margin of approximately 40% for the year ended December 31, 2024. We intend to invest to accelerate growth in this business.

We remain open to exploring additional inorganic growth opportunities in the future, as long as they present a strong strategic and financial rationale. However, we intend to remain as prudent and highly selective in our inorganic growth as we have been in the past. Our primary focus continues to be on organic growth, driven by our commitment to building a high-quality customer portfolio.

Through our organic growth, we take customer intake quality seriously and make sensible, financially attractive investments in customer acquisition. Our business model is not focused on maximizing new installations at any cost. We aim to find a good balance of growth, quality and investment. High-quality customer intake helps to ensure high customer loyalty, low attrition and an attractive level of pricing and profitability. Our new customers come in at a price level broadly in line with our average existing customer portfolio. We believe this disciplined approach is what creates long-term value.

We grow our recurring revenues as we grow our portfolio and serve more customers, and as of December 31, 2025, approximately 92% of our revenues were recurring. As of December 31, 2025, we had more than

20-years' track record of double-digit growth in ARR, reaching EUR 3.4 billion in 2025, irrespective of broader macroeconomic conditions or exogenous shocks.



(1) Annualized Recurring Revenue (ARR) is defined as the total number of subscribers in our portfolio at the end of the period, multiplied by the last twelve months (LTM) average revenue per user (ARPU), multiplied by 12 months.

Strong unit economics and long track record of margin expansion

Our unit economics are strong. The average Adjusted EBITDA margin of a customer in our portfolio was approximately 74% for the year ended December 31, 2025. We estimate that our lifetime earnings per customer represent an approximately 20% Internal Rate of Return ("**IRR**")[57] on our customer acquisition investments, as of December 31, 2025. Our Return on Capital Employed ("**ROCE**") was 27% as of December 31, 2025.

We estimate our monthly subscriptions are at a premium compared to many competitors,[58] reflecting the quality of our offerings, high levels of customer trust, leading brand name, innovative solutions and exceptional service quality. Additionally, our premium pricing helps drive the retention of high-quality customers who value our "high security" service of 24/7 monitoring, maintenance and intervention.

Our continuous innovation in products and services adds value to our proposition and our customers. Over time, we have been able to transform this value to regularly increase monthly subscriptions to both new and existing customers, a strategy we call 'more for more'.

We complement this approach through our upselling efforts, offering additional products and services to our existing customer base, thereby increasing the value of our proposition and our ARPU. Our upselling strategy aims to drive both customer satisfaction and profitability. Based on experience and advanced customer segmentation, we have identified what we believe are the critical moments when our customers would best respond to an upsell, such as right after a real event or incident. Deploying a consistent multi-channel contact strategy also allows us to maximize conversion and satisfaction through our contact centers and field maintenance visits.

We have also been able to contain or offset most cost inflation by continuously identifying economies of scale and sharing best practices across our footprint – always seeking to do so without compromising our service quality. We believe that providing excellent service to prevent issues from arising, along with striving for first-time

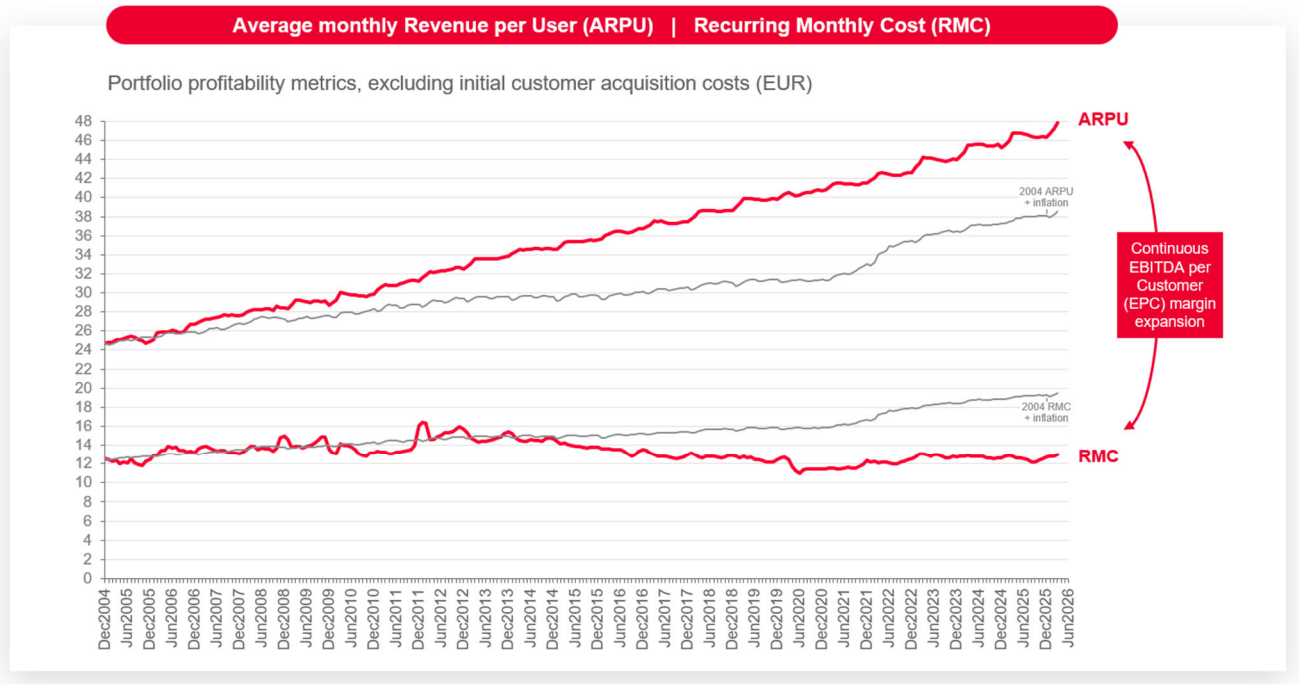
[57] IRR is defined as the annualized return on investment generated by a new subscriber, based on the cash flows associated with acquisition costs and expected contribution to net income over the customer lifetime.

[58] Company Data Analysis based on competitor pricing benchmarks and offerings.

resolution of any issues that occur, leads to lower costs to serve. An operational excellence mindset is embedded within our culture combined with a continuous focus on cost management.

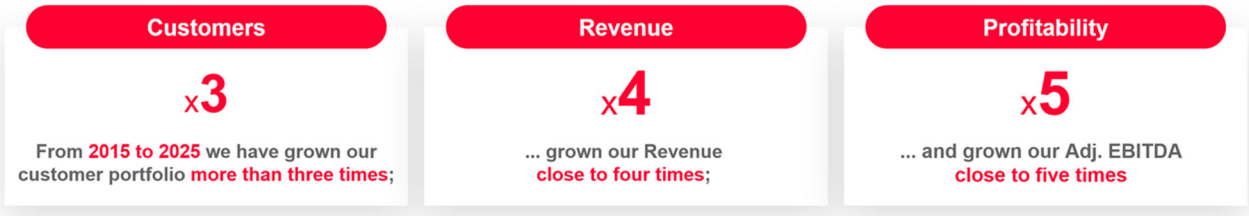
We have built a mature and effective procurement function. Looking ahead, we continue to focus on reducing costs through automation and AI, shared functions and utilizing lower cost locations. This has been evidenced by the successful implementation of our FOG efficiency programs. During the first two rounds of FOG in 2014 to 2016 and 2020 to 2023, we have delivered EUR 70 million and EUR 200 million of efficiency savings, respectively. The savings from the second round of FOG were achieved two years ahead of target. Since its launch in January 2024, the third round of FOG has delivered approximately EUR 165 million of savings as of December 31, 2025, nearly achieving our full cost savings target one year ahead of schedule.

Additionally, over the past 20 years, our average monthly revenue per user ("**ARPU**") has consistently increased, outpacing inflation. Meanwhile, our average recurring monthly cost ("**RMC**") has remained stable over the same 20-year timeframe, evolving well below inflation. The difference between ARPU and RMC, which forms the monthly EPC, is our main metric for assessing portfolio financial performance. As of March 31, 2026, our EPC margin[59] stood at 74% of monthly revenue.



Notes: All historical data in constant exchange rates (EUR/ARS=1,725.00; EUR/BRL=6.40; EUR/CHF=0.94; EUR/GBP=0.88; EUR/MXN=20.75; EUR/NOK=11.75; EUR/PEN=4.15; EUR/SEK=11.00; EUR/USD=1.15) and trailing three months. 2004 ARPU and RMC inflated using month-on-month headline Consumer Price Index (CPI) inflation rates weighted by Verisure monthly average Portfolio volumes, excluding Latin America.

The combined effect of a growing portfolio and progressively improving unit economics has been accelerated growth from customer count to revenue to profitability. From 2015 to 2025, we have grown our customer base more than three times, our revenue close to four times and our Adjusted EBITDA close to five times.

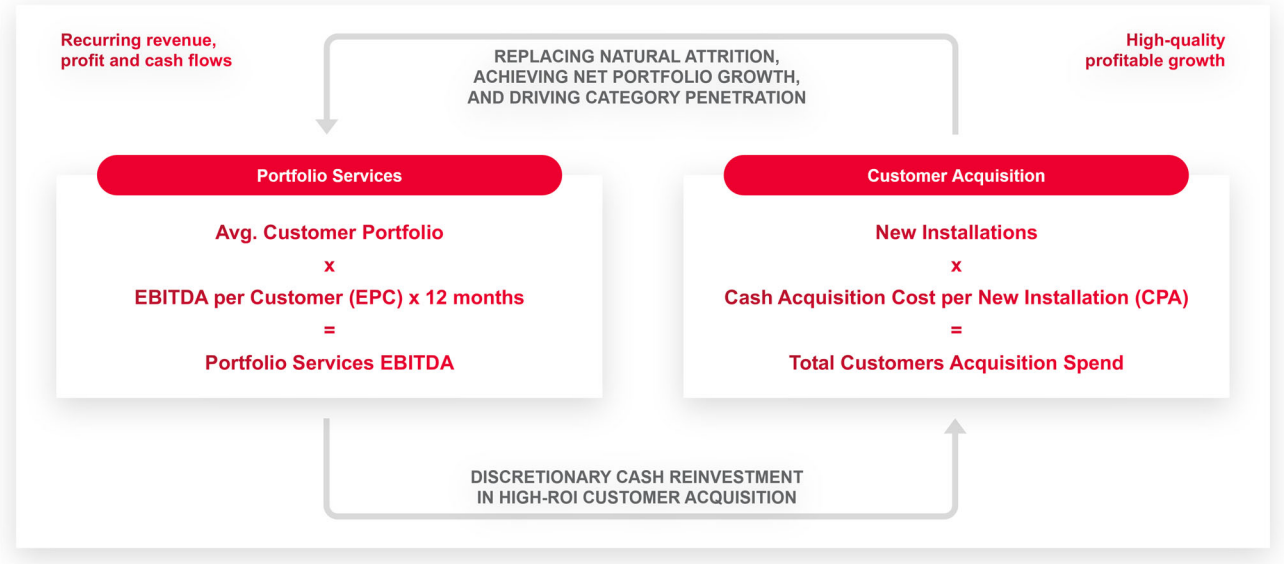


[59] Defined as monthly Adjusted EBITDA per customer divided by monthly Portfolio Services revenue per customer (ARPU).

Our Adjusted EBIT reached EUR 952.9 million in 2025, with a growth rate of 17% annually between 2023 and 2025. Our Adjusted EBIT margins reached 25.4% in the year ended December 31, 2025.

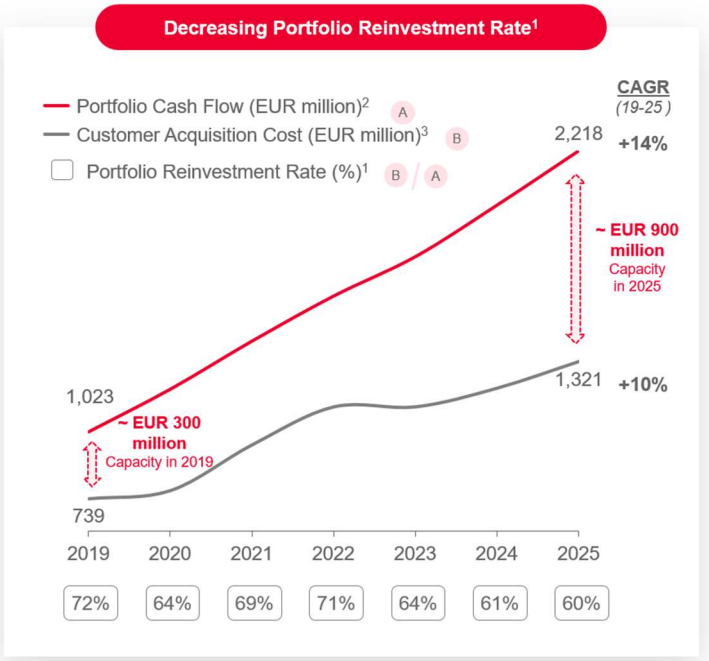
Value creation: portfolio profits fund growth

Our business model creates value by reinvesting the profits generated from our customer portfolio into acquiring new customers with similar economic profiles. Our consistent customer acquisition drives growth in our portfolio, which is further enhanced by the additional value generated through higher ARPU and our disciplined cost control focus. Cash flows generated from the customer portfolio are reinvested back into the acquisition of high-quality customers, fueling further growth.



We intentionally invest a significant portion of the cash generated from our Portfolio Services segment to fund our Customer Acquisition segment. For the year ended December 31, 2025, the ratio of the sum of Customer Acquisition Adjusted EBITDA and Customer Acquisition capital expenditures (the "**Customer Acquisition Cost**") to the difference between Portfolio Services Adjusted EBITDA and Portfolio Services capital expenditures (the "**Portfolio Cash Flow**") was 60% (the "**Portfolio Reinvestment Rate**").

This is an important cash flow metric. As Portfolio Services profitability and Portfolio Cash Flow increase more rapidly than the Customer Acquisition Cost, our Portfolio Reinvestment Rate has tended to reduce over time. A decreasing Portfolio Reinvestment Rate delivers increasing cash accretion and drives progressive increases in our free cash flow over time, as illustrated in the graph below.



(1) Portfolio Reinvestment Rate is defined as the ratio of Customer Acquisition Cost to Portfolio Cash Flow.

(2) Portfolio Cash Flow is defined as the difference between Portfolio Services Adjusted EBITDA and Portfolio Services capital expenditures.

(3) Customer Acquisition Cost is defined as the sum of Customer Acquisition Adjusted EBITDA and Customer Acquisition capital expenditures.

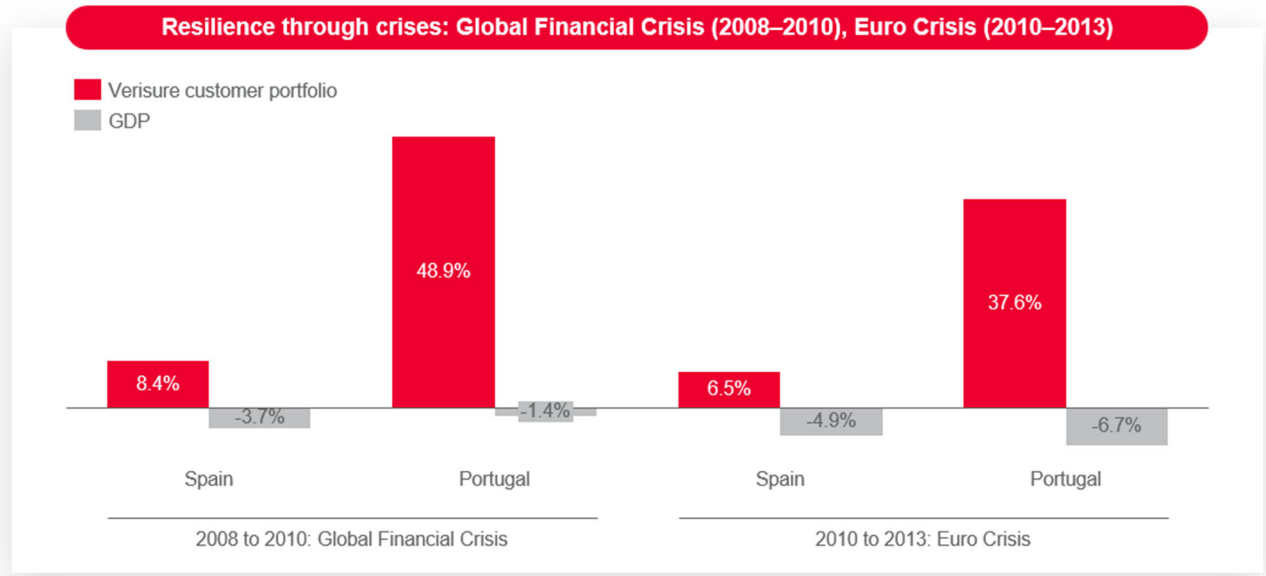
This virtuous cycle of customer acquisition, value extraction and reinvestment in growth underpins our long-term success and allows us to continuously expand our market presence.

Proven resilience through economic downturns and external shocks[60]

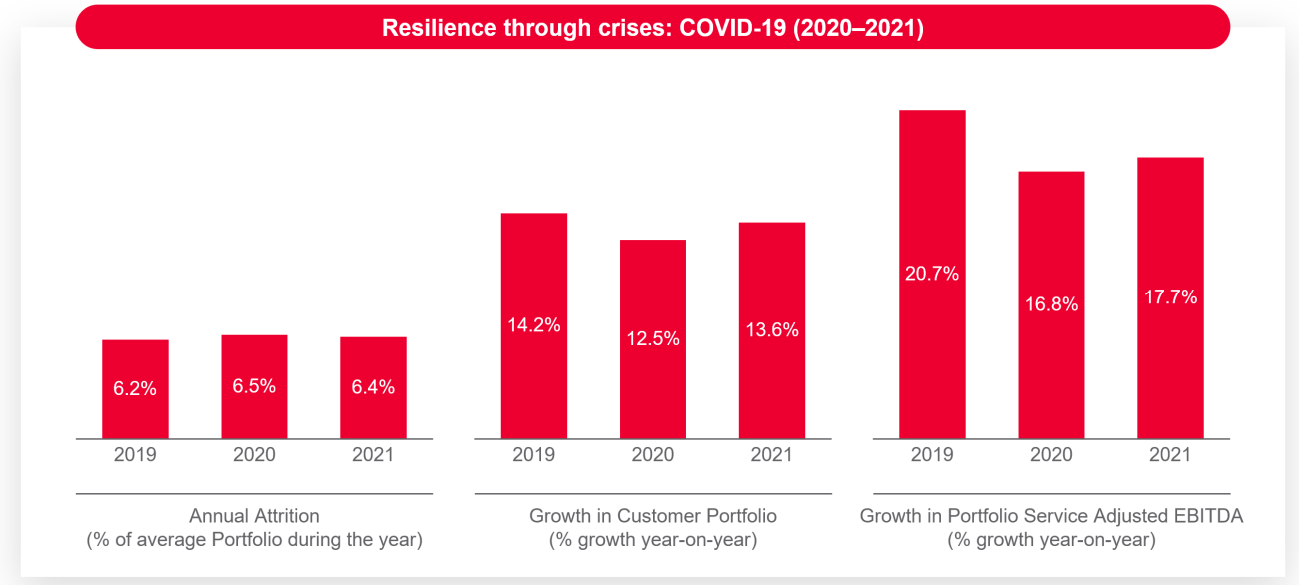
Our business model has proven its resilience even in challenging market conditions. We have a strong track record of growth and value creation through economic downturns and external shocks. Protecting the home typically remains a priority even in turbulent times, and our portfolio of customers remains "sticky", with only modest increases in attrition during market downturns. During periods of cost inflation, we have demonstrated our ability to price in a way that protects or grows our profit margins. We have also shown agility in deploying customer acquisition investments. With penetration remaining low across our footprint, we believe that there are large reservoirs of latent demand remaining even when the economy is less favorable. We have a long-term track record of resilience and we have delivered uninterrupted profitable growth for more than 20 years.

The performance of our Spanish and Portuguese operations during the "Global Financial Crisis" ("**GFC**") and the "Euro Crisis" illustrated the resilience of our business model. During the GFC, between December 2008 and December 2010, we grew our customer portfolios in Spain and Portugal by 8.4% and 48.9%, respectively, despite GDP contracting by -3.7% and -1.4%. Similarly, during the "Euro Crisis" between December 2010 and December 2013, we grew our customer portfolios in Spain and Portugal by 6.5% and 37.6%, respectively, despite GDP contracting by -4.9% and -6.7%.

[60] Information regarding the financial years 2019-2020 is derived from Verisure Topholding 2 AB's consolidated financial statements. The information regarding the financial year 2021 is derived from Verisure Topholding AB's consolidated financial statements.



Our performance during the Covid-19 pandemic is another example. Despite lockdowns and remote working, we continued to sell and provide our service. Our customer attrition saw only a marginal change, increasing from 6.2% in 2019 to 6.5% in 2020 and decreasing to 6.4% in 2021. We continued to deliver profitable growth throughout both 2020 and 2021, expanding our customer portfolio by 12.5% and 13.6%, respectively. We also improved our profitability per customer, and as a result, grew our Portfolio Services Adjusted EBITDA by 16.8% in 2020 and 17.7% in 2021.



Significant supply chain disruption after the pandemic led to higher inflation. This worsened in 2022 when Russia's invasion of Ukraine led to major increases in energy and food costs. Consumer confidence plummeted to very low levels and central banks raised interest rates to curb the rising inflation, impacting household disposable income and further affecting consumer confidence.

As a consumer services business, we were not immune to these macroeconomic changes. New sales grew more slowly in 2022 and declined slightly in 2023, reflecting our deliberate choice not to chase growth at all costs in that environment. In particular, we remained disciplined in capital allocation and did not compromise on intake quality (for example, by lowering prices) or acquisition investments. However, we did continue to increase prices to protect our margins for the long term. As part of our strategic response to the challenging market conditions, we tightened capital allocation between countries, increasing focus towards countries with higher Return on Investment, such as Italy, Spain and Portugal. We adopted a more mindful approach within each country, prioritizing the most attractive channels and leads. We also focused on optimizing our cost structure

and improving productivity. This disciplined approach enabled us to continue our track record of revenue growth, delivering ARR growth of 13.9% in 2022 and 10.8% in 2023. We also improved profitability per customer, with Portfolio Services Adjusted EBITDA increasing by 14.7% in 2022 and 11.3% in 2023. As external pressures eased in 2024, and with consumer confidence, energy prices, inflation and interest rates returning close to previous levels, we achieved ARR growth of 11.7% in 2024 and 12.4% in 2025 and expanded our margin, with Adjusted EBIT margin increasing from 22.5% in 2023 to 24.0% in 2024 and to 25.4% in 2025.

Our Strategies

We intend to continue driving our customer-centered model to deliver peace of mind and protection to families and small business owners through our technology-enabled human services proposition.

Continue to drive penetration of monitored security services at attractive returns

We believe that there are significant growth opportunities for further penetration of professionally installed and monitored security for families and small businesses in Europe and Latin America. See section "*Industry*" for further information. We believe we are well-suited to drive and capture future growth in our category.

We believe many potential customers are not yet fully familiar with the advantages of a professionally installed and monitored security system that includes verification and intervention. We will continue to communicate our differentiated solutions.

Our plan is to continue to grow our portfolio through innovation, investing in category-creating marketing, communicating our proposition, growing our go-to-market capabilities, providing excellent service and attracting new talent. Continuing our uninterrupted growth trajectory will enable us to serve more families and small business owners, and help the communities in which we operate. As a company, this will enable us to further increase our revenue and profits as we grow recurring revenue in our Portfolio Services segment.

Our new customers delivered an approximately 20% IRR as of December 31, 2025. Based on our existing customer relationship terms and attrition rates, we expect our customers will have subscription lives averaging around approximately 15 years. We believe that continuing to grow our portfolio by adding high-quality new customers with controlled acquisition investment remains an attractive investment.

Beyond our existing countries, we intend to continue to explore new geographies, leveraging our codified and industrialized business model. However, we continue to do so with prudence. When entering new countries, we aim to utilize the same broad expansion blueprint that has been successful previously, building a strong and attractive portfolio of high-quality customers in these new geographies. Historically, we have entered new countries approximately every two or three years. We commenced operations in Germany in 2018, Argentina in 2019, Ireland in 2022, and Mexico in 2025.

Moreover, we may consider selective acquisitions to either enter new territories or increase our portfolio size in our existing footprint. However, selectivity is key to us. We remain open to exploring complementary external growth opportunities in the future, but only as long as they present a strong strategic and financial rationale. Our primary focus will remain on organic growth, driven by a commitment to continue building a high-quality customer portfolio.

Provide the best security services available, leveraging cutting-edge innovation

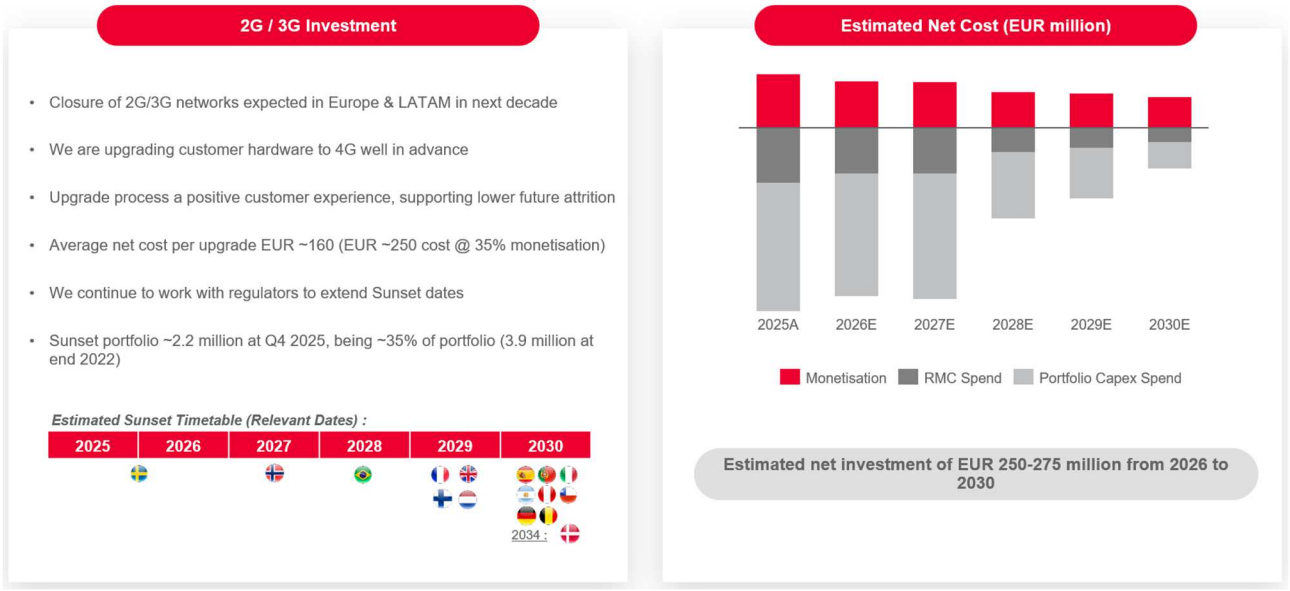
Our differentiated service ensures we can Deter, Detect, Verify and Intervene. Through our 24/7 service, verification and response via intervention, we will continue to offer customers peace of mind for their homes and small businesses. Our proprietary technology stack is supported by our technology team of approximately 1,800 colleagues as of December 31, 2025, allowing us to deliver innovative and differentiated products to market quickly. We know that innovation that brings novelty and utility can drive customer demand. We aim to remain at the forefront of innovation, leveraging insights we gain from our numerous customer touchpoints across the value chain.

Our in-house R&D team is talented, extensive and cooperates closely with our network of equipment manufacturers to design and deliver new products and services. We believe that our scale is an important differentiator when it comes to investing in product development. Continued investment and deep expertise will ensure we continue to design and build user-friendly products and features that meet the needs of our customers.

We believe continued innovation will help us further enhance the value of the services we provide, improve customer satisfaction and loyalty, increase upselling to our portfolio, facilitate conversion of potential customers into customers and unlock previously latent demand. One recent example is the demand we are currently seeing stemming from the addition of our LockGuard™ connected front door lock as an option in our alarm proposition.

One example of this strategy is that we are leveraging our regular maintenance program to upgrade existing customer hardware, where applicable, from 2G or 3G to 4G well in advance of the sunset dates for our geographic regions. We are also actively working with regulators to extend the sunset dates for these networks across Europe and Latin America. As of December 31, 2025, our sunset portfolio comprised approximately 2.2 million customers, compared to 3.9 million customers as of December 31, 2022. With the majority of costs incurred in the first three years, we estimate that the net investment for the transition between 2026 and 2030 will be EUR 250 to 275 million. Because upgrading the equipment installed at a customer's premises implies installing the newest possible hardware, we believe that for those customers that will be upgraded, the process will enhance the customer experience and ultimately support lower future attrition rates.

We estimate the average net cost of upgrading customers is EUR 160 per customer, based on upgrades already completed to date. This level of investment can be offset by a relative short (approximately five months) extension of the customer lifetime. We are already seeing evidence of improved attrition performance post upgrade to 4G equipment in Spain and France. An additional opportunity created from the 4G upgrade is broader upselling potential, as 4G enabled hardware is able to interoperate with our newer products such as LockGuard™ and WiFi Vision™.



Strive for the highest levels of customer satisfaction and loyalty in the industry

We offer differentiated security services and products that sustain recurring revenue. We recognize that customer satisfaction is a direct driver of customer loyalty; therefore, we strive to deliver it at every opportunity. We hold ourselves to high standards of service delivery across all customer touchpoints – from operating our in-house monitoring stations with high verification accuracy, to leveraging strong technical expertise in field operations, to providing efficient, high-quality customer care.

We measure customer satisfaction at several key interaction points (including sales visits, alarm events, service visits and customer service calls), actively listening to our customers, analyzing patterns, anticipating needs and empowering our front-line teams to act based on real feedback.

We also aim to foster strong, ongoing customer engagement with our system through innovations, such as an enhanced app experience, our recently-launched protected lock LockGuard™ and high-quality camera detectors. Our goal is for new products and services to be compatible with our existing portfolio of installed alarms, consistently adding value and novelty to both new and current customers.

We believe our customer attrition performance is best-in-class, not only within professionally installed and monitored alarm systems but also compared to consumer subscription-based businesses more generally.[61] Our objective is to continue to deliver this performance.

Maintain our long track record of discipline on portfolio operating costs

We have a long track record of keeping our portfolio operating costs under tight control.

For the 12 months ended December 31, 2004, our RMC was EUR 12.2 per customer across a portfolio of 0.5 million customers, and for the 12 months ended December 31, 2025, our RMC was EUR 12.2 per customer across a portfolio of close to 6.2 million customers.

We manage our RMC through several strategies: deploying new product suites to reduce maintenance visits through fewer technical issues and enhanced remote resolution; using AI-integrated products for automatic verification in monitoring; and employing in-house developed Robotic Process Automations for automated technical signal analysis, pre-checks and alerts. Additionally, indirect procurement lowers costs in technical operations, logistics, marketing and consulting, audit and other external fees.

We plan to continue capturing scale effects and containing cost inflation.

A critical process to achieve this objective is our group-wide operational improvement plan, Funding Our Growth ("**FOG**"). We launched our FOG plan in 2014, initially as a project aimed at optimizing our cost structure and improving productivity. The program has now become embedded in our culture, with the objective to leverage our scale and share best practices across our global footprint to reduce costs and improve our margins. See section "*—Funding Our Growth and Fit for Growth—cost savings initiatives*" for further information.

Maintain our long track record of more-for-more pricing

We have a long track record of continuously enriching our proposition with product and service innovation. This allows us to capture pricing as the value we provide to our customers increases, which we call "more-for-more".

For the 12 months ended December 31, 2004, our ARPU was EUR 24.5 per customer across a portfolio of 0.5 million customers, and for the 12 months ended December 31, 2025, our ARPU was EUR 46.6 per customer across a portfolio of close to 6.2 million customers.

We plan to continue improving the value of our services to both existing and new customers, and continue capturing pricing.

We expect the combination of improved ARPU and controlled RMC to lead to continued EPC expansion. Our EPC grew an average of 2.9% annually in the past five years, from EUR 29.7 for the year ended December 31, 2020 to EUR 34.3 for the year ended December 31, 2025.

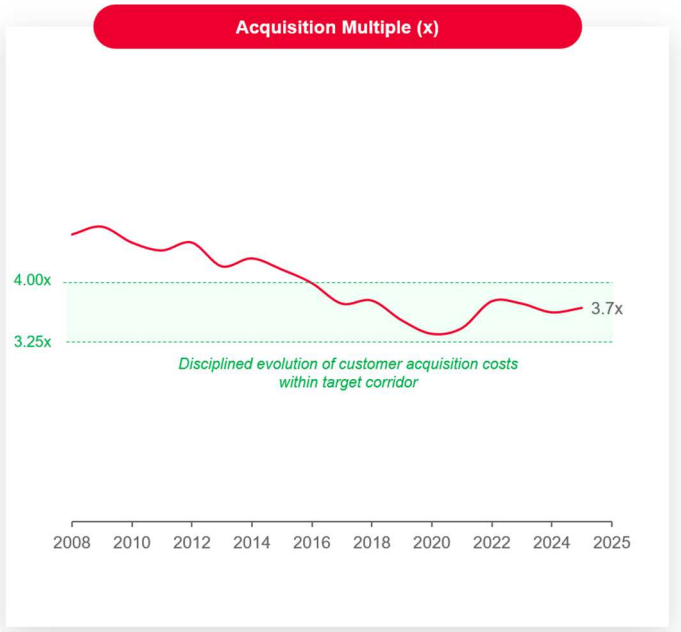
Continue acquiring new customers at controlled acquisition costs and high IRRs

We pay close attention to customer intake quality and aim to make sensible, financially attractive investments in customer acquisition. High-quality customer intake is characterized by a strong attrition profile and an attractive level of pricing and profitability. Our customers come in at a price level in line with our existing customer portfolio. We believe this disciplined approach is what creates long-term value.

We measure our customer acquisition economics through several key performance indicators, including our Acquisition Multiple, which represents the ratio between the initial capital investment made to acquire a new customer, and the annualized Adjusted EBITDA per subscriber.

We have a long track record of keeping our Acquisition Multiple under control. For the year ended December 31, 2015, our average Acquisition Multiple was 4.2 times, while for the year ended December 31, 2025 it was 3.7 times.

[61] Based on publicly reported attrition and churn rates for monitored alarms and telecommunications companies for which such data is available, including ADT, Vivint, Prosegur, Movistar Prosegur Alarmas, Sector Alarm, Vodafone, Orange, Telefónica and TeliaSonera.



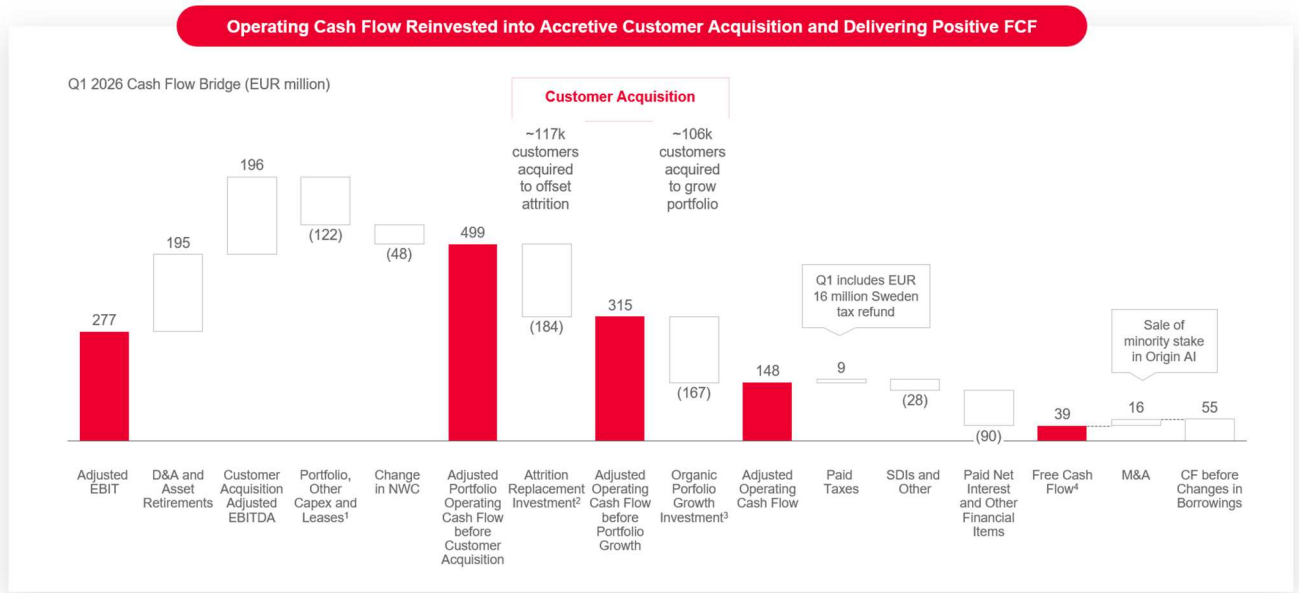
We plan to continue maintaining our Acquisition Multiples in an economically sensible band.

Controlled Acquisition Multiples and attractive operating economics combine to produce the IRR expected of our customer acquisition process. In 2025, we estimate our average IRR to be approximately 20%.

We aim to continue capturing high IRRs in the future through leveraging our effective sales teams and maintaining disciplined cost per acquisition ("**CPA**") levels, supporting customer retention through our strong service proposition delivered at competitive cost-to-serve.

Achieve an attractive balance between growth, profitability and cash flow to shareholders

In the short-term, growth through new customer acquisition reduces both earnings and operating cash flows, as acquiring new customers requires significant upfront investment. In 2025, our CPA was EUR 1,514. In 2025, we acquired approximately 873,000 new customers organically, at a CPA of EUR 1,514. To offset the approximately 433,000 customers lost to attrition and achieve a net organic portfolio growth of around 440,000 customers, we invested EUR 656 million in replacing attrition and EUR 665 million in organic portfolio growth. For the three months ended March 31, 2026, we acquired approximately 223,000 new customers organically, at a CPA of EUR 1,574. To offset the approximately 117,000 customers lost to attrition and achieve a net organic portfolio growth of around 106,000 customers, we invested EUR 184 million in replacing attrition and EUR 167 million in organic portfolio growth.



(1) Sum of capital expenditures related to new equipment for existing customers, capital expenditures related to R&D, IT, Premises and Adjacencies, and Leases.

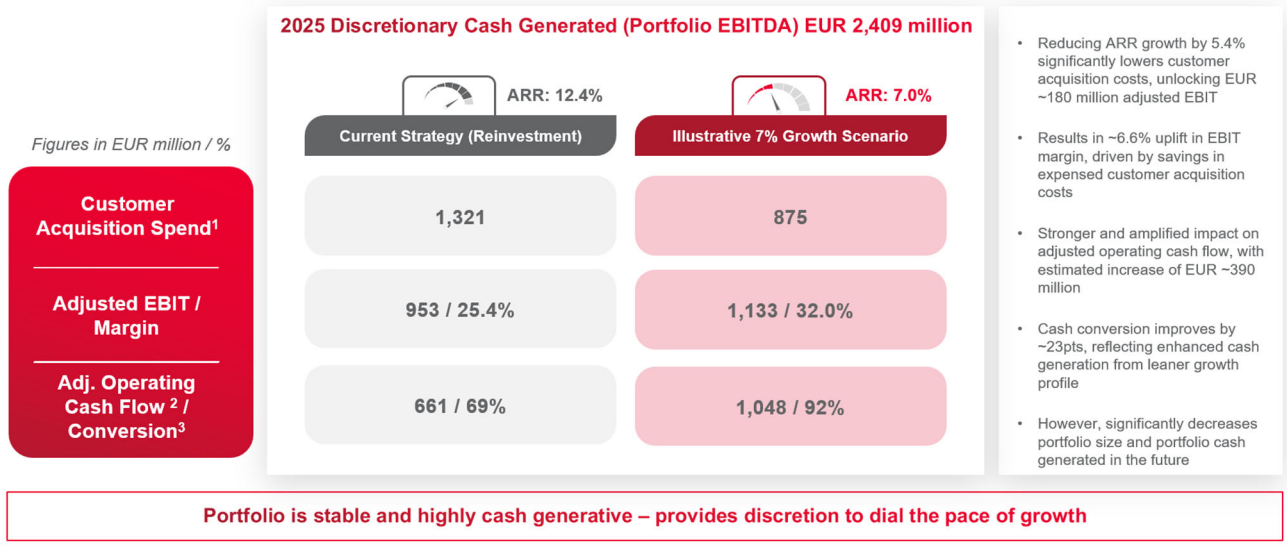
(2) Number of cancellations multiplied by CPA.

(3) (Number of new customers – number of cancellations) multiplied by CPA.

(4) Cash Flow for the period excluding changes in borrowings, M&A activity, and returns to shareholders.

These investments directly reduce operating cash flows on a one-for-one basis, while the impact on Adjusted EBIT is smaller due to the partial capitalization of certain customer acquisition costs. This dynamic also lowers our Cash Conversion ratio,[62] as operating cash flow is more significantly impacted than Adjusted EBIT in periods of strong customer growth. Despite this temporary impact, investment in customer acquisition delivers strong long-term value, with an unlevered IRR of approximately 20%.

The Cash Conversion ratio is highly sensitive to our new customer installations volume, and therefore inversely correlated with our ARR growth. For example, if we had acquired only enough new customers in 2025 to grow our ARR by 7% instead of 12%, we estimate our Adjusted EBIT margin would have reached 32.0% rather than 25.4%, and our Cash Conversion (excluding changes in working capital) would have been 92% instead of 69%. This illustrates how growth-driven new customer acquisition investments temporarily reduce cash conversion but creates long-term value. We deliberately choose to invest cash generated from our growing subscriber base to capture this long-term value.



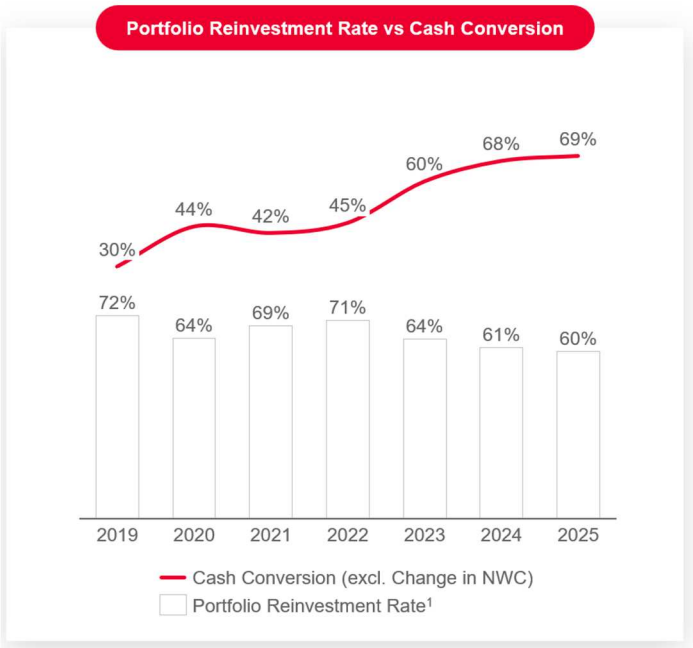
(1) Customer Acquisition Cost defined as Customer Acquisition Adjusted EBITDA + Customer Acquisition capital expenditures.

(2) Adjusted Operating Cash Flow excluding change in working capital.

(3) Cash Conversion excluding change in working capital, as a percentage of Adjusted EBIT.

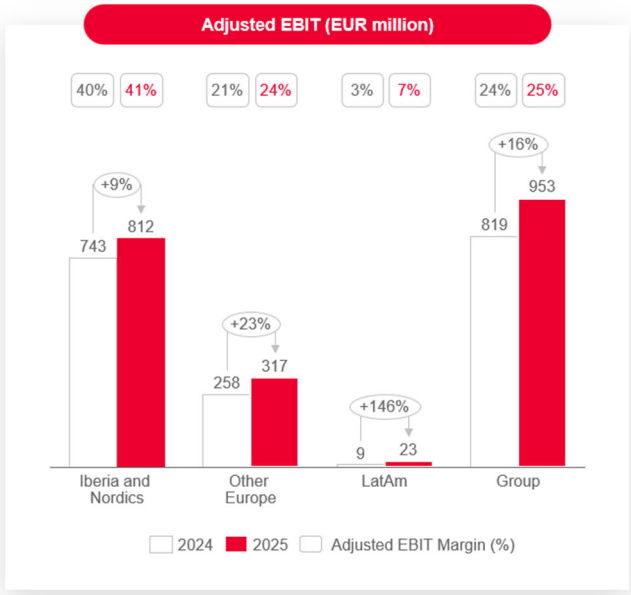
Over time, we expect a continued increase in our Cash Conversion ratio as our Portfolio Reinvestment Rate continues to decline. This is due to increases in both capital efficiency and maturity levels across our geographical footprint, among other things. The chart below illustrates this trend as our business has scaled: the Portfolio Reinvestment Rate has decreased from approximately 64% in 2023 to 60% for the twelve months ended December 31, 2025, and in turn, the Cash Conversion ratio has increased from approximately 61% to 69% over the same period, showing a clear correlation between the two metrics.

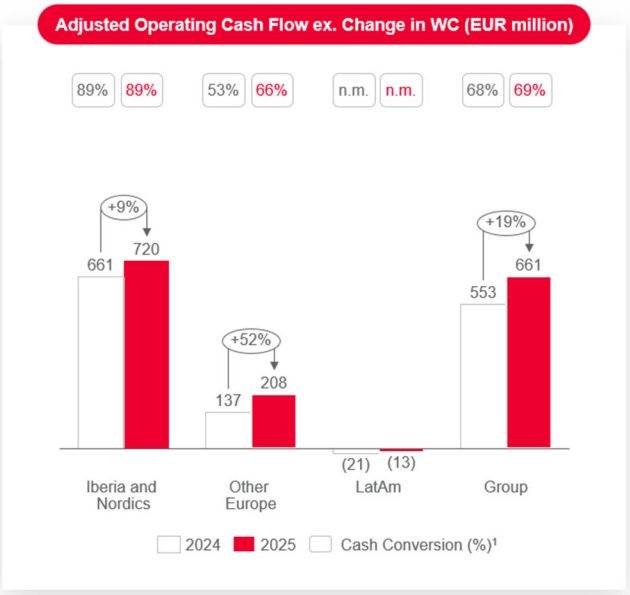
[62] Cash Conversion ratio is defined as Adjusted Operating Cash Flow divided by Adjusted EBIT.



(1) Portfolio Reinvestment Rate is defined as the ratio of Customer Acquisition Cost to Portfolio Cash Flow. Portfolio Cash Flow is defined as the difference between Portfolio Services Adjusted EBITDA and Portfolio Services capital expenditures. Customer Acquisition Cost is defined as the sum of Customer Acquisition Adjusted EBITDA and Customer Acquisition capital expenditures.

A similar trend can be observed across our geographical footprint, with Cash Conversion ratio improving in line with the continued scaling of the business.





(1) Defined as Adjusted Operating Cash Flow excluding change in working capital / Adjusted EBIT.

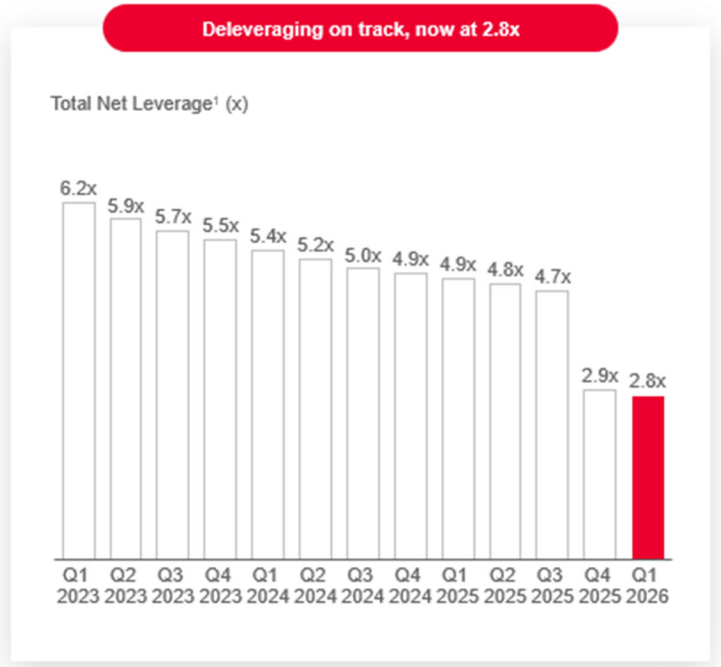
However, focusing solely on operating cash flows overlooks the ability to finance new customer acquisition with debt. Incremental customer acquisition investments generate their own debt capacity: as of December 31, 2025, we acquired new subscribers at approximately 3.7 times their first-year EBITDA contribution (the Acquisition Multiple). Depending on our financing strategy and target leverage levels, we can therefore finance some or all of the new customer acquisition investment with incremental debt.

The table below illustrates this effect. Assuming new customers contribute an average annualized EBITDA per customer of EUR 412 (calculated as EUR 34 of EPC achieved in 2025, multiplied by 12 months), then any incremental customers acquired above the level required to replace the attrition of existing customers would

contribute to our financing capacity by an amount equal to EUR 412 multiplied by the target leverage level. At an illustrative leverage level of 2.5 times EBITDA (in line with the Company's future capital structure target) this would be equal to EUR 1,030, whereas at an illustrative leverage level of 2.9 times EBITDA (matching the Company's leverage level as of December 31, 2025) this would be EUR 1,194. Translating this into an aggregated figure for the entire pool of new customers acquired in 2025, this translates into incremental debt financing availability in the range of approximately EUR 575 million to EUR 670 million, based on constant leverage levels of 2.5x and 2.9x, respectively. This, in turn, could cover approximately 45% to 50% of the total customer acquisition cost and correspond to between 60% and 70% of Adjusted EBIT for the period.

Annualized EBITDA per Customer (EUR)	412	412
x Illustrative Leverage Level (x EBITDA)	2.5	2.9
Incremental Debt Capacity per New Customer (EUR)	**1,030**	**1,194**
Gross New Subscribers Added (thousands)	873	873
Gross Cancellations (thousands)	(433)	(433)
M&A and Others (thousands)	120	120
Net Subscribers Added (thousands)	**559**	**559**
x Incremental Debt Capacity per New Customer (EUR)	1,030	1,194
Total Incremental Debt Capacity from New Customers (EUR million)	**576**	**668**
	44%	51%
Relative to 2025 Customer Acquisition Cost of EUR 1,321 million (%)		
Relative to 2025 Adjusted EBIT of EUR 953 million (%)	60%	70%

Capital structure targets and capital allocation policies will therefore materially influence the cash flow generation to shareholders. Prior to 2021, shareholders periodically recapitalized the Company, effectively borrowing against incremental new customer cohorts acquired to finance the Company's growth investments while also enabling significant shareholder distributions. The most recent example of this was in March 2021, when a EUR 1.7 billion dividend was distributed to shareholders. Since then, the Company has prioritized deleveraging. Following the IPO the Company decreased net leverage to approximately 3.0x, by year end, to 2.9x, and by March 31, 2026, to 2.8x. Our net financial debt reduced from €7.8 billion as of September 30, 2025 to €5.0 billion as of March 31, 2026, and the Company is targeting net leverage of approximately 2.5x-2.75x through the cycle.



(1) Total Net Leverage ratio excludes factoring arrangement (balance of €232m as of March 31, 2026) and includes LTM Adjusted EBITDA.

In the short term, this will improve cash flow generation by delivering savings on interest expenses and finance charges, driven by lower Net Financial Debt and by a lower weighted average cost of debt. Thereafter, once our targeted lower leverage is achieved, a portion of the Company's customer acquisition investment could again

be funded with incremental debt, thereby increasing the cash available for shareholder distributions, for example through ordinary dividends, extraordinary dividends or share buybacks.

Dividend Policy

We have adopted the following dividend policy:

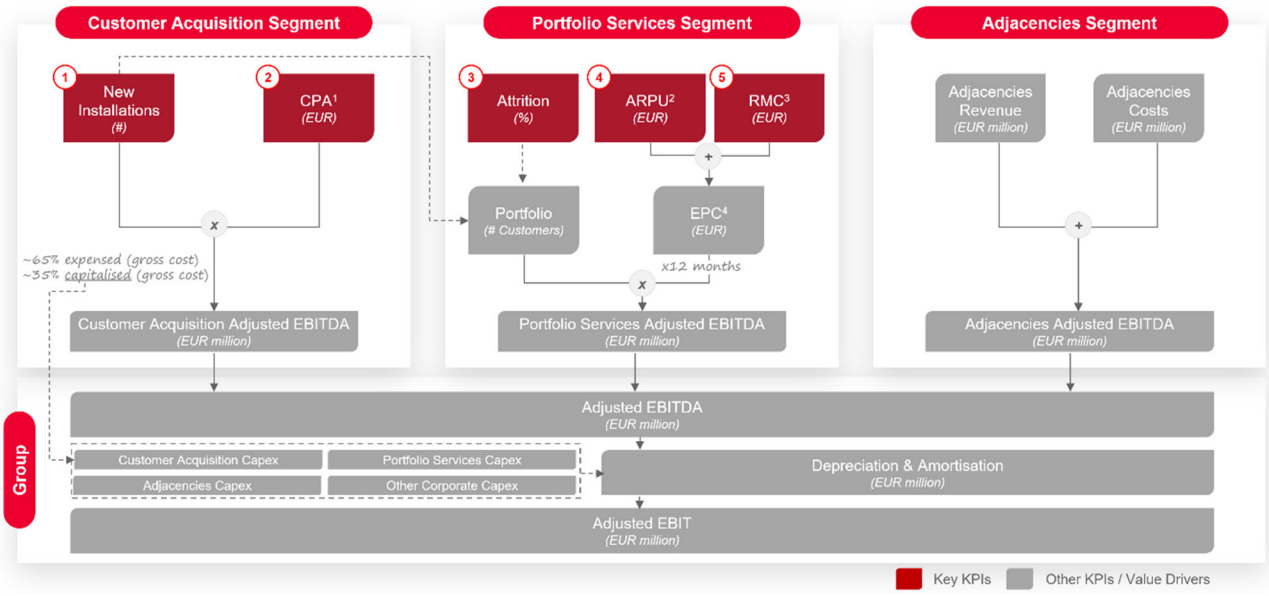
- We intend to maintain a progressive dividend policy, targeting ordinary dividend payouts of approximately 30-40% of Adjusted Net Profit.[63] Ordinary dividends will normally be paid twice a year, with the first distribution expected to be a partial dividend in the second half of 2026. We may also return excess capital to the Company's shareholders through share buybacks and special dividends in the medium term.

- The Company's Board may amend, revoke or suspend our dividend policy at any time and for any reason, including the Company's financial condition and results of operations, liquidity and capital requirements, market opportunities, legal, regulatory and contractual constraints, tax laws and any other factors that the Board may deem relevant. Our dividends will not be cumulative: if the Company does not pay dividends or pays a lower amount of dividends than anticipated in any period, our shareholders will not be entitled to receive those payments in the future. Any proposed payment of dividends assumes that there are sufficient distributable reserves available at the relevant time.

Our Business Model

Our business model combines growing, predictable cash flows from our existing customer portfolio, with high-quality customer growth. We deliberately reinvest a portion of the cash flows from our customer portfolio into technology innovation, superior propositions, category-creating marketing, brand recognition and go-to-market excellence, allowing us to attract high-quality new customers.

We operate primarily through two operating segments: Portfolio Services and Customer Acquisition. We track our financial performance primarily through five key performance indicators, as illustrated in the graphic below.



(1) CPA = Cost per acquisition.

(2) ARPU = Monthly Average Revenue Per User.

(3) RMC = Recurring Monthly Cost.

(4) EPC = Monthly Adjusted EBITDA per Customer.

[63] Adjusted Net Profit is defined as net profit or loss for the period, before acquisition-related items, share-based compensation expenses and separately disclosed items (net of tax). Acquisition-related items relate to the amortization and depreciation impact in net profit absent historic business combinations.

Customer Acquisition

We deliberately choose to invest a significant part of the cash generated from our portfolio to acquire new high-quality customers. Our Customer Acquisition segment attracts new customers and installs alarm systems for new customers in return for an upfront sales and installation fee. For the year ended December 31, 2025, our average upfront sales and installation fee was EUR 415. While in most circumstances upfront sales and installation fee is collected in cash, in some geographies, a portion of the fee may be paid by the customer over time, under certain circumstances.

The origination of each new customer requires a net investment from us, as the costs associated with acquiring a new customer typically exceed the upfront sales and installation fee we charge. In addition to the costs of the alarm equipment installed, we also have costs associated with sales commissions, sales activities, training of our sales staff, marketing and overheads.

For the year ended December 31, 2025, our average CPA (including related capital expenditure and net of installation fees) was EUR 1,514, representing a year payback period of 3.7, which is the amount of time it takes for us to recoup the upfront cost of acquiring customers (known as Acquisition Multiple). We are targeting an Acquisition Multiple between 4.00x and 3.25x. While we were above 4.00x historically, we have brought it within our target range since 2016.

Newly acquired customers then become part of our Portfolio Services segment, driving revenue, Adjusted EBITDA and profitability. Given the discretionary nature of our investments in new customer acquisition, we maintain flexibility in managing the pace of growth and customer acquisition.

For the three months ended March 31, 2026, our Customer Acquisition segment generated revenue of EUR 93.7 million (representing 9.2% of our total revenue) and Adjusted EBITDA of minus EUR 196.3 million (representing a negative Adjusted EBITDA margin of 209.5%). For the year ended December 31, 2025, our Customer Acquisition segment generated revenue of EUR 362.2 million (representing 9.7% of our total revenue) and Adjusted EBITDA of minus EUR 723.0 million (representing a negative 199.6% Adjusted EBITDA margin).

Our Customer Acquisition segment activities can be described as follows:

Leads generation. We design our marketing strategy to support our field sales and telesales teams and grow our brand awareness and image. We identify and stimulate interest in security solutions through targeted advertising on mass media and digital channels, along with strategic partnerships, to attract potential customers as new leads. These leads are nurtured through an in-house multiple entry system to convert interest into bookings for security experts and ultimately into sales. In the year ended December 31, 2025, we generated over 944,000 bookings on a Group-wide basis. Additionally, we leverage referrals from existing customers to boost lead generation and attract new prospects.

Customer qualification. Qualification is an essential component of our customer acquisition strategy, as we seek to attract customers who are more likely to value our premium services and retain our services over the long term. Consequently, we target households and businesses we believe will be long-term customers, such as residential customers living in wealthier areas and in owned single-family dwellings and, to a lesser extent, owned apartments. We also selectively target small business customers. Our customer qualification process often involves credit checks, where allowed under local laws. Additionally, in the majority of cases, we typically charge an upfront fee for installing an alarm system, which constitutes a substantial part of the system cost. We believe this upfront fee essentially acts as a qualifier, providing assurance that we attract customers that are financially able and motivated to retain our services for the long term. This function is particularly important in the context of certain types of small businesses that tend to experience higher turnover rates. We believe that the way we shape the customers' expectations and understanding of our solutions through the initial sales and installation process, as well as our customer onboarding process, supports our low attrition levels.

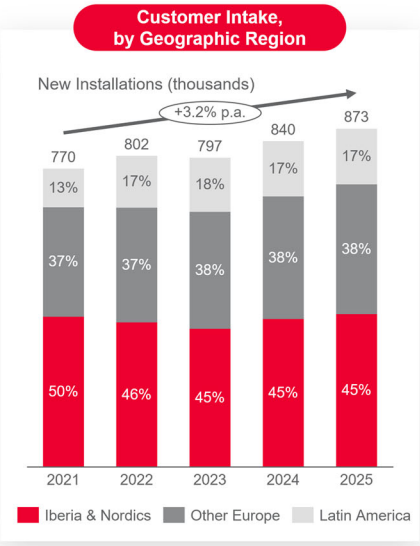
Sales and marketing strategy. Our sales efforts are conducted through three channels: our field sales team (main), our alliance partners and our telesales team. Our large network of field salespeople (including both direct employees and franchise partners) and telesales channels seek to engage customers directly at their home. To maximize the potential for customer acquisition, each salesperson goes through a solid training program, learning both the benefits of our services and the most effective way to communicate these to potential customers. Our trainings also involve strong compliance elements. Additionally, we provide our salespeople with sales coaches to help them reach sales targets. Our salespeople are evaluated by strict performance standards and are remunerated with a largely variable compensation package that is linked to attracting quality customers. This enables us to identify and appropriately compensate talented individuals, so that they continue working with us on a long-term basis. Our core go-to-market approach centers on leads-based, face-to-face

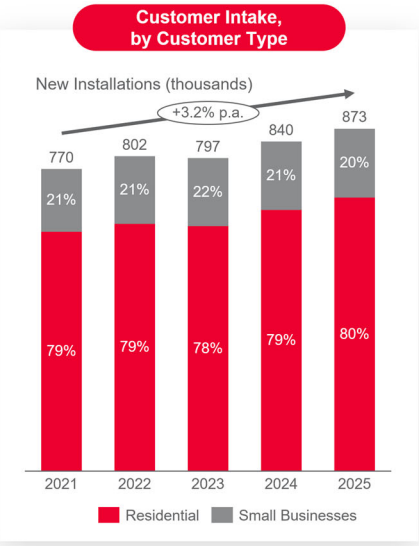
sales. Wherever possible, we employ a “sales-installer” approach, where the person responsible for selling alarm services also installs the underlying alarm system. We gain several operational benefits from the sales-installer model, including reduced costs by combining the roles of salesperson and installer and increased speed of installation. Moreover, our sales-installers have a more comprehensive knowledge of the benefits and technical details of our offerings, along with greater accountability to the customer.

In the partner model, which is used at scale only in Sweden and Norway, we cooperate with local entrepreneurs who sell, install and manage the ongoing customer service within their designated geographical area. Partners are typically local entrepreneurs who work exclusively with us and have the right to use our VERISURE and, for some business customers in Sweden, SECURITAS DIRECT trademarks. Although these partners become our agents, they remain legally independent from us, and we retain full ownership of the contracts negotiated between the partner and the customer on our behalf. Selection of partners involves a strict evaluation process that focuses on key attributes such as entrepreneurial and sales skills, and knowledge of the regional area. Once selected, partners undergo tailored training to ensure that they meet the same high standards we expect of our own employees. We design our compensation plans for our partners to align their goals with our targeted key performance indicators, which helps us generate quality accounts and encourages high-quality customer service and long-term partnerships.

We employ approximately 12,500 sales agents,[64] and we also work with 16 commercial alliance partners, including insurance companies, telecommunication providers and banks, in most of our geographies to generate leads and increase awareness of our professionally-monitored security services among families and small business owners.

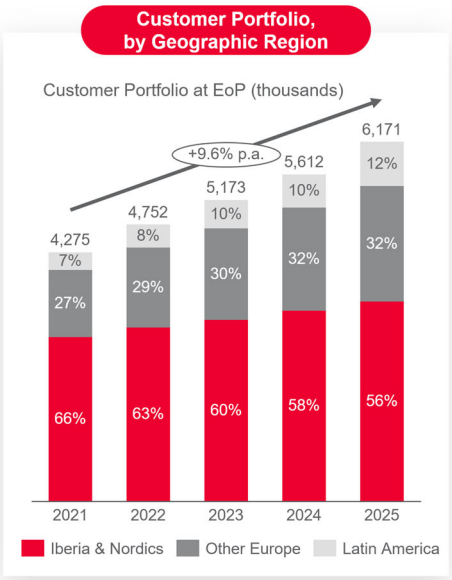
The proportion of residential homes compared to small businesses in our customer intake has remained relatively stable over time, whereas the mix of geographies within our customer intake has evolved, with our Other Europe and Latin America regions growing faster than our more mature Iberia and Nordics region. The following graphs present our customer intake mix for the years 2021 to 2025.

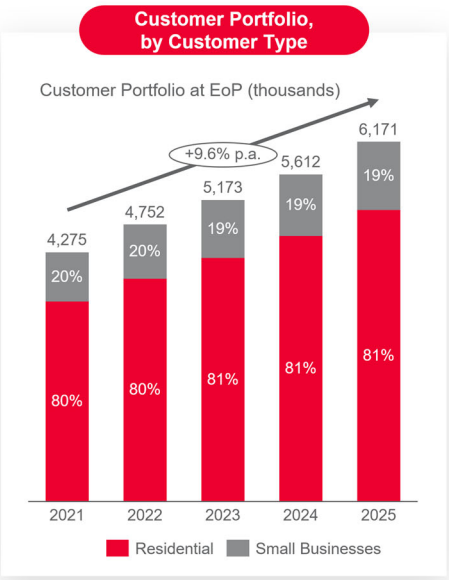




The following graphs present our customer portfolio with a similar breakdown as at December 31 of each of the same years.

[64] Including Sales agents and Teleclosing personnels.





Portfolio Services

Our Portfolio Services segment provides a professionally-monitored security service to our existing customers for a monthly subscription fee. Our service includes deterrence, 24/7 monitoring from our 19 in-house alarm monitoring centers, detection of events, expert verification and response, customer care, as well as maintenance and technical support.

We typically enter into self-renewing monitoring agreements with our customers at the time of installation. As of December 31, 2025, our customer spend was approximately EUR 47 monthly (VAT excluded) for our services on average, and our EBITDA per customer was approximately EUR 34. We have a strong track record in customer satisfaction and retention, with an attrition rate of 7.4% for the year ended December 31, 2025, which is best in class in our category. This strong retention rate contributes to stable and recurring cash flows, allowing us to fund investments that grow our portfolio.

For the three months ended March 31, 2026, our Portfolio Services segment generated revenue of EUR 899.2 million (representing 88.2% of our total revenue) and Adjusted EBITDA of EUR 662.3 million (representing a 73.7% Adjusted EBITDA margin). For the year ended December 31, 2025, our Portfolio Services segment generated revenue of EUR 3,267.8 million (representing 87.2% of our total revenue) and Adjusted EBITDA of EUR 2,409.1 million (representing a 73.7% Adjusted EBITDA margin). See also section "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

Our Portfolio Services segment consists primarily of three types of operating activities, as described below.

24/7 Alarm Monitoring and Verification

Our in-house alarm monitoring centers handle tens of thousands of alarms each day. For the year ended December 31, 2025, our 19 alarm monitoring centers handled a total of 85 million alarms. Triggered alarms undergo a rigorous process of verification and prioritization, using advanced technology and protocols and leveraging both AI algorithm and human analysis and judgment. We utilize the range of connected devices installed at the customer's premises to detect and confirm various risk situations, including fire, intrusions, duress, medical emergencies and element manipulation. These devices are enhanced with camera detectors that capture a sequence of images when an alarm is triggered.

Our 2,500 monitoring agents then follow a detailed remote verification process, which includes making callbacks to customers to determine the cause of the alarm.[65] In most regions, we also utilize a third-party guard service to physically respond to and investigate alarm notifications. Our verification processes are designed to quickly identify the source of each alarm and respond accordingly, which is crucial for maintaining customer satisfaction and minimizing false alarms.

[65] Monitoring agents headcount does not include Mexico.

We deliver all our monitoring services in-house, with our own employees across 19 monitoring centers covering each country where we operate. Each center has a designated backup facility, allowing us to swiftly transfer most of our monitoring and customer service capabilities if needed. In larger countries, the backup facility is located within the same country. All our backup facilities are fully equipped to operate as functional monitoring centers, ensuring minimal service disruption in the event of a malfunction or disruption at the primary center.

Intervention and Response Coordination

When an alarm is verified, we quickly contact and collaborate with local police forces, guarding companies, fire services and ambulances to coordinate an appropriate response. We believe that our ability to filter out false alarms and contact first responders only when there is a high likelihood of a genuine emergency is crucial. In certain markets, our reliability has earned the trust of law enforcement to the point of establishing a direct connection between our monitoring stations and their dispatch systems. For the year ended December 31, 2025, we dispatched on-site assistance for over 417,000 incidents.

Wherever customers are equipped with our *ZeroVision*™ technology, we also take immediate action to minimize potential losses and expel intruders, through the release of thick vision-impairment smoke.

Customer Service and Support

Excellent customer service is a key focus of our business. We believe that customer satisfaction and low attrition rates are directly linked to our business success. A critical step in ensuring high initial customer satisfaction is to adequately on-board new customers. We aim to provide an introductory welcome call to all new customers who subscribe to our service. For the year ended December 31, 2025, we conducted over 800,000 welcome calls.

As of December 31, 2025, we employed more than 2,000 customer care specialists.[66] We aim to minimize attrition through a “first time right” strategy, addressing issues promptly when they first arise. This approach reinforces our customers’ perception of our responsiveness, reliability and high-quality service. Our field service team provides on-site assistance when physical intervention is needed, offering us an upselling opportunity. For the year ended December 31, 2025, we conducted over 3.5 million field-maintenance visits.

We regularly evaluate our service performance using key performance indicators such as response time, first-time resolution rate, net promoter score and attrition rate. We believe that our customer service and support is a key reason for which we have long been able to maintain our low attrition rates.

We also proactively support our customers through various quality assurance programs designed to deliver a differentiated value proposition and address potential pain points. For example, in most regions, we offer a structured training program for the first six months after the installation of our monitored alarm systems. This program helps customers become familiar with their systems and encourages engagement, recognizing that increased comfort and usage lead to higher customer retention.

In the event of a cancellation request, we have a dedicated retention process. This process aims to provide tailored solutions for various cancellation reasons (e.g., home moves), offering optimal customized response to requests, and ultimately reducing customer attrition. This process consists of advanced early identification of detraction (visible detractors, customers with recurrent process hassles, inferred detractions through AI); selection of best action, tailored to each customer; contact and cancellation request prevention (contacting of detractors).

Upselling

We believe that upselling products and services to our existing customer base enhance both business profitability and customer satisfaction.

Our upselling framework begins with a granular segmentation of our portfolio, using advanced propensity models including over 300 customer variables and consisting of descriptive (e.g., villas, flats, offices) and demographic (e.g., families with kids or pets) datapoints. Based on this data, we identify the most attractive upselling value proposition for each customer (e.g., LockGuard™ for flats or ZeroVision™ for street-based businesses).

[66] Customer care specialists headcount does not include Mexico.

Our approach identifies optimal and critical moments in the customer lifecycle where this upselling is done best through advanced customer segmentation to understand when our customers would most likely want an upsell, such as right after a real event or incident. Deploying a consistent multi-channel contact strategy also allows us to maximize conversion and satisfaction through our contact centers and field maintenance visits.

For the year ended December 31, 2024, we engaged in upselling conversations with approximately 17% of our customer portfolio, reaching up to 25% in our best-practice country. During the same period, we upsold products or services in approximately 13% of our field maintenance visits, with rates up to 18% in our best-practice country.

Currently, the majority of ARPU growth is derived from cycle fee increases. Upselling remains a significant opportunity.

Adjacencies

In addition to our Portfolio Services and Customer Acquisition segments, we classify certain other non-core businesses under our Adjacencies segment. This segment mainly represents the sale of monitoring and assistance devices and services for senior citizens, as well as the sale of Arlo cameras and video surveillance services in retail and online channels across Europe.

For the three months ended March 31, 2026, our Adjacencies segment generated revenue of EUR 26.4 million (representing 2.6% of our total revenue) and Adjusted EBITDA of EUR 6.3 million (representing a 23.9% Adjusted EBITDA margin). For the year ended December 31, 2025, our Adjacencies segment generated revenue of EUR 115.4 million (representing 3.1% of our total revenue and an average annual growth of 13.9% from EUR 60.2 million for the year ended December 31, 2020) and Adjusted EBITDA of EUR 21.9 million (representing a 19.0% Adjusted EBITDA margin).

Adjacencies: Seniors

Launched in 2017, our Seniors proposition delivers a comprehensive safety and wellness solution tailored specifically to the needs of senior citizens, a growing and historically underserved demographic. The service features 24/7 monitoring and emergency assistance through a smartwatch, panic button, automatic fall detection system and a mobile application that facilitates continuous connectivity with family members. In addition to core protection services, Seniors includes a suite of integrated value-added offerings such as telemedicine, telepharmacy and administrative support.

The service is currently commercialized in Spain through an alliance partnership that grants access to a broad and relevant customer base. This initiative aligns with our strategic goal of offering holistic peace-of-mind solutions. It also enhances our upsell potential across the core product portfolio, supporting both customer satisfaction and long-term profitability.

As of December 31, 2025, we served approximately 134,000 customers in Spain. In 2025, Seniors generated revenue of EUR 45.8 million, representing a CAGR of 10.8% between 2022 and 2025. Seniors contributed positively to our EBITDA in 2025.

Looking ahead, we expect to seek to expand the Seniors offering to additional geographies, to diversify distribution channels and to continue innovating the product suite to meet the evolving needs of the senior population.

Adjacencies: Arlo Europe

Our Arlo Europe camera and video surveillance business, acquired in December 2019 from Arlo Inc., comprise of the commercialization of Arlo-branded cameras and related video analytics services across Europe. The acquisition marked a strategic expansion into the adjacent self-monitored security category, enabling us to gain targeted insights into customer behavior and the economics and scalability of self-monitored camera services.

As of December 31, 2025, Arlo Europe served over 1.2 million users across 49 countries. Close to 300,000 of these were active subscribers to our premium video services across 33 countries. In 2025, Arlo Europe generated revenue of EUR 61.3 million, representing a CAGR of 12.2% between 2022 and 2025. By comparison, we estimate that the value of the connected security camera market across Europe's three largest countries (the UK, France, Germany) grew by 7% over the same period. Arlo Europe contributed positively to our EBITDA in 2025.

Compared to professionally-monitored alarm systems, self-monitored cameras offer a more basic solution typically providing limited visual verification, no third-party intervention, and self-installation. This stands in contrast to Verisure's full-service model, which includes professional installation, all-around coverage of the premises, 24/7 monitoring and layered intervention, and which camera vendors cannot replicate in practice, partly because in many of our countries stringent regulations prevent them from connecting to a professional alarm receiving center or notifying the police directly. In our experience, cameras can act as a potential gateway to more comprehensive security solutions, such as Verisure's core offering. In our October 2025 consumer survey conducted with more than 13,500 households across 13 European countries, 20% of camera owners expressed interest in professionally-monitored systems, compared to 15% of non-camera owners.[67]

Within the self-monitored security market, Arlo has positioned itself in the higher-value subcategory, characterized by greater subscription attachment rates, in contrast to the low-cost, high-volume segment dominated by manufacturers (often from China) with lower recurring revenue. Arlo's emphasis on quality and service has translated into superior user engagement: approximately 40–50% of newly downloaded Arlo apps remain in active use one week post-installation, compared to approximately 20-30% for leading competing brands.[68]

Despite this higher engagement, the economics of the self-monitored segment remain less favorable relative to our core business. Contributing factors include (i) lower recurring revenue attach rates (versus 100% in our core offering), (ii) lower monthly revenue per subscriber and (iii) higher attrition –even among customers who opt into premium subscriptions. We believe these dynamics reflect structural characteristics of the category: less acute initial security need, less stringent customer qualification, minimal upfront investment and a lighter-touch value proposition.

Our ESG strategy

Our mission – protecting what matters most to our customers – makes ESG a core pillar for Verisure. In particular, our social impact is inherent to what we do and embedded in our values as a company. We aim to provide peace of mind to our customers by protecting what matters most to families and small businesses. We strive to go above and beyond to make people feel safe and to make a difference in our communities. This plays a key role in attracting and retaining world-class talent, which supports our continued growth and benefits new and existing customers.

We also strive to be representative of the communities and customers we protect and serve around the world. Our commitment to unlocking the full value of our human capital, gaining long-term competitive advantage and improving our external impact is reflected in our three roles: as an employer, a business and a social actor. Diversity, Equity, Inclusion & Belonging is a business priority for us, embedded in our business and ESG strategies, as we believe this focus leads to long-term financial value. We are making progress in our ambition to increase gender representation across our company, in leadership roles and on the Board.

In 2022, we formalized our Group ESG strategy by strengthening our ESG central team and country ESG network, implementing specific ESG governance, including a new ESG Committee and defining a roadmap of initiatives. We made our plans more actionable, more measurable, more transparent and clearer to our stakeholders.

The results of our double materiality assessment[69] shaped our sustainability strategy across five pillars – *Our Customers*, *Our People*, *Our Communities*, *Our Planet*, and *Ethics & Integrity* – and 12 material topics where we have identified impacts, risks and opportunities that drive our action and strategy in an integrated manner across our business operations and functions. Under our ESG strategy, these five core pillars are organized underneath our overall mission headline: "We Protect What Matters Most". In each of these areas, we have mapped out clear priorities, commitments and associated KPIs. For some important areas, such as gender diversity at company and leadership levels or greenhouse gas emissions, we have also defined 2030 goals.

The primary pillar of our ESG strategy is Our Customers, which comprises three key topics: (1) best-in-class protection and peace of mind, (2) data privacy and cyber security, and (3) digitalization and AI. The second pillar

[67] Company Data Analysis, October 2025. Based on a sample of 13,567 households across 13 European countries, weighted by population.

[68] Company Data Analysis based on estimates of App usage tracking for the main camera apps (Arlo, Ezviz, Tapo, Eufy, Reolink, Ring, Nest) during Q4 2024, across the UK, France, Spain and Italy.

[69] A double materiality assessment is a concept covered by the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) that implies the analysis and reporting of the external impacts of the company on people and the environment and how sustainability matters financially affect the company in terms of risks and opportunities.

is centered on Our People. Our efforts in this area focus on (1) diversity, equity, inclusion and belonging, (2) employee health, safety and well-being, (3) talent management and sustainable engagement and (4) employee relations. The third pillar, which rounds out our social impact, is Our Communities, where we work to maximize our positive community impact and sustainable sourcing. In addition to our focus on our social impact, we are equally committed to protecting Our Planet, the fourth pillar of our ESG strategy, by working on lifecycle management and circularity and climate change. As of 2025, 99.96% of our suppliers were signatories to our Supplier Standards and Ethical Code, and 100% of our Strategic and Important suppliers were ESG-rated. We have moved closer to our target of a 40.0% GHG emission intensity reduction by 2030 by reaching a 32.6% intensity reduction in revenues as of December 31, 2025 from our base year, 2021. The final pillar of our framework addresses Ethics & Integrity, with strong corporate governance, built on the foundations of our culture and DNA.

At the beginning of 2026, Morningstar Sustainalytics awarded Verisure with the Global ESG Leader badge, out of approximately 15,000 companies assessed in its ESG Risk Rating, as well as the Regional ESG badge and the Industry Leader ESG badge.[70] This is the third consecutive year that we have been awarded this recognition in the three categories. We started 2026 with an ESG rating of negligible risk.[71]



Funding Our Growth and Fit for Growth – cost savings initiatives

In late 2014, we began a group wide operational improvement plan, Funding Our Growth ("**FOG**"), with the aim of optimizing our cost structure and improving productivity. The program, which has now become embedded in our culture, seeks to leverage our scale and share best practices across our global footprint in order to reduce costs and improve our margins. We have, since the program's implementation, monitored the obtained savings through the implementation of a diligent bottom-up process with regular reporting to country and group management teams. In 2020, we introduced a new detailed bottom-up cost savings plan, which enabled us to achieve gross aggregate cost savings of over EUR 200 million between January 1, 2020 and December 31, 2023, two years ahead of target.

For our current and third FOG cycle, we introduced in early 2024 a cost savings program targeting gross aggregate cost savings of over EUR 175 million between January 1, 2024 and December 31, 2026. This new program covers approximately EUR 1.5 billion of costs across our Portfolio Services and Customer Acquisition segments, with a broad scope including a review of material costs, review of support functions cost pools,

[70] Awarded as of 2026. The ESG Leader Badge recognizes companies based on Sustainalytics' rules-based methodology. Recognition is based on publicly available data at the time of assessment and may not fully capture all aspects of a company's sustainability strategy or actions. Companies are compared within defined frameworks; recognition should not be interpreted as an absolute measure of sustainability performance or a guarantee of performance or outcomes. Further information concerning the Badges and the underlying products can be found on this webpage: https://www.sustainalytics.com/corporate-solutions/esg-solutions/ top-rated-companies.

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continuous improvement of our operating model and adoption of new technologies to modernize existing ways of working and increase efficiency. The incremental cost savings for the period from January 1, 2024 to December 31, 2025 were approximately EUR 165 million nearly achieving our full cost savings target one year ahead of schedule. Our FOG program is well-established, supported by dedicated teams, and operates under robust governance involving the Company Management Team.

We believe that maintaining a strong focus on efficiency is essential to supporting our continued investment in growth and innovation. To that end, we have launched a transformation program in early 2026, "Fit for Growth", designed to further strengthen our operating model and position it for the next phase of development. Fit for Growth builds on our previous "FOG" initiatives by expanding scope, raising ambition, and accelerating execution with new initiatives focused on emerging opportunities and a broadened focus on technology and support cost optimization. A key enabler of this program is expected to be the accelerated deployment of Artificial Intelligence across the organization. We aim for this program to enhance organizational efficiency while also improving customer experience, supporting revenue growth and reducing attrition.

Successful realization of our anticipated cost savings is subject to a number of assumptions. See also section "*Risk factors—Risks related to our business and operations—We are subject to increasing operating costs, which may adversely affect our earnings, and we may not be able to capture the full savings ambition of our comprehensive cost savings programs, Funding Our Growth and Fit for Growth*".

Branding

We currently operate under four main brands, VERISURE, SECURITAS DIRECT, ARLO and ADT, as follows:

- Under the VERISURE brand in most of our jurisdictions, including Sweden, Norway, Denmark, Finland, Spain, Portugal, Italy, France, Belgium, the United Kingdom, Ireland, the Netherlands, Germany, Brazil, Chile, Peru and Argentina;

- Under the SECURITAS DIRECT brand predominantly in Spain and Portugal (for most of our existing customer portfolio, whereas our new installations have been transitioned to the VERISURE brand). In Sweden, the brand SECURITAS DIRECT is used for a small part of our business customers. Of note, we also have the right to use the SECURITAS DIRECT brand in Belgium, Finland, France, the Netherlands and Norway, and the DANSIKRING DIRECT brand in Denmark. However, these brands have been phased out and are almost not used in these countries; and

- Under the ARLO brand for the sale of camera and related video surveillance services across Europe, especially through retailers, both online and in physical stores.

- Under the ADT brand in Mexico, where we serve approximately 125,000 residential and small business customers.

When we began our business in 1988 in Scandinavia, the SECURITAS DIRECT name leveraged the reputation that the broader SECURITAS brand name had in the security business market. Our use of the SECURITAS DIRECT and DANSIKRING DIRECT brand names (in Denmark) is subject to license agreements from our former parent company, Securitas AB (publ). Under these agreements, we are licensed to use the trademarks SECURITAS and DANSIKRING in combination with DIRECT, and Securitas AB may not use these trademarks, or license other entities to use them, in combination with the word DIRECT. The license agreements include an annual revenue-based royalty payment to Securitas AB (publ) and continue until December 2029 (subject to certain termination provisions).

In 2009, we launched VERISURE as the main and proprietary brand and business name for our Group. Since then, nearly all of our existing country operations have successfully transitioned to VERISURE, and all of our new country operations have been launched under that brand. As of December 31, 2025, we owned over 1,047 registered trademarks across 68 jurisdictions, many of which relate to the VERISURE brand. We continue to invest in developing the VERISURE brand and expanding its use across its territories.

Following a strategic review, we began rebranding away from the SECURITAS DIRECT brand in the second half of 2025, starting in Portugal. We currently estimate the total cost of this rebranding exercise across Portugal, Spain and Sweden to be between EUR 100-150 million over a six-year period, with a significant majority of the costs incurred in the first two to three years. We estimate that television and digital media advertisement will make up approximately 65% of the total cost and that program management, IT and deterrence signs will make up approximately 35% of the total cost. Following this period, we will no longer need to pay the royalty we would

otherwise owe under the existing license agreements, which we estimate would be approximately EUR 10 million in 2030 (and would subsequently increase thereafter in line with our revenue growth).

We have successfully conducted the rebranding in six other countries including in France, our second country by portfolio size. We believe that this will strengthen our branding across our markets, opening more opportunities and creating a stronger, unified brand under VERISURE going forward. See also section "*Risk factors—Risks related to our business and operations—Potential disputes or other events relating to the brand name SECURITAS may negatively impact our operating profit in countries where we use the SECURITAS DIRECT brand*".

Regulation

Our operations are subject to a variety of laws, regulations and licensing requirements in the countries in which we operate. Most of the laws and regulations specific to the industry are country or municipal-wide in scope. Legislation relating to consumer protection, fair competition, data privacy, artificial intelligence, cyber protection, product design and other generally applicable areas are either EU or country-wide in scope. We believe that regulatory and voluntary standards in the area of security and safety services offer us the opportunity to set ourselves apart from our competitors, as a group that is better equipped than others operating in the same category to meet new requirements, to partner with law enforcement and other relevant stakeholders, and to market our services with certifications valued by consumers. We are actively pursuing opportunities to positively influence the regulatory environment and also have programs in place focused on ongoing regulatory compliance. See also section "*Risk factors—Risks related to our business and operations*".

The main areas of relevant regulations for us can be listed as follows:

Consumer protection regulations

Some jurisdictions regulate or restrict door-to-door sales. Nation-wide regulations are currently not present in our largest geographies (other than some time limitations), such as Spain, France, Sweden, Italy, Brazil and Norway. However, Denmark has a broad prohibition against door-to-door sales, and Belgium a narrower prohibition against such sales with impacts on our business model. In these jurisdictions, we have had to alter our sales approach to rely more on advertising our services in media as well as alternative lead sales. The so-called Omnibus Directive that became effective at the end of May 2022 establishes that door-to-door sales cannot be banned "as is" although limitations to this activity can be adopted by Member States. We therefore do not foresee additional bans like the ones in place in Denmark and Belgium being adopted elsewhere in the EEA.

In France, new consumer protection regulations are expected to enter into force in August 2026, restricting telemarketing and requiring a shift to opt-in leads with explicit consent for such marketing activities. The current proposal is materially aligned with how we already operate and as such, is not expected to have any material impact on our operations in France.

In Spain, new customer service regulations are expected to enter into force at the end of December 2026, requiring, among other things, a notification to customers 15 days before a rolling subscription contract is renewed. We do not expect the new regulations to materially impact our operations in Spain, because customers can already cancel at any point with 30 days' notice without penalty and we prioritize customer engagement over contractual terms to keep low attrition rates. All countries in which we operate have regulations protecting consumers in their dealings with a company's sales force, which, in the case of the EEA countries in which we operate, were expanded and strengthened in connection with the mentioned Omnibus Directive. Typically, these regulations involve requirements on consumer and customer transparency, pre-contractual terms and withdrawal period. We are committed to compliance with these regulations and have programs and initiatives focused on strengthening our practices on an ongoing basis. See also section "*Risk factors—Legal and regulatory risks—Our business is subject to increasing regulatory scrutiny, and non-compliance with general or industry-specific laws or regulations could expose us to fines, penalties and other liabilities and negative consequences*".

Alarm verification

We are subject to regulations covering the dispatching of emergency personnel and false alarms. Some countries have adopted laws, regulations or policies aimed at reducing the perceived costs to them of responding to false alarm signals. For example, in France, police will generally only respond to an alarm they have been forwarded once that alarm has been verified. Spain regulates verification protocols, requiring that alarms have to be verified either through video, audio or personal verification steps in order to be considered a

“confirmed alarm”. Otherwise, emergency personnel will not respond unless three sequential alarms are triggered within 30 minutes. The NPCC guidance rolled out in the United Kingdom in 2025 also requires verification of alarms. Additionally, police in the United Kingdom may withdraw response after three false alarms activations within a rolling 12-month period.

If emergency personnel are dispatched to a false alarm, some jurisdictions allow for penalties to be imposed on either the alarm owner or the alarm provider. In France, police are allowed to penalize the alarm provider for a false alarm that has been forwarded. Likewise, in Spain, emergency responders have discretion to impose penalties for frequent false alarms as high as EUR 30,000 per incident. These requirements may cause alarm service providers to adopt additional measures to limit the risk of false alarms, such as the use third-party guard services to verify alarms, install new monitoring equipment or upgrade existing equipment.

Monitoring

We have a monitoring center in each of the key geographies where we operate, except Ireland, which we monitor from the United Kingdom. In many countries these centers are regulated and require licenses or permits. For instance, Sweden and Norway consider monitoring centers in the same category as a guarding service, and require each center to obtain an equivalent license that they require of guarding services. In Spain, monitoring centers are subject to stringent approvals by the police. Many countries also impose minimum staffing requirements and training standards for monitoring center operators.

As of the date of this Offering Memorandum, we have all required such registrations in each of our countries.

Equipment and installation

The monitoring products we install are regulated by EU and national laws. The regulatory obligations on the Group and its suppliers depends on their respective roles and activities in a product’s supply chain and the features of the relevant product.

As of August 1, 2025, new cybersecurity requirements under the Radio Equipment Directive 2014/53/EU (RED) applies to wireless products placed on the EU market. These requirements intend to enhance the security of wireless devices connected to the internet and imply that most of our products must include cybersecurity features to obtain and maintain CE marking and continue commercialization of our products on the EU market. As a result, we have worked to ensure that our devices are designed to enhance network resilience, prevent harm to communication networks, avoid misuse of network resources and protect users’ personal data as required by the new provision.

Most markets impose regulations on the maintenance of our products. For example, Spain requires that we provide certified maintenance service as part of each contract we enter into with a customer. Additionally, some countries that do not currently regulate maintenance of residential alarms do regulate business alarms. Such regulations apply to our small business customers. In the future, these countries may expand such regulations to the residential marketplace.

Employees

As of December 31, 2025, our workforce comprised approximately 30,547 employees (headcount). Approximately 39% of them were women and 61% were men. Approximately 30% of the employees were located in Spain and 13% in France. After Spain and France, the highest concentrations of employees were in Brazil, Italy, Argentina, Sweden and Chile. In Sweden and, to a lesser extent in Norway, Finland and Denmark, we work closely with partners to sell and install our products instead of using our own employees.

Our Facilities

We lease all properties used for our business, including our global headquarters, R&D centers, monitoring centers and local sales offices. The following table sets forth certain information with respect to our material facilities from where we currently operate. We lease all the following facilities:

Location	Main Use of Facility
Switzerland, Versoix (Geneva)	Global Headquarters and R&D center
Sweden, Linköping	Sweden Headquarters and Contact center
Sweden, Malmö	R&D center
Sweden, Solna	Management and Field headquarters
Norway, Oslo	Norway Headquarters
Denmark, Glostrup	Denmark Headquarters

Location	Main Use of Facility
Finland, Helsinki	Finland Headquarters
Spain, Alicante	R&D center
Spain, Madrid	Spain Headquarters and R&D center
Spain, Cornellà de Llobregat	Monitoring center
Portugal, Lisbon	Portugal Headquarters
Italy, Rome	Italy Headquarters
France, Paris	France Headquarters
France, Angers	Monitoring center and Contact center
France, Villeneuve-d'Ascq	Contact center
Belgium, Brussels	Belgium Headquarters
Netherlands, Amsterdam	Netherlands Headquarters
Germany, Ratingen	Germany Headquarters
United Kingdom, London	United Kingdom Headquarters
United Kingdom, Newcastle	Monitoring center and Contact center
Ireland, Dublin	Ireland Headquarters
Brazil, São Paulo	Brazil Headquarters
Chile, Santiago	Chile Headquarters
Peru, Lima	Peru Headquarters
Argentina, Buenos Aires	Argentina Headquarters
Mexico City, Mexico	Mexico Headquarters

We believe that our facilities meet our present needs and that our properties are generally well maintained and suitable for their intended use.

Insurance

We have obtained liability, property, directors' and officers', cyber and other insurance coverage to the extent we consider commercially appropriate to protect our business. This is being reassessed on a recurring basis in light of any new or elevated threats. We deem our liability insurance is appropriate to meet our needs in the event of future litigation and claims asserted against us as well as certain other risks.

Legal Proceedings

At any given time, as is customary for a consumer facing organization, we may be a party to regulatory proceedings or to litigation or be subject to non-litigated claims arising out of the normal operations of our businesses such as product liability, unfair trading and employment claims. Apart from the information presented in the sections "*—Investigation by IMY*" and "*—Investigation by AGCM*" below, we have not been part to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware) that recently had or could have material effects on our financial position or profitability during the last twelve months.

Investigation by IMY

In April 2022, the Swedish Authority for Privacy Protection ("**IMY**") initiated an investigation of Verisure Sverige AB following the publication by a Swedish tabloid media outlet of anonymous allegations made about the use of certain customer data by Verisure employees. These allegations claim that individual employees infringed on the privacy of certain customers and handled their data in an improper manner. Although we did not believe there was a basis for these allegations, we nonetheless conducted an in-depth investigation into the underlying facts with the involvement of our outside privacy counsel. Our investigation did not identify the type of behaviors described in the articles and we took the opportunity to, as part of our efforts to continuously improve, further strengthen our internal processes and control measures, while maintaining our ability to provide effective alarm monitoring. The IMY closed their investigation in November 2024, finding that the allegations by the media were unsubstantiated and with a minor finding by the IMY about the period of time we store access logs on our system, which they did not deem long enough. We had already lengthened that period following our internal investigation back in 2022 and the new, longer period was deemed adequate.

Investigation by AGCM

In July 2023, the Italian Competition and Commerce Authority ("**AGCM**") opened an investigation against Verisure Italy S.r.l. ("**Verisure Italy**") relating to allegations of consumer protection law infringements. In December 2023, a Statement of Objections was issued with preliminary findings of infringement to which the company responded. In March 2024, the AGCM adopted a decision finding violations on four counts and imposing a fine against Verisure Italy of EUR 4.25 million. Verisure Italy has appealed the decision and the

associated fine at the competent Administrative Court. At the same time, Verisure Italy has further strengthened its practices in the areas challenged by the AGCM, in a way that the AGCM has confirmed is compliant. Following the decision of the AGCM, Verisure Italy received a threat of class action from a consumer organization, which was resolved by entering into a settlement agreement between the parties with no acknowledgment of fault or liability by Verisure Italy.

Routine tax and customs audits

In addition, as is customary for multinational corporations, our Group undergoes routine tax and customs audits. Presently, the tax authorities of Argentina, Brazil, Germany, Italy, Peru, Sweden, Spain and the UK are conducting audits on our local subsidiaries within their respective jurisdictions. As of the date of this Offering Memorandum, certain matters have been identified in the course of ongoing audits; however, based on currently available information, the Group does not expect any resulting exposure to be material.

MANAGEMENT

Management of the Issuer

The Issuer is a public limited liability company incorporated under the laws of Sweden and is indirectly wholly owned by Topholding. Topholding exercises primary governance and strategic functions for the Group.

The Issuer has a board of directors currently composed of four directors. The directors are Colin Smith, Jonas Lindström, Elizabeth Henry and Madeleine Hjelmberg. The board is responsible for managing the Issuer in accordance with external and internal regulatory frameworks, including the Articles of Association, the Swedish Companies Act and other applicable Swedish and foreign legislation and regulations, as well as internal codes, policies and guidelines. The principal functions of the board are to carry out the day-to-day business of the Issuer and to legally represent the Issuer in its dealings with third parties. Colin Smith is the Chairman of the Issuer. The Chairman does not have any additional voting rights, except for having the casting vote in the event of a tie.

The following table sets forth information regarding the Issuer's key management members and directors. The Issuer's management members and directors may be contacted at c/o Verisure Group, Box 392, 201 23 Malmö, Sweden.

Name	Age	Position
Austin Lally	60	Group Chief Executive Officer
Colin Smith	52	Group Chief Financial Officer, Chairperson
Jonas Lindström	50	General Manager for Nordics, Board member
Elizabeth Henry	46	HR and Communications Director for Sweden and Nordics, Board member
Madeleine Hjelmberg	52	Director of Group Financial Control, Board member
Antonio Anguita	59	President of Iberia, Italy and Latin America
Olivier Allender	56	President for France, Belgium, UK, Ireland and Arlo
Cristina Rivas	55	Group Chief Technology Officer
Marta Panzano Barbero	49	Group Chief Human Resources, Communications and ESG Officer
Nina Cronstedt	56	Group Chief Legal Officer
Olivier Horps	53	Group Chief Marketing Officer
Alex Froment-Curtil	47	Managing Director for France
Germán Larrea Martinez	40	Managing Director for Spain
Rafael Miranda	47	Deputy Chief Financial Officer
Stefan Konrad	44	Managing Director for Latin America
Guillermo Prado	39	Deputy Chief Human Resources Officer

Austin Lally joined the Group as Group Chief Executive Officer in 2014. Mr. Lally previously held senior leadership roles at Procter & Gamble, where he spent 25 years building and growing consumer businesses in Europe, the United States and Asia. This included seven years in China helping to build P&G's sizeable position in that market. Mr. Lally was also the vice president responsible for Gillette marketing globally. Prior to joining the Company, Mr. Lally was a Procter & Gamble Global President leading the Braun and Appliances business unit and a member of the company's Global Leadership Council. Mr. Lally holds a Bachelor of Science from the University of Glasgow where he was President of the Students Representative Council and won the World Debating Championship.

Colin Smith joined the Group as Group Chief Financial Officer in June 2023. Prior to joining the company, Mr. Smith spent 20 years at Sky UK & Ireland – one of Europe's largest telecommunications and media companies – where he served most recently as CFO and led their Business-to-Business division. His experience at Sky focused on strategy, financial planning and analysis, M&A, as well as pricing, customer management, and go-to-market. Mr. Smith is a Chartered Management Accountant and holds an accounting degree from Napier University, Edinburgh, and he is currently the Chairman of the Issuer's board of directors.

Jonas Lindström joined the Group in November 2013 and was appointed General Manager for Nordics in March 2025. Prior to joining the company, Mr. Lindström held several roles at Telenor, including Head of Mobile Marketing, spent nine years at McKinsey & Co, and was a co-founder of a biotechnology company. Mr. Lindström holds a Master of Science in Economics and Business Administration from the Stockholm School of Economics, where he was awarded an exchange spending a year at the MBA program at University of Chicago Booth School of Business.

Elizabeth Henry has held a variety of HR and Communication roles with Verisure since 2015. Prior to joining the Group, Ms. Henry grew her career in Human Resources with Procter and Gamble and previously the Gillette

Company in the United States, the United Kingdom and in the Nordic region. Ms. Henry holds a Bachelor of Science in Industrial and Labor Relations from Cornell University.

Madeleine Hjelmberg joined Group as the Director of Group Financial Control in 2025. Prior to joining the company, Ms. Hjelmberg served, among other things, as Group Financial Manager and acting CFO at Lindab Group, Vice President Financial Control at Haldex Group, and Deputy CFO at Borgestad Industries ASA, as well as in roles at Perstorp Holding AB and PricewaterhouseCoopers AB. Ms. Hjelmberg holds a Master of Science in Business and Economics from Lund University School of Economics and Management.

Antonio Anguita joined the Group as Managing Director for Spain in 2013. Mr. Anguita was promoted to President of Iberia and Latin America in August 2014, and he assumed responsibility over our Italian operations in July 2023 and our Nordic operations in July 2025. Before joining the Company, he was a partner and co-founder of Alana Partners, a start-up incubator and accelerator based in Madrid. Prior to this, Mr. Anguita was responsible for all the fixed line and internet services activities at Orange worldwide. He has also held various senior positions at France Telecom Spain, Hewlett Packard and McKinsey & Co. Mr. Anguita holds a Bachelor of Arts and Political Science from Brown University and a Masters of Business Administration from Harvard University.

Olivier Allender joined the Group as Managing Director for France in 2012. Mr. Allender was promoted to General Manager for France, Belgium & Netherlands. He has also been supervising our UK operations since January 2014 and our Germany operations since July 2025. Prior to joining the Company, Mr. Allender was the Commercial Director at Cofidis France from 2007 to 2012. He has also acted as General Manager for CBB-Paris, a subsidiary of the L'Oréal Group, in the U.S. and Japan and has held various senior positions in the direct marketing industry in France and Germany. Mr. Allender was appointed to lead our Arlo Europe business in 2020.

Cristina Rivas was appointed as Group Chief Technology Officer in February 2020. Ms. Rivas joined the Company as Technology Director for Iberia and Latin America in 2016 from Vodafone, where she was Head of Group Technology Strategy and Governance, having held several senior positions in Vodafone Spain in customer service, sales and marketing. Before Vodafone, Ms. Rivas worked on strategy, marketing and operational efficiency projects across telecommunications, banking and energy at McKinsey & Co. Ms. Rivas holds a Master's degree in Telecommunications Engineering from the Universidad Politécnica in Madrid.

Marta Panzano Barbero joined the Group as Group Chief Human Resources Officer in 2014, also leading Communications, and since then has expanded her responsibilities to also lead our Company's ESG efforts. Prior to joining the Company, Ms. Panzano Barbero was the HR Director for Orange Spain. Previously, she worked for CEMEX, in Spain, Mexico and Australia among other geographies, where she led Human Resources for Europe, Middle East, Africa, Asia and Australia. Ms. Panzano Barbero also worked for the Boston Consulting Group as a strategy consultant as well as in Finance for Hewlett Packard. Ms. Panzano Barbero holds a Bachelor's degree in Business Administration and Economics from the Universidad Carlos III Madrid.

Nina Cronstedt joined the Group as Group Chief Legal Officer in 2018. Previously, Mrs. Cronstedt served as General Counsel for Cereal Partners Worldwide, a joint venture between Nestlé and General Mills. Ms. Cronstedt was previously General Counsel Strategic Business Units and COE's for Nestlé. Prior to Nestlé, Ms. Cronstedt worked for Philip Morris International, where she held positions of increasing responsibility, including Assistant General Counsel Brand Building and Assistant General Counsel EMEA Region. Ms. Cronstedt studied law at Stockholm University, followed by a Masters in Commercial & European Law from the University of Cambridge.

Olivier Horps was appointed Chief Marketing Officer in January 2022. Mr. Horps joined Verisure in 2017 in France, as the marketing leader for our Digital and Contact centers. His role expanded to include responsibility for all our commercial teams. Before joining the Group, Mr. Horps was Managing Director Asia-Pacific and CEO Greater China for Club Med. Prior to that, Mr. Horps held various marketing leadership positions with Procter & Gamble and L'Oréal across Europe, Asia and Japan. Mr. Horps holds an MBA from ESSEC Business School in Paris.

Alex Froment-Curtil joined the Group as Managing Director of Verisure France in January 2023. Prior to joining the Company, Mr. Froment-Curtil was the Chief Commercial Officer of the Vodafone Group and member of the Executive Committee. Over 18 years, he has held many senior commercial roles across Europe and Africa, such as CEO for Vodafone Turkey, Vodafone Egypt and Vodafone Hungary. Prior to working at Vodafone, Mr. Froment-Curtil worked for the strategy consulting firm Booz Allen Hamilton. He holds an MSc in Telecommunications from Supelec, studied at Imperial College and graduated in economics in Paris.

Germán Larrea Martinez joined the Group in July 2013 and has served as Managing Director for Spain since April 2026. Before joining the Company, Mr. Larrea worked as a Strategy Consultant at companies including KPMG and Roland Berger and served as an advisor to the Chicago Chamber of Commerce. Mr. Larrea holds a Bachelor's Degree in Industrial Engineering from the Universidad Politécnica de Madrid, a Master's Degree in Industrial Technology and Management from the Illinois Institute of Technology, and an Executive MBA from IESE Business School.

Rafael Miranda joined the Group in July 2016 and has served as Deputy Chief Financial Officer since March 2025. Mr. Miranda previously worked at Vodafone, leading the strategy and M&A function in Spain, and Bain & Co., where he worked as a strategic consultant on assignments in Europe and the US. Mr. Miranda holds dual degrees in law and business administration from ICADE.

Stefan Konrad joined the Group in 2018 and has served as the Managing Director for Latin America since March 2025. Before joining Verisure, Mr. Konrad worked for Banco Santander in the Corporate and Investment Banking Division and for CEMEX, holding executive positions across Europe, the Middle East, Africa, and Asia. Mr. Konrad holds a Bachelor's degree in Business Management from the Universidad Carlos III Madrid and an Executive MBA from IE Business School.

Guillermo Prado joined the Group in 2015 and has served as Deputy Chief Human Resources Officer since 2026 and before then, as Group Transformation and CEO Office Director since January 2023. Prior to joining the Company, he worked as a Business Analyst at McKinsey & Co., as a Financial Planning Analyst at Vodafone, and as a Consultant at BCG. Mr. Prado holds a BBA in Management, Business Administration and Law from the Universidad Complutense de Madrid.

Board of the Company

The Company's board of directors (the "**Board**") consists of 13 Board members, including the chairperson of the Board, all of whom are elected for the period up until the end of the 2026 annual general meeting, and are thereafter subject to annual re-election by shareholders at the Company's general meeting. The following table sets forth information regarding the Company's Board.

Name	Age	Position
Stefan Goetz	55	Chairperson
Austin Lally	60	Group Chief Executive Officer, Board member
Luis Gil	65	Board member
Adrien Motte	38	Board member
Casilda Aresti	32	Board member
Andrew Barron	60	Board member
Henry Ormond	53	Board member
Carlos Ortega	59	Board member
Graeme Pitkethly	59	Board member
Dominique Reiniche	70	Board member
Sara Öhrvall	54	Board member
Cecilia Beck-Friis	52	Board member
Samantha Kini	51	Board member

Stefan Goetz has served as a director of our Company and the chair of the main board of the Group since June 2011. Mr. Goetz has been associated with H&F since April 2007 and has served as a Managing Director of H&F since July 2008. Prior to joining H&F, Mr. Goetz served as an Executive Director in the Principal Investments Area of Goldman Sachs International in London from 2000 to 2007. Prior to that, he worked at McKinsey & Co. in Germany. Mr. Goetz holds a Master of Electrical Engineering from Ecole Centrale Paris and Aachen University of Technology, as well as a Master of Business Administration from Kellogg Graduate School of Management.

Austin Lally joined the Group as Group Chief Executive Officer in 2014. For a more detailed description, refer to the section "*—Management of the Issuer*" above.

Luis Gil is a founder of the Group, joining in 1993. Mr. Gil has served as the President of Expansion, Acquisitions and Business Development since 2014. He established the Company's Spanish business in 1993, led the expansion efforts in Portugal, Brazil, Peru and Chile and most recently in Italy, the UK, Netherlands, Germany and Ireland. Prior to joining the Company, he was the President of Esabe Ingeniería de Seguridad SA. Mr. Gil holds a Master's degree in Industrial Engineering.

Adrien Motte has served as a director of our Company since January 2017, and has been active in H&F's investment in our Company since August 2012. Prior to joining H&F in 2012, Mr. Motte was employed by Park Square Capital. He holds a Bachelors and Masters in Engineering from the University of Cambridge.

Casilda Aresti has served as a director of our Company since November 2023. Prior to joining H&F in 2020, she worked as a management consultant at McKinsey & Company in Madrid and as a market research and strategy analyst at PayPal in San Jose. Ms. Aresti holds a Bachelor of Science and Engineering degree from Princeton University and a Master of Business Administration from Harvard Business School.

Andrew Barron has served as a director of our Company since 2020. He is a Senior Operating Partner with Stonepeak Infrastructure and has enjoyed a long career of senior leadership roles in telecom and media companies primarily in Europe, including Virgin Media (Chief Operating Officer), Modern Times Group (Chief Operating Officer), UPC (now Liberty Global), The Walt Disney Company and McKinsey. Mr. Barron holds a Bachelor of Arts in History and Management Studies degree from Trinity College, Cambridge University, as well as a Master of Business Administration from Stanford University.

Henry Ormond has served as a director of our Company since 2017. He is Head of Private Equity, Europe with GIC Private Ltd. Prior to joining GIC in 2012, he held various roles at Leeds Equity Partners, Quadrangle Group, and Morgan Stanley. Mr. Ormond holds a Master of Engineering in Engineering and Management degree from Oxford University, as well as a Master of Business Administration from Harvard Business School.

Carlos Ortega has served as a director of our Company since 2019. Mr. Ortega is currently Co-CEO of Corporación Financiera Alba, S.A. He was previously a consultant with McKinsey & Company and has more than 23 years of experience in international investment banking at Goldman Sachs and Crédit Agricole Corporate & Investment Bank in New York, London, and Madrid. Mr. Ortega holds a Bachelor of Arts in International Economics degree from Harvard University and a Master of Business Administration from Harvard Business School.

Graeme Pitkethly has served as a director of our Company since 2025. Mr. Pitkethly was Chief Financial Officer of Unilever PLC from 2015 to 2023. Prior to becoming Unilever CFO, he was EVP and General Manager of its UK and Ireland business, after holding various financial and commercial roles at Unilever including CFO for Global Markets, Global Head of M&A, Head of Treasury, Pensions and Tax, and CFO of Unilever Indonesia. He spent his early career in corporate finance and commercial roles in telecommunications with FLAG Telecom and at PricewaterhouseCoopers. Mr. Pitkethly is a Chartered Accountant and holds a Bachelor of Science degree in Applied Chemistry from the University of Strathclyde.

Dominique Reiniche has served as a director of our Company since 2024. Ms. Reiniche previously held the roles of Chair Europe for the Coca-Cola Company from 2013 to 2014, CEO and President Europe for the Coca-Cola Company from 2005 to 2013, and CEO and President Europe for Coca-Cola Enterprises from 2003 to 2005, as well as senior roles at Procter & Gamble and Kraft Jacobs Suchard. Ms. Reiniche holds a Master of Business Administration from ESSEC Business School.

Sara Öhrvall has served as a director of our Company since 2025. Ms. Öhrvall is currently the CEO of Ninety Concept Development. Her previous roles range from Chief Operating Officer at Axel Johnson to Chief Digital Officer at SEB and Senior Vice President of Research & Development at Bonnier. Ms. Öhrvall holds a Master of Science in International Business from Umeå University and a degree in Architecture and Design from the Parson School of Design.

Cecilia Beck-Friis has served as a director of our Company since 2026. Ms. Beck-Friis was previously the CEO of Hemnet Group AB from 2017 to 2025, and before then served as Vice President of TV4 Group and Chief Digital Officer of Bonnier Broadcasting. Ms. Beck-Friis has completed executive education programs at SSE Executive Education and NYU School of Professional Studies, as well as studies in Marketing and Communication at Berghs School of Communication.

Samantha Kini has served as a director of our Company since 2026. Ms. Kini is currently Chief Digital & Technology Officer at Unilever. She previously served as Chief Data & Information Officer at easyJet Group and as Chief Information Officer at Telenet Group, and held senior technology leadership roles at Virgin Media and Liberty Global. She also previously served as a board member of the Board of Directors and Audit Committee of Tele2 AB for five years. Ms. Kini holds a Bachelor of Arts in Administrative Management from the University of Lincoln.

Board and Management Committees of the Company

Audit and Risk Committee

We have an Audit and Risk Committee consisting of three members: Graeme Pitkethly (chair), Adrien Motte and Carlos Ortega.

The Audit and Risk Committee shall, without it affecting the responsibilities and tasks of the Board, monitor our financial reporting and the integrity of our financial statements, including our annual, quarterly and sustainability reports and announcements, and make a proposal to the Board on their readiness for approval and publication. The Audit and Risk Committee shall also review and challenge, where necessary, accounting judgements and estimates, monitor the effectiveness of our internal controls and internal auditing in the context of our risk management system, keep informed of the auditing of the annual report and the consolidated financial statements (including, where requested by the Board, reviewing the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess our performance, business model and strategy) and review and assess the effectiveness and performance of our external auditor, in particular their independence, the quality of the audit, the handling of key judgements, and their responses to questions from the Audit and Risk Committee. The Committee shall also make recommendations to the Board in relation to the appointment, re-appointment and removal of our external auditor and prepare a proposal on fees for auditor, to be put to shareholders for approval at each annual general meeting. Further, the Board has granted the Audit and Risk Committee authority to make certain decisions, including approving the appointment and termination of our director of Internal Audit & Control, approving the mandate of our internal audit function and approving our external auditors' terms of engagement. The Audit and Risk Committee applies written Terms of Reference. Among other things, the Terms of Reference governs the practice of the Audit and Risk Committee, its tasks and its relation to the Board. The Terms of Reference are regularly reviewed and any updates that are required or otherwise considered desirable would be approved by the Board.

Remuneration Committee

In accordance with the rules of the Swedish Corporate Governance Code, we have a Remuneration Committee consisting of four members: Stefan Goetz (chair), Adrien Motte, Henry Ormond and Dominique Reiniche.

The Remuneration Committee shall prepare matters concerning our remuneration principles, remuneration framework and policies and other employment terms for our CEO and direct reports of the CEO with function, cluster or other management responsibilities ("**CEO-1 Management**"). The Remuneration Committee shall also prepare a board members' remuneration policy for consideration by the Board and subsequent approval by the Company's shareholders at annual general meeting at least every three years, and a board members' annual remuneration report that will be subject to an advisory vote by the Company's shareholders each year, at our annual general meeting, in line with the requirements under the UK Companies Act.

The Remuneration Committee applies written Terms of Reference. Among other things, the Terms of Reference govern the practice of the Remuneration Committee, its tasks and its relation to the Board and CEO (including the responsibility of the CEO, in consultation with the Remuneration Committee, for determining individual remuneration packages of direct reports of CEO-1 Management within the agreed framework and policies). The Terms of Reference are regularly reviewed and any updates that are required or otherwise considered desirable would be approved by the Board.

ESG Committee

Our ESG Committee assists the Company Management Team in aligning priorities, action plans and the execution of our ESG strategy and management of ESG topics. It also evaluates the performance of the ESG strategy and priorities, and the progress of the action plan.

The roles and responsibilities of our administrative, management and supervisory bodies regarding Impact, Risk and Opportunities are clearly defined within our governance framework. Our ESG Committee, which oversees our ESG strategy and progress, including climate change issues, reviews every update of our double materiality assessment. Additionally, all our ESG policies are submitted to the Board for review and approval, allowing a comprehensive oversight and alignment with our governance principles.

The members of the ESG Committee are: Andrew Barron (chair), Enrique Bofill (ESG Senior Director at Verisure), Nina Cronstedt, Zomo Fisher (head of ESG & Sustainability at H&F), Austin Lally (CEO), Marta Panzano (Chief Human Resources, Communications and ESG officer at Verisure) and Colin Smith (CFO).

Technology and Innovation Committee

The Technology and Innovation Committee assists the Company Management Team in managing, executing and evolving the Company's technology strategy, including specifically how technology and innovation will contribute to the Company's overall strategy. The Committee also assesses technology risks and is exposed at an early stage to new strategic innovations.

The members of the Technology and Innovation Committee are: Adrien Motte (chair), Luis Gil, Stefan Goetz, Samantha Kini, Austin Lally (CEO), Sara Öhrvall and Cristina Rivas (Chief Technology Officer).

PRINCIPAL SHAREHOLDERS

The Issuer's share capital is wholly owned by its indirect parent company, Verisure plc, which successfully completed an initial public offering in October 2025. Verisure plc's ordinary shares are admitted to trading on Nasdaq Stockholm.

As of December 30, 2025, Verisure plc has four significant shareholders, namely, (i) Aegis Lux 1A S.à r.l. (which is controlled by funds managed or advised by Hellman & Friedman) (H&F), (ii) Eiffel Investment Pte Ltd., (iii) Alba Investments S.à r.l. and Alba Europe S.à r.l. (majority owned by Corporación Financiera Alba, S.A.) and (iv) Securholds Spain S.L.

See below for a summary of the shareholding numbers as of December 30, 2025.

Shareholder	**% of total voting rights**
Major shareholders[(1)]	
Aegis Lux 1A S.à r.l.	43.7%
Eiffel Investment Pte Ltd.	16.0%
Alba Investments S.à r.l. and Alba Europe S.à r.l.	6.3%
Securholds Spain S.L.	5.4%
Subtotal	***71.4%***
Company and company-related shareholding[(2)]	
PDMRs and other management shareholders holding under the Legacy Incentive Plans	3.9%
Other shareholders	24.7%
TOTAL	**100%**

Sources: Euroclear Sweden AB and public notifications to the Swedish Financial Supervisory Authority (the "**SFSA**"). Shares held by non-Swedish investors may be registered through nominees, entailing that the shareholder identity is not possible to obtain from Euroclear Sweden AB.

(1) The major shareholders mentioned are those holding more than 5% of the capital stock or voting rights as of December 30, 2025.

(2) This figure includes shares held by persons discharging managerial responsibilities ("**PDMRs**") and by employees of the Company through certain legacy incentive plans (the "**Legacy Incentive Plans**") immediately prior to their wound up as part of the Aegis 2 Liquidation, and excludes shares held by Securholds Spain S.L. (controlled by Luis Gil, who is a PDMR) and shares acquired by other Verisure personnels than PDMRs on Nasdaq Stockholm (outside of Legacy Equity Plans). A new post-admission public company incentive plan has been put in place for go-forward awards. The figure remains the same post Aegis 2 Liquidation.

RELATED PARTY TRANSACTIONS

For information regarding the Group's related party transactions, please see note 15 in the section "*Consolidated financial statements of Verisure Group Topholding—Full year 2024, 2023—Notes*", note 16 in the section *"Consolidated financial statements of Verisure plc—Full year 2025—Notes*", and note 9 in section "*Unaudited Condensed Consolidated financial statements of Verisure plc—March 31, 2026, 2025—Notes"*.

Concurrently with Colin Smith joining the Group, Aegis 2 extended loans to Colin Smith to assist in the acquisition of his equity interests in the Group. The loans were made at arm's length terms, with a maturity date of 7 years (or earlier if an event of default occurs or if Colin Smith sells his interests in the Group). As Aegis 2 was put into liquidation, resulting in the loans becoming due ahead of their final term, and to avoid Colin Smith becoming a forced seller of his shares at the IPO in order to fund the loans repayment earlier than anticipated, Verisure plc and the Board deemed it in the best interests of Verisure plc to extend Colin Smith a similarly sized loan on similar terms in connection with the IPO. The loan is in the principal amount of EUR 2.2 million and has a maturity date of 5 years (or earlier, upon an event of default, the termination of Colin Smith's employment with the Group, any sale of Colin Smith's shares in the Group or Colin Smith becoming entitled to receive any cash amounts in respect of such shares), which tracks the remaining term of the current loans extended to Colin Smith. For the three months ended March 31, 2026, Verisure held the non-current financial receivable of EUR 2.2 million in respect of the above loan.

For the year ended December 31, 2025, the Issuer's transactions with Verisure Midholding AB included a shareholder contribution of EUR 3.6 million and interest income of EUR 0.5 million. Other related party transactions for the period amounted to EUR 2.7 million.

Other than as mentioned above, there have not been any related party transactions that, separately or jointly, can be considered significant to the Group since December 31, 2025 up to and including the date of the Offering Memorandum.

DESCRIPTION OF CERTAIN INDEBTEDNESS

The following is a summary of the material terms of our principal financing arrangements in addition to the Indenture after giving effect to the Transactions. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements and are qualified in their entirety by reference to the actual agreements.

Existing 2030 Fixed Rate Senior Secured Notes

On May 16, 2024, the Issuer issued €525,000,000 aggregate principal amount of 5½% Senior Secured Notes due 2030 pursuant to the Existing 2030 Fixed Rate Senior Secured Notes Indenture.

Guarantees and Security

The Existing 2030 Fixed Rate Senior Secured Notes are secured by first-priority security interests in the Collateral and benefit from guarantees granted by the Existing 2030 Fixed Rate Senior Secured Notes Guarantors. On and following the Post-Closing Date, the Existing 2030 Fixed Rate Senior Secured Notes Guarantor entities and the Collateral under the Notes and the Existing 2030 Fixed Rate Senior Secured Notes will be the same.

Ranking

The relative priority of security interests secured by the Collateral among the lenders under the Senior Credit Facilities, counterparties under certain hedging obligations, if any, the Trustee, the Security Agent, the holders of the Existing 2030 Fixed Rate Senior Secured Notes and the Notes is or will be established by the terms of the Intercreditor Agreement, which provides, among other things, that the obligations under the Notes, the Existing 2030 Fixed Rate Senior Secured Notes, the Senior Credit Facilities and such hedging obligations are or will be secured equally and ratably by first-priority security interests in the Collateral.

Interest on the Existing 2030 Fixed Rate Senior Secured Notes

Interest on the Existing 2030 Fixed Rate Senior Secured Notes accrues at the rate of 5.500% per annum and:

- accrues from the date of original issuance or, if interest has already been paid, from the date it was most recently paid;
- is payable in cash semi-annually in arrears on May 15 and November 15 of each year, commencing on November 15, 2024;
- is payable to the holder of record of the Existing 2030 Fixed Rate Senior Secured Notes on the Clearing System Business Day immediately preceding the related interest payment date, or to the extent certificated securities ("**Definitive Registered Notes**") have been issued, to the holders of record of the Notes on the Business Day immediately preceding the related interest payment date; and
- is computed on the basis of a 360 day year comprised of twelve 30-day months.

Optional Redemption of the Existing 2030 Fixed Rate Senior Secured Notes

The Existing 2030 Fixed Rate Senior Secured Notes are not redeemable until May 15, 2026 (except for redemption for certain taxation reasons as described in the Existing 2030 Fixed Rate Senior Secured Notes Indenture and as set forth below).

On and after May 15, 2026, the Issuer may redeem all or, from time to time, part of the Existing 2030 Fixed Rate Senior Secured Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and Additional Amounts (as defined below), if any, to, but not including, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on May 15 of the years indicated below:

Year	Redemption Price
2026	102.750%
2027	101.375%
2028 and thereafter	100.000%

Prior to May 15, 2026, the Issuer is entitled at its option to redeem all or part of the Existing 2030 Fixed Rate Senior Secured Notes at a price equal to 100% of the principal amount thereof plus a "make-whole" premium, plus accrued and unpaid interest and additional amounts, if any. In addition, prior to May 15, 2026, the Issuer may redeem at its option up to 40% of the original principal amount of the Existing 2030 Fixed Rate Senior Secured Notes with the net proceeds from certain equity offerings at the redemption price of 105.500% plus accrued and unpaid interest and additional amounts, if any, *provided* that at least 50% of the original principal amount of the Existing 2030 Fixed Rate Senior Secured Notes remains outstanding. Prior to May 15, 2026, during each twelve-month period commencing on the issue date of the Existing 2030 Fixed Rate Senior Secured Notes, the Issuer may redeem up to 10% of the original aggregate principal amount of the Existing 2030 Fixed Rate Senior Secured Notes at its option, from time to time, at a redemption price equal to 103% of the principal amount of the Existing 2030 Fixed Rate Senior Secured Notes redeemed, plus accrued and unpaid interest and additional amounts, if any.

Change of Control

Upon the occurrence of certain change of control events, each holder of the Existing 2030 Fixed Rate Senior Secured Notes may require the Issuer to repurchase all or a portion of the Existing 2030 Fixed Rate Senior Secured Notes at a purchase price equal to 101% of the principal amount of such Existing 2030 Fixed Rate Senior Secured Notes, plus accrued and unpaid interest and certain additional amounts, if any, to, but not including, the date of purchase.

Covenants and Events of Default

The Existing 2030 Fixed Rate Senior Secured Notes Indenture contains certain covenants including the limitation on indebtedness, limitation on restricted payments, restrictions on distributions from restricted subsidiaries, limitations on sale of assets and subsidiary stock, limitation on affiliate transactions, merger and consolidation and impairment of security interests. As at the date of this Offering Memorandum, a suspension event as a result of a Qualifying IPO has occurred under the Existing 2030 Fixed Rate Senior Secured Notes Indenture resulting in the suspension of certain covenants from the date of the Qualifying IPO. As such, the Issuer and its restricted subsidiaries are required to observe a limited set of covenants under the Existing 2030 Fixed Rate Senior Secured Notes Indenture, which have not been suspended. These are substantially similar in nature to the covenants set out under "*Description of Notes.*" The Existing 2030 Fixed Rate Senior Secured Notes Indenture contains events of default that are also substantially similar to those set out in "*Description of Notes.*"

Listing

The Existing 2030 Fixed Rate Senior Secured Notes are listed on the Securities Official List of the Luxembourg Stock Exchange.

Governing Law

The Existing 2030 Fixed Rate Senior Secured Notes Indenture, the Existing 2030 Fixed Rate Senior Secured Notes, any related guarantees and the rights and duties of the parties thereunder are governed by and construed in accordance with the laws of the State of New York.

Senior Facilities Agreement and the Refinancing

"**Group**" means the Issuer and each of its Restricted Subsidiaries (as defined in the Senior Facilities Agreement) prior to Merger.

Overview and Structure

Prior to the Issue Date, the Issuer entered into the Senior Facilities Agreement which provides for the following principal indebtedness:

- €950.0 million of Revolving Credit Facility;
- €1860.0 million of TLA Facility of which €1,215.0 million was established and incurred on October 8, 2025, €75.0 million was established and incurred on December 5, 2025 and €570.0 million was established and incurred on April 24, 2026; and
- €1,250.0 million of Facility B.

The Revolving Credit Facility may be utilized by the Issuer, Verisure Group AB (publ), ESML SD Iberia Holding, S.A.U. and Securitas Direct España, S.A.U. (and certain wholly-owned restricted subsidiaries of the Issuer who accede as additional borrowers) in euro, Swedish krona, Norwegian krone, GBP, USD and any other currency approved by the lenders under the Revolving Credit Facility, by the drawing of cash advances, the issuance of letters of credit and by way of ancillary facilities. Subject to certain exceptions and conditions, amounts under the Revolving Credit Facility that have been repaid or prepaid may be reborrowed. The Revolving Credit Facility may be used for the working capital and general corporate purposes of the Group including, directly or indirectly, financing any acquisitions or investments or refinancing certain financial indebtedness of the Group or of any acquisition target which is owed to third parties and payment of all fees, costs and expenses related thereto.

The Issuer may add one or more facilities either as new facilities or tranches under the Senior Facilities Agreement or under separate agreements. Prior to the occurrence of a Suspension Event, any additional facilities raised under the Senior Facilities Agreement will be limited to (i) an aggregate amount which does not exceed the sum of the greater of €1,280.0 million and 75% of Consolidated EBITDA and (ii) an unlimited amount by reference to a senior secured net leverage ratio (calculated pro forma for the incurrence of such indebtedness) in accordance with the terms of the Senior Facilities Agreement, plus an amount equal to all voluntary prepayments of any of the Senior Credit Facilities (the "**Maximum Additional Facility Amount**"). The requirement to comply with the Maximum Additional Facility Amount shall cease to apply following the occurrence of a Suspension Event (and *provided* the Reversion Date has not occurred). Such additional facilities may be guaranteed, secured or unsecured and may rank *pari passu* or junior any of the Senior Credit Facilities.

The Senior Facilities Agreement provides that subject to certain conditions, certain creditors of secured indebtedness will be required to accede to the Intercreditor Agreement.

The Revolving Credit Facility may be utilized until the date which is one month prior to the initial termination date (subject to an optional extension by the Issuer) applicable to the Revolving Credit Facility.

Maturity and Repayment Requirements

Facility B shall mature on November 3, 2032.

The TLA Facility shall mature on October 10, 2030.

The Revolving Credit Facility has an initial termination date of October 10, 2030, with an option for the Issuer, subject to certain conditions, to extend the maturity by an additional 12 months, up to October 10, 2031. Each advance of the Revolving Credit Facility will be repaid on the last day of the interest period relating thereto, subject to an ability to rollover cash drawings.

All outstanding amounts under the Senior Credit Facilities must be repaid in full on or prior to the maturity date for the relevant Senior Credit Facility.

There is no amortization on the Senior Credit Facilities.

Interest and Fees

Loans under Facility B, the TLA Facility and the Revolving Credit Facility bear interest at rates *per annum* at a specific fixed interest rate plus EURIBOR for each Facility, subject to margin ratchet step downs based on the Group's total net leverage ratio as set out in the Senior Facilities Agreement.

If EURIBOR or where applicable SOFR, SONIA, STIBOR or NIBOR is less than zero, EURIBOR, SOFR, SONIA, STIBOR or NIBOR (as applicable) shall be deemed to be zero in respect of loans under the relevant Senior Credit Facility.

A customary commitment fee is payable on the aggregate undrawn and uncanceled amount of the Revolving Credit Facility. The commitment fee is payable quarterly in arrears, on the last day of the availability period of the Revolving Credit Facility and on the date on which a lender's commitment is cancelled.

Default interest will be calculated as an additional 1% on the overdue amount.

The Issuer is also required to pay customary agency fees to the Senior Agent and the Security Agent in connection with the Senior Facilities Agreement and/or the Intercreditor Agreement.

In connection with the Revolving Credit Facility and the TLA Facility, the Issuer is required to pay arrangement fees to the arrangers under the relevant facilities. In addition, the Issuer shall also be required to pay letter of credit fees to the lenders in an amount equal to the margin of the Revolving Credit Facility with respect to an issuance of a letter of credit.

Borrowers and Guarantors

The borrower under Facility B and the TLA Facility is the Issuer and the borrowers under the Revolving Credit Facility are the Issuer, Verisure Group AB (publ), ESML SD Iberia Holding, S.A.U. and Securitas Direct España, S.A.U. Any existing obligor may be a borrower under the Revolving Credit Facility and the Senior Facilities Agreement includes a mechanism to enable any of the existing obligors and any of the Issuer's wholly-owned restricted subsidiaries in Norway, Sweden, Spain, France, the UK or otherwise with the consent of all of the lenders under the Revolving Credit Facility, to accede as an additional borrower under the Revolving Credit Facility, subject to certain conditions.

As of the date of this Offering Memorandum, the Senior Credit Facilities are guaranteed by the Issuer, Midholding, Verisure Group AB (publ), Verisure Sverige AB, Securitas Direct Sverige AB, Verisure AS, Verisure Holding AS, ESML SD Iberia Holding, S.A.U., Securitas Direct España, S.A.U, Securitas Direct Portugal, Unipessoal Lda., Verisure SAS, Verisure International AB, Verisure A/S and Verisure Sàrl (together with any members of the Group that accede to the Senior Facilities Agreement as additional guarantors, collectively, for purposes of this "—*Senior Facilities Agreement and the Refinancing*" section, the "**Guarantors**"), *provided* that, the list of Guarantors shall be updated to reflect the new Group structure following completion of the proposed Merger as a Permitted Parent Reorganization. Following the Merger, and, on and following the Post-Closing Date, the Guarantor entities under the Notes, the Existing 2030 Fixed Rate Senior Secured Notes and the Senior Facilities Agreement will be the same.

Subject to certain exceptions (including following a Suspension Event (*provided* that the Reversion Date has not occurred) and Permitted Parent Reorganization), any material company within the Group must become a guarantor and provide security under the Senior Facilities Agreement within 180 days after the delivery of the annual financial statements. The Group must also ensure that Guarantors contribute at least 80% of Consolidated EBITDA of wholly-owned members of the Group incorporated in Guarantor Jurisdictions (the "**Guarantor Coverage**") to be tested on an annual basis.

Security

As of the date of this Offering Memorandum, the liabilities of the Group arising under the Senior Facilities Agreement are secured on a first-priority basis by: (i) the share capital of the Issuer; (ii) Midholding's receivables owing from the Issuer under the Senior Notes Proceeds Loans; (iii) the share capital of Verisure Group and certain intercompany loans made available by the Issuer to Verisure Group; (iv) convertible preferred equity certificates issued by Verisure Group to the Issuer; and (v) the share capital, bank accounts, fixed and current assets, receivables and material intellectual property of certain guarantors of the Senior Credit Facilities. Under various circumstances, the Collateral and/or other security interest securing the Senior Facilities Agreement may be released, including but not limited to, as permitted by the Permitted Parent Reorganization and following a Suspension Event (*provided* that the Reversion Date has not occurred).

Representations and Warranties

The Senior Facilities Agreement contains certain customary representations and warranties, subject to certain agreed customary materiality, actual knowledge and other qualifications, exceptions and baskets as applicable (with certain representations and warranties being repeated on the date of each utilization, on the first day of

each interest period and at certain other times), including: (i) status and due incorporation; (ii) power and authority; (iii) legal, valid and binding documentation; (iv) no conflict; (v) validity and admissibility in evidence; (vi) governing law and enforcement; (vii) insolvency; (viii) no filing or stamp taxes; (ix) taxation; (x) no default; (xi) no breach of laws; (xii) the accuracy of financial statements; (xiii) no litigation; (xiv) compliance with environmental laws; (xv) intellectual property; (xvi) the accuracy of Group structure chart; (xvii) pensions; (xviii) insurance; (xix) good title to assets; (xx) legal and beneficial ownership; (xxi) shares fully paid up; (xxii) center of main interests and establishments; (xxiii) money laundering, sanctions and anti-corruption; and (xxiv) information memorandum.

Undertakings and Covenants

The Senior Facilities Agreement contains certain of the incurrence covenants, information undertakings and related definitions (with, in each case, certain adjustments) that apply to the Notes, including: (i) limitation on indebtedness; (ii) limitation on restricted payments (including certain exceptions including the ability to make restricted payments subject to a senior secured leverage test and the ability to make a distribution to shareholders); (iii) limitation on liens; (iv) restrictions on distributions from Restricted Subsidiaries; (v) limitations on sale of assets and Subsidiary stock; (vi) limitation on affiliate transactions; (vii) merger and consolidation; (viii) suspension of covenants and release of Collateral and/or other security on achievement Investment Grade Status or the occurrence of a Qualifying IPO (as defined below); (ix) impairment of security interests; (x) additional facility guarantees; (xi) additional intercreditor agreements; (xii) business activities; and (xiii) limitation on holding company activities. In addition, the Senior Facilities Agreement also contains certain additional affirmative and negative covenants and a financial covenant. Set forth below is brief description of such covenants, all of which are subject to customary materiality, actual knowledge and other qualifications, exceptions and baskets (as applicable).

Prior to the date of this Offering Memorandum, subject to the occurrence of one or more of the following events: (i) the Existing 2030 Fixed Rate Senior Secured Notes, the Senior Credit Facilities or the Issuer, or any holding company of the Issuer receives a rating of "BBB-" or higher from S&P and/or Fitch or "Baa3" or higher from Moody's from any two of the rating agencies ("**Investment Grade Status**"), or (ii) an IPO has occurred and upon the occurrence of such IPO in respect of which the consolidated net leverage would be equal to or less than 3.50 to 1.00 (a "**Qualifying IPO**") and, in each case, no Default or Event of Default (each as defined in the Senior Facilities Agreement) has occurred and is continuing (each being a "**Suspension Event**") and the date thereof being referred to as the "**Suspension Date**" and any date where the Investment Grade Status ceases to apply and/or the shares of the IPO entity are delisted and the consolidated net leverage is greater than 3.50 to 1.00 (the "**Reversion Date**"), the following covenants, amongst others, listed below will no longer apply to the Senior Facilities Agreement:

- limitation on indebtedness;
- limitation on restricted payments;
- restrictions on distributions from Restricted Subsidiaries (as defined in the Senior Facilities Agreement);
- limitations on sale of assets and Subsidiary stock;
- limitation on affiliate transactions;
- merger and consolidation;
- impairment of security interests;
- the requirement to comply with certain conditions for the establishment of any additional facilities;
- following the repayment or redemption in full of the outstanding Existing Senior Notes, the requirement to maintain, create and/or incur Collateral securing the Revolving Credit Facility, the TLA Facility and any applicable additional facility;
- following the repayment or redemption in full of the outstanding Existing Senior Notes and subject to release of the relevant guarantees and Collateral being released in respect of the Revolving Credit Facility, the TLA Facility and any applicable additional facility, the requirement to comply with Guarantor Coverage (together with any reporting in connection therewith); and
- the requirement to prepay certain of the facilities with asset disposal proceeds and/or excess cash flow.

Suspension Event

As at the date of this Offering Memorandum, a Suspension Event has occurred under the Senior Credit Facilities.

Additional Covenants

The additional covenants include, among others: (i) provision of a compliance certificate with each set of the Issuer's annual audited and quarterly financial statements; (ii) maintenance of the Guarantor Coverage; (iii) authorizations; (iv) compliance with laws; (v) preservation of assets; (vi) *pari passu* ranking; (vii) further assurance; (viii) sanctions; (ix) no change of "center of main interest"; and (x) obtaining and maintaining a corporate rating.

Financial Covenant

Solely for the benefit of the lenders participating in the Revolving Credit Facility and any additional facility of a revolving nature that benefits from the financial covenant (together, the "**Financial Covenant Facilities**"), if on a testing date the aggregate amount of utilizations under the Financial Covenant Facilities exceeds 45% of the total commitments (net of any cash and cash equivalents held by the Group at such time) under the total Revolving Credit Facility commitments as at the testing date, *provided* that such commitments shall not be higher than the total Revolving Credit Facility as at the date the Revolving Credit Facility was established and (without double counting) any commitments under any other Financial Covenant Facilities (the "**Revolving Test Condition**") (for these purposes, only the outstanding principal amount of loans under the Revolving Credit Facility (i) not used to fund an acquisition, capital expenditure or other investments or any original issue discount fees, upfront fees and closing payments (or equivalent) in respect of any Additional Facility (as defined in the Senior Facilities Agreement) and/or bridge facility and any other related fees, expenses and taxes, (ii) excluding all issued and outstanding letters of credit (or bonds or bank guarantees); and (iii) excluding the outstanding principal amount of all loans drawn under any ancillary facility, shall be taken into account in determining whether the Revolving Test Condition has been met), the Issuer must ensure that the total net leverage ratio for the two most recent consecutive half-year periods does not exceed 5.50:1 on or prior to the third anniversary of October 10, 2025 (and 5.00:1 thereafter). The financial covenant will be permanently disapplied if the Existing 2030 Fixed Rate Senior Secured Notes, any Senior Credit Facilities, or the Issuer (or its holding company) achieves Investment Grade Status (as defined in the Senior Facilities Agreement) and no default is continuing, after which the financial covenant and any related default provisions will cease to apply. The financial covenant is also subject to a suspension if, for two consecutive testing periods, the total net leverage ratio does not exceed 2.75:1 and no default is continuing, but will be reinstated if the total net leverage ratio subsequently exceeds 2.75:1.

The Issuer is permitted to prevent or cure breaches of the net leverage covenant by utilizing an equity cure provision enabling the shareholders of the Issuer to make shareholder injections by way of debt and/or equity to the Issuer to (i) increase the Consolidated Adjusted EBITDA under the Senior Facilities Agreement or (ii) prepay the Revolving Credit Facility so that the Revolving Test Condition is no longer satisfied. The equity cure right may not be exercised on more than five occasions during the term of the Senior Credit Facilities and may not be utilized in consecutive quarters.

Prepayments

Upon a change of control under the Senior Facilities Agreement, each lender under the Senior Facilities Agreement will have the right to require prepayment of all or, if the relevant lender so elects, any part of the principal amount of such lender's utilizations, together with accrued interest, and any other amounts accrued under the Senior Facilities Agreement and the related finance documents.

On and following the occurrence of a Suspension Event (and *provided* the Reversion Date has not occurred), the requirement to make mandatory prepayments of Facility B and the TLA Facility using, among other sources, net cash proceeds received by the Group in relation to certain disposals, to the extent that such net cash proceeds exceed certain agreed thresholds and subject to various exclusions, shall no longer apply.

On and following the occurrence of a Suspension Event (and *provided* the Reversion Date has not occurred), the requirement to apply a percentage of excess cash flow generated by the Group during each financial year in prepayment of Facility B and the TLA Facility shall no longer apply.

Permitted Parent Reorganization

The terms of the Senior Credit Facilities permit the Group's holding companies to be reorganized, merged, or consolidated such that: (i) Verisure Group Topholding AB becomes the new parent under the Senior Facilities Agreement; (ii) either Verisure Group AB (publ) or Verisure Holding AB (publ) becomes the direct, wholly-owned subsidiary of the new parent and acts as the Company and Borrower under the Senior Facilities Agreement; and (iii) Verisure Midholding AB (publ) ceases to exist as part of the merger (the "**Permitted Parent Reorganization**"). The Permitted Parent Reorganization is permitted to take effect following the repayment or redemption in full of any outstanding Existing Senior Notes.

Following the Issue Date, it is intended that the Merger will be effected pursuant to a Permitted Parent Reorganization under the Senior Facilities Agreement.

Events of Default

The Senior Facilities Agreement provides for events of default, the occurrence and continuance of which would allow, unless otherwise indicated below, the majority (being $66^2/_3\%$) of the lenders by commitment under the Senior Credit Facilities to (among other things) accelerate all outstanding loans and terminate their commitments, including among other events (subject in certain cases to customary materiality, actual knowledge and other qualifications, exceptions, baskets and/or grace periods, as appropriate): (i) breach of financial covenant (subject to certain equity cure rights and *provided further* that in the event of such breach only a majority (being $66^2/_3\%$) of the lenders by commitment under the Revolving Credit Facility and the TLA Facility may be entitled to take enforcement action); (ii) misrepresentations; (iii) unlawfulness, invalidity, rescission and repudiation of finance documents; (iv) breach of the Intercreditor Agreement; (v) non-payment of amounts due under the finance documents; (vi) non-compliance with other obligations under the finance documents; and (vii) insolvency and insolvency proceedings.

Governing Law

The Senior Facilities Agreement and any non-contractual obligation arising out of or in connection with it are governed by, and shall be interpreted in accordance with, English law although the restrictive covenants, the information undertakings and the events of default, which are scheduled to the Senior Facilities Agreement and any non-contractual obligations arising out of or in connection with such schedules, shall be interpreted in accordance with the laws of the State of New York (without prejudice to the fact that the Senior Facilities Agreement is governed by English law).

Intercreditor Agreement

General

To establish the relative rights of certain of our creditors under our financing arrangements, the Issuer and each of the Guarantors (together with any Subsidiary of Midholding which accedes to the Intercreditor Agreement as a debtor, the "Debtors" and, for the purposes of this section, Midholding and its Restricted Subsidiaries are hereinafter referred to as the "**Group**") and together with any members of the Group that provide any financial accommodation to a Debtor or Debtors in excess of a *de minimis* amount and/or subject to other exceptions (the "**Intra-Group Lenders**") have entered into the Intercreditor Agreement with, among others, the Security Agent, the Trustee, the lenders under our Senior Credit Facilities and the facility agent under our Senior Credit Facilities ("**Senior Agent**"). The Intercreditor Agreement is governed by English law and sets out, among other things, the turnover provisions, the relative ranking of certain debt of the Debtors, when payments can be made in respect of debt of the Debtors, when enforcement action can be taken in respect of that debt and the terms pursuant to which certain of that debt will be subordinated upon the occurrence of certain insolvency events.

The following description is a summary of certain provisions contained in the Intercreditor Agreement. Ranking and Priority.

Priority of Debts

The Intercreditor Agreement provides that the liabilities owed by the Debtors to creditors under the Senior Credit Facilities, the Existing 2030 Fixed Rate Senior Secured Notes, certain hedging obligations (the creditors of such hedging obligations, the "**Hedge Counterparties**") and any holders of the Existing Senior Notes and any further debt instruments of Midholding which are permitted to rank *pari passu* with the Notes or Existing Senior Notes as may be (collectively, for purposes of this "—*Intercreditor Agreement*" section, the "**Senior Notes**") shall rank

in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

- *first*, the liabilities owed to the lenders, issuing banks and ancillary lenders under the Senior Credit Facilities (each a "**Senior Lender**" and such liabilities the "**Senior Lender Liabilities**"), the liabilities owed to the holders of the Notes (and together with liabilities owed under any high yield notes, exchange notes, securities or other debt instruments (not being the Notes) or any facility agreement (not being the Senior Credit Facilities) which are permitted to rank *pari passu* to the Notes, the "**Senior Secured Notes Liabilities**" and the noteholders and, as applicable, lenders to whom such Senior Secured Notes Liabilities are owed, the "**Senior Secured Noteholders**," and the Trustee and any other trustee or facility agent which accedes to the Intercreditor Agreement in connection with the issue of new senior secured notes or the entry into such facility agreement, the "**Senior Secured Notes Trustee(s)**"), the liabilities in relation to certain permitted hedging (the "**Hedging Liabilities**") and amounts due to the Senior Secured Notes Trustee(s), to the Senior Notes Trustee or any other trustee in respect of the Senior Notes (together, the "**Senior Notes Trustee**"), to the Senior Agent and the Security Agent (the "**Agent Liabilities**") *pari passu* and without any preference between them;

- *second*, the liabilities in relation to the Existing Senior Notes (the "**Senior Notes Liabilities**") *pari passu* between themselves and without any preference between them;

- *third*, the liabilities owed by the Debtors to the Intra-Group Lenders excluding the Parent Liabilities (as defined below) (the "**Intra-Group Liabilities**"), the liabilities owed by the Issuer to Midholding (including any liabilities owed to Midholding from the Issuer in respect of any proceeds loan borrowed by it in relation to any issuance of Senior Notes ("**Senior Proceeds Loan Liabilities**")) (the "**Parent Liabilities**") *pari passu* between themselves and without any preference between them; and

- *fourth*, the liabilities owed to any investor or any affiliate or an investor which is not a member of the Group by any Debtor (but excluding any amounts due to an affiliate of an investor which is not a member of the Group in the ordinary course of trade) (the "**Investor Liabilities**") *pari passu* between themselves and without any preference between them,

save that in respect of liabilities owed by Midholding to the creditors of the liabilities ranked first and second above, the "**Primary Creditors**", the arrangers under the Senior Credit Facilities, the Senior Agent, the Intra-Group Lenders and the Investors:

- *first*, the Senior Lender Liabilities, the Agent Liabilities, the Senior Secured Notes Liabilities, the Hedging Liabilities, amounts due to the Senior Secured Notes Trustee, the Senior Notes Trustee and the Senior Notes Liabilities shall rank *pari passu* between themselves and without any preference between them; and

- *second*, any Investor Liabilities and the Intra-Group Liabilities shall rank *pari passu* between themselves and without any preference between them.

Priority of Security

The security shall rank and secure the following liabilities (only to the extent that such security is expressed to secure the relevant liabilities) in the following order:

Prior to the date on which all Senior Lender Liabilities with respect to all term facilities under the Senior Credit Facilities have been fully and finally discharged (but where the Senior Lender Liabilities continue to exist with respect to the Revolving Credit Facility) (the "**Senior Term Lender Discharge Date**"):

- *first*, the Agent Liabilities, the Senior Lender Liabilities, the Senior Secured Notes Liabilities and the Hedging Liabilities *pari passu* and without any preference between them; and

- *second*, to the extent of any Senior Notes shared security, the Senior Notes Liabilities; and

on and from the Senior Term Lender Discharge Date:

- *first*, the Agent Liabilities, the Senior Lender Liabilities, the Senior Secured Notes Liabilities, the Hedging Liabilities in respect of interest rate and cross currency risks in relation to any of the Senior Lender Liabilities, the Senior Secured Notes Liabilities and the Senior Notes Liabilities (the "**Super Senior Hedging Liabilities**") and the Hedging Liabilities which are not Super Senior Hedging Liabilities (the "***Pari Passu* Hedging Liabilities**") *pari passu* and without any preference between them; and

- *second*, the Senior Notes Liabilities.

Intra-Group Liabilities and Parent Liabilities

The Intercreditor Agreement provides that the Intra-Group Liabilities and the Parent Liabilities are postponed and subordinated to the liabilities owed by the Debtors to the Primary Creditors.

Investor Liabilities

The Intercreditor Agreement provides that the Investor Liabilities are postponed and subordinated to the liabilities owed by the Debtors to the Primary Creditors, the Parent Liabilities and the Intra-Group Lenders.

Restrictions Relating to the Notes

The Debtors may make payment in respect of the Senior Lender Liabilities and the Senior Notes Liabilities (other than Hedging Liabilities) at any time in accordance with the provisions of the applicable documents governing the terms of the Senior Lender Liabilities (the "**Senior Finance Documents**") and the Senior Notes Liabilities (the "**Notes Finance Documents**").

The Intercreditor Agreement provides that the terms of the Notes Finance Documents may not be waived or amended without the consent of the Majority Lenders (under and as defined in the Senior Facilities Agreement) if such amendment or waiver would conflict with the provisions of the Intercreditor Agreement or create a Default or Event of Default under (and as defined in) the relevant Notes Finance Document with respect to any action or event that is permitted under the Intercreditor Agreement.

Security and Guarantees: Senior Secured Creditors

The Senior Lenders and the Senior Secured Noteholders may take, accept or receive the benefit of:

- any security from any member of the Group in respect of the Senior Lender Liabilities or the Senior Note Liabilities in addition to the shared security if and to the extent legally possible and subject to certain agreed security principles, the other senior secured parties already benefit from such security or, at the same time, it is also offered either:

    - to the Security Agent as agent or trustee for the other senior secured parties in respect of their secured obligations; or

    - in the case of any jurisdiction in which effective security cannot be granted in favor of the Security Agent as agent or trustee for the other senior secured parties:

    - to the other senior secured parties in respect of their secured obligations; or

    - to the Security Agent under a parallel debt structure, joint and several creditor structure or agency structure for the benefit of the other senior secured parties,

    and ranks in the same order of priority as set out under the caption "*Ranking and Priority—Priority of Security*," *provided* that all amounts received by any Senior Lenders, any Hedge Counterparty and the Senior Secured Noteholders (together, the "**Senior Secured Creditors**") with respect to such security are immediately paid to the Security Agent and held and applied in accordance with the provisions set out under the caption "*—Application of Proceeds*"; and

- any guarantee, indemnity or other assurance against loss from any member of the Group regarding the Senior Lender Liabilities or the Notes Liabilities in addition to those in:

    - the original form of the Senior Credit Facilities or the Indenture (and, for the purposes of this section "**Indenture**" shall include a reference to each indenture and, as the case may be, facility agreement, pursuant to which any Notes Liabilities are incurred);

    - the Intercreditor Agreement; or

    - any guarantee, indemnity or other assurance against loss in respect of any of the liabilities, the benefit of which (however conferred) is, to the extent legally possible and subject to certain agreed security principles, given to all the senior secured parties in respect of their senior secured liabilities,

if and to the extent legally possible, and subject to certain agreed security principles, the other senior secured parties already benefit from such a guarantee indemnity or other assurance against loss or, at the same time, it is also offered to the other senior secured parties in respect of their liabilities and ranks in the same order of priority as set out under the caption "*—Ranking and Priority*" and all amounts received by any Senior Secured Creditor with respect to such security are immediately paid to the Security Agent and held and applied in accordance with the provisions set out under the caption "*—Application of Proceeds*."

This provision does not require any security or guarantee to be granted in respect of the Senior Notes Liabilities.

Restriction on Enforcement: Senior Lenders and Senior Secured Noteholders

The Intercreditor Agreement provides that the Senior Lenders and the Senior Secured Noteholders may not take any action to enforce the transaction security without the prior written consent of an Instructing Group (as defined below).

An "**Instructing Group**" means at any time:

(i) if the Senior Term Lender Discharge Date has not occurred, the Majority Senior Secured Creditors; and

(ii) at any time on or after the Senior Term Lender Discharge Date and:

(A) prior to the Senior Secured Discharge Date, the Majority Senior Creditors and the Majority Pari Passu Creditors, *provided* that, in relation to instructions relating to enforcement of the security securing the Senior Finance Documents, the Senior Secured Notes Finance Documents, the documents governing the terms of the Senior Notes Liabilities (the "**Senior Notes Finance Documents**") and any hedging agreement entered into in relation to floating interest rate exposures or currency exposures as set out in the Intercreditor Agreement (the "**Hedging Agreements**") (the "**Security**"), the Instructing Group shall be the group of Primary Creditors entitled to give such instructions under the caption "*—Instructions to Enforce—On or following the Senior Term Lender Discharge Date*"; and

(B) on or after the Senior Secured Discharge Date but before the Senior Notes Discharge Date, the Majority Senior Notes Creditors.

"**Majority Pari Passu Creditors**" means, on or after the Senior Term Lender Discharge Date, those Senior Secured Noteholders and Pari Passu Hedge Counterparties whose Pari Passu Credit Participations at any time aggregate more than 50% of the total Pari Passu Credit Participations at that time.

"**Majority Senior Creditors**" means, at any time, Senior Creditors whose Senior Credit Participations at any time aggregate more than $66^{2}/_{3}$% of the total Senior Credit Participations at that time.

"**Majority Senior Notes Creditors**" means, those holders of Senior Notes whose Senior Notes outstanding at the time aggregate more than 50% of the total principal amount Senior Notes outstanding at that time (but not, in relation to instructions relating to enforcement of the Security, Senior Notes outstanding, in respect of any Senior Notes that do not receive the benefit of any guarantees or security).

"**Majority Senior Secured Creditors**" means, at any time, Senior Secured Creditors whose Senior Secured Credit Participations at any time aggregate more than 50% of the total Senior Secured Credit Participations at that time.

"**Pari Passu Credit Participations**" means, on or after the Senior Term Lender Discharge Date (i) in relation to a holder of any Senior Secured Notes, the aggregate outstanding principal amount of the Senior Secured Notes held by it, if any and any outstanding principal amount of Senior Secured Notes Liabilities in respect of which it is the creditor, if any, (ii) in relation to a Senior Secured Noteholder in respect of any facility agreement (not being the Senior Credit Facilities) which is permitted to rank *pari passu* to the Existing 2030 Fixed Rate Senior Secured Notes, its drawn and undrawn commitments under such facility agreement and (iii) in relation to any Pari Passu Hedge Counterparty, amounts payable for terminated or closed out hedging obligations and amounts that would be payable in respect of hedging obligations if they were terminated or closed out at that time.

"**Pari Passu Hedge Counterparty**" means a Hedge Counterparty in respect of Pari Passu Hedging Liabilities.

"**Senior Creditors**" means (i) prior to the Senior Term Lender Discharge Date, the Senior Lenders and the Hedge Counterparties and (ii) on or after the Senior Term Lender Discharge Date, the Senior Lenders and the Super Senior Hedge Counterparties.

"**Senior Credit Participations**" means, (i) prior to the Senior Term Lender Discharge Date, drawn and undrawn commitments under the Senior Credit Facilities, amounts payable for terminated or closed out hedging obligations and amounts that would be payable in respect of hedging obligations if they were terminated or closed out at that time and (ii) on or after the Senior Term Lender Discharge Date, means drawn and undrawn commitments under the Senior Credit Facilities, amounts payable for terminated or closed out obligations under any hedging agreement constituting Super Senior Hedging Liabilities and amounts that would be payable in respect of those Super Senior Hedging Liabilities if they were terminated or closed out at that time.

"**Senior Notes Discharge Date**" means the first date on which all Senior Notes Liabilities have been fully and finally discharged.

"**Senior Secured Creditors**" means the Senior Secured Noteholders, the Senior Creditors and the Senior Secured Notes Trustee(s).

"**Senior Secured Credit Participations**" refers to Senior Credit Participations and, in relation to holders of Senior Secured Notes, the principal amount of outstanding Senior Secured Notes held.

"**Senior Secured Discharge Date**" means the date on which all of the Senior Secured Liabilities have been fully and finally discharged.

"**Senior Secured Liabilities**" means prior to the Senior Term Lender Discharge Date, the Senior Secured Notes Liabilities and the Senior Lender Liabilities and on and from the Senior Term Lender Discharge Date, the Senior Lender Liabilities, the Senior Secured Notes Liabilities and the Pari Passu Hedging Liabilities.

"**Super Senior Discharge Date**" means the date on which all of the Super Senior Liabilities have been fully and finally discharged.

"**Super Senior Hedge Counterparty**" means the Hedge Counterparties in respect of Super Senior Hedging Liabilities.

"**Super Senior Liabilities**" means following the Senior Term Lender Discharge Date, the Senior Lender Liabilities and the Super Senior Hedging Liabilities.

Option to Purchase Senior Liabilities and transfer Hedging Liabilities: Senior Secured Noteholders

Upon acceleration under the Senior Credit Facilities, the Notes or the Existing 2030 Fixed Rate Senior Secured Notes, or enforcement of the transaction security, Senior Secured Noteholders may elect to purchase the lenders' liabilities under the Senior Credit Facilities for the amount that would have been required to prepay such liabilities on such date plus certain costs and expenses. Senior Secured Noteholders must also elect for the Hedge Counterparties to transfer their Hedging Liabilities to them at the same time in exchange for the amount that would have been payable under such hedging obligations had they been terminated on such date plus certain costs and expenses in connection with any such purchase.

Restrictions Relating to Senior Notes

Restriction on Payment and Dealings

The Intercreditor Agreement provides that, until the Senior Secured Discharge Date, except with the prior consent of the Senior Agent and (to the extent not permitted or prohibited under the Indenture and any other indenture for additional senior secured debt securities (the "**Existing 2030 Fixed Rate Senior Secured Notes Indenture**")) the Trustee(s), the Debtors shall not (and the Senior Note Issuer shall ensure that no member of the Group will):

(i) pay, repay, prepay, redeem, acquire or defease any principal, interest or other amount on or in respect of, or make any distribution in respect of, any Senior Notes Liabilities in cash or in kind or apply any such money or property in or towards discharge of any Senior Notes Liabilities except as permitted by the provisions set out below under the captions "*—Permitted Senior Note Payments*," "*—Permitted Senior Notes Enforcement*," and the fourth paragraph under the caption "*—Effect of Insolvency Event; Filing of Claims*" or by a refinancing of the Existing Senior Notes as permitted by the Intercreditor Agreement;

(ii) exercise any set-off against any Senior Notes Liabilities, except as permitted by the provisions set out in the caption "*—Permitted Senior Note Payments*" below, the provisions set out in the caption "*—Restrictions*

on Senior Notes Enforcement" below or the fourth paragraph under the caption "*—Effect of Insolvency Event; Filing of Claims*" below; or

(iii) create or permit to subsist any security over any assets of any member of the Group or give any guarantee from any member of the Group for, or in respect of, any Senior Notes Liabilities other than (i) guarantees given by members of the Group which are permitted by the terms of the Senior Finance Documents and the Senior Secured Notes Finance Document to be given with respect to the Senior Notes Liabilities and (ii) any shared security granted over the shares in Midholding, and shareholder debt instruments issued by Midholding or the on-loan of the Senior Notes proceeds.

Permitted Senior Notes Payments

Prior to the Senior Secured Discharge Date, the Debtors may make payments to the holders of the Existing Senior Notes (the "**Senior Noteholders**") in respect of the Senior Notes Liabilities then due in accordance with the Senior Notes Finance Documents (such payments, collectively, "**Permitted Senior Note Payments**"):

(i) if:

(A) the payment is of:

(I) any of the principal amount of the Senior Notes Liabilities which is either (1) expressly permitted or not prohibited to be paid by the Senior Credit Facilities and is not prohibited from being paid by the Existing 2030 Fixed Rate Senior Secured Notes Indenture or the Indenture or (2) paid on or after a maturity date of the Senior Notes Liabilities that complies with the terms of the Senior Secured Notes Finance Documents, the Senior Finance Documents and the Hedging Agreements (together, the "**Senior Secured Finance Documents**"); or

(II) any other amount which is not an amount of principal or capitalized interest or a corresponding amount under the on-loan of the Senior Notes proceeds (such other amounts including all scheduled interest payments (including, if applicable, special interest (or liquidated damages)) and default interest on the Senior Notes Liabilities accrued due and payable in cash in accordance with the terms of the relevant Senior Notes Finance Documents (as at the date of issue of the same or as amended in accordance with the terms of the Intercreditor Agreement and the relevant Senior Notes Document), additional amounts payable as a result of the tax gross-up provisions relating to the relevant Senior Notes Liabilities and amounts in respect of currency indemnities in the Existing Senior Notes Indenture and any other indenture for the Senior Notes (the "**Existing Senior Notes Indenture**") and/or, as applicable, the on-loan of the Senior Notes proceeds (to the extent such amounts are utilized to fund such interest payments));

(B) no Senior Notes payment stop notice is outstanding; and

(C) no payment default under the Senior Credit Facilities or the Notes (subject to a *de minimis* threshold) ("**Senior Secured Payment Default**") has occurred and is continuing;

(ii) if the Majority Senior Creditors and the Senior Secured Notes Trustee(s) give prior consent to that payment being made;

(iii) if the payment is of certain amounts due to the Senior Notes Trustee for its own account or in respect of certain defined note security costs;

(iv) if the payment is of certain defined permitted administrative costs;

(v) if the payment is of costs, commissions, taxes, premiums and any expenses incurred in respect of (or reasonably incidental to) any refinancing of the Senior Notes in compliance with the Intercreditor Agreement, the Senior Credit Facilities; or

(vi) if the payment is by Midholding of any of its obligations under the Senior Notes Finance Documents from its own assets if such payment is not financed by a payment to Midholding that was prohibited by the Senior Credit Facilities or the Senior Secured Notes Finance Documents.

On or after the Senior Secured Discharge Date, the Debtors may make payments to the Senior Noteholders in respect of the Senior Notes Liabilities in accordance with the Senior Notes Finance Documents.

Payment Blockage Provisions

Until the Senior Secured Discharge Date, except with the prior consent of the Senior Agent, (to the extent otherwise prohibited under the Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Indenture) the consent of the Senior Secured Notes Trustee(s) and subject to the provisions set out under the caption "*— Effect of Insolvency Event; Filing of Claims*" below, Midholding shall not make (and shall procure that its subsidiaries shall not), and neither the Senior Notes Trustee nor the holder of Senior Notes (the "**Senior Noteholder**") may receive from Midholding or any of its subsidiaries, any Permitted Senior Note Payment (other than certain amounts due to the Senior Notes Trustee for its own account, although this excludes any amounts for services provided by the Senior Notes Trustee or any adviser, receiver, delegate, attorney, agent or appointee thereof, in each case in respect of restructuring advice that exceeds a *de minimis* threshold) if:

- a Senior Secured Payment Default is continuing; or
- an event of default under the Senior Credit Facilities, the Existing 2030 Fixed Rate Senior Secured Notes Indenture or the Indenture (a "**Senior Secured Event of Default**") (other than a Senior Secured Payment Default) is continuing,

from the date which is one business day after the date on which the Senior Agent or the Senior Secured Notes Trustee(s) (as the case may be) delivers a payment stop notice specifying the event or circumstance in relation to that Senior Secured Event of Default to Midholding, the Security Agent and the Senior Notes Trustee until the earliest of:

- the date falling 179 days after delivery of that payment stop notice;
- in relation to payments of Senior Notes Liabilities, if a Senior Notes standstill period is in effect at any time after delivery of that payment stop notice, the date on which that standstill period expires;
- the date on which the relevant Senior Secured Event of Default has been remedied or waived in accordance with the Senior Credit Facilities or the Senior Secured Finance Documents (as applicable);
- the date on which the Senior Agent or the Senior Secured Notes Trustee(s) (as applicable) delivers a notice to Midholding, the Security Agent and the Senior Notes Trustee cancelling the payment stop notice;
- the Senior Secured Discharge Date; and
- the date on which the Security Agent or the Senior Notes Trustee takes Enforcement Action (as defined below) permitted under the Intercreditor Agreement against a Debtor.

Unless the Senior Notes Trustee waives this requirement (i) a new payment stop notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior payment stop notice and (ii) no payment stop notice may be delivered in reliance on a Senior Secured Event of Default more than 60 days after the date the Senior Agent and the Senior Secured Notes Trustee(s) (as applicable) received notice of that Senior Secured Event of Default.

The Senior Agent and the Senior Secured Notes Trustee(s) may only serve one payment stop notice with respect to the same event or set of circumstances. Subject to the immediately preceding paragraph, this shall not affect the right of the Senior Agent or the Senior Secured Notes Trustee(s) to issue a payment stop notice in respect of any other event or set of circumstances. No payment stop notice may be served by the Senior Agent or the Senior Secured Notes Trustee(s) in respect of a Senior Secured Event of Default which had been notified to the Senior Agent or the Senior Secured Notes Trustee(s) at the time at which an earlier payment stop notice was issued.

Any failure to make a payment due under the Existing Senior Notes Indenture as a result of the issue of a payment stop notice or the occurrence of a Senior Secured Payment Default shall not prevent (i) the occurrence of an Event of Default (as defined in the Existing Senior Notes Indenture) as a consequence of that failure to make a payment in relation to the relevant Senior Notes Indenture or (ii) the issue of an enforcement notice with respect to the relevant Event of Default on behalf of the Senior Noteholders.

No payment stop notice will prevent Midholding from making a payment from its own assets if that payment is of Midholding's obligations under the Senior Notes and such payment is not financed by a payment to Midholding from a member of the Group that was prohibited by the Senior Credit Facilities, or the Senior Secured Notes Finance Documents or prohibited under "*—Payment Blockage Provisions*" above.

Payment Obligations and Capitalization of Interest Continue

No Debtor shall be released from the liability to make any payment (including of default interest, which shall continue to accrue) under any Senior Notes Finance Document (including the Existing Senior Notes Indenture) by the operation of the provisions set out under each section above under the caption "*—Restrictions Relating to Senior Notes*" even if its obligation to make such payment is restricted at any time by the terms of any of those provisions.

The accrual and capitalization of interest (if any) in accordance with the Senior Notes Finance Documents shall continue notwithstanding the issue of a payment stop notice.

Cure of Payment Stop

If:

(i) at any time following the issue of a payment stop notice or the occurrence of a Senior Secured Payment Default, that payment stop notice ceases to be outstanding and/or (as the case may be) the Senior Secured Payment Default ceases to be continuing; and

(ii) the relevant Debtor then promptly pays to the Senior Noteholders an amount equal to any payments which had accrued under the Existing Senior Notes Indenture and which would have been Permitted Senior Note Payments but for that payment stop notice or Senior Secured Payment Default,

then any event of default which may have occurred as a result of that suspension of payments shall be waived and any Senior Notes enforcement notice which may have been issued as a result of that event of default shall be waived, in each case without any further action being required on the part of the Senior Noteholders.

Restrictions on Amendments and Waivers

The Intercreditor Agreement provides that the Senior Noteholders may amend or waive the terms of the Senior Notes Finance Documents (other than the Intercreditor Agreement or any security document) in accordance with their terms at any time, *provided* that the terms of the Senior Notes Finance Documents may not be amended or waived if such amendment or waiver would breach the terms of the Senior Secured Finance Documents.

Restrictions on Senior Notes Enforcement

Until the Senior Secured Discharge Date, except with the prior consent of or as required by an Instructing Group:

(i) neither the Senior Notes Trustee nor any Senior Noteholders shall direct the Security Agent to enforce, or otherwise (to the extent applicable) require the enforcement of, any transaction security; and

(ii) neither the Senior Notes Trustee nor any Senior Noteholders shall take or require the taking of any Enforcement Action in relation to the guarantees of the Existing Senior Notes in respect of any member of the Group,

except as permitted under the provisions set out under the caption "*—Permitted Senior Notes Enforcement*" below, *provided*, *however*, that no such action required by the Senior Agent need be taken except to the extent the Senior Agent otherwise is entitled under the Intercreditor Agreement to direct such action.

"**Enforcement Action**" is defined as:

- in relation to any liabilities:
    - the acceleration of any liabilities or the making of any declaration that any liabilities are prematurely due and payable (other than as a result of it becoming unlawful for a Senior Lender, a Senior Secured Noteholder or a Senior Noteholder to perform its obligations under, or of any voluntary or mandatory prepayment arising under, the debt documents);
    - the making of any declaration that any liabilities are payable on demand;
    - the making of a demand in relation to a liability that is payable on demand;

- the making of any demand against any member of the Group in relation to any guarantee liabilities of that member of the Group;

- the exercise of any right to require any member of the Group to acquire any liability (including exercising any put or call option against any member of the Group for the redemption or purchase of any liability but excluding any such right which arises as a result of the permitted debt purchase transactions provisions of the Senior Credit Facilities or any similar provisions in the Senior Secured Notes Finance Documents or the Senior Notes Finance Documents and excluding any mandatory offer arising as a result of a change of control or asset sale (howsoever described) as set out in the Senior Secured Notes Finance Documents or the Senior Notes Finance Documents);

- the exercise of any right of set-off, account combination or payment netting against any member of the Group in respect of any liabilities other than the exercise of any such right:

    - as close-out netting by a hedge counterparty or by a hedging ancillary lender;

    - as payment netting by a hedge counterparty or by a hedging ancillary lender;

    - as inter-hedging agreement netting by a Hedge Counterparty;

    - as inter-hedging ancillary document netting by a hedging ancillary lender; and

    - which is otherwise permitted by or not prohibited under the Senior Credit Facilities, the Senior Secured Notes Finance Documents or the Senior Notes Finance Documents to the extent that the exercise of that right gives effect to a permitted payment under the Intercreditor Agreement;

- the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group to recover any liabilities;

- the premature termination or close-out of any hedging transaction under any hedging agreement, save to the extent permitted by the Intercreditor Agreement;

- the taking of any steps to enforce or require the enforcement of any security (including the crystallization of any floating charge forming part of the security);

- the entering into of any composition, compromise, assignment or similar arrangement with any member of the Group which owes any liabilities, or has given any security, guarantee or indemnity or other assurance against loss in respect of the liabilities of the Group owed to a creditor under the Intercreditor Agreement (other than any action permitted under the Intercreditor Agreement or any debt buy-backs pursuant to open market debt repurchases, tender offers or exchange offers not undertaken as part of an announced restructuring or turnaround plan or while a default was outstanding under the relevant finance documents); and

- the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to the winding up, dissolution, administration or reorganization of any member of the Group which owes any liabilities of the Group owed to a creditor under the Intercreditor Agreement, or has given any security, guarantee, indemnity or other assurance against loss in respect of any of the liabilities, or any of such member of the Group's assets or any suspension of payments or moratorium of any indebtedness of any such member of the Group, or any analogous procedure or step in any jurisdiction,

except that the following shall not constitute Enforcement Action:

- the taking of any action falling within the seventh paragraph of the first bullet point above or the bullet point immediately above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods;

- any discussions or consultations between, or proposals made by, any of the Primary Creditors with respect to instructions to enforce the transaction security;

- to the extent entitled by law, the taking of action against any creditor (or any agent, trustee or receiver acting on behalf of such creditor) to challenge the basis on which any sale or disposal is to take place pursuant to powers granted to such persons under any security documentation;

- an ancillary lender, Hedge Counterparty, issuing bank or the Senior Notes Trustee bringing legal proceedings against any person solely for the purpose of (A) obtaining injunctive relief (or any analogous remedy outside England and Wales) to restrain any actual or putative breach of any debt document to which it is party, (B) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages, and (C) requesting judicial interpretation of any provision of any debt document to which it is party with no claim for damages;

- bringing legal proceedings against any person in connection with any securities violation, securities or listing relations or common law fraud or to restrain any actual or putative breach of the Senior Note Finance Documents or the Senior Secured Notes Finance Documents or for specific performance with no claims for damages; or

- allegations of material misstatements or omissions made by a Primary Creditor in connection with the offering materials related to the Senior Secured Notes Liabilities or the Senior Notes Liabilities or in reports furnished to the Senior Secured Noteholders, the Senior Secured Notes Trustee and the Security Agent in its capacity as creditor in connection with the Senior Secured Notes Liabilities (the "**Senior Secured Notes Creditors**") or the Senior Noteholders, the Senior Notes Trustee and the Security Agent in its capacity as creditor in connection with the Senior Notes Liabilities (the "**Senior Notes Creditors**") or any exchange on which the Notes are listed by a member of the Group pursuant to information and reporting requirements under the Senior Secured Notes Finance Documents or the Senior Notes Finance Documents.

Permitted Senior Notes Enforcement

The restrictions set out under the caption "*—Restrictions on Senior Notes Enforcement*" above will not apply in respect of the Senior Notes Liabilities or the security documents (if any) which secure the Senior Notes Liabilities as permitted by paragraph (iii) set out under the caption "*—Restriction on Payment and Dealings*" above, if:

(i) an Event of Default (as defined in the Existing Senior Notes Indenture) (the "**Relevant Senior Note Default**") is continuing;

(ii) the Senior Agent has received a notice of the Relevant Senior Note Default specifying the event or circumstance in relation to the Relevant Senior Note Default from the Senior Notes Trustee(s);

(iii) a Senior Note Standstill Period (as defined below) has elapsed; and

(iv) the Relevant Senior Note Default is continuing at the end of the relevant Senior Note Standstill Period;

provided, *however*, that no such action may be taken by a Senior Notes Finance Party if the Security Agent is enforcing security over shares of a Debtor in accordance with the instructions of the Instructing Group and such action (by the Senior Notes Finance Party) might be reasonably likely to adversely affect the enforcement being undertaken on the instructions of the Instructing Group or the amount of proceeds to be derived therefrom.

Promptly upon becoming aware of an Event of Default (as defined in the Existing Senior Notes Indenture) (a "**Senior Note Default**"), the Senior Notes Trustee may by notice (a "**Senior Note Enforcement Notice**") in writing notify the Senior Agent and the Senior Secured Notes Trustee(s) of the existence of such Senior Note Default.

Senior Note Standstill Period

In relation to a Senior Note Default, a Senior Note Standstill Period shall mean the period beginning on the date (the "**Senior Note Standstill Start Date**") the Senior Notes Trustee serves a Senior Note Enforcement Notice on the Senior Agent and the Senior Secured Notes Trustee(s) in respect of such Senior Note Default and ending on the earliest to occur of:

(i) the date falling 179 days after the Senior Note Standstill Start Date (the "**Senior Note Standstill Period**");

(ii) the date the Senior Secured Creditors take any Enforcement Action in relation to a particular guarantor of the Senior Notes (a "**Senior Note Guarantor**"), *provided*, *however*, that:

(A) if a Senior Note Standstill Period ends pursuant to this paragraph, the Senior Noteholders may only take the same Enforcement Action in relation to the Senior Note Guarantor as the Enforcement Action taken by the Senior Secured Creditors against such Senior Note Guarantor and not against any other member of the Group; and

(B) Enforcement Action for the purpose of this paragraph shall not include action taken to preserve or protect any security as opposed to realize it;

(iii) the date of an Insolvency Event (as defined below) in relation to a particular Senior Note Guarantor against whom Enforcement Action is to be taken;

(iv) the expiry of any other Senior Note Standstill Period outstanding at the date such first mentioned Senior Note Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy);

(v) the date on which the Senior Agent and the Senior Secured Notes Trustee (as applicable) consent to an enforcement in respect of the Relevant Senior Note Default by the relevant Senior Notes Creditor; and

(vi) a failure to pay the principal amount outstanding on the Existing Senior Notes at the final stated maturity of the Existing Senior Notes.

Subsequent Senior Note Defaults

The Senior Note finance parties may take Enforcement Action under the provisions set out in caption "*—Permitted Senior Note Enforcement*" above in relation to a Senior Note Default even if, at the end of any relevant Senior Note Standstill Period or at any later time, a further Senior Note Standstill Period has begun as a result of any other Senior Note Default.

Transfer of Hedging Liabilities: Senior Noteholders

The Senior Noteholders may elect for the Hedge Counterparties to transfer their Hedging Liabilities to the Senior Noteholders in exchange for the amount that would have been payable under such hedging obligations had they been terminated on such date plus certain costs and expenses in connection with any such purchase.

Effect of Insolvency Event; Filing of Claims

An "**Insolvency Event**" occurs in relation to any member of the Group if:

(i) any resolution is passed or order made for its winding up, dissolution, administration or reorganization, a moratorium is declared in relation to any of its indebtedness or an administrator is appointed to it;

(ii) any composition, compromise, assignment or arrangement is made with creditors generally;

(iii) a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer is appointed in respect of that member of the Group or any of its assets;

(iv) a Portuguese insolvency event in respect of any Portuguese Debtor; or

(v) any analogous procedure or step to those described above in respect to the member of the Group is taken in any jurisdiction.

The Intercreditor Agreement provides that, after the occurrence of an Insolvency Event in relation to any member of the Group, any party entitled to receive a distribution out of the assets of that member of the Group (in the case of a Primary Creditor on or after the Senior Term Lender Discharge Date, only to the extent such amount constitutes proceeds of an enforcement of transaction security) in respect of liabilities owed to that party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Group to pay that distribution to the Security Agent until the liabilities owing to the secured parties have been paid in full. In this respect, the Security Agent shall apply distributions paid to it in accordance with the provisions set out under the caption "*—Application of Proceeds*" below.

Generally, to the extent that any member of Group's liabilities are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that member of the Group, any creditor which benefited from that set-off shall (in the case of a Primary Creditor on or after the Senior Term Lender Discharge Date, only to the extent such amount constitutes proceeds of an enforcement of the Security) pay an

amount equal to the amount of the liabilities owed to it which are discharged by that set-off to the Security Agent for application in accordance with the provisions set out in the caption "*—Application of Proceeds*" below.

If the Security Agent or any other secured party receives a distribution in a form other than in cash in respect of any of the liabilities owed to them by a member of the Group, the liabilities will not be reduced by that distribution until and except to the extent that the realization proceeds are actually applied towards such liabilities.

After the occurrence of an Insolvency Event in relation to any member of Group, each creditor irrevocably authorizes the Security Agent, on its behalf, to:

(i) take any Enforcement Action (in accordance with the terms of the Intercreditor Agreement) against that member of the Group;

(ii) demand, sue, prove and give receipt for any or all of that member of Group's liabilities owed to the creditors under the debt documents;

(iii) collect and receive all distributions on, or on account of, any or all of that member of Group's liabilities owed to the creditors under the debt documents; and

(iv) file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover that member of Group's liabilities owed to the creditors under the debt documents.

Each creditor will (i) do all things that the Security Agent reasonably requests in order to give effect to the matters disclosed under this section and (ii) if the Security Agent is not entitled to take any of the actions contemplated by this section or if the Security Agent requests that a creditor take that action, undertake that action itself in accordance with the instructions of the Security Agent or grant a power of attorney to the Security Agent (on such terms as the Security Agent may reasonably require, although no trustee shall be under any obligation to grant such powers of attorney) to enable the Security Agent to take such action.

Turnover

Subject to certain exceptions, the Intercreditor Agreement provides that if any Primary Creditor receives or recovers from any member of the Group:

(i) prior to the Senior Term Lender Discharge Date:

  (A) any payment or distribution of, or on account of or in relation to, any of the liabilities owed to the creditors under the debt documents which is not either (x) a payment permitted under the Intercreditor Agreement or (y) made in accordance with the provisions set out below under the caption "*—Application of Proceeds*";

  (B) any amount by way of set-off in respect of any of the liabilities owed to it which does not give effect to a payment permitted under the Intercreditor Agreement;

  (C) any amount:

    (I) on account of, or in relation to, any of the liabilities owed to the creditors under the debt documents:

      (1) after the occurrence of an acceleration event or the enforcement of any security; or

      (2) as a result of any other litigation or proceedings against a member of the Group (other than after the occurrence of an Insolvency Event in respect of that member of the Group); or

    (II) by way of set-off in respect of any of the liabilities owed to it after the occurrence of an acceleration event or the enforcement of any security,

    other than, in each case, any amount received or recovered in accordance with the provisions set out below the caption "*—Application of Proceeds*";

  (D) the proceeds of any enforcement of any security except in accordance with the provisions set out below under the caption "*—Application of Proceeds*"; or

(E) any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by any member of Group which is not in accordance with the provisions set out in the caption "*—Application of Proceeds*" and which is made as a result of, or after, the occurrence of an insolvency event in respect of that member of Group; or

(ii) on or after the Senior Term Lender Discharge Date, the proceeds of any enforcement of any security except in accordance with the provisions set out below under the caption "*—Application of Proceeds*,"

that Primary Creditor will: (i) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement and (y) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Subject to certain exceptions, the Intercreditor Agreement provides that if any creditor party to the Intercreditor Agreement other than a Primary Creditor receives or recovers from any member of the Group:

(i) any payment or distribution of, or on account of or in relation to, any of the liabilities owed to the creditors under the debt documents which is not either (x) a payment permitted under the Intercreditor Agreement or (y) made in accordance with the provisions set out below under the caption "*—Application of Proceeds*";

(ii) any amount by way of set-off in respect of any of the liabilities owed to it which does not give effect to a payment permitted under the Intercreditor Agreement;

(iii) any amount:

(A) on account of, or in relation to, any of the liabilities owed to the creditors under the debt documents:

(I) after the occurrence of an acceleration event or the enforcement of any security; or

(II) as a result of any other litigation or proceedings against a member of the Group (other than after the occurrence of an Insolvency Event in respect of that member of the Group); or

(B) by way of set-off in respect of any of the liabilities owed to it after the occurrence of an acceleration event or the enforcement of any security,

other than, in each case, any amount received or recovered in accordance with the provisions set out below the caption "*—Application of Proceeds*";

(iv) the proceeds of any enforcement of any security except in accordance with the provisions set out below under the caption "*—Application of Proceeds*"; or

(v) any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by any member of Group which is not in accordance with the provisions set out in the caption "*—Application of Proceeds*" and which is made as a result of, or after, the occurrence of an insolvency event in respect of that member of Group,

that creditor which is not a Primary Creditor will: (i) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement and (y) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Enforcement of Security—Prior to the Senior Term Lender Discharge Date

Enforcement Instructions—Prior to the Senior Term Lender Discharge Date

The Security Agent may refrain from enforcing the security unless instructed otherwise by (i) the Instructing Group or (ii) if required under the third paragraph of this section, the Senior Notes Trustee (acting on the instructions of the Majority Senior Notes Creditors).

Subject to the security having become enforceable in accordance with its terms (i) the Instructing Group or (ii) to the extent permitted to enforce or to require the enforcement of the shared security prior to the Senior Lender Liabilities and the Hedging Liabilities having been discharged under the provisions set out under the caption "*—Permitted Senior Notes Enforcement*" above, the Senior Notes Trustee (acting on the instructions of the Majority Senior Notes Creditors) may give, or refrain from giving, instructions to the Security Agent to enforce, or refrain from enforcing, the shared security as they see fit.

Prior to the Senior Secured Discharge Date, (i) if the Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the security or (ii) in the absence of instructions from the Instructing Group, and, in each case, if the Instructing Group has not required any to make a Distressed Disposal (as defined below), the Security Agent shall give effect to any instructions to enforce the security which the Senior Notes Trustee is then entitled to give to the Security Agent under the provisions under the caption "*—Permitted Senior Notes Enforcement*" above respectively. Notwithstanding the preceding sentence, if at any time the Senior Notes Trustee is then entitled to give the Security Agent instructions to enforce the security pursuant to the preceding sentence and the Senior Notes Trustee either gives such instruction or indicates any intention to give such instruction, then the Instructing Group may give instructions to the Security Agent to enforce the security as the Instructing Group sees fit in lieu of any instructions to enforce given by the Senior Notes Trustee under the provisions set out under the caption "*—Permitted Senior Notes Enforcement*" above and the Security Agent shall act on such instructions received from the Instructing Group.

No secured party shall have any independent power to enforce, or to have recourse to enforce, any security or to exercise any rights or powers arising under the security documents except through the Security Agent.

Manner of Enforcement

If the security is being enforced as set forth above under the caption "*—Enforcement Instructions*" or other action as to enforcement is being taken, the Security Agent shall enforce the security or take such other action as to enforcement in such manner (including, without limitation, the selection of any administrator of any Debtor to be appointed by the Security Agent) as:

- the Instructing Group; or
- prior to the Senior Secured Discharge Date, if (i) the Security Agent has, pursuant to the third paragraph of the preceding section, received instructions given by the Senior Notes Trustee to enforce the security and (ii) the Instructing Group has not given instructions as to the manner of enforcement of the security, the Majority Senior Creditors,

shall instruct or, in the absence of any such instructions, as the Security Agent sees fit.

Enforcement of Security—On or after the Senior Term Lender Discharge Date

Enforcement Instructions—On or after the Senior Term Lender Discharge Date

If either the Majority Senior Creditors or the Majority Pari Passu Creditors wish to issue enforcement instructions, the creditor representative representing the Majority Senior Creditors or the Majority Pari Passu Creditors, as applicable, shall deliver a copy of the proposed enforcement instructions to the Security Agent ("**an Initial Enforcement Notice**") which instructions the Security Agent will promptly forward to the other Primary Creditors.

The Security Agent will act in accordance with enforcement instructions received from the Majority Pari Passu Creditors save that where:

(i) within three months of the Initial Enforcement Notice, the Majority Pari Passu Creditors have not either:

(A) made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue, or

(B) appointed a financial adviser to assist them in making such a determination;

and the Majority Senior Creditors determine in good faith that a delay in issuing enforcement instructions could reasonably be expected to have a material adverse effect on the ability to effect a distressed disposal or on the expected realized proceeds of enforcement and deliver enforcement instructions to the Security Agent they deliver enforcement instructions which they reasonably believe are necessary or advisable in enhancing the prospects of achieving a prompt and expeditious realization of the value of transaction security; or

(ii) the Super Senior Discharge Date has not occurred within six months of the date of the Initial Enforcement Notice; or

(iii) an Insolvency Event (other than an Insolvency Event directly caused by any Enforcement Action taken by or at the request or direction of a Senior Lender) is continuing with respect to a Debtor,

then the Security Agent will act in accordance with enforcement instructions received from the Majority Senior Creditors until the Super Senior Discharge Date has occurred.

Enforcement Instructions—On or Following the Senior Term Lender Discharge Date

The Security Agent may refrain from enforcing the security unless instructed otherwise by the Instructing Group as set out under the provisions set out under the above caption "*—Instructions to Enforce—On or after the Senior Term Lender Discharge Date*."

Prior to the Senior Secured Discharge Date, (i) if the Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the security or (ii) in the absence of instructions from the Instructing Group, and, in each case, the Instructing Group has not required any Debtor to make a Distressed Disposal (as defined below), the Security Agent shall give effect to any instructions to enforce the security which the Senior Notes Trustee (acting on the instructions of the Majority Senior Notes Creditors) are then entitled to give to the Security Agent under the provisions under the caption "*—Permitted Senior Notes Enforcement*" above respectively. Notwithstanding the preceding sentence, if at any time the Senior Notes Trustee is then entitled to give the Security Agent instructions to enforce the security pursuant to the preceding sentence and the Senior Notes Trustee either gives such instruction or indicates any intention to give such instruction, then the Instructing Group may give instructions to the Security Agent to enforce the security as the Instructing Group sees fit in lieu of any instructions to enforce given by the Senior Subordinated Representative(s) under the provisions set out under the caption "*—Permitted Senior Notes Enforcement*" above and the Security Agent shall act on such instructions received from the Instructing Group (and the Security Agent shall immediately cease any conflicting actions pursued or taken pursuant to the instructions of the Senior Notes Trustee without any liability to any Senior Creditors for any loss, cost, damages and/or expenses that may arise as a result of it ceasing any such conflicting actions (whether or not the Security Agent is aware that such loss, costs, damages and/or expenses may arise)).

No secured party shall have any independent power to enforce, or to have recourse to enforce, any security or to exercise any rights or powers arising under the security documents except through the Security Agent.

Manner of Enforcement

If the security is being enforced as set forth above under the caption "*—Enforcement Instructions—Prior to the Senior Term Lender Discharge Date*," or as set forth above under the caption "*—Enforcement Instructions—On or Following the Senior Term Lender Discharge Date*," the Security Agent shall enforce the security in such manner (including, without limitation, the selection of any administrator of any Debtor to be appointed by the Security Agent) as:

- the Instructing Group; or
- prior to the Senior Secured Discharge Date, if (i) the Security Agent has, pursuant to the penultimate paragraph of the preceding section, received instructions given by the Majority Senior Notes Creditors to

enforce the security and (ii) the Instructing Group has not given instructions as to the manner of enforcement of the security, the Majority Senior Notes Creditors,

shall instruct or, in the absence of any such instructions, as the Security Agent sees fit.

Exercise of Voting Rights

Each creditor (other than a primary creditor) agrees (to the fullest extent permitted by law at the relevant time) with the Security Agent that it will cast its vote in any proposal put to the vote by, or under the supervision of, any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Agent. The Security Agent shall give instructions for the purposes of this paragraph as directed by an Instructing Group.

Waiver of Rights

To the extent permitted under applicable law and subject to certain provisions of the Intercreditor Agreement, each of the secured parties and the Debtors waives all rights it may otherwise have to require that the security be enforced in any particular order or manner or at any particular time, or that any sum received or recovered from any person, or by virtue of the enforcement of any of the security or of any other security interest, which is capable of being applied in or towards discharge of any of the secured obligations, is so applied.

Duties Owed

Pursuant to the Intercreditor Agreement, each of the secured parties and the Debtors acknowledges that, in the event that the Security Agent enforces, or is instructed to enforce, the security prior to the Senior Secured Discharge Date, the duties of the Security Agent and of any receiver or delegate owed to any Senior Notes finance party in respect of the method, type and timing of that enforcement or of the exploitation, management or realization of any of that security shall be no different to or greater than the duty that is owed by the Security Agent, receiver or delegate to the Debtors under general law.

Alternative Enforcement Action

After the Security Agent has commenced enforcement, it shall not accept any subsequent instructions from anyone other than the Instructing Group that instructed it to commence such enforcement of the transaction security.

Security Held by Other Creditors

If any security is held by a creditor other than the Security Agent, then creditors may only enforce that security in accordance with instructions given by an Instructing Group in accordance with the Intercreditor Agreement.

Proceeds of Disposals

Non-Distressed Disposals

In this section, "**Disposal Proceeds**" means the proceeds of a Non-Distressed Disposal (as defined below).

If, in respect of a disposal (a "**Non-Distressed Disposal**") of (a) an asset by a Debtor, (b) an asset which is subject to the security or (c) any merger, consolidation, amalgamation, reorganization or other transaction or a combination of the foregoing whereby a release of an asset is required to effect such disposal, merger, consolidation, amalgamation, reorganization or other transaction or combination of the foregoing, and, in each case, such disposal, merger, reorganization or transaction is not prohibited by the Senior Finance Documents, the Senior Secured Notes Finance Documents or the Senior Notes Finance Documents:

(i) (prior to the Senior Lender Liabilities having been discharged) the Senior Agent notifies the Security Agent that that disposal is permitted (which it shall do as soon as practicable on request by Midholding);

(ii) (prior to the Senior Secured Notes Liabilities having been discharged) Midholding certifies for the benefit of the Security Agent that that disposal is permitted under or is not prohibited by the Senior Secured Notes Finance Documents or the Senior Secured Notes Trustee(s) authorizes the release in accordance with the terms of the Senior Secured Notes Finance Documents;

(iii) (prior to the Senior Notes Discharge Date) Midholding certifies for the benefit of the Security Agent that that disposal is permitted under or is not prohibited by the Senior Notes Finance Documents or the Senior

Notes Trustee authorizes the release in accordance with the terms of the Senior Notes Finance Documents; and

(iv) that disposal is not a Distressed Disposal (as defined below),

the Security Agent is irrevocably authorized (at the reasonable cost of the relevant Debtor or Midholding and without any consent, sanction, authority or further confirmation from any creditor or Debtor) but, in the case of a Non-Distressed Disposal subject to the following paragraph and subject to certain requirements in respect of the release of assets in Sweden:

(A) to release the security and any other claim (relating to a debt document) over that asset;

(B) where that asset consists of shares in the capital of a Debtor, to release the security and any other claim, including without limitation any guarantee liabilities or other liabilities (relating to a debt document) over that Debtor or its assets and (if any) the subsidiaries of that Debtor and their respective assets; and

(C) to execute and deliver or enter into any release of the security or any claim described in the preceding two bullets and issue any certificates of non-crystallization of any floating charge or any consent to dealing that may be reasonably requested by Midholding.

If that Non-Distressed Disposal is not made, each release of security or any claim described in the paragraph above shall have no effect and the security or claim subject to that release shall continue in such force and effect as if that release had not been effected (and, in the case of any Swedish security, Midholding shall, if requested by the Security Agent, procure that the relevant pledgor or assignor enter into a new security document in respect of the relevant asset).

Distressed Disposals

A "**Distressed Disposal**" is a disposal of an asset or shares of a member of the Group which is (a) being effected at the request of an Instructing Group in circumstances where the transaction security has become enforceable, (b) being effected by enforcement of the transaction security or (c), such asset or shares are subject to the Security (and, for the avoidance of doubt, is any such disposal) and which is being effected, subsequent to an acceleration event or the enforcement of any transaction security, by a debt or to a person which is not a member of the Group.

If a Distressed Disposal of any asset is being effected, the Security Agent is irrevocably authorized (at the cost of the relevant Debtor or Midholding and without any consent, sanction, authority or further confirmation from any creditor or Debtor):

(i) to release the security or any other claim over that asset and execute and deliver or enter into any release of that security or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;

(ii) if the asset which is disposed of consists of shares in the capital of a Debtor to release:

(A) that Debtor and any subsidiary of that Debtor from all or any part of its borrowing liabilities, its guarantee liabilities and its other liabilities;

(B) any security granted by that Debtor or any subsidiary of that Debtor over any of its assets; and

(C) any other claim of an Intra-Group Lender, an investor, or another Debtor over that Debtor's assets or over the assets of any subsidiary of that Debtor,

on behalf of the relevant creditors, Senior Agent, senior arrangers, Debtors, the Senior Secured Notes Trustee(s) and the Senior Notes Trustee(s);

(iii) if the asset which is disposed of consists of shares in the capital of any holding company of a Debtor to release:

(A) that holding company and any subsidiary of that holding company from all or any part of its borrowing liabilities, its guarantees liabilities and its other liabilities;

(B) any security granted by that holding company and any subsidiary of that holding company over any of its assets; and

(C) any other claim of an intra-group lender, and investor or another Debtor over the assets of that holding company and any subsidiary of that holding company,

on behalf of the relevant creditors, Senior Agent, senior arrangers, Debtors, the Senior Secured Notes Trustee and the Senior Notes Trustee;

(iv) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor or the holding company of a Debtor and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to dispose of all or any part of the liabilities or the Debtor liabilities owed by that Debtor or holding company or any subsidiary of that Debtor or holding company:

(A) (if the Security Agent (acting in accordance with the Intercreditor Agreement) does not intend that any transferee of those liabilities or Debtor liabilities (the "**Transferee**") will be treated as a Primary Creditor or a secured party for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of all or part of those liabilities or Debtor liabilities, *provided* that, notwithstanding any other provision of any debt document, the Transferee shall not be treated as a Primary Creditor or a secured party for the purposes of the Intercreditor Agreement; and

(B) (if the Security Agent (acting in accordance with the Intercreditor Agreement) does intend that any Transferee will be treated as a Primary Creditor or a Secured Party (being each finance party, receive or a delegate under the Intercreditor Agreement) for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of all (and not part only) of the liabilities owed to the Primary Creditors and all or part of any other liabilities and the Debtor liabilities, on behalf of, in each case, the relevant creditors and Debtors;

(v) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor (the "**Disposed Entity**") and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to transfer to another Debtor (the "**Receiving Entity**") all or any part of the Disposed Entity's obligations or any obligations of any subsidiary of that Disposed Entity in respect of: the intra-group liabilities or the Debtor liabilities, to execute and deliver or enter into any agreement to:

(A) agree to the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the relevant intra-group lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and

(B) (*provided* the Receiving Entity is a holding company of the Disposed Entity which is also a guarantor of senior secured liabilities) to accept the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those intra-group liabilities or Debtor liabilities are to be transferred.

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities or Debtor liabilities) shall be paid to the Security Agent (as the case may be) for application in accordance with the provisions set out under the caption "*—Application of Proceeds*" as if those proceeds were the proceeds of an enforcement of the security and, to the extent that any disposal of liabilities or Debtor liabilities has occurred, as if that disposal of liabilities or Debtor liabilities had not occurred.

In the case of a Distressed Disposal (or a disposal of liabilities) effected by, or at the request of, the Security Agent (acting in accordance with the Intercreditor Agreement), the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Security Agent shall not have any obligation to postpone any such Distressed Disposal or disposal of liabilities in order to achieve a higher price).

If a Distressed Disposal is being effected at a time when the Majority Senior Notes Creditors are entitled to give, and have given, instructions in accordance with the Intercreditor Agreement, the Security Agent is not authorized to release any Debtor, subsidiary or holding company from any borrowing liabilities or guarantor liabilities owed to any Senior Secured Creditor unless those borrowing liabilities or guarantor liabilities and any other senior secured liabilities will be paid (or repaid) in full (or, in the case of any contingent liability relating to a letter of credit or an ancillary facility, made the subject of cash collateral arrangements acceptable to the relevant senior creditor), following that release.

Where borrowing liabilities in respect of any senior secured debt would otherwise be released pursuant to the Intercreditor Agreement, the creditor concerned may elect to have those borrowing liabilities transferred to Midholding (or its immediate holding company after the relevant Distressed Disposal), in which case the Security Agent is irrevocably authorized (at the cost of the relevant Debtor or Midholding (or its immediate holding company after the relevant Distressed Disposal) and without any consent, sanction, authority or further confirmation from any creditor or Debtor) to execute such documents as are required to so transfer those borrowing liabilities.

If before the Senior Notes Discharge Date, a Distressed Disposal is being effected such that the guarantees under the Senior Notes Finance Documents (the "**Senior Guarantees**" and each party granting such Senior Guarantees is a "**Senior Note Guarantor**") and security granted over the shares in Midholding or the on-loan of the Senior Notes proceeds or assets of a Senior Note Guarantor will be released pursuant to the Intercreditor Agreement, it is a further condition to the release that either:

(i) the Senior Notes Trustee has approved the release; or

(ii) where shares or assets of a Senior Note Guarantor or assets of Midholding are sold:

(A) the proceeds of such sale or disposal:

(I) are in cash (or substantially in cash) and/or other marketable securities; or

(II) (only if the consideration in respect of each other cash offer received for those shares or assets is less than the aggregate par value of the outstanding Senior Secured Liabilities) not in cash (or substantially in cash) and/or other marketable securities, *provided* that the requirements of paragraph (C)(III) below are satisfied;

(B) all claims of the Senior Secured Creditors against a member of the Group (if any), all of whose shares are pledged in favor of the senior finance parties are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all security under the security documents in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale, *provided* that in the event of a sale or disposal of any such claim (instead of a release or discharge):

(I) the Senior Agent and Senior Secured Notes Trustee(s) determine, acting reasonably and in good faith, that the senior finance parties and the senior secured notes finance parties (respectively) will recover more than if such claim was released or discharged; and

(II) the Senior Agent and Senior Secured Notes Trustee(s) serve a notice on the Security Agent notifying the Security Agent of the same,

in which case the Security Agent shall be entitled immediately to sell and transfer such claim to such purchaser (or an affiliate of such purchaser); and

(C) such sale or disposal (including any sale or disposal of any claim) is made:

(I) pursuant to a public or private auction or other competitive process in which the Senior Noteholders (or a representative acting on their behalf) shall be entitled to participate as bidder or financier to the potential purchaser and shall be provided equal information rights as any other bidder, subject to applicable securities law (and for the avoidance of doubt, such competitive process being one in which the Senior Secured Creditors or a representative acting on their behalf are also entitled to participate);

(II) pursuant to any process or proceedings approved or supervised by or on behalf of any court of law where there is a determination of value by or on behalf of the court; or

(III) where an independent investment bank or an internationally recognized firm of accountants or a reputable independent third party professional firm which is regularly engaged in providing valuations in respect of the relevant type and size of the assets concerned selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view, taking into account all relevant circumstances, including the method of enforcement *provided* that the liability of such

investment bank or internationally recognized firm of accountants in giving such opinion may be limited to the amount of its fees in respect of such engagement.

For the purposes of clauses (ii), (iii), (iv), (v) above and the immediately preceding clause (C), the Security Agent shall act:

- if the relevant Distressed Disposal is being effected by way of enforcement of the security, prior to the Senior Term Lender Discharge Date, in accordance with the provisions set out under the caption *"—Manner of Enforcement—Prior to the Senior Term Lender Discharge Date*" or following the Senior Term Lender Discharge Date, in accordance with the provisions set out under the caption "*—Manner of Enforcement—On or following the Senior Term Lender Discharge Date*" above; and

- in any other case, (a) on the instructions of the Instructing Group or (b) in the absence of any such instructions, as the Security Agent sees fit.

Application of Proceeds

The Intercreditor Agreement provides that secured parties may only benefit from Group Recoveries (as defined below) to the extent that the liabilities of such secured parties has the benefit of the guarantees or security under which such Group Recoveries (as defined below) are received and *provided* that, in all cases, the rights of such secured parties shall in any event be subject to the priorities set out in this section, and *provided further*, *however*, that this shall not prevent the Senior Secured Notes Trustee from claiming and being paid the amounts due to it in respect of the Notes or the Trustee from claiming and being paid the amounts due it in respect of the Existing Senior Notes. This shall not prevent a Senior Secured Creditor benefiting from such Group Recoveries where it was not legally possible for the Senior Secured Creditor to obtain the relevant guarantees or security.

The Intercreditor Agreement provides that all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any debt document (other than recoveries from Midholding other than pursuant to the security documents) or in connection with the realization or enforcement of all or any part of the security (for the purposes of this section, the "**Group Recoveries**") shall be held by the Security Agent on trust, to the extent legally permitted, to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this section), in the following order of priority:

(i) in discharging any sums owing to the Senior Agent (in respect of the amounts due to the Senior Agent), Security Agent, any receiver or any delegate and any amounts due to the Senior Secured Notes Trustee(s) or the Senior Notes Trustee on a *pari passu* basis;

(ii) in payment of all costs and expenses incurred by any agent or Primary Creditor in connection with any realization or enforcement of the security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement; and

(iii) if the Senior Term Lender Discharge Date has occurred, in payment to:

  (A) the Senior Agent on its own behalf and on behalf of the senior arrangers and the Senior Lenders; and

  (B) the Super Senior Hedge Counterparties,

  for application towards the discharge of:

    (I) the liabilities of the arrangers under the Senior Credit Facilities and the Senior Lender Liabilities (in accordance with the terms of the Senior Finance Documents); and

    (II) the Super Senior Hedging Liabilities (on a *pro rata* basis between the Super Senior Hedging Liabilities of each Hedge Counterparty),

  on a *pro rata* basis and ranking *pari passu* between paragraphs (I) and (II) above;

(iv) if the Senior Term Lender Discharge Date has occurred and the distributions have been made under paragraph (iii) above, in payment to:

  (A) the Senior Secured Notes Trustee(s) on its own behalf and on behalf of the Senior Secured Noteholders; and

  (B) the Pari Passu Hedge Counterparties,

for application towards the discharge of:

(I) the Senior Secured Notes Liabilities (in accordance with the terms of the Senior Secured Notes Finance Documents); and

(II) the Pari Passu Hedging Liabilities (on a *pro rata* basis between the Pari Passu Hedging Liabilities of each Hedge Counterparty),

on a *pro rata* basis and ranking *pari passu* between paragraphs (I) and (II) above:

(v) if the Senior Term Lender Discharge Date has not occurred and no distribution has been made under paragraphs (iii) and (iv) above in payment to:

(A) the Senior Agent on its own behalf and on behalf of the senior arrangers and the Senior Lenders;

(B) the Senior Secured Notes Trustee(s) on its own behalf and on behalf of the Senior Secured Noteholders; and

(C) the Hedge Counterparties,

for application towards the discharge of:

(I) the liabilities of the arrangers under the Senior Credit Facilities and the Senior Lender Liabilities (in accordance with the terms of the Senior Finance Documents);

(II) the Senior Secured Notes Liabilities (in accordance with the terms of the Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Indenture); and

(III) the Hedging Liabilities (on a *pro rata* basis between the Hedging Liabilities of each hedge counterparty),

on a *pro rata* basis and ranking *pari passu* between paragraphs (I), (II) and (III) above;

(vi) to the extent paid out of proceeds recovered from Midholding or enforcement proceeds resulting from the enforcement of Senior Notes shared security or the Senior Guarantees, in payment to the Senior Notes Trustee(s) on its own behalf and on behalf of the Senior Noteholders (other than any such Senior Noteholders which do not receive the benefit of any guarantees or security) for application (in accordance with the terms of the Existing Senior Notes Indenture) towards the discharge of obligations under the Existing Senior Notes; and

(vii) the balance, if any, in payment to the relevant Debtor.

Equalization of the Senior Secured Creditors

The Intercreditor Agreement provides that if:

(i) an enforcement date occurs prior to the Senior Term Lender Discharge Date and if, for any reason, any Senior Secured Liabilities remain unpaid after the enforcement date and the resulting losses are not borne by the Senior Secured Creditors in the proportions which their respective exposures at the enforcement date bore to the aggregate exposures of all the Senior Secured Creditors at the enforcement date, the Senior Secured Creditors (subject, in the case of amounts owing to the Senior Secured Notes Trustee(s), to the terms of the Intercreditor Agreement) will make such payments amongst themselves as the Security Agent shall require to put the Senior Secured Creditors in such a position that (after taking into account such payments) those losses are borne in those proportions; and

(ii) an enforcement date occurs after the Senior Term Lender Discharge Date and:

(A) if, for any reason, any Senior Liabilities remain unpaid after the enforcement date and the resulting losses are not borne by the Senior Lenders and the Super Senior Hedge Counterparties in the proportions which their respective exposures at the enforcement date bore to the aggregate exposures of all the Senior Creditors at the enforcement date, the Senior Creditors will make such payments amongst themselves as the Security Agent shall require to put the Senior Creditors in such a position that (after taking into account such payments) those losses are borne in those proportions; and

(B) if, for any reason, any Senior Secured Notes Liabilities and/or any Pari Passu Hedging Liabilities remain unpaid after the enforcement date and the resulting losses are not borne by the Senior Secured Noteholders and Pari Passu Hedge Counterparties in the proportions which their respective exposures at the enforcement date bore to the aggregate exposures of all the Senior Secured Noteholders and Pari Passu Hedge Counterparties at the enforcement date, the Senior Secured Noteholders (subject, in the case of amounts owing to the Senior Secured Notes Trustee(s), to the terms of the Intercreditor Agreement) and the Pari Passu Hedge Counterparties will make such payments amongst themselves as the Security Agent shall require to put the Senior Secured Noteholders and Pari Passu Hedge Counterparties in such a position that (after taking into account such payments) those losses are borne in those proportions.

Refinancing of Primary Creditor Liabilities

The Intercreditor Agreement provides for the refinancing, restructuring, replacement or increase of liabilities under the Senior Secured Notes and the Senior Credit Facilities, in each case in whole or in part. Where the terms of such refinancing, replacement or increase require the release of any security by the Security Agent in order to ensure that the ranking of security in respect of the relevant liabilities is as contemplated by the Intercreditor Agreement (and *provided* such release is permitted or not prohibited by the terms of the Senior Secured Notes, Senior Credit Facilities or the Senior Notes, as applicable), the Security Agent shall, subject to compliance with certain Swedish law matters, release (and the relevant secured parties expressly authorize the Security Agent to release on their behalf, to the extent necessary) such security which has been granted to it *provided* that such release occurs on the date of such refinancing, restructuring, replacement or increase. The Intercreditor Agreement also provides for the discharge or exchange of Senior Notes in whole or in part.

Required Consents

The Intercreditor Agreement provides that, subject to certain exceptions, it may be amended or waived only with the consent of the agents (including the Senior Agent), the Majority Lenders, the Senior Secured Notes Trustee(s), the Senior Notes Trustee and the Security Agent.

Other than in respect of the implementation of a structural adjustment under (and as defined in) the Senior Credit Facilities to the extent it does not confer an ability to make more extensive changes, than a structural adjustment, an amendment or waiver of the Intercreditor Agreement that has the effect of changing or which relates to, among other things, the provisions set out under the caption "*—Application of Proceeds*" and the order of priority or subordination under the Intercreditor Agreement shall not be made without the consent of:

(i) the Senior Agent, the Security Agent, the Senior Secured Notes Trustee(s) and any Senior Notes Trustee;

(ii) the Senior Lenders;

(iii) the Senior Secured Note holders (to the extent that the amendment or waiver would materially and adversely affect such creditors);

(iv) the Senior Noteholders (to the extent that the amendment or waiver would materially and adversely affect such creditors);

(v) each Hedge Counterparty (to the extent that the amendment or waiver would adversely affect the hedge counterparty); and

(vi) the Security Agent.

Clauses 5(e) (which requires that there are no scheduled or principal repayments under certain notes until or after the termination date in respect of Facility B (under and as defined in the Senior Facilities Agreement)) and Clause 6.1(f) (which requires that there are no scheduled or principal repayments under certain Senior Notes until the date falling at least six months after the termination date in respect of Facility B (under and as defined in the Senior Facilities Agreement)) of the Intercreditor Agreement may be amended with just the consent of the Senior Lenders and without the consent of any other party.

The Intercreditor Agreement may be amended by the agent (including the Senior Agent), the Senior Secured Notes Trustee(s), the Senior Notes Trustee and the Security Agent, without the consent of any other party, to cure defects, resolve ambiguities or reflect changes in each case of a minor technical or administrative nature or as otherwise prescribed by the relevant finance documents.

The Senior Secured Notes Trustee(s) and any Senior Notes Trustee shall, to the extent consented to by the requisite percentage of noteholders in accordance with the relevant indenture, act on such instructions in accordance therewith unless to the extent any amendments so consented to relate to any provision affecting the rights and obligations of a Senior Secured Notes Trustee(s) in its capacity as such.

Amendments and Waivers: Security Documents

Subject to the paragraph below and to certain exceptions under the Intercreditor Agreement and unless permitted or not prohibited by the provisions of any debt document, the Security Agent may, if authorized by an Instructing Group, and if Midholding consents, amend the terms of, waive any of the requirements of or grant consents under, any of the security documents which shall be binding on each party.

Subject to the second and third paragraphs of the section captioned "*—Exceptions*" below, the prior consent of the Primary Creditors is required to authorize any amendment or waiver of, or consent under, any security document which would adversely affect the nature or scope of the charged property or the manner in which the proceeds of enforcement of the security are distributed.

Exceptions

Subject to the two paragraphs immediately below, if the amendment, waiver or consent may impose new or additional obligations on, or withdraw or reduce the rights of, any party other than:

(i) in the case of a Primary Creditor, in a way which affects, or would affect, Primary Creditors of that party's class generally; or

(ii) in the case of a Debtor, to the extent consented to by Midholding under the Intercreditor Agreement, the consent of that party is required.

Subject to the two paragraphs immediately below, an amendment, waiver or consent which relates to the rights or obligations of the Senior Secured Notes Trustee(s), any Senior Notes Trustee, the Senior Agent, a senior arranger, the Security Agent (including, without limitation, any ability of the Security Agent to act in its discretion under the Intercreditor Agreement) or a hedge counterparty may not be effected without the consent of that agent or, as the case may be, that the Senior Secured Notes Trustee(s), agent, senior arranger, the Security Agent or that hedge counterparty.

Neither of the two immediately preceding paragraphs shall apply:

- to any release of security, claim or liabilities; or
- to any consent,

which, in each case, the Security Agent gives in accordance with the provisions set out in the caption "*— Proceeds of Disposals*" above.

Snooze/Lose

If in relation to a request for a consent, a request to participate in a vote of a class of creditors, a request to approve any action or a request for a confirmation or notification, in each case, under the Intercreditor Agreement, a Primary Creditor fails to respond to the request within 10 business days or fails to provide details of its credit participation, such Primary Creditor will be disregarded or be deemed to have zero participation or outstandings in respect of the matter or be deemed to have provided the relevant confirmation or notification, as applicable.

Agreement to Override

Unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the debt documents to the contrary.

Local Facilities

As of March 31, 2026, we had €55.4 million in facilities borrowed by our operating companies, which we intend to leave in place *pro forma* for the Transactions.

DESCRIPTION OF NOTES

Verisure Holding AB (publ) (the "*Issuer*") will issue €1,000.0 million in aggregate principal amount of 4.125% Senior Secured Notes due January 2, 2032 (the "*Notes*") under an indenture, to be dated as of July 3, 2026 (the "*Indenture*"), between, *inter alios*, itself, GLAS Trust Company LLC, as trustee (the "*Trustee*") and Wilmington Trust (London) Limited, as security agent (the "*Security Agent*"). Definitions of certain capitalized terms used in this "*Description of Notes*" are set forth under the heading "*—Certain Definitions*" below.

The Notes issued hereby will be issued under a separate indenture and will trade separately under different Common Codes and ISIN numbers than the Issuer's existing €525.0 million in aggregate principal amount of 5½% Senior Secured Notes due 2030 (the "*Existing 2030 Fixed Rate Senior Secured Notes*"). Accordingly, the Notes will not be fungible with any of the Existing 2030 Fixed Rate Senior Secured Notes and will vote separately on matters applicable to each series.

This offering of Notes is being undertaken in connection with a full repayment of Midholding's €1,175.0 million aggregate principal amount of 5¼% Senior Notes due 2029, and the payment of costs, fees and expenses in connection with the Transactions. See "*Use of Proceeds*."

For purposes of this "*Description of Notes*," "Issuer" means Verisure Holding AB (publ) (not including any of its Subsidiaries) and any and all successors thereto (including, for the avoidance of doubt, Verisure Group AB (publ) following the Merger).

The Indenture will be unlimited in aggregate principal amount. After the Issue Date, we may issue an unlimited principal amount of additional Notes subject to compliance with the covenants contained in the Indenture.

This "*Description of Notes*" is intended to be an overview of the material provisions of the Notes and the Indenture (including the Guarantees contained therein). Since this description of the terms of the Notes is only a summary, you should refer to the Notes, the Guarantees and the Indenture for complete descriptions of the obligations of the Issuer and the Guarantors and your rights. In addition, the following description refers to the Security Documents and the Intercreditor Agreement. Copies of such documents are available for inspection at the Issuer's registered offices during normal business hours on any Business Day upon prior written request.

The Indenture, the Notes and the Guarantees thereunder will be subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreements (as defined below). The terms of the Intercreditor Agreement are important to understanding the relative ranking of indebtedness and security, the ability to make payments in respect of the indebtedness, procedures for undertaking enforcement action, subordination of certain indebtedness, turnover obligations, release of security and guarantees and the payment waterfall for amounts received by the Security Agent. Please see "*Description of Certain Indebtedness—Intercreditor Agreement*" for a description of the material terms of the Intercreditor Agreement.

The registered holder (a "*Holder*") of a Note will be treated as the owner of it for all purposes. Only Holders will have rights under the Indenture. The Notes have not been, and will not be, registered under the U.S. Securities Act and are subject to certain transfer restrictions. In addition, the Indenture will not incorporate or include any of the provisions of the U.S. Trust Indenture Act of 1939, as amended.

Immediately after the issuance of the Notes and upon the occurrence of the Issue Date, all of the Issuer's Subsidiaries will be Restricted Subsidiaries.

General

The Notes

The Notes will, on the Issue Date:

- be general senior secured obligations of the Issuer;
- rank *pari passu* in right of payment with any existing and future Indebtedness of the Issuer that is not expressly subordinated in right of payment to the Notes (including the obligations of the Issuer under the Senior Credit Facilities, the Existing 2030 Fixed Rate Senior Secured Notes and certain Hedging Obligations, if any);
- rank senior in right of payment to any existing or future Indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes;

- be secured as set forth below under "—*Security*";
- be guaranteed by the Guarantors as described under "—*The Guarantees*";
- be effectively subordinated to any existing or future Indebtedness or obligation (including obligations to trade creditors) of the Issuer that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness or obligation;
- be structurally subordinated to any existing or future Indebtedness of Subsidiaries of the Issuer that do not guarantee the Notes; and
- be represented by one or more notes in registered global form, but in certain circumstances may be represented by Definitive Registered Notes (see "*Book-Entry, Delivery and Form*").

The Guarantees

The Notes will not be guaranteed as of the Issue Date. Within 180 days after the Issue Date (the "**Post-Closing Date**"), we expect the Merger to be completed, and then the Notes will be jointly and severally guaranteed by ESML SD Iberia Holding, S.A.U., Securitas Direct España, S.A.U., Securitas Direct Sverige AB, Verisure Sverige AB, Securitas Direct Portugal, Unipessoal Lda., Verisure Holding AS, Verisure AS, Verisure SAS, Verisure International AB, Verisure A/S and Verisure Sàrl (collectively, the "**Initial Guarantors**"), *provided* that, if by the Post-Closing Date the Merger has not been completed, the Issuer will procure that the Notes will be guaranteed by the same guarantors that guarantee the Issuer's obligations under the Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Senior Facilities Agreement.

On and following the Post-Closing Date, the Initial Guarantors will also be guaranteeing the Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Senior Facilities Agreement, in each case on a senior basis.

Each Guarantee of the Notes will, at the time a Guarantor grants such Guarantee:

- be a general senior obligation of the relevant Guarantor;
- rank *pari passu* in right of payment with any existing or future Indebtedness of that Guarantor that is not expressly subordinated in right of payment to such Guarantor's Guarantee (including, in the case of all Guarantors, the senior guarantee given in favor of the Senior Credit Facilities, the Existing 2030 Fixed Rate Senior Secured Notes and certain Hedging Obligations, if any);
- rank senior in right of payment to any existing or future Indebtedness of that Guarantor that is expressly subordinated in right of payment to the Notes;
- be secured as set forth below under "—*Security*";
- be effectively subordinated to any existing or future Indebtedness or obligation (including obligations to trade creditors) of that Guarantor that is secured with property or assets that do not secure that Guarantor's Guarantee, to the extent of the value of the property or assets securing such Indebtedness or obligation; and
- be structurally subordinated to any existing or future Indebtedness of the Subsidiaries of such Guarantor that do not guarantee the Notes.

The obligations of a Guarantor under its Guarantee will be limited as necessary to prevent the relevant Guarantee from constituting a fraudulent conveyance, preference, transfer at under value or unlawful financial assistance under applicable law, or otherwise to reflect corporate benefit rules, thin capitalization rules, retention of title claims, laws on the preservation of share capital, limitations of corporate law, regulations or defenses affecting the rights of creditors generally or other limitations under applicable law which, among other things, might limit the amount that can be guaranteed by reference to the net assets and legal capital of the relevant Guarantor. Additionally, the Guarantees will be subject to certain corporate law procedures being complied with. See "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral.*" The Guarantees will be further limited as required under the Agreed Security Principles that will apply to, and restrict the granting of, guarantees and security in favor of obligations under the Senior Credit Facilities, the Existing 2030 Fixed Rate Senior Secured Notes and the Notes, which will provide, among other things, that no guarantees or security will be required if any such grant would be restricted by general statutory

or other legal limitations or requirements. By virtue of these limitations, a Guarantor's obligation under its Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee.

All of the operations of the Issuer are conducted through its Subsidiaries and, therefore, the Issuer will depend on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the Notes. Not all Subsidiaries of the Issuer will guarantee the Notes. For the twelve months ended March 31, 2026, the Issuer's Subsidiaries that do not, and will not, guarantee the Notes generated 0.8% of our Adjusted EBITDA excluding separately disclosed items ("**SDIs**") (exclusive of any such subsidiaries with negative EBITDA).

Claims of creditors of non-Guarantor Restricted Subsidiaries, including trade creditors and creditors holding debt and guarantees issued by those Restricted Subsidiaries, and claims of preferred stockholders (if any) of those Restricted Subsidiaries and minority stockholders of non-Guarantor Restricted Subsidiaries (if any) generally will have priority with respect to the assets and earnings of those Restricted Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders of the Notes. The Notes and each Guarantee therefore will be structurally subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Restricted Subsidiaries of the Issuer (other than the Guarantors) and minority stockholders of non-Guarantor Restricted Subsidiaries (if any). As of March 31, 2026, after giving *pro forma* effect to the Transactions, the Issuer and its consolidated Subsidiaries would have had €5,040.6 million of Indebtedness, and its non-Guarantor Restricted Subsidiaries would have had no material Indebtedness. Moreover, the Indenture will not impose any limitation on the Incurrence by the Issuer or the Restricted Subsidiaries of additional Indebtedness.

Principal, Maturity and Interest

The Issuer will issue €1,000.0 million in aggregate principal amount of Notes on the Issue Date. The Notes will mature on January 2, 2032. The Notes will be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

Interest

Interest on the Notes will accrue at the rate of 4.125% per annum and will:

- accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid;
- be payable in cash semi-annually in arrears on January 15 and July 15 of each year, commencing on January 15, 2027;
- be payable to the holder of record of the Notes on the Clearing System Business Day immediately preceding the related interest payment date, or to the extent certificated securities ("**Definitive Registered Notes**") have been issued, to the holders of record of the Notes on the Business Day immediately preceding the related interest payment date; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

The rights of Holders to receive the payments of interest on the Notes will be subject to applicable procedures of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**"). If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Methods of Receiving Payments on the Notes

Principal, interest, premium and Additional Amounts, if any, on the Global Notes (as defined below) will be made by one or more Paying Agents by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof (being the common depositary or its nominee for Euroclear and Clearstream).

Principal, interest, premium and Additional Amounts, if any, on any Definitive Registered Notes will be payable at the specified office or agency of one or more Paying Agents maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid by wire transfer to the person entitled thereto as shown on the register for the Definitive Registered Notes. See "*—Paying Agent and Registrar for the Notes.*"

Payments in respect of principal and interest on the Notes are subject in all cases to (i) any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions contained in "—*Withholding Taxes*" below and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "*Code*") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions contained in "—*Withholding Taxes*" below) any law implementing an intergovernmental approach thereto.

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more Paying Agents for the Notes (including the initial Principal Paying Agent). The initial Principal Paying Agent will be GLAS Trust Company LLC.

The Issuer will also maintain a registrar (the "**Registrar**") and a transfer agent (the "**Transfer Agent**"). The initial Registrar will be GLAS Trust Company LLC and the initial Transfer Agent will be GLAS Trust Company LLC. The Registrar will maintain a register reflecting ownership of Definitive Registered Notes outstanding from time to time, if any, and, together with the Transfer Agent, will facilitate transfers of Definitive Registered Notes on behalf of the Issuer.

The Issuer may change any Paying Agents, Registrar or Transfer Agent for the Notes without prior notice to the Holders thereof. However, if and for so long as Notes are listed on the Securities Official List of the Exchange and if and to the extent the rules of the Exchange so require, the Issuer will notify the Exchange of any change of Paying Agent or Registrar in respect of the Notes. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes.

Releases of the Guarantees

The Guarantee of a Guarantor will terminate:

(1) upon a sale or other disposition (including by way of consolidation or merger) of the Capital Stock of the relevant Guarantor (whether by direct sale or sale of a holding company) or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Issuer or a Restricted Subsidiary) otherwise permitted by the Indenture;

(2) upon payment in full of principal, interest and all other obligations under the Notes Documents or upon defeasance or discharge of the Notes and the Indenture, as provided in "—*Defeasance*" and "—*Satisfaction and Discharge*";

(3) in accordance with an enforcement action pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement;

(4) as described under "—*Amendments and Waivers*";

(5) so long as no Event of Default has occurred and is continuing, to the extent that (i) such Guarantor is unconditionally released and discharged from its liability with respect to the Senior Credit Facilities and (ii) such Guarantor would not otherwise be required at the time of such release to provide a Guarantee pursuant to the covenant described under "—*Certain Covenants—Additional Guarantees*";

(6) as described in the first paragraph of the covenant described below under "—*Certain Covenants—Additional Guarantees*"; or

(7) as a result of a transaction permitted by "—*Certain Covenants—Merger and Consolidation.*"

The Trustee and the Security Agent shall each take all reasonably necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Guarantee in accordance with these provisions, subject to customary protections and indemnifications. Each of the releases set forth above shall be effected by the Trustee and the Security Agent, as applicable, without the consent of the Holders (except to the extent required under clause (5) above) or any action or consent on the part of the Trustee or the Security Agent, as applicable.

Transfer and Exchange

The Notes will be issued in the form of registered notes in global form without interest coupons, as follows:

- Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**144A Global Notes**").

- Notes sold to non-U.S. persons outside the United States pursuant to Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Regulation S Global Notes**" and, together with the 144A Global Notes, the "**Global Notes**").

The Global Notes will, upon issuance, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes ("**Book-Entry Interests**") will be limited to persons that have accounts with Euroclear and Clearstream or persons that may hold interests through such participants.

Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Transfer Restrictions.*" In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear and Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in the 144A Global Notes (the "**144A Book-Entry Interests**") may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes (the "**Regulation S Book-Entry Interests**") only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Prior to 40 days after the date of initial issuance of the Notes, ownership of Regulation S Book-Entry Interests will be limited to persons that have accounts with Euroclear or Clearstream or persons who hold interests through Euroclear or Clearstream, and any sale or transfer of such interest to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A under the Securities Act. Subject to the foregoing, Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities law of the United States and any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant which owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Transfer Restrictions.*"

Subject to the restrictions on transfer referred to above, the Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, to furnish certain certificates and opinions, and to pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any Taxes payable in connection with such transfer.

Notwithstanding the foregoing, the Registrar and Transfer Agent are not required to register the transfer or exchange of any Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of the Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date; or

(4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer.

The Issuer, the Trustee, the Paying Agents, the Transfer Agent and the Registrar will be entitled to treat the Holder of a Note as the owner of it for all purposes.

Additional Notes

From time to time, subject to the Issuer's compliance with the covenant described under the heading "*—Certain Covenants—Limitation on Liens*," the Issuer is permitted to issue additional Notes ("**Additional Notes**"), which shall have the terms set out in an Officer's Certificate supplied to the Trustee. The Notes (together with any Additional Notes issued from time to time) will constitute separate series of Notes, but will be treated, along with all other series of Notes, as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for such series; *provided* that Additional Notes will not be issued with the same CUSIP, ISIN or common code, as applicable, as any series of existing Notes unless such Additional Notes are, in the reasonable judgement of an Officer or the Board of Directors of the Issuer, fungible with such series of existing Notes for U.S. federal income tax purposes.

In the Issuer's sole discretion, the aforementioned Officer's Certificate may include provisions pertaining to (a) the redemption of such Additional Notes, in whole or in part, including, but not limited to, pursuant to any special mandatory redemption in the event that the release from any escrow into which proceeds of the issuance of such Additional Notes are deposited is conditioned on the consummation of any acquisition, Investment, refinancing or other transaction (such redemption, a "**Special Mandatory Redemption**"), (b) the escrow of all or a portion of the proceeds of such Additional Notes and the granting of Liens described in clause (22) of the definition of "Permitted Liens" in favor of the Trustee or a security agent solely for the benefit of the holders of such Additional Notes (and not, for the avoidance of doubt, for the benefit of the holders of any other Notes, including Notes of the same series as such Additional Notes), together with all necessary authorizations for the Trustee or such security agent to enter into such arrangements *provided* that, for so long as the proceeds of such Additional Notes are in escrow, such Additional Notes shall benefit only from such Liens and shall not be subject to the Intercreditor Agreement or any Additional Intercreditor Agreement and shall not benefit from any security interest in the Collateral and (c) the maturity date, interest rate (which may be fixed or floating), interest payment dates and related record dates, currency, clearing system and denominations for such Additional Notes, it being understood that, with respect to the Additional Notes, all references to currency (including any government obligations related thereto) and denominations herein shall mean the currencies (including any government obligations related thereto) and denominations applicable to such Additional Notes. In addition, such Officer's Certificate may include provisions pursuant to which such Additional Notes are issued bearing a temporary CUSIP, ISIN or common code pending the satisfaction of certain conditions, such as the consummation of an acquisition, Investment, refinancing or other transaction, and such Additional Notes bearing a temporary CUSIP, ISIN or common code may be automatically exchanged for new Additional Notes bearing the same CUSIP, ISIN or common code as any existing Notes issued; *provided* that such Additional Notes are fungible with the Notes issued on the relevant issue date for U.S. federal income tax purposes.

Unless the context otherwise requires, for all purposes of the Indenture and this "*Description of Notes*," references to "Notes" shall be deemed to include references to the Notes initially issued on the Issue Date as well as any Additional Notes. Additional Notes may be designated to be of the same series as any other series of Notes, including the Notes initially issued on the Issue Date, but only if they have terms substantially identical in all material respects to such other series, and shall be deemed to form one series with other series (including, if applicable, the Notes initially issued on the Issue Date) (it being understood that any Additional Notes that are substantially identical in all material respects to any other series of Notes but for being subject to a Special Mandatory Redemption shall be deemed to be substantially identical to such series of Notes only following the expiration of any provisions relating to such Special Mandatory Redemption).

Security

General

On the Issue Date, the Notes and the Guarantees will be unsecured.

On or before the Post-Closing Date and following the completion of the Merger, the Issuer will use its commercially reasonable efforts, and will cause its Subsidiaries to use their commercially reasonable efforts, subject to the Agreed Security Principles, to grant first-priority Security Interests (except that the security governed by Portuguese law shall be eight or ninth-ranking (as appropriate) in relation to the security securing the Issuer's obligations under the Existing 2030 Fixed Rate Senior Secured Notes and the Senior Credit Facilities, and the security governed by French law shall be sixteenth-ranking or seventeenth-ranking (as appropriate) in relation to the security securing the Issuer's obligations under the Indenture) over (i) all of the issued and outstanding shares or quotas of Capital Stock of Verisure Group AB (publ) as the surviving entity following the Merger and the Initial Guarantors, and (ii) bank accounts, certain fixed and current assets, receivables (including, in certain cases, intercompany loans and assignments of rights under certain contracts and insurance policies) of certain Guarantors and Verisure Group AB (publ), and material intellectual property of Verisure Sàrl (collectively, the "**Collateral**"), *provided* that, if by the Post-Closing Date the Merger has not been completed, the Issuer will procure that the Notes will be secured with the same collateral that secures the Issuer's obligations under the Existing 2030 Fixed Rate Senior Secured Notes Indenture and the Senior Facilities Agreement.

The Collateral has been or will be pledged pursuant to the Security Documents to the Security Agent on behalf of the holders of the secured obligations that are secured by the Collateral, including on a first-priority basis, the Holders, holders of the Existing 2030 Fixed Rate Senior Secured Notes, the lenders under the Senior Credit Facilities and the counterparties under certain Hedging Obligations, if any.

Subject to certain conditions, including compliance with the covenants described under "*—Impairment of Security Interests*" and "*—Liens*," the Issuer is permitted to pledge the Collateral in connection with future issuances of its Indebtedness. Any such additional Security Interests that are in the future pledged to secure obligations under the Notes, the Guarantees and the Indenture will also constitute "Collateral." In particular, the Intercreditor Agreement permits and the Indenture will permit the future Incurrence of Indebtedness pursuant to a super priority revolving credit facility agreement, as well as certain super priority Hedging Obligations, subject to the satisfaction of certain conditions. If Incurred, any liabilities in respect of obligations under such super priority revolving credit facility agreement and such Hedging Obligations would receive priority over the Notes and the Guarantees with respect to any proceeds received from the enforcement of the Collateral or certain distressed disposals. Any proceeds received upon any such enforcement would, after all obligations under such super priority revolving credit facility agreement have been repaid and such Hedging Obligations have been discharged in full, be applied *pro rata* in repayment of all obligations under the Notes and any other Indebtedness that is secured by the Collateral on a *pari passu* basis. See "*Description of Certain Indebtedness—Intercreditor Agreement*."

The Collateral will be contractually limited to reflect limitations under applicable law with respect to fraudulent conveyance, preference, transfer at under value or unlawful financial assistance under applicable law, or otherwise to reflect corporate benefit rules, thin capitalization rules, retention of title claims, laws on the preservation of share capital, limitations of corporate law, regulations or defenses affecting the rights of creditors generally or other limitations under applicable law which, among other things, might limit the amount that can be secured by reference to the net assets and legal capital of the relevant Guarantor. For a description of such contractual limitations, see "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral.*" In addition, and notwithstanding the provisions of the covenant described below under "*—Certain Covenants—Limitation on Liens*," certain property, rights and assets may not be pledged, and any pledge over property, rights and assets may be limited (or the Liens not perfected), in accordance with the Agreed Security Principles.

The proceeds from the sale of the Collateral may not be sufficient to satisfy the obligations owed to the Holders of the Notes. No appraisals of the Collateral have been made in connection with the Transactions. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, the Collateral may not be able to be sold in a short period of time, or at all. See "*Risk Factors—Risks Related to Our Financing Arrangements and the Notes—The Notes and the Guarantees will be secured only to the extent of the value of the Collateral that has been granted as security for the Notes and the Guarantees, and such security may not be sufficient to satisfy the obligations under the Notes and the Guarantees.*"

Priority

The relative priority among the lenders under the Senior Credit Facilities, holders of the Existing 2030 Fixed Rate Senior Secured Notes, counterparties under certain Hedging Obligations, if any, secured by the Collateral, the Trustee, the Security Agent and the Holders of the Notes with respect to Security Interests is or will be established by the terms of the Intercreditor Agreement, which on the Issue Date will provide, among other things, that the obligations under the Notes, the Existing 2030 Fixed Rate Senior Secured Notes, the Senior Credit Facilities, and such Hedging Obligations will be secured equally and ratably by first-priority Security Interests in the Collateral.

See "*Description of Certain Indebtedness—Intercreditor Agreement*," "*Description of Certain Indebtedness— Senior Facilities Agreement and the Refinancing*" and "*Description of Certain Indebtedness—Existing 2030 Fixed Rate Senior Secured Notes*." In addition, in connection with the Incurrence of certain Indebtedness that is permitted by the Indenture to be secured on the Collateral, the Issuer may enter into Additional Intercreditor Agreements in compliance with the Indenture on substantially the same terms as the Intercreditor Agreement. See "*—Certain Covenants—Impairment of Security Interests*" and "*—Intercreditor Agreement; Additional Intercreditor Agreements; Agreement to be Bound*."

In addition, subject to certain conditions, the Indenture and the Intercreditor Agreement permit the Incurrence of Indebtedness with super priority status pursuant to a super priority revolving credit facility agreement which, if Incurred, together with certain Hedging Obligations, if any, would receive priority with respect to any proceeds received from the enforcement of the Collateral and certain distressed disposals. For a description of enforcement of Security Interests upon the Incurrence of such Indebtedness, see "*Description of Certain Indebtedness—Intercreditor Agreement.*"

Security Documents

Under the Security Documents, the Issuer and the Guarantors (and following the Merger, Topholding) will grant security over the Collateral to secure the payment when due of the Issuer's and each of the Guarantor's payment obligations under the Notes, the Guarantees and the Indenture. The Security Documents have been, or will be, entered into by, among others, the relevant security provider and the Security Agent. When entering into the Security Documents, the Security Agent will act in its own name but for the benefit of the Holders from time to time. The Security Agent will also act on behalf of the lenders under the Senior Credit Facilities, holders of the Existing 2030 Fixed Rate Senior Secured Notes and the counterparties under certain Hedging Obligations, if any, in relation to the Security Interests in favor of such parties.

The Indenture will provide that, subject to the terms thereof and of the Security Documents and the Intercreditor Agreement, the Notes and the Indenture, as applicable, will be secured by the Security Interests in the Collateral until all obligations under the Notes, the Guarantees and the Indenture have been discharged. However, the Security Interests with respect to the Notes may be released under certain circumstances as provided under "*—Release of Liens*." The validity and enforceability of the Guarantees and the Security Interests and the liability of each Guarantor will be subject to the limitations described in "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral.*"

The Security Documents will provide that the rights with respect to the Notes and the Indenture must be exercised by the Security Agent. Since the Holders are not a party to the Security Documents, Holders may not, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The Holders may only act through the Trustee, who will instruct the Security Agent in accordance with the terms of the Indenture.

In the event that the Issuer or its Subsidiaries enter into insolvency, bankruptcy or similar proceedings, the Security Interests created under the Security Documents or the rights and obligations enumerated in the Intercreditor Agreement could be subject to potential challenges. If any challenge to the validity of the Security Interests or the terms of the Intercreditor Agreement was successful, the Holders may not be able to recover any amounts under the Security Documents. Please see "*Risk Factors—Risks Related to Our Financing Arrangements and the Notes*."

Subject to the terms of the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement, the Issuer and the Guarantors will have the right to remain in possession and retain exclusive control of the Collateral, to freely operate the property and assets constituting Collateral and to collect, invest and dispose of any income therefrom (including any and all dividends, distributions or similar cash and noncash payments in respect of Capital Stock of the Guarantors that is part of the Collateral).

Enforcement of Security Interest

The Indenture and the Intercreditor Agreement restrict the ability of the Holders or the Trustee to enforce the Security Interests and provide for the release of the Security Interests created by the Security Documents in certain circumstances, and the rights of the Security Agent (acting on its behalf or on behalf of the Holders) to take enforcement action under the Security Documents in respect of the Collateral are also subject to certain limits on enforcement. These limitations are described under "*Description of Certain Indebtedness—Intercreditor Agreement*" and "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral.*" The ability to enforce may also be restricted by similar arrangements in relation to future Indebtedness that is secured by the Collateral in compliance with the Indenture and the Intercreditor Agreement.

Subject to certain limited exceptions, the Security Agent will act with respect to Collateral only at the direction of a simple majority of the senior secured creditors (including, for this purpose, both drawn and undrawn uncanceled commitments under the Senior Credit Facilities, Hedging Obligations and Indebtedness under the Existing 2030 Fixed Rate Senior Secured Notes and the Notes). The Holders of the Notes will not have separate rights to enforce the Collateral. As a result, the Holders of the Notes will not be able to instruct the Security Agent, force a sale of Collateral or otherwise independently pursue the remedies of a secured creditor under the relevant Security Documents, so long as any amounts under any other senior secured debt (including, for this purpose, both drawn and undrawn uncanceled commitments under the Senior Credit Facilities, Hedging Obligations and Indebtedness under the Existing 2030 Fixed Rate Senior Secured Notes) remain outstanding, other than in limited circumstances. In addition, the Indenture and the Intercreditor Agreement permit the Incurrence of Indebtedness with super priority status pursuant to a super priority revolving credit facility agreement which, if Incurred, together with certain Hedging Obligations, would receive priority with respect to any proceeds received from the enforcement of the Collateral and certain distressed disposals. For a description of enforcement of Security Interests, see "*Description of Certain Indebtedness—Intercreditor Agreement.*"

Intercreditor Agreement; Additional Intercreditor Agreements; Agreement to be Bound

The Indenture will provide that each Holder of the Notes, by accepting such Note, will be deemed to have:

(1) consented and agreed to be bound by the terms of the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement entered into in compliance with the provisions described under "*—Certain Covenants—Additional Intercreditor Agreements*" (including, without limitation, the provisions providing for foreclosure and release of the Guarantees and the Security Interests, including upon an enforcement);

(2) authorized and instructed the Trustee and the Security Agent, as applicable, to act on its behalf to enter into the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement entered into in compliance with the provisions described under "*—Certain Covenants—Additional Intercreditor Agreements*" and to be bound thereby and to perform their respective obligations and exercise their respective rights thereunder in accordance therewith; and

(3) appointed, instructed and authorized the Trustee and the Security Agent to give effect to the provisions in the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement.

Similar provisions to those described above may be included in any Additional Intercreditor Agreement entered into in compliance with the provisions described under "*—Certain Covenants—Additional Intercreditor Agreements*."

Release of Liens

Security Interests in respect of the Collateral will be released under any one or more of the following circumstances:

(1) in connection with any sale or other disposition of Collateral (other than the Security Interests in respect of the shares of Capital Stock of the Issuer (the "*Issuer Collateral*")) to (a) a Person that is not the Issuer or a Restricted Subsidiary (but excluding any transaction subject to "*—Certain Covenants—Merger and Consolidation*"), if such sale or other disposition is not prohibited under the Indenture or (b) any Restricted Subsidiary *provided* that this clause (1)(b) shall not be relied upon in the case of a transfer of Capital Stock or of accounts receivable to a Restricted Subsidiary (other than in connection with a Qualified Receivables Financing) unless the relevant property and assets remain subject to, or otherwise become subject to, a Lien having equivalent ranking as prior to such sale or disposal in favor

of the Notes following such sale or disposal; *provided* that, nothing in this clause (1) shall restrict the release of Security Interests in respect of the Issuer Collateral to the extent substantially concurrently with such release, Liens over the Issuer Collateral having equivalent ranking as prior to such release are granted for the benefit of the Holders;

(2) in the case of a Guarantor that is released from its Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and Capital Stock, of such Guarantor;

(3) as described under "*—Amendments and Waivers*";

(4) upon payment in full of principal, interest and all other obligations under the Notes Documents or legal defeasance, covenant defeasance or satisfaction and discharge of the Notes and the Indenture, as provided in "*—Defeasance*" and "*—Satisfaction and Discharge*";

(5) as permitted by "*—Certain Covenants—Release of Collateral*," "*—Certain Covenants—Impairment of Security Interests*" or "*—Merger and Consolidation*"; or

(6) as otherwise permitted in accordance with the Indenture.

In addition, the Security Interests created by the Security Documents will be released in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Security Agent and the Trustee will take all reasonably necessary action required to effectuate any release of Collateral securing the Notes and the Guarantees, in accordance with the provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Security Document. Each of the releases set forth above shall be effected by the Security Agent without the consent of the Holders (except to the extent required under clause (3) above) or any action on the part of the Trustee.

Notwithstanding the foregoing, any release of Collateral over shares (or equivalent) in any Guarantor incorporated in Sweden and any release of Collateral over any assets and/or business under any Security Document governed by Swedish law, shall always be subject to and made in accordance with Clause 15.7 (*Release of assets in Sweden*) of the Intercreditor Agreement.

Furthermore, pursuant to Swedish law requirements relating to the granting of security, the following additional restrictions will apply to assets subject to certain Swedish law security arrangements: (i) the right to sell or otherwise dispose of the security assets will be subject to the consent of the Security Agent; (ii) repayment of the principal amount under intra-group loans may only be made to the extent payments are made with the consent of the Security Agent or made to the Security Agent and applied in repayment of the secured liabilities under the relevant Security Document; and (iii) payment of dividends under any share security or principal amount (subject to the restrictions set out in clause (ii) above) or interest under intra-group loans will only be allowed *provided* that no acceleration event has occurred and that no Event of Default would result from such payment.

Optional Redemption

Except as described below and except as described under "*—Redemption for Taxation Reasons*," the Notes are not redeemable until July 1, 2028.

On and after July 1, 2028, the Issuer may redeem all or, from time to time, part of the Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and Additional Amounts (as defined below), if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on July 1 of the years indicated below:

Year	Redemption Price
2028	102.06250%
2029	101.03125%
2030 and thereafter	100.000%

Prior to July 1, 2028, the Issuer may on any one or more occasions redeem up to 40% of the original principal amount of the Notes (including the original principal amount of any Additional Notes of the same series as the Notes issued on the Issue Date) at its option, upon not less than 10 nor more than 60 days' notice, with funds

in an aggregate amount not exceeding the Net Cash Proceeds of one or more Equity Offerings at a redemption price of 104.125% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided* that:

(1) at least 50% of the original principal amount of the Notes (including the original principal amount of any Additional Notes of the same series as the Notes issued on the Issue Date) remains outstanding after each such redemption; and

(2) the redemption occurs within 180 days after the closing of such Equity Offering.

Prior to July 1, 2028, the Issuer may redeem during each twelve-month period commencing with the Issue Date up to 10% of the original principal amount of the Notes (including the original principal amount of any Additional Notes of the same series as the Notes issued on the Issue Date) at its option, upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 103% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

In addition, prior to July 1, 2028, the Issuer may redeem all or, from time to time, a part of the Notes upon not less than 10 nor more than 60 days' notice at a redemption price equal to 100% of the principal amount thereof plus the Applicable Premium and accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Optional Redemption upon Certain Tender Offers

In connection with any tender offer for, or other offer to purchase, any series of the Notes, if Holders of not less than 90% of the aggregate principal amount of the then outstanding Notes of such series validly tender and do not validly withdraw such Notes in such tender offer and the Issuer, or any third party making such tender offer in lieu of the Issuer, purchases all of the Notes of such series validly tendered and not validly withdrawn by such Holders, all of the Holders of the Notes of such series will be deemed to have consented to such tender offer or other offer and accordingly the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' notice following such purchase date, to redeem all Notes of such series that remain outstanding following such purchase at a price equal to the highest price paid to each other Holder in such tender offer (excluding any early tender or incentive fee), plus, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, thereon, to, but excluding, the date of such redemption (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date). In determining whether the Holders of at least 90% of the aggregate principal amount of the then outstanding Notes of any series have validly tendered and not validly withdrawn such Notes in a tender offer, Notes owned by the Issuer or its Affiliates or by funds controlled or managed by any Affiliate of the Issuer, or any successor thereof, shall be deemed to be outstanding for the purposes of such tender offer.

General

We, our shareholders or our Affiliates may purchase Notes of any series at any time and from time to time in the open market or otherwise. Notice of redemption will be provided as set forth under "*Selection and Notice*" below, as applicable.

If the Issuer chooses to exercise its optional right to redeem the Notes pursuant to the provisions summarized above, it may in its discretion redeem one or more series of Notes, either together or separately.

If the Issuer effects an optional redemption of the Notes, it will, for so long as the Notes are listed on the Securities Official List of the Exchange and the rules of the Exchange so require, inform the Exchange of such optional redemption and confirm the aggregate principal amount of the Notes that will remain outstanding immediately after such redemption.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

In connection with any redemption of Notes (including with the proceeds from an Equity Offering), any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent.

Sinking Fund

The Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase the Notes insofar as required by "—*Change of Control*."

Redemption at Maturity

On January 2, 2032, the Issuer will redeem the Notes that have not been previously redeemed or purchased and cancelled at 100% of their principal amount, plus accrued and unpaid interest thereon and Additional Amounts, if any, to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Selection and Notice

If less than all of the Notes are to be redeemed at any time, Euroclear or Clearstream will credit their respective participants' accounts on a *pro rata* basis (such as by way of a pool factor) and in accordance with the applicable procedures of Euroclear and Clearstream (as applicable), unless otherwise required by law or applicable stock exchange or depository requirements; *provided*, *however*, that no Note of €100,000 in aggregate principal amount or less shall be redeemed in part and only Notes in integral multiples of €1,000 will be redeemed. None of the Trustee, the Paying Agent, the Transfer Agent nor the Registrar shall be liable for any selections made by it in accordance with this paragraph.

If the Notes are to be redeemed in part only, the notice of redemption that relates to such Notes shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered Note, a new Definitive Registered Note in principal amount equal to the unredeemed portion of any Definitive Registered Note redeemed in part will be issued in the name of the Holder thereof upon cancellation of the original Definitive Registered Note. In the case of a Global Note, an appropriate notation will be made on such Global Note or in accordance with the procedures of Clearstream or Euroclear (as applicable) to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

Redemption for Taxation Reasons

The Issuer may redeem the Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' prior written notice to the Holders (with a copy to the Trustee and the Paying Agent) of the Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (as defined below under "—*Withholding Taxes"),* if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Board of Directors or a member of Senior Management determines in good faith that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations, protocols, or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation; or

(2) any change in position regarding the official application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) (each of the foregoing in clauses (1) and (2), a "**Change in Tax Law**"),

the Issuer or any Guarantor (including, in each case, any successor entity) with respect to any Guarantee, as the case may be, is, or on the next interest payment date in respect of the Notes would be, required to pay Additional Amounts (but in the case of any Guarantor, only if such amount payable cannot be paid by the Issuer or another Guarantor who can pay such amount without the obligation to pay Additional Amounts), and such obligation cannot be avoided by taking reasonable measures available to the Issuer or such Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable). Such Change in Tax Law must not have been publicly announced before and must become effective on or after the Issue Date. Notice of redemption for taxation reasons will be published in accordance with the procedures described under "—*Selection and Notice*." Notwithstanding the foregoing, no such notice of redemption will be

given (a) earlier than 90 days prior to the earliest date on which the Payor (as defined below) would be obliged to make such payment of Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuer or Guarantor, as the case may be, has been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

Withholding Taxes

All payments made by the Issuer or any of the Guarantors or a successor of the Issuer or Guarantor (a "**Payor**") on the Notes or any Guarantee, as applicable, will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law or by the official interpretation or administration thereof. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) any jurisdiction from or through which payment on any such Note or Guarantee is made by or on behalf of a Payor, or any political subdivision or governmental authority thereof or therein having the power to tax; or

(2) any other jurisdiction in which a Payor is organized or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (1) and (2), a "**Relevant Taxing Jurisdiction**"),

will at any time be required from any payments made by or on behalf of the Payor or the Paying Agent with respect to any Note or Guarantee, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts received in respect of such payments by the Holders, the Paying Agent or the Trustee, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments on any such Note or Guarantee in the absence of such withholding or deduction; *provided*, *however*, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant Holder, if the relevant Holder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising merely from the acquisition, ownership or holding of such Note or the receipt of any payment or the exercise or enforcement of rights under such Note or the Indenture or any Guarantee in respect thereof;

(2) any Tax that is imposed or withheld by reason of the failure by the Holder or the beneficial owner of any Notes to comply with a written request of the Payor addressed to the Holder, after reasonable notice (at least 30 days before any such withholding is payable), to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from or reduction in the rate of deduction or withholding of all or part of such Tax but, only to the extent the Holder or beneficial owner is legally entitled to provide such certification or documentation;

(3) any Taxes that are payable otherwise than by withholding from a payment of the principal of, premium, if any, or interest, if any, on or with respect to the Notes or any Guarantee;

(4) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or other governmental charge;

(5) any Taxes withheld or deducted pursuant to sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended (or any amended or successor provision), any current or future regulations thereunder, official interpretations thereof or agreements (including any intergovernmental agreement or any laws, rules or practices implementing such intergovernmental agreement) entered into in connection therewith; or

(6) any combination of the above.

Such Additional Amounts will also not be payable (x) if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Note for payment (where presentation is required) within 30 days after the relevant payment was first made available for payment to the Holder or (y) where, had the beneficial owner of the Note been the Holder, such Tax resulting in Additional Amounts would not have been imposed or such beneficial owner would not have been entitled to payment of Additional Amounts by reason of any of clauses (1) to (6) inclusive above.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies as soon as reasonably practicable to the Trustee. Such copies shall be made available for inspection to the Holders upon prior written request at the offices of the Paying Agent during normal business hours on any Business Day.

The Payor will attach to each certified copy a certificate stating (x) that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding Taxes paid per €1,000 principal amount of the Notes.

If any Payor will be obligated to pay Additional Amounts under or with respect to any payment made on any Note, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date). The Trustee shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever in the Indenture, the Notes or this "*Description of Notes*" there is mentioned, in any context:

(1) the payment of principal,

(2) purchase prices in connection with a purchase of Notes,

(3) interest, or

(4) any other amount payable on or with respect to any of the Notes or any Guarantee,

such reference shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, court or documentary taxes, or any other excise, property or similar Taxes, charges or levies (including penalties, interest and any other reasonable expenses related thereto) that arise in any jurisdiction from the execution, delivery, registration or enforcement of any Notes, the Guarantees, the Indenture, the Security Documents, the Intercreditor Agreement, any Additional Intercreditor Agreement or any other document or instrument in relation thereto (other than a transfer of the Notes after the Issue Date) excluding any such Taxes, charges or similar levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction, and the Payor agrees to indemnify the Holders for any such Taxes paid by such Holders. The foregoing obligations of this paragraph will survive any termination, defeasance or discharge of the Indenture and will apply *mutatis mutandis* to any jurisdiction in which any successor to a Payor is organized or any political subdivision or taxing authority or agency thereof or therein.

Change of Control

If a Change of Control occurs, subject to the terms of the covenant described under this heading "—*Change of Control,*" each Holder will have the right to require the Issuer to repurchase all or any part (equal to €100,000 or integral multiples of €1,000 in excess thereof; *provided* that Notes of €100,000 or less may only be redeemed in whole and not in part) of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided*, *however*, that the Issuer shall not be obliged to repurchase Notes as described under this heading, "—*Change of Control,*" in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes as described under "—*Optional Redemption*" or all conditions to such redemption have been satisfied or waived.

Unless the Issuer has unconditionally exercised its right to redeem all the Notes and given notice of redemption as described under "—*Optional Redemption*" or all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer will mail a notice (the "**Change of Control Offer**") to each Holder of any such Notes or deliver such notice in accordance with the rules and procedures of Euroclear or Clearstream, as applicable, with a copy to the Trustee:

(1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase all or any part of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the "**Change of Control Payment**");

(2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed or delivered) (the "**Change of Control Payment Date**");

(3) stating that any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date unless the Change of Control Payment is not paid, and that any Notes or part thereof not tendered will continue to accrue interest;

(4) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;

(5) describing the procedures determined by the Issuer, consistent with the Indenture, that a Holder must follow in order to have its Notes repurchased; and

(6) if such notice is mailed or delivered prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portion thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the relevant agent appointed for the change of control event an amount equal to the Change of Control Payment in respect of all Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the aggregate principal amount of Notes or portions of the Notes being purchased by the Issuer in the Change of Control Offer;

(4) in the case of Global Notes, deliver, or cause to be delivered, to the Principal Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuer; and

(5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuer.

If any Definitive Registered Notes have been issued, the Paying Agent will, as soon as reasonably practicable, mail to each Holder of Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee (or an authenticating agent) will, as soon as reasonably practicable, authenticate and mail (or

cause to be transferred by book entry) to each Holder of Definitive Registered Notes a new Definitive Registered Note equal in principal amount to the unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a principal amount that is at least €100,000 and integral multiples of €1,000 in excess thereof.

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a Holder's right to require the Issuer to repurchase such Holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Issuer or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer or repurchase any Notes as described under this heading "Change of Control" upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (2) a notice of redemption has been given pursuant to the Indenture as defined above under the caption "*—Optional Redemption,*" unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place providing for the Change of Control at the time the Change of Control Offer is made.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

The Issuer's ability to repurchase Notes issued by it pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control would require a mandatory prepayment of Indebtedness under the Senior Credit Facilities. The occurrence of a Change of Control under the Indenture would also require the Issuer to make an offer to holders of the Existing 2030 Fixed Rate Senior Secured Notes to repurchase the Existing 2030 Fixed Rate Senior Secured Notes at a purchase price in cash equal to 101% of the principal amount thereof. Future Indebtedness of the Issuer or its Subsidiaries may also contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to repurchase the Notes could cause a default under, or require a repurchase of, such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer. Finally, the Issuer's ability to pay cash to the Holders upon a repurchase may be limited by the Issuer's then existing financial resources, including financial resources of its Restricted Subsidiaries. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. See "*Risk Factors—Risks Related to Our Financing Arrangements and the Notes—We may not be able to finance a change of control offer and the occurrence of certain important corporate events will not constitute a change of control.*"

The definition of "Change of Control" includes a disposition of all or substantially all of the property and assets of the Issuer and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the property or assets of the Issuer and its Restricted Subsidiaries taken as a whole. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions under the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control, including the definitions of "Change of Control," may be waived or modified (including after the occurrence of a Change of Control) with the consent of the Holders of a majority in outstanding principal amount of the Notes.

Certain Covenants

Limitation on Liens

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary of the Issuer), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the "**Initial Lien**"), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the obligations under the Notes and the Indenture (or the relevant Guarantee) are directly secured, at least equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, such Indebtedness for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Notes pursuant to clause (a)(2) of the preceding paragraph will be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien to which it relates.

Reports

So long as any Notes are outstanding, the Issuer will deliver to the Trustee the following reports:

(1) within 120 days after the end of the Issuer's fiscal year beginning with the fiscal year ended December 31, 2026, annual reports containing: (i) an operating and financial review of the audited financial statements, including a discussion of the financial condition and results of operations, and a discussion of liquidity and capital resources, material commitments and contingencies and critical accounting policies of the Issuer; (ii) *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates (unless such *pro forma* information has been provided in a previous report pursuant to clause (2) or (3) below); *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case, the Issuer will provide, in the case of a material acquisition, acquired company financials; (iii) the audited consolidated balance sheet of the Issuer as at the end of the most recent fiscal year with comparative balance sheet information as at the end of the prior fiscal year and audited consolidated income statements and statements of cash flow of the Issuer for the most recent two fiscal years with comparative income statement and cash flow statement information for the applicable prior fiscal year, including appropriate footnotes to such financial statements, for and as at the end of such fiscal years and the report of the independent auditors on the financial statements; (iv) a description of the management and shareholders of the Issuer, all material affiliate transactions and a description of all material debt instruments; (v) a description of material risk factors and material subsequent events; and (vi) consolidated EBITDA; *provided* that the information described in clauses (iv), (v) and (vi) may be provided in the footnotes to the audited financial statements;

(2) within 60 days following the end of each of the first three fiscal quarters in each fiscal year of the Issuer, beginning with the quarter ending June 30, 2026, quarterly financial statements containing the following information: (i) the Issuer's unaudited condensed consolidated balance sheet as at the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter end year-to-date period ending on the unaudited condensed balance sheet date and the comparable prior period, together with condensed footnote disclosure; (ii) *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such quarterly report relates; *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials; (iii) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, consolidated EBITDA and material changes in liquidity and capital resources of the Issuer; (iv) a discussion of material changes in material debt instruments since the most recent report; and (v) material subsequent events and any material changes to the risk factors disclosed in the most recent annual report; *provided* that the information described in clauses (iv) and (v) may be provided in the footnotes to the unaudited financial statements; and

(3) promptly after the occurrence of a material event that the Issuer announces publicly or any acquisition, disposition or restructuring, merger or similar transaction that is material to the Issuer and the Restricted Subsidiaries, taken as a whole, or a senior executive officer or director changes at the Issuer or a change in auditors of the Issuer, a report containing a description of such event.

In addition, to the extent not satisfied by the foregoing, the Issuer shall furnish to the Holders and to prospective investors, upon the request of such parties, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act for so long as the Notes are not freely transferable under the Exchange Act by persons who are not "affiliates" under the Securities Act.

The Issuer shall also make available to Holders and prospective holders of the Notes copies of all reports delivered to the Trustee on the Issuer's or an Affiliate's website.

All financial statement information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented, except as may otherwise be described in such information; *provided, however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in IFRS, present earlier periods on a basis that applied to such periods. No report need include separate financial statements for any Subsidiaries of the Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in the Offering Memorandum. In addition, the reports set forth above will not be required to contain any reconciliation to U.S. generally accepted accounting principles.

All reports provided pursuant to this "*Reports*" covenant shall be made in the English language.

In the event that (i) the Issuer becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, for so long as it continues to file the reports required by Section 13(a) with the SEC or (ii) the Issuer elects to provide to the Trustee reports which, if filed with the SEC, would satisfy (in the good faith judgment of the Issuer) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of U.S. GAAP information, certifications, exhibits or information as to internal controls and procedures), for so long as it elects, the Issuer will deliver to the Trustee such annual reports, information, documents and other reports that the Issuer is, or would be, required to file with the SEC pursuant to such Section 13(a) or 15(d). Upon complying with the foregoing requirement, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs.

The Issuer may comply with any requirement to provide reports or financial statements of the Issuer under this covenant by providing any financial statements or reports of any Parent, in which case references to the Issuer in clauses (1), (2) and (3) of the first paragraph hereof will be deemed to be references to such Parent; *provided further* that if the consolidated financial statements of any such Parent (other than Listco) are included in such report, a reasonably detailed description of material differences between the consolidated financial statements of such Parent and the Issuer shall be included for any period after the Issue Date.

If and for so long as the equity securities of Listco are listed on a recognized stock exchange and Listco is subject to the admission and disclosure standards applicable to issuers of equity securities admitted to trading on a recognized stock exchange, for so long as it elects, the Issuer will be entitled to make available to the Trustee such information, documents and other reports that Listco is, or would be, required to file with the recognized stock exchange. Upon complying with the foregoing sentence, and *provided* that such applicable information has been posted to Listco's website and such requirements require Listco to prepare and file information, documents or other reports with a recognized stock exchange, the Issuer will be deemed to have complied with the provisions contained in all of the preceding paragraphs in this covenant.

Any reports, information and documents made available to the Trustee pursuant to this section will be for informational purposes only, and the Trustee's receipt thereof shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants under the Indenture or documents related thereto.

Merger and Consolidation

The Issuer

The Issuer will not consolidate with or merge with or into, or assign, convey, transfer, lease or otherwise dispose of all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions to, any Person, unless:

(1) either the Issuer is the surviving entity or the resulting, surviving or transferee Person (the "*Successor Company*") will be a Person organized and existing under the laws of any member state of the European Union, or the United States of America, any State of the United States of America or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Company (if not the Issuer) will expressly assume, (a) by supplemental indenture, executed and delivered to the Trustee, all the obligations of the Issuer under the Notes and the Indenture and (b) all obligations of the Issuer under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing; and

(3) the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any is required in connection with such transaction) comply with the Indenture and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company under the supplemental indenture, *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Issuer, which properties and assets, if held by the Issuer instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Issuer on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Indenture but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under the Indenture or the Notes.

The Guarantors

None of the Guarantors (other than a Guarantor whose Guarantee is to be released in accordance with the terms of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement) may:

(1) consolidate with or merge with or into any Person (whether or not such Guarantor is the surviving corporation);

(2) sell, assign, convey, transfer, lease or otherwise dispose of, all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person; or

(3) permit any Person to merge with or into it unless

(a) the other Person is the Issuer or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor; or

(b)

(1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Guarantee and the Indenture (pursuant to a supplemental indenture executed and delivered) and all obligations of that Guarantor under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents; and

(2) immediately after giving effect to the transaction, no Default or Event of Default shall have occurred and is continuing; or

(c) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of a Guarantor or the sale or disposition of all or substantially all the assets of a

Guarantor (in each case other than to the Issuer or a Restricted Subsidiary) otherwise permitted by the Indenture,

provided, however, that the prohibition in clauses (1), (2) and (3) of this covenant shall not apply to the extent that compliance with clauses (A) or (B)(1) could give rise to or result in: (1) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules or the laws rules or regulations (or analogous restriction) of any applicable jurisdiction; (2) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); or (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out-of-pocket expenses.

The provisions set forth in this "—*Merger and Consolidation*" covenant shall not restrict (and shall not apply to): (i) any Restricted Subsidiary that is not a Guarantor from consolidating with, merging or liquidating into or transferring all or substantially all of its properties and assets to the Issuer, a Restricted Subsidiary that is a Guarantor or any other Restricted Subsidiary that is not a Guarantor; (ii) any Restricted Subsidiary that is a Guarantor from merging or liquidating into or transferring all or part of its properties and assets to the Issuer or another Restricted Subsidiary that is a Guarantor; (iii) any consolidation or merger of the Issuer into any Restricted Subsidiary that is a Guarantor; *provided* that, if the Issuer is not the surviving entity of such merger or consolidation, the relevant Guarantor or entity will assume the obligations of the Issuer under the Notes, the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, if any, to which it is a party, and clauses (1) and (3) under the heading "—*The Issuer*" shall apply to such transaction; (iv) the Issuer or any Guarantor consolidating into or merging or combining with an Affiliate incorporated or organized for the purpose of changing the legal domicile of such entity, reincorporating such entity in another jurisdiction, or changing the legal form of such entity; *provided*, *however*, that clauses (1), (2) and (3) under the heading "—*The Issuer*" and clause (3) (other than clause (3)(B)(2)) under the heading "—*The Guarantors*" shall apply to any such transaction and (v) the Merger (including any actions by the Issuer or any Restricted Subsidiary in connection therewith) and any consolidation, merger, liquidation, transfer of assets or otherwise into or between any of the Issuer, Midholding and Verisure Group AB (publ); *provided* that the successor entity will assume the obligations of the Issuer under the Notes, the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents to which it is a party, as applicable.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve all or "substantially all" of the property or assets of a Person.

Release of Collateral

The Issuer and its Restricted Subsidiaries shall have the right to release, from time to time, any of the property and other assets included in the Collateral from the Liens securing the Notes or the Guarantees upon the Issuer delivering to the Security Agent and the Trustee an Officer's Certificate identifying the Collateral to be released and certifying that (1) no Default or Event of Default under the Indenture has occurred and is continuing and (2) such Collateral has been or, simultaneously with any release relating to the Notes or the Guarantees, will be released in respect of any other Indebtedness secured by a Lien on substantially all of the Collateral.

Impairment of Security Interests

The Issuer shall not, and shall not permit any Restricted Subsidiary to, take or knowingly or negligently omit to take any action that would have the result of materially impairing the Security Interest with respect to the Collateral (it being understood, subject to the proviso below, that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the Security Interest with respect to the Collateral), and the Issuer shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement, any interest whatsoever in any of the Collateral, except that (1) the Issuer and its Restricted Subsidiaries may Incur Permitted Collateral Liens; (2) the Collateral may be discharged or released in accordance with the Indenture, the applicable Security Documents or the Intercreditor Agreement or any Additional Intercreditor Agreement; and (3) the applicable Security Documents may be amended from time to time (i) to cure any ambiguity, mistake, omission, defect, manifest error or inconsistency therein, (ii) to comply with the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement, (iii) to add Collateral, (iv) to evidence the succession of

another Person to the Issuer or any Guarantor and the assumption by such successor of the obligations under the Indenture, the Notes, the Intercreditor Agreement and the Security Documents, in each case, including in accordance with "*—Certain Covenants—Merger and Consolidation*," (v) to evidence and provide for the acceptance of the appointment of a successor Trustee or Security Agent or (vi) in any manner that does not adversely affect the Holders in any material respect; *provided, however*, that, except with respect to any discharge or release in accordance with the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement, the Incurrence of Permitted Collateral Liens or any action expressly permitted by the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement (including for the avoidance of doubt, clause (3) above), the Security Documents may not be amended, extended, renewed, restated, supplemented, released or otherwise modified or replaced, unless contemporaneously with any such action, the Issuer delivers to the Trustee, either (i) a solvency opinion from an Independent Financial Advisor confirming the solvency of the relevant Person and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, (ii) a certificate from the Board of Directors of the relevant Person which confirms the solvency of the person granting such Security Interest after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, or (iii) an Opinion of Counsel, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, the Lien or Liens created under the Security Documents, so amended, extended, renewed, restated, supplemented, released, modified or replaced are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, release, modification or replacement. In the event that the Issuer or the relevant Restricted Subsidiary complies with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to such amendments without the need for instructions from the Holders.

Additional Guarantees

Notwithstanding anything to the contrary in this covenant, no Restricted Subsidiary shall guarantee the Indebtedness of the Issuer or a Guarantor outstanding under any Credit Facility that is Public Debt, unless such Restricted Subsidiary is or becomes a Guarantor on the date on which such guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Guarantee, which Guarantee shall be (x) *pari passu* with, or (y) if the other Indebtedness being guaranteed by such Restricted Subsidiary is Subordinated Indebtedness, senior to, such Restricted Subsidiary's guarantee of such other Indebtedness; *provided, however*, that such Restricted Subsidiary shall not be obligated to become such a Guarantor to the extent and for so long as the Incurrence of such Guarantee is contrary to Agreed Security Principles or could give rise to or result in: (1) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules or the laws rules or regulations (or analogous restriction) of any applicable jurisdiction; (2) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); or (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out-of-pocket expenses. At the option of the Issuer, any Guarantee may contain limitations on Guarantor liability to the extent reasonably necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Future Guarantees granted pursuant to this provision shall be released as set forth under "*—Releases of the Guarantees*." A Guarantee of a future Guarantor may also be released at the option of the Issuer if at the date of such release either (i) there is no Indebtedness of such Guarantor outstanding which was Incurred after the Issue Date and which could not have been Incurred in compliance with the Indenture if such Guarantor had not been designated as a Guarantor, or (ii) there is no Indebtedness of such Guarantor outstanding which was Incurred after the Issue Date and which could not have been Incurred in compliance with the Indenture as at the date of such release if such Guarantor were not designated as a Guarantor as at that date. The Trustee and the Security Agent shall each take all necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Guarantee in accordance with these provisions, subject to customary protections and indemnifications.

The validity and enforceability of the Guarantees and the Security Interests and the liability of each Guarantor will be subject to the limitations as described and set out in "*Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Collateral.*"

Additional Intercreditor Agreements

The Indenture will provide that, at the request of the Issuer, in connection with the Incurrence by the Issuer or its Restricted Subsidiaries of any Indebtedness, the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorized Representatives) an intercreditor agreement or a restatement, amendment or other modification of the existing Intercreditor Agreement (an "**Additional Intercreditor Agreement**") on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the Holders), including containing substantially the same terms with respect to release of Guarantees and priority and release of Security Interests; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, as applicable, adversely affect the rights, duties, liabilities or immunities of the Trustee or Security Agent under the Indenture or the Intercreditor Agreement.

The Indenture also will provide that, at the direction of the Issuer and without the consent of Holders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement or any Additional Intercreditor Agreement to: (1) cure any ambiguity, omission, defect, manifest error or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Issuer or any Restricted Subsidiary that is subject to any such agreement (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes), (3) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the Notes (including Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes, (6) implement any Permitted Collateral Liens, (7) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof or (8) make any other change to any such agreement that does not adversely affect the Holders in any material respect. The Issuer shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to any Intercreditor Agreement or any Additional Intercreditor Agreement without the consent of the Holders of the majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under "*—Amendments and Waivers*," and the Issuer may only direct the Trustee and the Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or the Security Agent, as applicable, adversely affect their respective rights, duties, liabilities or immunities under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Indenture shall also provide that, in relation to any Intercreditor Agreement or Additional Intercreditor Agreement, the Trustee (and Security Agent, if applicable) shall consent on behalf of the Holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby.

The Indenture also will provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement, (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have authorized and directed the Trustee and the Security Agent to enter into any such Additional Intercreditor Agreement. A copy of the Intercreditor Agreement or any Additional Intercreditor Agreement shall be made available for inspection during normal business hours on any Business Day upon prior written request at the Issuer's registered offices.

Financial Calculations

When calculating the availability or permission under any basket or ratio under the Indenture, in each case in connection with any acquisition, disposition, merger, joint venture, Investment or any other similar transaction (the "**Applicable Transaction**") where there is a time difference between commitment and closing or Incurrence (including in respect of Incurrence of Indebtedness), the date of determination of such basket or ratio and of any Default or Event of Default shall, at the option of the Issuer, be (A) the date the definitive agreements for such Applicable Transaction are entered into and such baskets or ratios shall be calculated on a *pro forma* basis after giving effect to such Applicable Transaction and the other transactions to be entered into in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable reference period for purposes of determining the ability to consummate any such transaction

(and not for purposes of any subsequent availability of any basket or ratio), (B) the date of consummation of any Applicable Transaction or (C) any other date relevant to the Applicable Transaction determined by the Issuer in good faith, in which case such baskets or ratios shall likewise be calculated on a *pro forma* basis after giving effect to the Applicable Transaction and the other transactions to be entered into in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable reference period for purposes of determining the ability to consummate any such transaction. For the avoidance of doubt, (x) if any of such baskets or ratios are determined to be in compliance under (A) or (C) above and are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in Consolidated EBITDA or *pro forma* Consolidated EBITDA) subsequent to such date of determination and at or prior to the consummation of the relevant Applicable Transaction, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the transactions are permitted hereunder and (y) if the Issuer elects to have such determinations occur at the time of entry into such definitive agreement or on another date as contemplated by (C) above, any such transactions (including any Incurrence of Indebtedness and the use of proceeds thereof and the fixing of any exchange rates) shall be deemed to have occurred on the date the definitive agreements are entered or such other date as contemplated by (C) above, and in each case to be outstanding thereafter for purposes of calculating any baskets or ratios under the Indenture (except to the extent such Applicable Transaction is subsequently abandoned).

If a proposed action, matter, transaction or amount (or a portion thereof) is incurred or entered into pursuant to a fixed permission and at a later time would subsequently be permitted under a ratio-based permission, unless otherwise elected by the Issuer, such action, matter, transaction or amount (or a portion thereof) shall automatically be reclassified to such ratio-based permission. Any Incurrence or drawing of any revolving Indebtedness to finance the working capital needs of the Issuer or any of its Restricted Subsidiaries and any undrawn commitments for Indebtedness *(*including under any revolving credit facility under the Senior Credit Facilities) shall be disregarded for the purposes of testing any financial ratio or incurrence based permission, test, basket or component thereof.

For any relevant basket set by reference to a financial year, a calendar year, a four-quarter period, a twelve-month period or any other similar annual period (each an "**Annual Period**"):

(1) at the option of the Issuer, the maximum amount so permitted under such basket during such Annual Period may be increased by:

  (a) an amount equal to 100% of the difference (if positive) between the permitted amount in the immediately preceding Annual Period and the amount thereof actually used or applied by the Issuer or any of its Restricted Subsidiaries during such preceding Annual Period (the "**Carry Forward Amount**"); and/or

  (b) an amount equal to 100% of the permitted amount in the immediately following Annual Period and the permitted amount in such immediately following Annual Period shall be reduced by such corresponding amount (the "**Carry Back Amount**"); and

(2) to the extent that the maximum amount so permitted under such basket during such Annual Period is increased in accordance with subparagraph (1) above, any usage of such basket during such Annual Period shall be deemed to be applied in the following order:

  (a) firstly, against the Carry Forward Amount;

  (b) secondly, against the maximum amount so permitted during such Annual Period prior to any increase in accordance with sub-paragraph (1) above; and

  (c) thirdly, against the Carry Back Amount.

Events of Default

Each of the following is an "Event of Default" under the Indenture:

(1) default in any payment of interest on any Note issued under the Indenture when due and payable, which continues for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure by the Issuer or any of its Restricted Subsidiaries to comply for 60 days after notice by the Trustee or the Holders (with a copy to the Trustee if given by the Holders) of at least 30% of the aggregate principal amount of the outstanding Notes with its agreements contained in the Indenture (other than a default in performance or breach of a covenant or agreement which is specifically dealt with in clauses (1) or (2) above);

(4) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Issuer or any of its Restricted Subsidiaries) other than Indebtedness owed to the Issuer or a Restricted Subsidiary whether such Indebtedness or guarantee now exists, or is created after the Issue Date, which default:

(a) is caused by a failure to pay principal at stated maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("**payment default**"); or

(b) results in the acceleration of such Indebtedness prior to its maturity (the "**cross acceleration provision**"),

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates the greater of €360.0 million and 20.0% of Consolidated EBITDA or more;

(5) pursuant to or within the meaning of any Bankruptcy Law, certain events of bankruptcy, insolvency or court protection of the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer), would constitute a Significant Subsidiary (the "bankruptcy provisions");

(6) failure by the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest annual consolidated financial statements for the Issuer and its Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating the greater of €360.0 million and 20.0% of Consolidated EBITDA or more (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final (the "judgment default provision");

(7) any Security Interest (x) under the Security Documents or (y) in any asset secured by a Lien described in clause (22) of the definition of "Permitted Liens" shall, at any time, cease to be in full force and effect (other than (i) in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Indenture or (ii) caused by the action or inaction of the Trustee or the Security Agent) with respect to assets or property having a fair market value in excess of the greater of €360.0 million and 20.0% of Consolidated EBITDA for any reason other than the satisfaction in full of all obligations under the Indenture or the release of any such Security Interest in accordance with the terms of the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents or any Security Interest created thereunder shall be declared invalid or unenforceable or the Issuer shall assert in writing that any such Security Interest is invalid or unenforceable and any such Default continues for 10 days; and

(8) any Guarantee of a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Guarantee or the Indenture) or is declared invalid or unenforceable in a judicial proceeding or any Guarantor denies or disaffirms in writing its obligations under its Guarantee and any such Default continues for 10 days.

However, a Default under clauses (3), (4) or (6) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of at least 30% of the aggregate principal amount of the outstanding Notes under the Indenture notify the Issuer (with a copy to the Trustee if given by the Holders) of the Default and, with respect to clauses (3), (4) and (6) the Issuer does not cure such Default within the time specified in clauses (3), (4) or (6), as applicable, of this paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (5) above) occurs and is continuing, the Trustee by written notice to the Issuer or the Holders of at least 30% of the aggregate principal amount of the outstanding Notes under the Indenture by written notice to the Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on all the Notes under the Indenture to be due and payable. Upon such a declaration, such principal, premium

and accrued and unpaid interest will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (4) under "*Events of Default*" has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (4) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

If an Event of Default described in clause (5) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the applicable Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Holders of a majority in principal amount of the outstanding Notes under the Indenture may waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium, interest or Additional Amounts, if any, which shall require the consent of each Holder affected thereby unless Holders of not less than 90% in then outstanding principal amount waives such Default or Event of Default) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

The Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered and, if requested, provided to the Trustee indemnity and/or security satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee notice that an Event of Default is continuing;

(2) Holders of at least 30% of the aggregate principal amount of the outstanding Notes have requested the Trustee to pursue the remedy;

(3) such Holders have offered and, if requested, provided the Trustee security and/or indemnity satisfactory to it against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after receipt of the request and the offer of security and/or indemnity; and

(5) the Holders of a majority in principal amount of the outstanding Notes have not given the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee.

The Indenture will provide that, in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability (it being understood that the Trustee has no duty to determine whether any action is prejudicial to any Holder). Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification or security satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action. The Indenture will provide that if a Default or Event of Default occurs and is continuing and the Trustee is informed in writing of such occurrence by the Issuer, the Trustee must give notice of the Default to the Holders within 60 days after being notified by the Issuer. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as a committee of trust officers of the Trustee in good faith determines that withholding notice is in the interests of the Holders. The Issuer is required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default that occurred

during the previous year. The Issuer is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

The Indenture will provide that (i) if a Default occurs for a failure to deliver a required certificate in connection with another default (an "**Initial Default**") then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled "*—Reports*" or otherwise to deliver any notice or certificate pursuant to any other provision of the Indenture shall be deemed to be cured upon the delivery of any such report required by such covenant or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

The Indenture will provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified and/or secured to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity and/or security to it, and it will be for Holders to take action directly.

Amendments and Waivers

Subject to certain exceptions, the Notes Documents may be amended, supplemented or otherwise modified with the consent of Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes); *provided* that, if any amendment, waiver or other modification will only affect one series of the Notes, only the consent of at least a majority in principal amount of the then outstanding Notes of such series shall be required.

Without the consent of Holders holding not less than 90% of the then outstanding principal amount of the Notes then outstanding (*provided* that, if any amendment, waiver or other modification will only affect one series of the Notes, only the consent of Holders holding not less than 90% of the principal amount of the then outstanding Notes of such series shall be required), an amendment or waiver may not, with respect to any Notes held by a non-consenting Holder:

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, waiver or modification;

(2) reduce the stated rate of or extend the stated time for payment of interest on any such Note;

(3) reduce the principal of or extend the Stated Maturity of any such Note;

(4) reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed, in each case, as described above under "*—Optional Redemption*;"

(5) make any such Note payable in money other than that stated in such Note;

(6) impair the right of any Holder to institute suit for the enforcement of any payment of principal of, or interest or Additional Amounts, if any, on or with respect to such Holder's Notes on or after (but not before) the due dates thereof;

(7) make any change in the provision of the Indenture described under "*—Withholding Taxes*" that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Issuer or the applicable Payor agrees to pay Additional Amounts, if any, in respect thereof;

(8) release all or substantially all of the Security Interests granted for the benefit of the Holders in the Collateral other than in accordance with the terms of the Security Documents, the Intercreditor Agreement, any applicable Additional Intercreditor Agreement or the Indenture;

(9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest or Additional Amounts, if any, on such Notes (except pursuant to a rescission of acceleration of such Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration);

(10) release all or substantially all of the Guarantors from any of their obligations under their respective Guarantees or the Indenture, except in accordance with the terms of the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement; or

(11) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

For the avoidance of doubt, no amendment to or waiver or other modification of, or deletion of, or actions taken in compliance with, the covenants described under "*—Change of Control*" and "*—Certain Covenants*," shall be deemed to impair or affect any rights of Holders to receive payment of principal of, or premium, interest or Additional Amounts, if any, on the Notes.

Notwithstanding the foregoing, without the consent of any Holder, the Issuer, any Guarantor, the Trustee, the Security Agent and the other parties thereto, as applicable, may amend or supplement any Notes Documents to:

(1) cure any ambiguity, omission, defect, error or inconsistency;

(2) provide for the assumption by a successor Person of the obligations of the Issuer or any Restricted Subsidiary under any Notes Document;

(3) add to the covenants or provide for a Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuer or any Restricted Subsidiary;

(4) make any change that would provide additional rights or benefits to the Trustee or the Holders or that does not adversely affect the rights or benefits to the Trustee or any of the Holders in any material respect under the Notes Documents;

(5) make such provisions as necessary (as determined in good faith by the Board of Directors or a member of Senior Management) for the issuance of Additional Notes;

(6) to provide for any Restricted Subsidiary to provide a Guarantee in accordance with the covenant described under "*Certain Covenants—Additional Guarantees,*" to add Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Guarantee or Lien (including the Collateral and the Security Documents) or any amendment in respect thereof with respect to or securing the Notes when such release, termination, discharge or retaking or amendment is provided for under the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(7) to conform the text of the Indenture, the Guarantees, the Security Documents or the Notes to any provision of this "*Description of Notes*" to the extent that such provision of the Indenture, a Guarantee, the Security Documents or the Notes was intended to be a verbatim recitation of a provision in this "*Description of Notes*";

(8) to evidence and provide for the acceptance and appointment under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement of a successor Trustee or Security Agent pursuant to the requirements thereof or to provide for the accession by the Trustee or the Security Agent to any Notes Document;

(9) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a Lien in favor of the Security Agent for the benefit of the Holders or parties to the Senior Credit Facilities, in any property which is required by the Security Documents or the Senior Credit Facilities (as in effect on the Issue Date) to be mortgaged, pledged or hypothecated, or in which a Lien is required to be granted to the Security Agent, or to the extent necessary to grant a Lien in the Collateral for the benefit of any Person; *provided* that the granting of such Lien is not prohibited by the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement and the covenant described under "*Certain Covenants—Impairment of Security Interests*" is complied with;

(10) as provided in "*Certain Covenants—Additional Intercreditor Agreements*" or "*Certain Covenants—Impairment of Security Interests*;" or

(11) to add additional co-issuers of the Notes.

The Trustee shall be entitled to require and rely absolutely on such evidence as it deems necessary, including Officer's Certificates and Opinions of Counsel.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment of any Notes Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

Acts by Holders

In determining whether the Holders of the required principal amount of the Notes (or the Notes of the relevant series) have concurred in any direction, waiver or consent, the Notes owned by the Issuer or by any Person directly or indirectly controlling, or controlled by, or under direct or indirect common control with, the Issuer will be disregarded and deemed not to be outstanding.

Defeasance

The Issuer at any time may terminate all obligations of the Issuer and the Guarantors under the Notes and the Indenture ("legal defeasance") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Issuer in connection therewith and obligations concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the rights of the Trustee and the Holders under the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate its and the Guarantors' obligations under the covenants described under "*Certain Covenants*" (other than clauses (1) and (2) of "*Certain Covenants—Merger and Consolidation—The Issuer*") and "*Change of Control*" and the default provisions relating to such covenants described under "*Events of Default*" above, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions (other than with respect to the Issuer and Significant Subsidiaries), the judgment default provision, the guarantee provision and the security default provision described under "*Events of Default*" above ("covenant defeasance").

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to such Notes. If the Issuer exercises its covenant defeasance option with respect to the Notes, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3) (other than with respect to clauses (1) and (2) of the covenant described under "*Certain Covenants—Merger and Consolidation—The Issuer*"), (4), (5) (other than with respect to the Issuer and Significant Subsidiaries), (6), (7) or (8) under "*Events of Default*" above.

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "defeasance trust") with the Trustee or Paying Agent (or such other entity directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee for this purpose) money in euros or euro-denominated European Government Obligations or a combination thereof in an amount sufficient for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel in the United States to the effect that Holders of the relevant Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law);

(2) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer;

(3) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;

(4) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and

(5) all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

Satisfaction and Discharge

The Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreement and any Additional Intercreditor Agreement and the Security Documents will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when (1) either (a) all such Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes, and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Paying Agent for cancellation; or (b) all such Notes not previously delivered to the Paying Agent for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year; (2) the Issuer has deposited or caused to be deposited with the Trustee or Paying Agent (or such other entity directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee for this purpose), money or euro-denominated European Government Obligations, or a combination thereof, as applicable, in an amount sufficient without consideration of reinvestment, to pay and discharge the entire Indebtedness on the Notes not previously delivered to the Paying Agent for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the Indenture; (4) the Issuer has delivered irrevocable instructions to the Trustee or Paying Agent (or such other entity directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee for this purpose), as applicable, to apply the funds deposited towards the payment of such Notes at Stated Maturity or on the redemption date, as the case may be (subject to the next succeeding sentence); and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the "*Satisfaction and Discharge*" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with, *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2), (3) and (4)). If requested by the Issuer in writing (which request may be included in the applicable notice of redemption or pursuant to the above referenced Officer's Certificate) no later than two business days prior to such distribution, the Trustee or Paying Agent (or such other entity directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee, acting for the Trustee for this purpose) may distribute any amount deposited in trust to the Holders prior to the Stated Maturity or the redemption date, as the case may be; *provided* that the cash shall otherwise be distributed to Holders in accordance with the terms of any redemption notice or other applicable repayment provisions and the Holders shall receive the principal, interest and premia (and any other amounts) as required in accordance with the terms of the redemption notice or other applicable repayment provisions. For the avoidance of doubt, the distribution and payment to Holders prior to the maturity or redemption date as set forth above shall not include any negative interest, present value adjustment, break cost or any additional premium on such amounts. To the extent the Notes are represented by a global note deposited with a depositary for a clearing system, any payment to the beneficial holders holding interests as a participant of such clearing system shall be subject to the then applicable procedures of the clearing system. No Trustee, Paying Agent or other applicable party shall be required to incur any costs, fees or expenses (except as expressly agreed in writing) in relation to such distribution.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the Issuer, any Guarantor or any of their respective Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer or any Guarantor under the Notes Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the

consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Concerning the Trustee and Certain Agents

GLAS Trust Company LLC is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default, of which a Responsible Officer has received written notice thereof, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default, of which a Responsible Officer has received written notice thereof, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty.

The Indenture will impose certain limitations on the rights of the Trustee, should it become a creditor of the Issuer, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions with the Issuer and its Affiliates and Subsidiaries.

The Indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the then outstanding Notes, or may resign at any time by giving written notice to the Issuer and (2) that if the Trustee at any time (a) has or acquires a conflict of interest that is not eliminated (b) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Issuer may remove the Trustee, or any Holder who has been a *bona fide* Holder for not less than 6 months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture will contain provisions for the indemnification of the Trustee for any loss, liability, expenses incurred without gross negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Notices

For so long as any Notes are represented by Global Notes, all notices to Holders of the Notes will be delivered by or on behalf of the Issuer in accordance with the rules and procedures of Euroclear and Clearstream, as applicable.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Prescription

Claims against the Issuer and the Guarantors for the payment of principal, or premium, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer and the Guarantors for the payment of interest on the Notes will be prescribed five years after the applicable due date for payment of interest.

Currency Indemnity and Calculation of Euro-Denominated Restrictions

The euro is the sole currency of account and payment for all sums payable by the Issuer and the Guarantors under or in connection with the Notes issued on the Issue Date and the relevant Guarantees, as the case may be, including damages. Any amount received or recovered in a currency other than euro, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as

applicable, to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that euro amount is less than the euro amount expressed to be due to the recipient or the Trustee under any Note, the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors will indemnify the recipient or the Trustee on a joint and several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be *prima facie* evidence of the matter stated therein for the Holder of a Note or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, any Guarantee or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any euro-denominated restriction herein, the euro equivalent amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is Incurred, in the case of term Indebtedness, or first committed or first Incurred (whichever yields the lower euro equivalent) or made, as the case may be.

Enforceability of Judgments

Since substantially all of the assets of the Issuer and the Guarantors are located outside the United States, any judgment obtained in the United States against the Issuer or any Guarantor, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes, may not be collectable within the United States. The Indenture will provide that the Issuer and each Guarantor appoint Hellman & Friedman LLC, 390 Park Avenue, 21st Floor, New York, New York, 10022, United States, as their agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Guarantees brought in any U.S. Federal or New York State court located in the City of New York.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the Indenture, the Notes and the Guarantees, the Issuer and each Guarantor will in the Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States.

Governing Law

The Indenture, the Notes and the Guarantees, and the rights and duties of the parties thereunder shall be governed by and construed in accordance with the laws of the State of New York. The Intercreditor Agreement and the rights and duties of the parties thereunder shall be governed by and construed in accordance with the laws of England and Wales. The Security Documents will be governed by the applicable local laws of the jurisdiction under which the Liens over the Collateral are granted.

Certain Definitions

"**2021 Senior Facilities Agreement**" means the senior facilities agreement originally dated January 25, 2021, between, among others, the Issuer as an original borrower and the lenders named therein, as the same may be amended from time to time, including as amended and restated on November 3, 2025.

"**Acquired Indebtedness**" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Issuer or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Issuer or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding

sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"**Additional Notes**" means the additional Notes issued under the Indenture.

"**Affiliate**" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Agreed Security Principles**" means the agreed security principles appended to the 2021 Senior Facilities Agreement as in effect on the Issue Date, as applied *mutatis mutandis* with respect to the Notes in good faith by the Issuer.

"**Alba**" means Alba Investments, S.A., the investment vehicle of Corporacion Financiera Alba, S.A., and the Affiliates of Alba Investments, S.A.

"**Applicable Premium**" means, with respect to any Note, the greater of:

(1) 1% of the principal amount of such Note; and

(2) as of any redemption date, the excess (to the extent positive) of:

(a) the present value at such redemption date of (1) the redemption price of such Note at July 1, 2028 (such redemption price (expressed in percentage of principal amount) being set forth in the table under "*—Optional Redemption*" (excluding accrued and unpaid interest to the redemption date)), plus (2) all required interest payments due on such Note to and including July 1, 2028 (excluding accrued but unpaid interest to the redemption date), computed upon the redemption date using a discount rate equal to the Bund Rate (subject to a 0% floor) at such redemption date plus 50 basis points; over

(b) the outstanding principal amount of such Note, as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate.

For the avoidance of doubt, the calculation of the Applicable Premium shall not be an obligation or the responsibility of the Trustee or any Paying Agent.

"**Applicable Reporting Date**" means, as at any date of determination, at the Issuer's election (which election the Issuer may revoke and re-make at any time and from time to time):

(1) the last day of the most recent fiscal quarter in respect of which any report or financial statements of the Issuer or the Parent, as applicable, have been delivered pursuant to clause (1) or (2) of the first paragraph of the covenant described under "*—Certain Covenants—Reports*"; or

(2) the last day of the most recently completed fiscal quarter for which internal financial statements of the Issuer or the Parent, as applicable, are available.

"**Applicable Testing Period**" means, as at any date of determination, at the Issuer's election (which election the Issuer may revoke and re-make at any time and from time to time):

(1) the period of the two fiscal quarters ending on the Applicable Reporting Date, multiplied by 2.0; or

(2) the period of the four fiscal quarters ending on the Applicable Reporting Date.

"**Associate**" means (i) any Person engaged in a Similar Business of which the Issuer or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Issuer or any Restricted Subsidiary of the Issuer.

"**Bankruptcy Law**" means Title 11 of the United States Bankruptcy Code of 1978 (as may be amended from time to time, the "**U.S. Bankruptcy Code**") or any other law of the United States, Sweden, Norway, Portugal, France, Spain, Denmark or Switzerland (or any political subdivision thereof), or the laws of any other relevant jurisdiction or any political subdivision thereof relating to bankruptcy, insolvency, receivership, winding up, liquidation, reorganization or relief of debtors (excluding, for the avoidance of doubt a scheme of arrangement

or restructuring plan pursuant to Part 26 or Part 26A of the United Kingdom Companies Act 2006 and related proceedings under Chapter 15 of the U.S. Bankruptcy Code solely in respect of the recognition of such scheme of arrangement or restructuring plan).

"**Board of Directors**" means (1) with respect to the Issuer, (i) Midholding prior to the Merger and (ii) Topholding, following the Merger, Listco or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision of the Indenture requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval). References to "Board of Directors" shall be construed to mean "Board of Directors" of the Issuer, "Board of Directors" of Midholding, "Board of Directors" of Topholding or "Board of Directors" of Listco, as determined by the Issuer.

"**Bund Rate**" as selected by the Issuer, means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (*Bunds* or *Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that has become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Board of Directors or a member of Senior Management in good faith)) most nearly equal to the period from the redemption date to July 1, 2028; *provided, however*, that if the period from the redemption date to July 1, 2028, is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to July 1, 2028, is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used.

"**Business Day**" means each day that is not a Saturday, Sunday or other day on which banking institutions in Luxembourg, Sweden, London, United Kingdom, or New York, New York, United States are authorized or required by law to close.

"**Capital Stock**" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"**Capitalized Lease Obligations**" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of IFRS. The amount of Indebtedness will be, at the time any determination is to be made, the amount of such obligation required to be capitalized on a balance sheet (excluding any notes thereto) prepared in accordance with IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"**Cash Equivalents**" means:

(1) securities issued or directly and fully guaranteed or insured by the United Kingdom, the United States or Canadian governments, a member state of the European Union, Switzerland or Norway or, in each case, any agency or instrumentality thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender party to the 2021 Senior Facilities Agreement or by any bank or trust company (a) whose commercial paper is rated at least "A-2" or the equivalent thereof by S&P or at least "P-2" or the equivalent thereof by Moody's or at least "F-2" or an equivalent thereof by Fitch (or if at the time none of the foregoing is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €250 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P, at least "P-2" or the equivalent thereof by Moody's or at least "F-2" or an equivalent by Fitch or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if each of the three named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by the United Kingdom, the United States, any state of the United States of America, Canada or any province of Canada, any member state of the European Union, Switzerland, Sweden or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P or higher from Fitch (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or preferred stock issued by Persons with a rating of "BBB−" or higher from S&P, "Baa3" or higher from Moody's or "BBB−" or higher from Fitch (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in the United Kingdom, the United States, Canada, a member state of the European Union, Switzerland, Sweden, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(8) with respect to a jurisdiction in which (a) the Issuer or a Restricted Subsidiary conducts its business or is organized and (b) it is not commercially practicable to make investments in clauses (1), (2) or (3) of this definition, certificates of deposit, time deposits, recognized time deposits, overnight bank deposits or bankers' acceptances with any bank, trust company or similar entity, which would rank, in terms of combined capital and surplus and undivided profits or the ratings on its long term debt, among the top five banks in such jurisdiction, in an amount not to exceed cash generated in or reasonably required for operation in such jurisdiction; and

(9) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (8) above.

"**Change of Control**" means:

(1) the Issuer becoming aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or being or becoming the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer, *provided* that for the purposes of this clause, no Change of Control shall be deemed to occur by reason of the Issuer becoming a Subsidiary of a Successor Parent; or

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders.

"**Clearstream**" means Clearstream Banking, S.A., or any successor securities clearing agency.

"**Clearing System Business Day**" means Monday to Friday inclusive, except December 25 and January 1.

"**Collateral**" means any and all assets from time to time in which a security interest has been or will be granted on the Issue Date or thereafter pursuant to any Security Document to secure the obligations under the Indenture, the Notes and/or any Guarantee (other than any assets secured by a Lien described in clause (22) of the definition of "Permitted Liens" securing Additional Notes); *provided* that any property or asset of a Guarantor subject only to a floating charge (and not any other Lien) under any Security Document to the extent such charge

has not crystallized into a fixed charge shall not be deemed Collateral for purposes of determining whether a Permitted Lien is permitted over such asset or property on a fixed basis pursuant to the covenant described under "*—Certain Covenants—Limitation on Liens*"; *provided further* that nothing in the Indenture shall prohibit such property or asset being released from such floating charge to the extent a Permitted Lien is granted if such release is required to effect such fixed charge security and *provided* that such assets and property are not Collateral which are subject to a fixed charge in favor of the Holders.

"**Commodity Hedging Agreement**" means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"**Consolidated EBITDA**" for any period means, without duplication, the Consolidated Net Income of the Issuer for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization or impairment expense including goodwill;

(5) any expenses, charges or other costs related to any issuance of Capital Stock, listing of Capital Stock, Investment, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business and any expenses, charges or other costs related to deferred or contingent payments, including earn-outs), disposition, recapitalization or the Incurrence of any Indebtedness permitted by the Indenture (whether or not successful) (including any such fees, expenses or charges related to the Transactions (including any expenses in connection with related due diligence activities)), in each case, as determined in good faith by the Board of Directors or a member of Senior Management;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period or any prior period or any net earnings, income or share of profit of any Associates, associated company or undertaking;

(7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders;

(8) other non-cash charges, expenses, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges expected to be paid in any future period) or other items classified by the Issuer as special, extraordinary, exceptional, unusual or non-recurring items and the amount of any restructuring charges, accruals, or reserves and any integration costs, less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash expected to be paid in any future period);

(9) the proceeds of any business interruption insurance received or that become receivable during such period to the extent the associated losses arising out of the event that resulted in the payment of such business interruption insurance proceeds were included in computing Consolidated Net Income;

(10) payments received or that become receivable with respect to expenses that are covered by the indemnification provisions in any agreement entered into by the Issuer in connection with an acquisition to the extent such expenses were included in computing Consolidated Net Income; and

(11) any Receivables Fees and discounts on the sale of accounts receivables in connection with any Qualified Receivables Financing or any other receivables financing representing, in the Issuer's reasonable determination, the implied interest component of such discount for such period.

For purposes of calculating the availability under any basket or limitation that is or may be based on a percentage of Consolidated EBITDA on any date of determination, Consolidated EBITDA shall be calculated based on the aggregate amount of Consolidated EBITDA for the Applicable Testing Period calculated with such *pro forma* and other adjustments as are consistent with the *pro forma* provisions set forth in the definition of Consolidated Net Leverage Ratio.

"**Consolidated Income Taxes**" means Taxes or other payments, including deferred Taxes, based on income, profits or capital of any of the Issuer and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any governmental authority.

"**Consolidated Interest Expense**" means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Issuer and its Restricted Subsidiaries, whether paid or accrued, plus or including (without duplication) any interest, costs and charges consisting of:

(1) interest expense attributable to Capitalized Lease Obligations;

(2) amortization of debt discount (but not including deferred financing fees, debt issuance costs, commissions, fees and expenses);

(3) non-cash interest expense;

(4) commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings;

(5) costs associated with Hedging Obligations (excluding amortization of fees or any non-cash interest expense attributable to the movement in mark-to-market valuation of such obligations);

(6) the product of (a) all dividends or other distributions in respect of all Disqualified Stock of the Issuer and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Issuer or a Subsidiary of the Issuer, multiplied by (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, as estimated in good faith by a responsible accounting or financial officer of the Issuer;

(7) the consolidated interest expense that was capitalized during such period; and

(8) interest actually paid by the Issuer or any Restricted Subsidiary under any guarantee of Indebtedness or other obligation of any other Person,

minus (i) accretion or accrual of discounted liabilities other than Indebtedness, (ii) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition, (iii) any Additional Amounts with respect to the Notes or other similar tax gross-up on any Indebtedness (including, without limitation, under any Credit Facility), which is included in interest expenses under IFRS, (iv) any interest expense related to a Guarantee of Indebtedness of a Parent Incurred in compliance with the Indenture to the extent that the interest expense of any proceeds loan related thereto is included in the calculation of Consolidated Interest Expense in an equal or greater amount and (v) any capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

"**Consolidated Leverage**" means the sum of the aggregate outstanding Indebtedness of the Issuer and its Restricted Subsidiaries (excluding Hedging Obligations).

"**Consolidated Net Income**" means, for any period, the net income (loss) of the Issuer and its Restricted Subsidiaries determined on a consolidated basis on the basis of IFRS; *provided, however*, that there will not be included in such Consolidated Net Income:

(1) any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Issuer's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution or return on investment;

(2) any net gain (or loss) realized upon the sale, abandonment or other disposition of any asset or disposed operations of the Issuer or any Restricted Subsidiaries (including pursuant to any sale/leaseback transaction) which is not sold, abandoned or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors or a member of Senior Management);

(3) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion

bonuses, transaction costs (including any costs related to the Transactions, the initial public offering of Listco or any investments), acquisition costs, business optimization, system establishment, software or information technology implementation or development cost, costs related to governmental investigations and curtailments or modifications to pension or post-retirement benefits schemes, or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);

(4) the cumulative effect of a change in accounting principles;

(5) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards, any non-cash deemed finance charges in respect of any pension liabilities or other provisions, any non-cash net after tax gains or losses attributable to the termination or modification of any employee pension benefit plan and any charge or expense relating to any payment made to holders of equity based securities or rights in respect of any dividend sharing provisions of such securities or rights;

(6) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness or Hedging Obligations and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(7) any unrealized gains or losses in respect of Hedging Obligations or other financial instruments or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(8) any unrealized foreign currency transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses resulting from remeasuring assets and liabilities denominated in foreign currencies;

(9) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary;

(10) any one-time non-cash charges or any amortization or depreciation, in each case to the extent related to the Transactions or any acquisition of, or merger or consolidation with, another Person or business or resulting from any reorganization or restructuring involving the Issuer or its Subsidiaries;

(11) any goodwill or other intangible asset amortization charge, impairment charge or write-off or write-down; and

(12) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

"**Consolidated Net Leverage**" means Consolidated Leverage *less* the amount of cash and Cash Equivalents that is stated on the consolidated balance sheet of the Issuer as of such date in accordance with IFRS.

"**Consolidated Net Leverage Ratio**" means, as of any date of determination, the ratio of (x) Consolidated Net Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the Applicable Testing Period. If the Issuer or any of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases, retires, extinguishes, amends or reprices, replaces, exchanges or otherwise discharges any Indebtedness or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Consolidated Net Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Net Leverage Ratio is made (the "**Calculation Date**"), then the Consolidated Net Leverage Ratio will be calculated giving *pro forma* effect to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance, retirement, extinguishment, amendment, repricing, replacement, exchange or other discharge of Indebtedness, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable reference period. Whenever *pro forma* effect is to be given to any transaction or calculation, the *pro forma* calculations shall be as determined in good faith by a responsible accounting or financial officer of the Issuer or Parent or Listco (and may include anticipated expense and cost reductions and synergies), including, without limitation, as a result of, or that would result from any actions taken, committed to be taken or with respect to which substantial steps have been taken or any actions reasonably expected to be taken, by the Issuer or any Restricted Subsidiary,

including, without limitation, in connection with any synergies or cost savings plan or program or in connection with any transaction, Investment, acquisition, disposition, restructuring, corporate reorganization or otherwise.

In addition, for purposes of calculating the Consolidated Net Leverage Ratio:

(1) acquisitions and Investments that have been made by the Issuer or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the Issuer or any of its Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect as if they had occurred on the first day of the reference period;

(2) the Consolidated EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period;

(3) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such reference period; and

(4) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such reference period.

When calculating Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense and Consolidated Net Income, *pro forma* adjustments may be taken into account in the manner set forth above.

"**Consolidated Senior Secured Net Leverage**" means the aggregate outstanding Senior Secured Indebtedness of the Issuer and its Restricted Subsidiaries *less* the amount of cash and Cash Equivalents that is stated on the consolidated balance sheet of the Issuer as of such date in accordance with IFRS.

"**Consolidated Senior Secured Net Leverage Ratio**" means, as of any date of determination, the ratio of (x) Consolidated Senior Secured Net Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the Applicable Testing Period, in each case calculated with such *pro forma* and other adjustments as are consistent with the *pro forma* provisions set forth in the definition of Consolidated Net Leverage Ratio; *provided, however*, that the *pro forma* calculation shall not give effect to (i) any Indebtedness Incurred on the Calculation Date pursuant to the provisions described in clauses (2) to (8) of the definition of Permitted Collateral Lien Debt Baskets (other than with respect to any Indebtedness constituting Senior Secured Indebtedness that is incurred pursuant to clauses (2)(iv) or (5)(ii) of the definition of Permitted Collateral Lien Debt Baskets) or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in clauses (2) to (8) of the definition of Permitted Collateral Lien Debt Baskets.

"**Contingent Obligations**" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

  (a) for the purchase or payment of any such primary obligation; or

  (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"**Credit Facility**" means, with respect to the Issuer or any of its Subsidiaries, one or more debt facilities, arrangements, instruments, trust deeds or indentures (including the Senior Credit Facilities or commercial paper

facilities and overdraft facilities) with banks, institutions or investors providing for revolving credit loans, term loans, performance guarantees, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), notes, letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks, institutions or investors and whether provided under the original Senior Credit Facilities or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"**Currency Agreement**" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"**Default**" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"**Designated Preference Shares**" means, with respect to the Issuer or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Issuer or a Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any such Subsidiary for the benefit of their employees to the extent funded by the Issuer or such Subsidiary) and (b) that is designated as "Designated Preference Shares" pursuant to an Officer's Certificate of the Issuer at or prior to the issuance thereof.

"**Disqualified Stock**" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, in each case on or prior to the date that is 90 days after the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided* that any Capital Stock that would constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of any "asset sale" or "change of control" occurring prior to the Stated Maturity of the Notes will not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in the terms described above under the caption "—*Change of Control*" and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Issuer's repurchase of such Notes as are required to be repurchased or redeemed pursuant to the terms described above under the caption "—*Change of Control*." For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock, such fair market value to be determined as set forth herein. Only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock.

"**Eiffel**" means Eiffel Investment Pte Ltd, a nominated investment vehicle of GIC Special Investments Pte Ltd, a subsidiary of GIC Pte Ltd, and the Affiliates of Eiffel Investment Pte Ltd.

"**Equity Offering**" means (x) a sale of Capital Stock of the Issuer or a Restricted Subsidiary (other than to the Issuer or its Subsidiaries) (other than Disqualified Stock and other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions), or (y) the sale of Capital Stock or other securities by any Person (other than to the Issuer or its Subsidiaries), the proceeds of which are contributed as Subordinated Shareholder Funding or to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Issuer or any of its Restricted Subsidiaries.

"**Escrowed Proceeds**" means the proceeds from the offering of any debt securities or other Indebtedness paid into escrow accounts with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"**euro equivalent**" means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof by the Issuer, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in *The Financial Times* in the "Currency Rates" section (or, if *The Financial Times* is no longer published, or if such information is no longer available in *The Financial Times*, such source as may be selected in good faith by the Board of Directors or a member of Senior Management) on the date of such determination.

"**Euroclear**" means Euroclear Bank S.A./N.V. or any successor securities clearing agency.

"**European Government Obligations**" means any security that is (1) a direct obligation of any country that is a member of the European Monetary Union on the date of the Indenture, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

"**European Union**" means the European Union as of the Original Issue Date, consisting of Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

"**Exchange**" means Luxembourg Stock Exchange.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"**Excluded Contribution**" means the Net Cash Proceeds or fair market value of property or assets received by the Issuer as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer after the Original Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding of the Issuer, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Issuer.

"**Existing 2030 Fixed Rate Senior Secured Notes**" means the Issuer's €525.0 million in aggregate principal amount of 5½% Senior Secured Notes due 2030, issued pursuant to the Existing 2030 Fixed Rate Senior Secured Notes Indenture.

"**Existing 2030 Fixed Rate Senior Secured Notes Indenture**" means the indenture pursuant to which the Issuer issued the Existing 2030 Fixed Rate Senior Secured Notes, dated May 16, 2024, as the same may be amended, supplemented or modified from time to time.

"**fair market value**" wherever such term is used in this "*Description of Notes*" or the Indenture (except in relation to an enforcement action or distressed disposal pursuant to the Intercreditor Agreement and except as otherwise specifically provided in this "*Description of Notes*" or the Indenture), may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

"**Fitch**" means Fitch Ratings Inc., or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Fixed Charge Coverage Ratio**" means, as of any date of determination, the ratio of (x) the aggregate amount of Consolidated EBITDA for the Applicable Testing Period to (y) the Consolidated Interest Expense of the Issuer for the Applicable Testing Period. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases, retires, extinguishes, amends or reprices,

replaces, exchanges or otherwise discharges any Indebtedness and Indebtedness Incurred under any revolving credit facility (unless such Indebtedness has been permanently repaid and has not been replaced) or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "**Calculation Date**"), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance, retirement, extinguishment, amendment, repricing, replacement, exchange or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period; *provided, however*, that the *pro forma* calculation of Consolidated Interest Expense shall not give effect to (i) any Indebtedness Incurred on the Calculation Date pursuant to the provisions described in clauses (2) to (8) of the definition of Permitted Collateral Lien Debt Baskets (other than with respect to any Indebtedness that is incurred pursuant to clause (5)(ii) of the definition of Permitted Collateral Lien Debt Baskets) or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in clauses (2) to (8) of the definition of Permitted Collateral Lien Debt Baskets. Whenever *pro forma* effect is to be given to any transaction or calculation, the *pro forma* calculations shall be as determined in good faith by a responsible accounting or financial officer of the Issuer (and may include anticipated expense and cost reductions and synergies), including, without limitation, as a result of, or that would result from any actions taken, committed to be taken or with respect to which substantial steps have been taken or any actions reasonably expected to be taken, by the Issuer or any Restricted Subsidiary, including, without limitation, in connection with any synergies or cost savings plan or program or in connection with any transaction, Investment, acquisition, disposition, restructuring, corporate reorganization or otherwise.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions or Investments that have been made by the Issuer or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the Issuer or any of its Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect as if they had occurred on the first day of the reference period;

(2) the Consolidated EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period;

(3) the Consolidated Interest Expense attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period, but only to the extent that the obligations giving rise to such Consolidated Interest Expense will not be obligations of the Issuer or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such reference period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such reference period;

(6) if any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Indebtedness); and

(7) Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by an Officer of the Issuer responsible for accounting or financial reporting to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS.

"**guarantee**" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), *provided, however,* that the term "guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning.

"**Guarantee**" means the guarantee by each Guarantor of any obligations of the Issuer under the Notes and the Indenture.

"**Guarantor**" means the Initial Guarantors and any Restricted Subsidiary that Guarantees the Notes.

"**Hedging Obligations**" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement.

"**Holder**" means each Person in whose name the Notes are registered on the Registrar's books, which shall initially be the respective nominee of Euroclear or Clearstream, as applicable.

"**Holding Company**" means, in relation to any Person, any other Person in respect of which it is a Subsidiary.

"**IFRS**" means International Financial Reporting Standards (formerly International Accounting Standards) ("**IFRS**") endorsed from time to time by the European Union or any variation thereof with which the Issuer, Parent or its Restricted Subsidiaries are, or may be, required to comply. All ratios and calculations based on IFRS contained in the Indenture shall be computed in accordance with IFRS as in effect from time to time; *provided* that at any date after the Issue Date, the Issuer may make an irrevocable election to establish that "IFRS" shall mean IFRS as in effect on a date that is on or prior to the date of such election.

"**Incur**" means issue, create, assume, enter into any guarantee of, incur or otherwise become liable for; *provided*, *however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder.

"**Indebtedness**" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have been reimbursed) (except to the extent such reimbursement obligations relate to trade payables or other obligations not constituting Indebtedness and such obligations are satisfied within 30 days of Incurrence), in each case, only to the extent that the underlying obligation in respect of which the instrument was issued would be treated as Indebtedness;

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person (the amount of such Indebtedness being equal to the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Board of Directors or an Officer) and (b) the amount of such Indebtedness of such other Persons);

(8) guarantees by such Person of the principal component of Indebtedness of other Persons to the extent guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "Indebtedness" shall not include (i) Subordinated Shareholder Funding, (ii) prepayments of deposits received from clients or customers in the ordinary course of business or (iii) obligations under any license, permit or other approval (or guarantees given in respect of such obligations) Incurred prior to the Original Issue Date or in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7), (8) or (9) above) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of IFRS. Indebtedness represented by loans, notes or other debt instruments shall not be included to the extent funded with the proceeds of Indebtedness which the Issuer or any Restricted Subsidiary has guaranteed or for which any of them is otherwise liable and which is otherwise included.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(1) (a) Contingent Obligations Incurred in the ordinary course of business, (b) obligations under or in respect of Qualified Receivables Financings and (c) accrued liabilities Incurred in the ordinary course of business that are not more than 90 days past due;

(2) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however,* that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; or

(3) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes or under any Tax Sharing Agreement.

"**Independent Financial Advisor**" means an investment banking or accounting firm of international standing or any third party appraiser of international standing; *provided, however*, that such firm or appraiser is not an Affiliate of the Issuer.

"**Initial Investors**" means*:*

(1) Alba, Eiffel or any funds or partnerships directly or indirectly controlled, managed or advised by Hellman & Friedman LLC or any of its Affiliates or its or their affiliated advisory entities (including, for the avoidance of doubt, Hellman & Friedman Capital Partners IX, L.P. and/or Samson Partners, L.P.); or

(2) such funds' or partnerships' respective Affiliates or direct or indirect Subsidiaries or entities, in respect of which, such funds or partnerships individually or in the aggregate directly or indirectly control a majority of the issued voting rights, or any trust, fund, company or partnership directly or indirectly

owned, controlled, managed or advised by Hellman & Friedman LLC or any of its Affiliates or its or their affiliated advisory entities (including, for the avoidance of doubt, Hellman & Friedman Capital Partners IX, L.P. and/or Samson Partners, L.P.); or

(3) any entity directly or indirectly: (A) owned or controlled by all or substantially all of the Partners of any such fund or partnership, or the partners of Hellman & Friedman LLC from time to time; (B) managed or advised by any entity listed in sub-clause (A); or (C) formed pursuant to the alternative investment vehicle provisions in the Hellman & Friedman fund partnership documentation for Hellman & Friedman Capital Partners IX, L.P. and/or Samson Partners, L.P. and its affiliated fund vehicles, and shall, for the avoidance of doubt, include any Special Purpose Vehicle.

"**Intercreditor Agreement**" means the Intercreditor Agreement dated October 21, 2015 by and among, *inter alios*, the Issuer and the Security Agent and to which the Trustee will accede on the Issue Date, as amended, amended and restated, supplemented or otherwise modified from time to time.

"**Interest Rate Agreement**" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"**Investment**" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet (excluding any notes thereto) prepared on the basis of IFRS; *provided, however,* that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment.

"**Investment Grade Securities**" means:

(1) securities issued or directly and fully guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by a member of the European Union, Switzerland or Norway or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "BBB−" or higher from S&P or "Baa3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Issuer and its Subsidiaries; and

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

"**Issue Date**" means July 3, 2026.

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"**Listco**" means Verisure plc, and any successor or assigns.

"**Management Investors**" means the officers, directors, employees and other members of the management of or consultants to any Parent, the Issuer or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Issuer, any Restricted Subsidiary or any Parent.

"**Merger**" means the intended process whereby Midholding, the Issuer and Verisure Group AB (publ) will be merged following the Transactions, with Verisure Group AB (publ) being the surviving entity.

"**Midholding**" means Verisure Midholding AB (publ) and all successors thereto (other than, for the avoidance of doubt, Verisure Group AB (publ) following the Merger).

"**Moody's**" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Nationally Recognized Statistical Rating Organization**" means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62)(A) under the Exchange Act.

"**Net Cash Proceeds**" means, with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

"**Notes Documents**" means the Notes (including any Additional Notes), the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreements.

"**Offering Memorandum**" means the offering memorandum dated June 23, 2026 relating to the issuance of the Notes.

"**Officer**" means, with respect to any Person, (1) any member of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an "Officer" for the purposes of the Indenture by the Board of Directors of such Person.

"**Officer's Certificate**" means, with respect to any Person, a certificate signed by one Officer of such Person.

"**Opinion of Counsel**" means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Issuer or its Subsidiaries.

"**Original Issue Date**" means November 16, 2018.

"**Parent**" means any Person of which the Issuer at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent (including, for the avoidance of doubt, Listco).

"**Paying Agent**" means any Person authorized by the Issuer to pay the principal of (and premium and Additional Amounts, if any) or interest on any Note on behalf of the Issuer.

"**Permitted Collateral Liens**" means:

(1) Liens on the Collateral that are described in one or more of clauses (2), (3), (4), (5), (6), (8), (9), (11), (12), (13), (14), (17), (18), (19), (20), (21), (23) and (24) of the definition of "Permitted Liens" and, in each case, arising by law or that would not materially interfere with the ability of the Security Agent to enforce the Security Interest in the Collateral;

(2) Liens on the Collateral to secure (a) any Notes (excluding any Additional Notes) and related Guarantees, (b) Indebtedness described in clause (1) of the definition of Permitted Collateral Lien Debt Baskets; *provided* that if such Lien is *pari passu* with the Liens securing the Notes or the relevant Guarantee, after giving *pro forma* effect to such Incurrence on that date and the application of proceeds therefrom, the Consolidated Senior Secured Net Leverage Ratio would have been no more than 5.50 to 1.00; (c) Indebtedness described in clause (5) of the definition of Permitted Collateral Lien Debt Baskets; *provided* that, after giving *pro forma* effect to such Incurrence at the time of the acquisition or other transaction pursuant to which such Indebtedness was Incurred, (i) the Consolidated Senior Secured Net Leverage Ratio would have been no more than 5.50 to 1.0 or (ii) Consolidated Senior Secured Net Leverage Ratio would not be greater than it was immediately prior to giving effect to such acquisition or transaction on a *pro forma* basis; (d) Indebtedness described in clauses (2), (3) (in the case of (3), to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured

and specified in this definition of Permitted Collateral Liens), (4), (6), (7), (8) or (9) of the definition of Permitted Collateral Lien Debt Baskets; and (e) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clause (a), (b), (c) or (d); *provided* that (A) except as set forth in the following proviso, any such Lien shall rank *pari passu* with, or junior to, the Liens securing the Notes or the Guarantees and (B) each of the secured parties to any such Indebtedness (acting directly or through its respective creditor representative) will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; *provided further* that Liens on the Collateral securing Indebtedness with super priority status may be Incurred pursuant to this clause (2) with respect to (x) a super priority revolving credit facility limited to an aggregate principal amount not to exceed the greater of €1,355.0 million and 75.0% of Consolidated EBITDA (measured at the time of Incurrence of such facility) and *provided* that such Indebtedness (and any Refinancing Indebtedness thereof) is Incurred pursuant to clause (2) of the definition of Permitted Collateral Lien Debt Baskets and (y) Hedging Obligations secured pursuant to sub-clause (d) of this clause (2);

(3) Liens on the Collateral to secure Indebtedness issued, borrowed or guaranteed by (a)(i) prior to the Merger, Midholding and (ii) following the Merger, Topholding, (b) the Issuer or (c) any Guarantor; *provided* that such Liens rank junior to the Liens on the same Collateral securing the Notes and Guarantees in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement; and

(4) Liens Incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries with respect to obligations that in total do not exceed the greater of €20.0 million and 1.0% of Consolidated EBITDA at any one time outstanding and that (i) are not Incurred in connection with the borrowing of money and (ii) do not in the aggregate materially detract from the value of the property or materially impair the use thereof or the operation of the Issuer's or such Restricted Subsidiary's business.

In the event that a Permitted Collateral Lien meets the criteria of more than one of the types of Permitted Collateral Liens (at the time of Incurrence or at a later date), the Issuer in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Permitted Collateral Lien in any manner that complies with the Indenture and such Permitted Collateral Lien shall be treated as having been made pursuant only to the paragraph or paragraphs of the definition of Permitted Collateral Lien to which such Permitted Collateral Lien has been classified or reclassified.

"**Permitted Collateral Lien Debt Baskets**" means:

(1) Indebtedness (including Acquired Indebtedness), if on the date of such Incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds thereof) for the Applicable Testing Period, the Fixed Charge Coverage Ratio for the Issuer would have been at least 2.0 to 1.0;

(2) Indebtedness Incurred pursuant to any Credit Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder), and any Refinancing Indebtedness in respect thereof and guarantees in respect of such Indebtedness, in a maximum aggregate principal amount at any time outstanding not exceeding (i) €2,540.0 million, plus (ii) €950.0 million, plus (iii) the greater of (x) €1,805.0 million and (y) 100.0% of Consolidated EBITDA, plus (iv) the maximum amount of Senior Secured Indebtedness such that, after giving pro forma effect to such Incurrence, the Consolidated Senior Secured Net Leverage Ratio would have been no more than 5.50 to 1.00, plus (v) in the case of any refinancing of any Indebtedness permitted under this clause (2) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing;

(3)

(a) guarantees by the Issuer or any Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary; *provided* that, if the Indebtedness being guaranteed is subordinated to the Notes or a Guarantee, then the guarantee must be subordinated to the Notes or such Guarantee to the same extent as the Indebtedness being guaranteed; or

(b) Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Issuer or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture;

(4) any Indebtedness (other than Indebtedness Incurred under the Senior Credit Facilities) outstanding on the Issue Date after giving *pro forma* effect to the Transactions,

(5) Indebtedness (a) of any Person outstanding on the date on which such Person becomes a Restricted Subsidiary of the Issuer or any Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any Restricted Subsidiary or (b) Incurred to provide all or a portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which any Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary; *provided*, *however*, that Indebtedness Incurred pursuant to this clause (5) is in aggregate amount not to exceed (i) an amount equal to the greater of €270.0 million and 15.0% of Consolidated EBITDA, *plus* (ii) unlimited additional Indebtedness to the extent that (x) the Issuer would have been able to Incur €1.00 of additional Indebtedness pursuant to the first clause of this definition after giving *pro forma* effect to the relevant acquisition and the Incurrence of such Indebtedness pursuant to this clause or (y) the Fixed Charge Coverage Ratio of the Issuer would not be less than it was immediately prior to giving effect to such acquisition or other transaction and Incurrence of Indebtedness pursuant to this clause (5);

(6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements not for speculative purposes (as determined in good faith by the Board of Directors or a member of Senior Management);

(7)

(a) Indebtedness consisting of (A) Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Similar Business or (B) Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Indebtedness which refinances, replaces or refunds such Indebtedness, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7)(a) and then outstanding, will not exceed at any time outstanding the greater of €180.0 million and 10.0% of Consolidated EBITDA; so long as the Indebtedness exists on the date of such purchase, lease, rental or improvement or is created within 180 days thereafter; and

(b) Capitalized Lease Obligations Incurred in the ordinary course of business and consistent with past practice and any Indebtedness which refinances, replaces or refunds such Capitalized Lease Obligations;

(8) Indebtedness in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (8) and then outstanding, will not exceed the greater of €540.0 million and 30.0% of Consolidated EBITDA; and

(9) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (9) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Issuer from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of the Issuer, in each case, subsequent to the Issue Date.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this definition:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in this definition, the Issuer, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one (or more, if applicable) of the clauses of this definition;

(2) all Indebtedness outstanding on the Issue Date under the Senior Credit Facilities shall be deemed initially Incurred on the Issue Date under clause (2)(i) (in the case of term loan facilities) or clause (2)(ii)

(in the case of the Revolving Credit Facility) of this definition and not clause (4) of this definition, and may not be reclassified;

(3) guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(4) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to clause (1), (2), (7), (8) or (9) above of this definition and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(5) Indebtedness permitted by this definition need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness; and

(6) the amount of Indebtedness (a) issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of IFRS and (b) shall be the principal amount, or liquidation preference thereof, in the case of any other Indebtedness.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS will not be deemed to be an Incurrence of Indebtedness for purposes of this definition.

In any case where the amount of Indebtedness that may be Incurred pursuant to any clause of this definition is or may be based on Consolidated EBITDA, the amount that may be Incurred under such clause shall be deemed to include all amounts necessary to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to such clause. Notwithstanding any other provision of this definition, the maximum amount that the Issuer or a Restricted Subsidiary may Incur pursuant to this definition shall not be deemed to be exceeded, with respect to such Incurrence, due solely to the result of fluctuations in the amount of Consolidated EBITDA (and, for the avoidance of doubt, such Indebtedness will be permitted to be refinanced or replaced notwithstanding that, after giving effect to such refinancing or replacement, such excess will continue).

Subject to the provisions set forth in "*—Financial Calculations*" above, for purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the euro equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed or first Incurred (whichever yields the lower euro equivalent), in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (a) for the purpose of Incurrence of any other Indebtedness, the Issuer may elect to account for any such Indebtedness denominated in a different currency at the relevant currency exchange rate in effect on the determination date for the Incurrence of such other Indebtedness; (b) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euro, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the amount set forth in clause (2) of the definition of Refinancing Indebtedness; (c) the euro equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date, subject to the election in clause (a) above; and (d) if any such Indebtedness that is denominated in a different currency is subject to a Currency Agreement (with respect to the euro) covering principal amounts payable on such Indebtedness, the amount of such Indebtedness expressed in euro will be adjusted to take into account the effect of such agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. Subject to the provisions set forth in "*—Financial Calculations*" above, the principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

No Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured or by virtue of being secured with different collateral or by virtue of being secured on a junior-priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Indebtedness.

"*Permitted Holders*" means, collectively, (1) the Initial Investors, (2) Management Investors, (3) any Related Person of any Persons specified in clause (1) or (2), (4) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Issuer, acting in such capacity and (5) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing (including any Persons mentioned in the following sentence) are members; *provided* that, in the case of such group and without giving effect to the existence of such group or any other group, the Initial Investors and such Persons referred to in the following sentence, collectively, have beneficial ownership of more than 50% of the total voting power of the Voting Stock of the Issuer or any of its direct or indirect parent companies held by such group. Any Person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Liens*" means, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor;

(2) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested Taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other similar Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for Taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves or provisions required pursuant to IFRS have been made in respect thereof;

(5) Liens (a) in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Issuer or any Restricted Subsidiary in the ordinary course of its business and (b) securing obligations in respect of letters of credit, bank guaranties, surety bonds, performance bonds or similar instruments;

(6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Issuer and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Issuer and its Restricted Subsidiaries;

(7) Liens on assets or property of the Issuer or any Restricted Subsidiary securing Hedging Obligations permitted under the Indenture;

(8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such

judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens on assets or property of the Issuer or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that any such Lien may not extend to any assets or property of the Issuer or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;

(11) Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(12) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business;

(13) Liens existing on, or provided for or required to be granted under written agreements existing on the Issue Date;

(14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Issuer or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Issuer or any Restricted Subsidiary), including Liens created, Incurred or assumed in connection with, or in contemplation of such acquisition or transaction; *provided*, that such Liens are limited to the assets, property or shares of stock acquired (including those of a Person that becomes a Restricted Subsidiary) plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(15) Liens on assets or property of any Restricted Subsidiary that is not the Issuer or a Guarantor securing Indebtedness or other obligations of such Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary, or Liens in favor of the Issuer or any Guarantor;

(16) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(18) (a) mortgages, liens, security interest, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary of the Issuer has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;

(19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(21) Liens on receivables and other assets of the type described in the definition of "Qualified Receivables Financing" Incurred in connection with a Qualified Receivables Financing;

(22) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities (including holders of a specific series of Notes and not any other series) or other Indebtedness (or the underwriters,

arrangers, trustees (including the Trustee) or security agent (including the Security Agent) thereof) or Liens on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash to prefund any interest or other costs associated with such Indebtedness;

(23) Liens securing or arising by reason of any netting or setoff arrangement entered into in the ordinary course of banking or other trading activities, or Liens over cash accounts and receivables securing cash pooling or cash management arrangements;

(24) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(25) Liens over cash paid into an escrow account pursuant to any purchase price retention arrangement as part of any permitted disposal by the Issuer or a Restricted Subsidiary;

(26) Permitted Collateral Liens;

(27) any security granted over the marketable securities portfolio owned by the Issuer and its Subsidiaries on the Issue Date connection with the disposal thereof to a third party;

(28) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(29) (a) Liens created for the benefit of or to secure, directly or indirectly, the Notes and the Guarantees; (b) Liens pursuant to the Intercreditor Agreement and the senior security documents entered into pursuant to (x) the Senior Credit Facilities or (y) other Indebtedness listed under clause (2) of the definition of Permitted Collateral Lien Debt Baskets to the extent the Agreed Security Principles would permit such Lien to be granted to such Indebtedness and not to the Notes; and (c) Liens in respect of property and assets securing Indebtedness if the recovery in respect of such Liens is subject to loss-sharing as among the Holders of the Notes and the creditors of such Indebtedness pursuant to the Intercreditor Agreement or an Additional Intercreditor Agreement;

(30) Liens *provided* that the maximum amount of Indebtedness secured in the aggregate at any one time pursuant to this clause (31) does not exceed the greater of €290.0 million and 16.0% of Consolidated EBITDA; and

(31) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (30) (other than Liens described in clauses (29)(b)(y) or (30) of this definition); *provided* that any such extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so extended, renewed or replaced and shall not extend in any material respect to any additional property or assets.

In the event that a Permitted Lien meets the criteria of more than one of the types of Permitted Liens (at the time of incurrence or at a later date), the Issuer in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Permitted Lien in any manner that complies with the Indenture and such Permitted Lien shall be treated as having been made pursuant only to the paragraph or paragraphs of the definition of Permitted Lien to which such Permitted Lien has been classified or reclassified.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"**Preferred Stock**," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**Public Debt**" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

"**Public Offering**" means any offering of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A or Regulation S under the Securities Act to professional market investors or similar persons).

"**Purchase Money Obligations**" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"**Qualified Receivables Financing**" means any transaction or series of transactions that may be entered into by the Issuer or any of its Restricted Subsidiaries pursuant to which the Issuer or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary or any other Person, or may grant a security interest in, any receivables (whether now existing or arising in the future) of the Issuer or any of its Restricted Subsidiaries, and any assets related thereto including, without limitation, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such receivables, the bank accounts into which the proceeds of such receivables are collected and other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with asset securitizations, receivable sale facilities, factoring facilities or invoice discounting facilities involving receivables.

"**Receivables Fees**" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Qualified Receivables Financing.

"**Receivables Repurchase Obligation**" means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"**Receivables Subsidiary**" means a wholly owned Subsidiary of the Issuer (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Issuer in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors (as provided below) as a Receivables Subsidiary and:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (a) is guaranteed by the Issuer or any Restricted Subsidiary (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (b) is recourse to or obligates the Issuer or any Restricted Subsidiary in any way other than pursuant to Standard Securitization Undertakings, or (c) subjects any property or asset of the Issuer or any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither the Issuer nor any Restricted Subsidiary of the Issuer has any material contract, agreement, arrangement or understanding (except in connection with a Qualified Receivables Financing) other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and

(3) to which neither the Issuer nor any Restricted Subsidiary of the Issuer has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"**refinance**" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "refinances," "refinanced" and "refinancing" as used for any purpose in the Indenture shall have a correlative meaning.

"**Refinancing Indebtedness**" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of the Indenture or Incurred in compliance with the Indenture (including Indebtedness of the Issuer that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Issuer or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided, however,* that:

(1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final stated maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final stated maturity of the Indebtedness being refinanced, or, if shorter, the Notes;

(2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees incurred in connection therewith); and

(3) if the Indebtedness being refinanced is expressly subordinated to the Notes, such Refinancing Indebtedness is subordinated to the Notes on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced,

(4) *provided, however*, that Refinancing Indebtedness shall not include Indebtedness of a Restricted Subsidiary that is not the Issuer or a Guarantor that refinances Indebtedness of the Issuer or a Guarantor.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"**Related Person**" with respect to any Permitted Holder, means:

(1) any controlling equity holder or majority (or more) owned Subsidiary or partner or member of such Person;

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof;

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) any investment fund or vehicle controlled, directly or indirectly, managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"**Representative**" means any trustee, agent or representative (if any) for an issue of Indebtedness or the provider of Indebtedness (if provided on a bilateral basis), as the case may be.

"**Restricted Subsidiary**" means any Subsidiary of the Issuer.

"**Revolving Credit Facility**" means the €950.0 million revolving credit facility made available under the 2021 Senior Facilities Agreement.

"**S&P**" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"**Security Documents**" means the security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the Indenture or otherwise or any of the foregoing, as the same may be amended, confirmed, supplemented or otherwise modified from time to time, creating the Liens in the Collateral as contemplated by the Indenture.

"**Security Interest**" means the interest in the Collateral that is created by the Security Documents and secures obligations under, *inter alia*, the Notes or the Guarantees and the Indenture.

"**Senior Credit Facilities**" means the means the credit facilities made available under the 2021 Senior Facilities Agreement, including the Revolving Credit Facility.

"**Senior Management**" means the officers, directors, and other members of senior management of the Issuer, Listco, Midholding or Topholding.

"**Senior Secured Indebtedness**" means, with respect to any Person as of any date of determination, any Indebtedness secured by a Lien on the Collateral (excluding Indebtedness to the extent secured on a junior priority basis to the Notes or any Guarantee).

"**Significant Subsidiary**" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Issuer's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Issuer's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Issuer's and its Restricted Subsidiaries' proportionate share of the Consolidated EBITDA of the Restricted Subsidiary exceeds 10% of the Consolidated EBITDA of the Issuer and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"**Similar Business**" means (a) any businesses, services or activities engaged in by the Issuer or any of its Subsidiaries or any Associates on the Issue Date, (b) the home and business security business and (c) any businesses, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"**Special Purpose Vehicle**" means an entity established by any Parent for the purposes of maintaining an equity incentive or compensation plan for Management Investors.

"**Standard Securitization Undertakings**" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Qualified Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"**Stated Maturity**" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations, including those described in "*—Change of Control*" to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"**Subordinated Indebtedness**" means, with respect to any Person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes or any guarantee pursuant to a written agreement.

"**Subordinated Shareholder Funding**" means, collectively, any funds provided to the Issuer by any Parent, any Affiliate of any Parent or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by any of the foregoing Persons, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided, however*, that such Subordinated Shareholder Funding:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any funding meeting the requirements of this definition) or the making of any such payment prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;

(2) does not require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or the making of any such payment prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes or the payment of any amount as a result of any such action or provision or the exercise of any rights or enforcement action, in each case, prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries; and

(5) pursuant to its terms or to the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favorable in any material respect to Holders than those contained in the Intercreditor Agreement as in effect on the Issue Date with respect to the "Parent Liabilities" (as defined therein).

"**Subsidiary**" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which:

  (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

  (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"**Successor Parent**" with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (as defined below) by one or more Persons that "beneficially owned" (as defined below) more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially own" has the meaning correlative to the term "beneficial owner," as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

"**Tax Sharing Agreement**" means any tax sharing or profit and loss pooling or similar agreement with customary or arm's-length terms entered into with any Parent, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Indenture.

"**Taxes**" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest and penalties with respect thereto) that are imposed by any government or other taxing authority.

"**Topholding**" means Verisure Group Topholding AB, a private limited liability company existing under the laws of Sweden with registration number 559336-2071.

"**Transactions**" shall have the meaning assigned to such term in the Offering Memorandum under the caption "S*ummary—The Transactions.*"

"**Uniform Commercial Code**" means the New York Uniform Commercial Code.

"**Voting Stock**" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

BOOK-ENTRY, DELIVERY AND FORM

General

The Notes will initially be issued in the form of several global notes in registered form without interest coupons attached. The Notes offered and sold in the United States to qualified institutional buyers in reliance upon Rule 144A will be represented by beneficial interests in one or more permanent global notes in fully registered form without interest coupons attached (the "**Rule 144A Global Notes**"). The Notes offered and sold outside the United States to non-U.S. persons pursuant to Regulation S will be represented by beneficial interests in one or more permanent global notes in fully registered form without interest coupons attached (the "**Regulation S Global Notes**" and, together with the Rule 144A Global Notes, the "**Global Notes**"). The Global Notes will be deposited, on the closing date, with, or on behalf of, a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in a Rule 144A Global Note ("**Rule 144A Book-Entry Interests**") and ownership of interests in a Regulation S Global Note (the "**Regulation S Book-Entry Interests**" and, together with the Rule 144A Book-Entry Interests, the "**Book-Entry Interests**") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. Except under the limited circumstances described below, the Book-Entry Interests will not be issued in definitive form.

The Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants. The Book-Entry Interests in the Global Notes will be issued only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of Notes for any purpose.

So long as the Notes are held in global form, the common depositary for Euroclear and/or Clearstream (or its nominee), as applicable, will be considered the sole holders of the Global Notes for all purposes under the Indenture. In addition, participants must rely on the procedures of Euroclear and Clearstream, and indirect participants must rely on the procedures of Euroclear and Clearstream and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of the Notes under the Indenture, respectively.

Neither we, the Trustee, the Principal Paying Agent, the Transfer Agent nor the Registrar will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Redemption of the Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by them in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate, *provided*, *however*, that no Book-Entry Interest of less than €100,000 principal amount may be redeemed in part.

Payments on Global Notes

We will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the Principal Paying Agent, which will, in turn, make such payments to the common depositary for Euroclear and Clearstream, which will distribute such payments to participants in accordance with their respective procedures. We will make payments of all such amounts and all payments will be made free and clear of and without withholding or deduction for, or on account of, any taxes unless the withholding or deduction of such taxes is then required by law and as described under "*Description of Notes—Withholding Taxes.*" If any such deduction or withholding is required to be made, then, to the extent described under "*Description of Notes—Withholding Taxes,*" we will pay additional amounts as may be

necessary in order that the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding (including any such deduction or withholding from such additional amounts), equal the amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, we, the Trustee, the common depositary, the Principal Paying Agent and the Registrar will treat the registered holders of the relevant Global Notes (*i.e.*, Euroclear or Clearstream (or their respective nominees)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, the Trustee, the Principal Paying Agent, the Registrar or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining, supervising or reviewing the records of Euroclear or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;

- Euroclear, Clearstream or any participant or indirect participant; or

- the records of the common depositary.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid in euro.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the Notes, Euroclear and Clearstream, at the request of the holders of the Notes, reserve the right to exchange the relevant Global Notes for definitive registered notes in certificated form (the "**definitive registered notes**"), and to distribute such definitive registered notes to their participants.

Transfers

Transfers between participants in Euroclear or Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds. If a holder of Notes requires physical delivery of definitive registered notes for any reason, including to sell Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the relevant Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set forth in the Indenture.

The Regulation S Global Notes will bear a legend to the effect set forth under "*Transfer Restrictions*." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "*Transfer Restrictions*."

Prior to 40 days after the Issue Date, ownership of Regulation S Book-Entry Interests will be limited to persons that have accounts with Euroclear or Clearstream or persons who hold interests through Euroclear or Clearstream, and any sale or transfer of such interest to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A. Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities laws of any other jurisdiction.

Transfers of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144A or any other exemption (if available under the U.S. Securities Act).

In connection with transfers involving an exchange of a Rule 144A Book-Entry Interest for a Regulation S Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Rule 144A Global Note and a corresponding increase in the principal amount of the Regulation S Global Note.

Definitive registered notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under "*Description of Notes—Transfer and Exchange*," and, if required, only if the transferor first delivers to the Transfer Agent a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "*Transfer Restrictions*."

Any Book-Entry Interest in the Regulation S Global Note that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the Rule 144A Global Note will, upon transfer, cease to be a Book-Entry Interest in the Regulation S Global Note and become a Book-Entry Interest in the Rule 144A Global Note, and accordingly will thereafter be subject to all transfer restrictions and other procedures applicable to Rule 144A Book-Entry Interests for as long as it remains such a Book-Entry Interest.

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive definitive Notes in registered form:

- if Euroclear or Clearstream notifies us that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer on and following the Post-Closing Date; or

- if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an Event of Default under the Indenture and enforcement action is being taken in respect thereof under the Indenture.

Euroclear and Clearstream have advised us that upon request by an owner of a Book-Entry Interest described in the immediately preceding second bullet point, their current procedure is to request that we issue or cause to be issued Notes in definitive registered form to all owners of Book-Entry Interests.

In such an event, we will instruct the Registrar to issue definitive registered notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear, Clearstream or us, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such definitive registered notes will bear the restrictive legend as provided in the Indenture, unless that legend is not required by the Indenture or applicable law.

To the extent permitted by law, we, the Trustee, the Principal Paying Agent and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof, and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

We will not impose any fees or other charges in respect of the Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream.

Information Concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system

and may be changed at any time. Neither we, the Trustee, the Principal Paying Agent, the Registrar nor the Initial Purchasers are responsible for those operations or procedures.

We understand as follows with respect to Euroclear and Clearstream: Euroclear and Clearstream hold securities for participating organizations. They facilitate the clearance and settlement of securities transactions between their participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledges such interest to persons or entities that do not participate in the Euroclear and/or Clearstream system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement under the Book-Entry System

The Notes represented by the Global Notes are expected to be listed on the Exchange. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of us, the Trustee or the Principal Paying Agent will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes will be made in euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear or Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

Special Timing Considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Notes through Euroclear or Clearstream on days when those systems are open for business.

TAX CONSIDERATIONS

Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences, under the tax laws of the country of which they are resident, of a purchase of Notes including, the consequences of receipt of interest and premium, if any, on and sale or redemption of, the Notes or any interest therein.

References in this discussion to Notes acquired, owned, held or disposed of by noteholders include, except where otherwise expressly stated, the book-entry interests held by purchasers in the Notes in global form deposited with, and registered in the name of a common depositary for Euroclear or Clearstream.

Sweden Taxation

The following summary outlines certain Swedish tax consequences relating to holders of Notes. The summary is based on the laws of Sweden as currently in effect and is intended to provide general information only. The summary does not address, *inter alia*, situations where Notes are held in an investment savings account (*investeringssparkonto*) or the rules regarding reporting obligations for, among others, payers of interest. Further, the summary does not address credit of foreign taxes. Investors should consult their professional tax advisors regarding the Swedish tax and other tax consequences (including the applicability and effect of tax treaties) of Notes in their particular circumstances.

Holders not tax resident in Sweden

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to the holder of any Notes should not be subject to Swedish income tax, *provided* that such a holder (i) is not resident in Sweden for Swedish tax purposes and (ii) does not have a permanent establishment in Sweden to which the Notes are effectively connected.

Swedish withholding tax, or Swedish tax deduction, is not imposed on payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes, except for certain payments of interest (and other return on Notes) to a private individual (or an estate of a deceased individual) who is resident in Sweden for Swedish tax purposes (see "—*Holders tax resident in Sweden*" below).

Holders tax resident in Sweden

In general, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in Sweden for Swedish tax purposes, all capital income (for example, income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be taxable. Specific tax consequences may be applicable to certain categories of corporations, for example, life insurance companies. Moreover, specific tax consequences may be applicable if, and to the extent that, a holder of Notes realizes a capital loss on the Notes and to any currency exchange gains or losses.

If amounts that are deemed as interest for Swedish tax purposes are paid by a legal entity domiciled in Sweden, including a Swedish branch, or a clearing institution within the EEA, to a private individual (or an estate of a deceased individual) with residence in Sweden for Swedish tax purposes, Swedish preliminary taxes are normally withheld by the legal entity on such payments. Swedish preliminary taxes should normally also be withheld on other returns on Notes (but not capital gains), if the return is paid out together with such a payment of interest referred to above.

Certain Other Tax Considerations

If a Guarantor of the Notes makes any payments in respect of interest on the Notes it is possible that such payments may be subject to withholding tax at applicable rates subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply.

U.S. FEDERAL INCOME TAXATION

The following is a discussion of certain material U.S. federal income tax considerations related to the purchase, ownership and disposition of the Notes, but does not purport to be a complete analysis of all potential tax effects. This discussion is limited to consequences relevant to a U.S. holder (as defined below) except for the discussion of FATCA (as defined under "*—Foreign Account Tax Compliance Act*"), and does not address the effects of any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or the effects of any state, local or non-U.S. tax laws. This discussion is based upon the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), regulations issued thereunder by the U.S. Department of the Treasury (the "**Treasury Regulations**"), and judicial and administrative interpretations thereof, each as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. No rulings from the U.S. Internal Revenue Service (the "**IRS**") have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes or that any such position would not be sustained.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder's particular circumstances, including the impact of the unearned income Medicare contribution tax, or to holders subject to special rules, such as certain financial institutions, U.S. expatriates, insurance companies, individual retirement accounts, dealers in securities or currencies, traders in securities, U.S. holders whose functional currency is not the U.S. dollar, tax-exempt entities, regulated investment companies, real estate investment trusts, partnerships or other pass through entities and investors in such entities, persons liable for alternative minimum tax, U.S. holders that are resident in or have a permanent establishment in a jurisdiction outside the United States, holders of Existing Senior Notes whose interests therein are redeemed in connection with the Offering, persons holding the Notes as part of a "straddle," "hedge," "conversion transaction" or other integrated transaction, entities covered by the anti-inversion rules, and persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement. In addition, this discussion is limited to persons who purchase the Notes for cash at original issuance and at their "issue price" (*i.e.,* the first price at which a substantial amount of the Notes is sold to the public for cash, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and who hold the Notes as capital assets within the meaning of Section 1221 of the Code (generally for investment).

For purposes of this discussion, a "U.S. holder" is a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation or any entity taxable as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if a valid election is in place to treat the trust as a U.S. person.

If any entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the Notes, the U.S. federal income tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. A partnership considering an investment in the Notes, and partners in such a partnership, should consult their tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes.

Prospective purchasers of the Notes should consult their tax advisors concerning the tax consequences of holding Notes in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of other federal or state, local, non-U.S. or other tax laws.

Effects of the Merger

The Issuer believes (and, if required for applicable U.S. federal income tax purposes, intends to take the position) that the transactions that will occur in connection with the Merger should not result in a taxable event for U.S. federal income tax purposes. It is possible, however, that the IRS could take a contrary view, and seek to treat the U.S. holders as exchanging the Notes for "new" Notes in a deemed taxable exchange occurring in connection with the Merger. U.S. holders are urged to consult their own tax advisors regarding the potential tax consequences of the Merger.

Characterization of the Notes

In certain circumstances, the Issuer may be obligated to make payments on the Notes in excess of stated principal and interest (see "*Description of Notes—Withholding Taxes*," "*Description of Notes—Optional Redemption*," "*Description of Notes—Change of Control*"). The Issuer intends to take the position that the foregoing contingencies should not cause the Notes to be treated as contingent payment debt instruments. This position is based, in part, on assumptions regarding the likelihood of such payments as of the date of issuance of the Notes. Assuming such position is respected, a U.S. holder would be required to include in income the amount of any such additional payments at the time such payments are received or accrued in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes. Our position is binding on a US holder unless the U.S. holder discloses in the proper manner to the IRS that it is taking a different position. If the IRS successfully challenged our position, and the Notes were treated as contingent payment debt instruments, U.S. holders could be required to accrue interest income at a rate higher than the stated interest rate on the Note and to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange, retirement or redemption of a Note. This disclosure assumes that the Notes will not be considered contingent payment debt instruments. U.S. holders are urged to consult their own tax advisors regarding the potential application of the contingent payment debt instrument rules to the Notes and the consequences thereof.

Payments of Stated Interest

Payments of stated interest on the Notes (including any additional amounts paid in respect of withholding taxes and without reduction for any amounts withheld) generally will be includible in the gross income of a U.S. holder as ordinary income at the time that such payments are received or accrued, in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes.

A U.S. holder that uses the cash basis of accounting for U.S. federal income tax purposes and that receives a payment of stated interest on the Notes will be required to include in income (as ordinary income) the U.S. dollar value of the euro interest payment (translated at the spot rate of exchange on the date such payment is received) regardless of whether the payment is in fact converted to U.S. dollars at such time. A cash basis U.S. holder will not recognize foreign currency exchange gain or loss with respect to the receipt of such interest, but may recognize foreign currency exchange gain or loss attributable to the actual disposition of the euro so received.

A U.S. holder that uses the accrual method of accounting for U.S. federal income tax purposes (or who otherwise is required to accrue interest prior to receipt) will be required to include in income (as ordinary income) the U.S. dollar value of the amount of stated interest income in euro that has accrued with respect to its Notes during an accrual period. The U.S. dollar value of such euro denominated accrued interest will be determined by translating such amount at the average spot rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average spot rate of exchange for the partial period within each taxable year. An accrual basis U.S. holder may elect, however, to translate such accrued interest income into U.S. dollars at the spot rate of exchange on the last day of the interest accrual period or, with respect to an accrual period that spans two taxable years, at the spot rate of exchange on the last day of the taxable year. Alternatively, if the last day of an accrual period is within five business days of the date of receipt of the accrued interest, a U.S. holder that has made the election described in the prior sentence may translate such interest at the spot rate of exchange on the date of receipt of the interest. The above election will apply to other debt instruments held by an electing U.S. holder and may not be changed without the consent of the IRS. A U.S. holder that uses the accrual method of accounting for U.S. federal income tax purposes will recognize foreign currency exchange gain or loss with respect to accrued interest income on the date such interest is received. The amount of foreign currency exchange gain or loss recognized will equal the difference, if any, between the U.S. dollar value of the euro payment received (translated at the spot rate of exchange on the date such interest is received) in respect of such accrual period and the U.S. dollar value of the interest income that has accrued during such accrual period (as determined above), regardless of whether the payment is in fact converted to U.S. dollars at such time. Any such foreign currency exchange gain or loss generally will constitute ordinary income or loss and be treated, for foreign tax credit purposes, as U.S. source income or loss, and generally not as an adjustment to interest income or expense.

Foreign Tax Credit

Stated interest income on a Note generally will constitute foreign source income and generally will be considered "passive category income" in computing the foreign tax credit allowable to U.S. holders under U.S. federal income tax laws. Any non-U.S. withholding tax paid by or on behalf of a U.S. holder at the rate applicable to such holder may be eligible for foreign tax credits (or deduction in lieu of such credits) for U.S. federal income

tax purposes, subject to applicable limitations (including holding period and at risk rules). The election to deduct or credit foreign taxes applies to all of the U.S. holder's applicable foreign taxes for a particular tax year. There are significant complex limitations on a U.S. holder's ability to claim foreign tax credits. Furthermore, U.S. Treasury issued additional regulations that restrict the availability of any foreign tax credit based on the nature of the withholding tax imposed by the foreign jurisdiction. However, recent IRS guidance allows taxpayers to defer the application of certain of these requirements until new guidance or regulations are issued. The calculation of foreign tax credits involves the application of complex rules that depend on a U.S. holder's particular circumstances. U.S. holders should consult their tax advisors regarding the creditability or deductibility of any non-U.S. taxes.

Sale, Exchange, Retirement, Redemption or Other Taxable Disposition of Notes

Upon the sale, exchange, retirement, redemption or other taxable disposition of a Note, a U.S. holder generally will recognize gain or loss equal to the difference, if any, between the amount realized upon such disposition (less any amount equal to any accrued but unpaid stated interest, which will be taxable as interest income as discussed above to the extent not previously included in income by the U.S. holder) and such U.S. holder's adjusted tax basis in the Note.

A U.S. holder's adjusted tax basis in a Note will, in general, be the cost of such Note to such U.S. holder. The cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the foreign currency purchase price translated at the spot rate on the date of purchase. If the applicable Note is treated as traded on an established securities market and the relevant U.S. holder is either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described below, such U.S. holder will determine the U.S. dollar value of the cost of such Note by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

If a U.S. holder receives foreign currency on such a sale, exchange, retirement, redemption or other taxable disposition of a Note, the amount realized generally will be based on the U.S. dollar value of such foreign currency translated at the spot rate of exchange on the date of disposition. In the case of a Note that is considered to be traded on an established securities market, a cash basis U.S. holder and, if it so elects, an accrual basis U.S. holder, will determine the U.S. dollar value of such foreign currency by translating such amount at the spot rate of exchange on the settlement date of the disposition. The special election available to accrual basis U.S. holders in regard to the purchase or disposition of Notes traded on an established securities market must be applied consistently to all debt instruments held by the U.S. holder from year to year and cannot be changed without the consent of the IRS. If the Notes are not traded on an established securities market, or an accrual basis U.S. holder does not make the special election, a U.S. holder will recognize foreign currency exchange gain or loss to the extent that there are exchange rate fluctuations between the disposition date and the settlement date, and such gain or loss generally will constitute U.S. source ordinary income or loss.

Gain or loss recognized upon the sale, exchange, retirement, redemption or other taxable disposition of a Note that is attributable to fluctuations in currency exchange rates with respect to the principal amount of such Note generally will be U.S. source ordinary income or loss and generally will not be treated as interest income or expense. Such gain or loss generally will equal the difference, if any, between the U.S. dollar value of the U.S. holder's foreign currency purchase price for the Note, translated at the spot rate of exchange on the date principal is received from the Issuer or the U.S. holder disposes of the Note, and the U.S. dollar value of the U.S. holder's foreign currency purchase price for the Note, translated at the spot rate of exchange on the date the U.S. holder purchased such Note. In addition, upon the sale, exchange, retirement, redemption or other taxable disposition of a Note, a U.S. holder may recognize foreign currency exchange gain or loss attributable to amounts received with respect to accrued and unpaid stated interest which will be treated as discussed above under "*—Payments of Stated Interest*." However, upon a sale, exchange, retirement, redemption or other taxable disposition of a Note, a U.S. holder will recognize any foreign currency exchange gain or loss (including with respect to accrued stated interest) only to the extent of total gain or loss realized by such U.S. holder on such disposition.

Any gain or loss recognized upon the sale, exchange, retirement, redemption or other taxable disposition of a Note in excess of foreign currency exchange gain or loss attributable to such disposition generally will be U.S. source gain or loss and generally will be capital gain or loss. Capital gains of non-corporate U.S. holders (including individuals) derived in respect of capital assets held for more than one year are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

U.S. holders should consult their tax advisors regarding how to account for payments made in a foreign currency with respect to the acquisition, sale, exchange, retirement or other taxable disposition of a Note and the foreign currency received upon a sale, exchange, retirement or other taxable disposition of a Note.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to payments of stated interest on the Notes and to the proceeds of the sale or other taxable disposition (including a retirement or redemption) of a Note paid to a U.S. holder unless such U.S. holder is an exempt recipient, and, when required, provides evidence of such exemption. Backup withholding may apply to such payments if the U.S. holder fails to provide a correct taxpayer identification number or a certification that it is not subject to backup withholding, or otherwise fails to comply with the applicable requirements of the backup withholding rules.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

Tax Return Disclosure Requirements

Treasury Regulations require the reporting to the IRS of certain foreign currency transactions giving rise to losses in excess of a certain minimum amount, such as the receipt or accrual of interest on or a sale, exchange, retirement, redemption or other taxable disposition of a foreign currency note or foreign currency received in respect of a foreign currency note. U.S. holders should consult their tax advisors to determine the tax return disclosure obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

U.S. holders who are individuals and who own "specified foreign financial assets" with an aggregate value in excess of certain minimum thresholds at any time during the tax year generally are required to file an information report (IRS Form 8938) with respect to such assets with their tax returns. If a U.S. holder does not file a required IRS Form 8938, such holder may be subject to substantial penalties and the statute of limitations on the assessment and collection of all U.S. federal income taxes of such holder for the related tax year may not close before the date which is three years after the date on which such report is filed. The Notes generally will constitute specified foreign financial assets subject to these reporting requirements, unless the Notes are held in an account at certain financial institutions. Under certain circumstances, an entity may be treated as an individual for purposes of these rules.

U.S. holders are urged to consult their tax advisors regarding the application of the foregoing disclosure requirements to their ownership of the Notes, including the significant penalties for non-compliance.

Foreign Account Tax Compliance Act

Pursuant to Sections 1471 through 1474 of the Code (provisions commonly known as "**FATCA**") and subject to the proposed regulations discussed below, a "foreign financial institution" and certain other foreign entities may be required to withhold U.S. tax on certain "foreign passthru payments" to the extent such payments are treated as attributable to certain U.S. source payments. Obligations issued on or prior to the date that is six months after applicable final regulations defining foreign passthru payments are published in the Federal Register generally would be "grandfathered" unless materially modified after such date. No such final regulations have been issued so far. Accordingly, if the Issuer is treated as a foreign financial institution, FATCA could apply to payments on the Notes issued by the Issuer only if there is a significant modification of the Notes for U.S. federal income tax purposes after the expiration of this grandfathering period. However, if Additional Notes are issued after the expiration of the grandfathering period, have the same CUSIP or ISIN as the original Notes issued hereby, and are subject to withholding under FATCA, then withholding agents may treat all the Notes, including the Notes issued hereby, as subject to withholding under FATCA. Under proposed regulations, any withholding on foreign passthru payments on the Notes that are not otherwise grandfathered would apply to passthru payments made on or after the date that is two years after the date of publication in the Federal Register of applicable final regulations defining foreign passthru payments. Taxpayers generally may rely on these proposed regulations until final regulations are issued. Non-U.S. governments, including Sweden, have entered into agreements with the United States (and additional non-U.S. governments are expected to enter into such agreements) to implement FATCA in a manner that alters the rules described herein. Holders should consult their own tax advisors on how these rules may apply to their investment in the Notes. In the event any withholding under FATCA is imposed with respect to any payments on the Notes, there will be no additional amounts payable to compensate for the withheld amount.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE NOTES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

INSOLVENCY CONSIDERATIONS AND LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND THE COLLATERAL

Set forth below is a summary of certain limitations on validity and enforceability of the Guarantees and the security interests in some of the jurisdictions in which Guarantees or Collateral are being provided. It is a summary only, and proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future guarantor of the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could materially adversely affect your ability to enforce your rights and to collect payment in full under the Notes, the Guarantees and the security interests in the Collateral. Also set forth below is a brief description of certain aspects of insolvency law in Sweden, Spain, Norway, Portugal, France, Denmark and Switzerland.

European Union

EU Insolvency Regulation

Pursuant to Regulation (EU) 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings (recast), as amended, in particular by Regulation (EU) 2018/946 of the European Parliament and of the Council of July 4, 2018, published in the Official Gazette of the European Union on July 6, 2018 and by Regulation (EU) 2025/2073 of the European Parliament and of the Council of October 8, 2025, published in the Official Journal of the European Union on October 17, 2025, amending Annexes A and B to include new insolvency and restructuring procedures notified by several EU Member States (the "**EU Insolvency Regulation**"), which was published in the Official Gazette of the European Union on June 5, 2015 and applies to insolvencies which commenced after June 26, 2017 (subject to certain exceptions), the EU Insolvency Regulation applies within the European Union (other than Denmark, and other than in respect of certain insurance, credit institution and investment undertakings) to public collective insolvency proceedings listed in its Annex A, the courts of the EU Member State in which a debtor's "center of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation) is situated have jurisdiction to open main insolvency proceedings relating to such debtor. The determination of where a debtor has its center of main interests is a question of fact on which the courts of the different EU Member States may have differing and even conflicting views.

Pursuant to Article 4 of the EU Insolvency Regulation, a court requested to open insolvency proceedings is required to examine whether it has jurisdiction pursuant to Article 3 and, pursuant to Article 5, such decision may be challenged by the debtor or any creditor on grounds of international jurisdiction.

Article 3(1) of the EU Insolvency Regulation provides that the center of main interests ("**COMI**") of a "debtor shall be the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties." It sets forth, as explained by Recital (30), a rebuttable presumption that a debtor has its COMI in the EU Member State in which it has its registered office in the absence of proof to the contrary. That presumption shall only apply if the registered office of the legal person has not been moved to another EU Member State within the three-month period prior to the request for the opening of insolvency proceedings. Specifically, the presumption of the center of main interests being at the place of the registered office should be rebuttable if the debtor's central administration is located in an EU Member State other than of the one where it has its registered office, and where a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the debtor's actual center of management and supervision and the center of the management of its interests is located in that other EU Member State.

Under the previous EU insolvency regulation (Council Regulation (EC) 1346/2000 of May 29,2000), which defined the COMI in similar terms, the courts have taken into consideration a number of factors in determining a debtor's COMI, including in particular where board meetings are held, the location where the debtor conducts the majority of its business or has its head office and the location where the majority of the debtor's creditors are established. A debtor's COMI is not a static concept and may change from time to time but is determined for the purposes of deciding which courts have competent jurisdiction to commence insolvency proceedings at the time of the filing of the insolvency petition.

If a debtor's COMI is and will remain located in the EU Member State (other than Denmark) in which it has its registered office, the main insolvency proceedings in respect of the debtor under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation. Insolvency proceedings commenced in one EU Member State under the EU Insolvency Regulation are to be

recognized in the other EU Member States (other than Denmark), although secondary proceedings may be commenced in another EU Member State.

If a debtor's COMI is in a EU Member State (other than Denmark), under Article 3(2) of the EU Insolvency Regulation, the courts of another EU Member State (other than Denmark) have jurisdiction to commence "territorial proceedings"(before the opening of the main insolvency proceedings) or "secondary proceedings" (after the opening of the main insolvency proceedings) against that debtor only if such debtor has an "establishment" (within the meaning and as defined in Article 2(10) of the EU Insolvency Regulation) in the territory of such other EU Member State or had an establishment in such EU Member State in the three-month period prior to the request for commencement of main insolvency proceedings.

An "**establishment**" is defined to mean "any place of operations where the debtor carries out or has carried out in the three-month period prior to the request to commence main insolvency proceedings a non-transitory economic activity with human means and assets."

Where main proceedings have been commenced in the EU Member State in which the debtor has its COMI, any proceedings commenced subsequently in another EU Member State in which the debtor has an establishment shall be secondary insolvency proceedings. The effects of such secondary proceedings are restricted to the assets of the debtor situated in the territory of such other EU Member State.

Where main proceedings in the EU Member State in which the debtor has its COMI have not yet been commenced, pursuant to Article 3(4) of the EU Insolvency Regulation, territorial insolvency proceedings may only be commenced in another EU Member State where the debtor has an establishment where either (a) insolvency proceedings cannot be commenced in the EU Member State in which the debtor's COMI is situated under that EU Member State's law; or (b) the territorial insolvency proceedings are commenced at the request of (i) a creditor whose claim arises from or is in connection with the operation of an establishment situated within the territory of the EU Member State where the commencement of territorial proceedings is requested or (ii) a public authority that has the right to make such a request under the law of the EU Member State in which the establishment is located.

Irrespective of whether the insolvency proceedings are main, secondary or territorial insolvency proceedings, such proceedings will, subject to certain exceptions, be governed by the *lex fori concursus*, *i.e.,* the local insolvency law of the court that has assumed jurisdiction over the insolvency proceedings of the debtor. Furthermore, pursuant to Article 6 of the EU Insolvency Regulation, the courts of the EU Member State within the territory of which insolvency proceedings have been opened in accordance with its Article 3 shall have jurisdiction for any action that derives directly from the insolvency proceedings and is closely linked with them, such as avoidance actions.

The commencement of insolvency proceedings in a EU Member State pursuant to the EU Insolvency Regulation shall not affect the rights *in rem* of creditors or third parties in respect of tangible or intangible, moveable or immoveable assets, both specific assets and collections of indefinite assets as a whole that change from time to time, belonging to the debtor that are situated within the territory of another EU Member State at the time of the opening of proceedings. Rights *in rem* include:

- the right to dispose of assets or have them disposed of and to obtain satisfaction from the proceeds of or income from those assets, in particular by virtue of a lien or a mortgage;

- the exclusive right to have a claim met, in particular a right guaranteed by a lien in respect of the claim or by assignment of the claim by way of a guarantee;

- the right to demand assets from, and/or to require restitution by, anyone having possession or use of them contrary to the wishes of the party so entitled; and

- a right *in rem* to the beneficial use of assets.

The courts of all EU Member States (other than Denmark) must recognize the judgment of the court commencing main proceedings that will be given the same effect in the other EU Member States so long as no secondary proceedings have been commenced there. Pursuant to Article 21 of the EU Insolvency Regulation, the insolvency practitioner appointed by a court in a EU Member State that has jurisdiction to commence main proceedings (because the debtor's COMI is located there) may exercise the powers conferred on it by the laws of that EU Member State in another EU Member State (such as to remove assets of the debtor from that other EU Member State) subject to certain limitations, as long as no insolvency proceedings have been commenced

in that other EU Member State or no preservation measures have been taken to the contrary further to a request to commence insolvency proceedings in that other EU Member State where the debtor has assets.

In the event that the Issuer or any of its subsidiaries experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations assumed by and of the security interests in the Collateral granted by the Issuer and the Guarantors or any other security provider.

However, under Article 36 of the EU Insolvency Regulation, the insolvency practitioner in the main insolvency proceedings may attempt to avoid the opening of secondary insolvency proceedings in another EU Member State by giving a unilateral undertaking in respect of the assets located in the EU Member State in which secondary insolvency proceedings could be opened that the distribution of those assets or of the proceeds received as a result of their realization, will comply with the distribution and priority rights that would apply under the relevant national law if secondary insolvency proceedings were opened in such other EU Member State. Such undertaking must be made in writing and is subject to approval by a qualified majority of known local creditors, determined in accordance with the local law of such other EU Member State. If approved, the undertaking is binding on the insolvency estate and if a court is requested to open secondary insolvency proceedings, it shall, at the request of the insolvency practitioner in the main insolvency proceedings, refuse to open such proceedings if it is satisfied that the undertaking adequately protects the general interests of local creditors.

Additionally, under Article 38 of the EU Insolvency Regulation, where a temporary stay of individual enforcement proceedings has been granted in order to allow for negotiations between a company and its creditors, the court, at the request of the debtor or of the insolvency practitioner in the main insolvency proceedings, may stay the opening of secondary insolvency proceedings for a period not exceeding three months, *provided* that suitable measures are in place to protect the interests of local creditors.

Under Article 46 of the EU Insolvency Regulation, the court that opened the secondary insolvency proceedings will also stay the process of realization of assets in whole or in part upon receipt of a request from the insolvency practitioner in the main insolvency proceedings, for a period of up to three months, unless such a request is manifestly of no interest to the creditors in the main insolvency proceedings. Such stay may be continued or renewed for similar periods. Where the court stays the process of realization of the assets, the court may require the insolvency practitioner in the main insolvency proceedings to take any suitable measure to guarantee the interests of the creditors in the secondary insolvency proceedings and of individual classes of creditors.

The EU Insolvency Regulation provides:

- for cooperation and communication between insolvency practitioners of the main insolvency proceedings and of the secondary insolvency proceedings and, in order to facilitate the coordination of main, territorial and secondary insolvency proceedings concerning the same debtor for cooperation and communication between (i) courts and (ii) insolvency practitioners and courts;

- for specific cooperation, communication and coordination measures in order to ensure the efficient administration of insolvency proceedings relating to different companies forming part of the same group;

- that the EU Member States shall establish and maintain a register of insolvency proceedings; and

- that the European Commission shall establish a decentralized system for the interconnection of such insolvency registers.

The United Kingdom ceased to be a member of the EU on January 31, 2020 at 11.00 p.m. (the "**Exit Day**") and therefore is no longer a EU Member State. The European Union Withdrawal Agreement ("**EUWA**"), as amended by the European Union Withdrawal Agreement Act 2020, provides that direct EU legislation (which term includes any EU regulation as it had effect in EU law immediately before Exit Day (subject to certain exceptions)) converts directly applicable EU law (which includes regulations) as it stood at the end of the transition period into UK domestic law. However, while direct EU legislation may continue to form a part of domestic law of the United Kingdom after the end of the transition period, it may be subject to a number of amendments. The Insolvency (Amendment) (EU Exit) Regulations 2019 (SI 2019/146) set out a number of amendments to be made to the Insolvency Regulation, as it will apply in the United Kingdom after the end of the transition period.

On December 30, 2020 the European Union and the United Kingdom formally signed the EU UK Trade and Cooperation Agreement. This agreement entered into force effectively on May 1, 2021. At this stage, there

remains considerable political, legislative and regulatory uncertainty throughout the region and the extent to which Brexit could materially adversely affect business activity, restrict the movement of capital and the mobility of personnel and goods, and otherwise impair political stability and economic conditions in the United Kingdom, the Eurozone, the EU and elsewhere.

Any of these developments could have a material adverse effect on business activity in the United Kingdom, the Eurozone, or the EU. Further, the EU UK Trade and Cooperation Agreement does not include a replacement for the current automatic recognition of UK insolvency procedures across the EU and vice versa. In the absence of an agreement allowing automatic recognition, it will be harder for UK office holders and UK restructuring and insolvency proceedings to be recognized in EU Member States and to effectively deal with assets located in EU Member States. Much will then depend upon the private international law rules in such EU Member State and the need may well arise to open parallel proceedings, increasing the element of risk. In particular in cases where the appointment of a UK office holder has been made in reliance on a UK domestic approach rather than the COMI rules, it is much less certain that there will be recognition in the relevant EU Member State.

EU Directive on preventive restructuring frameworks

The EU Directive No. 2019/1023 of the European Parliament and the Council of June 20, 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (Directive on restructuring and insolvency) (the "**EU Restructuring Directive**") was published on June 26, 2019.

The objectives of the EU Restructuring Directive are to ensure that (i) viable enterprises and entrepreneurs that are in financial difficulties have access to effective national preventive restructuring frameworks that enable them to continue operating, (ii) honest insolvent or over-indebted entrepreneurs (*i.e.*, individuals) can benefit from a full discharge of debt after a reasonable period of time, thereby affording them a second chance and (iii) the effectiveness of procedures concerning restructuring, insolvency and discharge of debt is improved, in particular with a view to shortening their length.

The EU Restructuring Directive aims to achieve a higher degree of harmonization in the field of restructuring, insolvency, discharge of debt and disqualifications by establishing substantive minimum standards for preventive restructuring procedures as well as for procedures leading to a discharge of debt for entrepreneurs in order to promote a culture that encourages early preventive restructuring to address financial difficulties at an early stage, when it appears likely that insolvency can be prevented and the viability of the business can be ensured. Most notably, the EU Restructuring Directive provides for a framework pursuant to which (a) a stay of individual enforcement actions by creditors against debtors must be introduced by EU Member States national legislation, (b) all creditor claims shall be grouped into separate classes each of which shall reflect a commonality of interests (at a minimum, creditors of secured and unsecured claims shall be treated in separate classes), (c) creditor claims may be restructured in a restructuring plan by majority vote with a majority of not more than 75% of the amount of the claims in each class and, where the EU Member State so requires, a majority in number of affected parties in each class and (d) a Cross-Class Cram-Down is introduced whereby a restructuring plan may, under certain conditions, be adopted and bind dissenting creditors even if the creditors of one or more classes do not consent to the restructuring plan with the required majority. In order to be adopted the plan will have to be confirmed by a judicial or administrative authority that will in particular ensure the protection of each type of creditors' rights and compliance with the priority rules governing the adoption of the plan. The transposition of the EU Restructuring Directive into national legislation shall protect new financing and interim financing and may also provide priority ranking to new or interim financing granted in the context of the restructuring.

The EU Restructuring Directive shall be transposed into national laws or regulations by EU Member States by 17 July 2021 (with the exception of the provisions relating to the use of electronic means of communication for which the time period for the transposition expires in certain respects on 17 July 2024 or, in others, on 17 July 2026), subject to a maximum one year extension of the transposition period for EU Member States encountering particular difficulties in implementing the EU Restructuring Directive.

French statute No. 2019-486 dated May 22, 2019 ("***Loi Pacte***") grants the French government twenty-four months to enact appropriate measures through ordinances for the transposition of the EU Restructuring Directive.

Ordinance No. 2021-1193 dated September 15, 2021 amending Book VI of the French Commercial Code transposed the EU Restructuring Directive into French law. The new French law contained in Ordinance

No. 2021-1193 published in the Official Journal (*Journal Officiel*) on September 16, 2021 applies to proceedings commenced from October 1, 2021, subject to some exceptions.

The draft law ratifying, amending and supplementing Ordinance No. 2021-1193, amending Book VI of the French Commercial Code, is currently examined by the French Parliament since January 5, 2022. In the frame of this ratification, the French legislator may modify the letter of Ordinance No. 2021-1193, which may therefore not be final.

Its main features are:

- the introduction of a new and unique version of the accelerated safeguard proceedings (*sauvegarde accélérée*);
- the replacement of the existing "creditor-committees" system by a class-based system for adopting safeguard or reorganization plan, and the possibility to cram down dissenting classes including equity holders subject to certain conditions ("**Cross-Class Cram-Down**");
- the strengthening of the distinction between regular safeguard proceedings (*sauvegarde*) and judicial reorganization proceedings (*redressement judiciaire*);
- the permanent establishment of "Post Money Lien" originally introduced as a temporary measure during the Covid-19 pandemic to protect new funding provided to a debtor in connection with safeguard or judicial reorganization proceedings; and
- a series of other, more minor reforms such as the strengthening of early warning systems and the confidential conciliation procedure; and the clarification of the interaction between certain types of security and insolvency proceedings.

Sweden

Applicable insolvency law

The Issuer (as well as several of the Guarantors) is incorporated in Sweden. Any insolvency proceedings applicable to the Issuer (or each such Guarantor) including any and all of its assets (in Sweden and abroad) will, as a starting point and by virtue of Article 7 of the EU Insolvency Regulation (as defined above), be governed by Swedish insolvency law (*lex concursus*).

Under Swedish law, a debtor company may be subject to one of two types of insolvency proceedings, bankruptcy pursuant to the Swedish Bankruptcy Act (*konkurslagen (1987:672)*), as amended (the "**Swedish Bankruptcy Act**"), and reorganization pursuant to the Swedish Company Reorganization Act (*lag (2022:964) om företagsrekonstruktion*), as amended (the "Swedish Reorganization Act").

The insolvency laws of Sweden may not be as favorable to creditors as the insolvency laws of other jurisdictions, including, *inter alia*, in respect of priority of creditors' claims, the ability to obtain post-petition interest and the duration of insolvency proceedings, and hence may limit the ability of creditors to recover payments due on the Notes and the Guarantees to an extent exceeding the limitations arising under the insolvency laws of other jurisdictions. The following is a brief description of certain aspects of the insolvency laws of Sweden applicable to Swedish limited liability companies (*aktiebolag*), such as the Issuer (as well as several of the Guarantors).

Bankruptcy proceedings

Pursuant to the Swedish Bankruptcy Act, if a company is unable to rightfully pay its debts as they fall due and such inability is not merely temporary, it is deemed insolvent and can be declared bankrupt following a bankruptcy petition filed with the court by the debtor or by a creditor of the debtor.

When declared bankrupt, a receiver in bankruptcy (*konkursförvaltare*) who is appointed by the competent court will work in the interest of all creditors with the objective of realizing the debtor's assets and distributing the proceeds amongst the creditors. The purpose of Swedish bankruptcy proceedings is to wind up a Swedish company in such a way that the company's creditors receive as high a proportion of their claims as possible. The receiver in bankruptcy is required to safeguard the assets and can decide to continue the business or to close it down, depending on what is considered best for all creditors. In general, the receiver in bankruptcy is required to sell the assets of the debtor as soon as possible and to distribute the proceeds in accordance with mandatory priority rules (see below under the heading "*—Priority of certain creditors*"). In the interim, the

receiver will take over the management and control of the company and its directors and/or managing director will no longer be entitled to represent the company or dispose of the company's assets.

The declaration of bankruptcy does not automatically terminate existing contracts; instead, the receiver in bankruptcy may, under certain circumstances, in its discretion, choose to have the bankruptcy estate itself step into any such existing contracts. A clause in a contract which provides that the contract is terminated by reason of a bankruptcy may be unenforceable.

Enforcement Process

In case of enforcement outside of bankruptcy proceedings, an enforcement process is initiated by the creditor obtaining an enforcement order from the Swedish Enforcement Authority (*Kronofogden*) or a court judgment. Upon obtaining an enforcement order or judgment against a debtor, a creditor may apply to the Swedish Enforcement Authority for enforcement of its claim. If (i) agreed between a pledgor and a secured creditor or a party acting as agent on behalf of a secured creditor and (ii) the secured creditor or its agent is in physical possession of the security assets, the secured creditor or the agent may under certain circumstances enforce the pledge without having obtained an enforcement order or court judgment. However, where a security holder seeks to enforce such security itself, certain statutory notice requirements apply and the pledgee is under a fiduciary duty to protect the interest of the pledgor when exercising its rights as a secured party or liquidating a secured asset. This duty includes, *inter alia*, an obligation to notify the pledgor of any liquidation or sale of the collateral, to account for the proceeds of such liquidation or sale, and to pay to the pledgor that portion of the proceeds of such liquidation or sale which exceeds the debt secured by such asset. There are provisions in the Swedish Contracts Act (*avtalslagen (1915:218)*) which prohibit an enforcing party from foreclosing a secured asset by assuming ownership of the secured asset without accounting for the value thereof. Certain categories of properties may however only be enforced through the Swedish Enforcement Authority.

Additionally, in respect of a pledge over shares, the secured creditor or its agent may subject to the conditions above, carry out the enforcement and sell the shares through private or public sale or auction. Such process is however subject to certain fiduciary duties and must be carried out in a manner that safeguards the interests of the pledgor. For example the process should include a reasonable notice period before enforcement. There is no set time for such notice period; instead it will depend on the circumstances at hand. Generally, the notice period should be sufficient to allow the pledgor to participate in the sales process or prevent the enforcement by settling the secured obligations and sufficient for potential buyers to be able to make an informed decision in the sales process so that they may place the best possible bid for the shares. However, when determining what a reasonable notice period is, the interests of the secured creditors must also be taken into consideration, where one aspect may be that a delay in enforcement might lead to deterioration of the value of the security. In certain circumstances the fiduciary duty will also mean that the notice period needs to be shortened in the interest of the pledgor to prevent such deterioration.

An enforcement in bankruptcy of security over, *inter alia*, shares, can in principle be carried out in the same manner as outside bankruptcy (subject to certain statutory notice requirements and mandatory fiduciary duties). A creditor having security over a specific object may demand that such object is sold by the receiver in bankruptcy without undue delay, *provided* the underlying claim is not disputed or has been confirmed in a non-appealable decision. This rule does not, however, apply to property that is necessary for the continuation of the debtor company's business. The receiver in bankruptcy may thus postpone such sale if the receiver in bankruptcy determines that the bankruptcy estate would either incur a considerable loss or that the implementation of a composition would become substantially more difficult, *provided* that a postponement is not unreasonable to the secured creditor.

Upon enforcement of security over shares, such shares may, subject to the conditions and certain fiduciary duties as set out above, be sold by the secured creditor or its agent in an auction process. Such process will be subject to certain statutory notice requirements which depend on whether or not the shares are deemed to be financial instruments. In respect of shares which are not financial instruments, the shares may not, unless the receiver in bankruptcy consents otherwise, be sold earlier than four weeks from the day of the court session where the directors testified on the veracity of the accounts (*edgångssammanträde*) and the receiver in bankruptcy shall be given no less than three weeks prior notice of the auction and be offered to acquire the shares at least one week prior to any enforcement action is taken. In respect of shares which are financial instruments, the secured creditor may sell the shares without such notice periods, *provided* that the auction is carried out in a commercially prudent manner and that in respect of shares in an unlisted subsidiary of the bankruptcy debtor, after notifying the receiver in bankruptcy and giving the bankruptcy estate the opportunity to acquire the shares.

Priority of certain creditors

When distributing the proceeds, the receiver must follow the mandatory provisions of the Swedish Rights of Priority Act (*förmånsrättslagen (1970:979)*) (the "**Swedish Rights of Priority Act**"), which states the order in which creditors have a right to be paid. As a general principle, in bankruptcy proceedings competing claims have equal right to payment in relation to the size of the amount claimed from the debtor's assets. However, some preferential and secured creditors, where such preference or security may arise as a consequence of law, have the benefit of payment before other creditors. There are two types of preferential rights: "Specific preferential rights" and "General preferential rights." "Specific preferential rights" apply to certain specific property and give a creditor a right to payment from such property. "General preferential rights" cover all property belonging to the insolvent company's estate in bankruptcy, which is not covered by specific preferential rights, and give the creditor a right to payment from such property. Such preferential and secured creditors may also under certain circumstances enforce the security in accordance with the Swedish Enforcement Act (*utsökningsbalken (1981:774)*), or if the security is provided by way of a pledge on movable assets (*handpanträtt*), enforcement through private enforcement procedures as permitted pursuant to the Swedish Bankruptcy Act. Claims that do not carry any of the above mentioned preferential rights or exceed the value of the security provided for such claim (to the extent of such excess), are non-preferential and are generally of equal standing as against each other.

Challengeable transactions

In Swedish bankruptcy and, if certain conditions are met, company reorganization proceedings, transactions can (in certain circumstances and subject to different time limits) be reversed and the goods or monies can then be returned to the bankruptcy estate or the company subject to company reorganization. Broadly, these transactions include, among others, situations where the debtor has conveyed property fraudulently or preferentially to one creditor to the detriment of one or more of its other creditors before the initiation of the relevant insolvency proceedings, created a new security interest, granted a guarantee or security that was either not stipulated at the time when the secured obligation arose or not perfected without delay after such time and the delay is not considered to be ordinary, or paid a debt that is not due or that is considerable compared to the value of the debtor's assets or if the payment is made by using unusual means of payment. In the majority of situations, a claim for recovery can be made concerning actions that were made during the three or six-month periods preceding the commencement of the relevant Swedish insolvency proceedings. In certain situations, longer time limits apply and in others there are no time limits. These include, among others, situations where the other party to an agreement or other arrangement is deemed to be a closely related party to the debtor such as a subsidiary or parent company and situations where the other party to an agreement or other arrangement are aware of, *inter alia*, the insolvency of the debtor.

Limitations on enforceability due to the Swedish Reorganisation Act

The Swedish Reorganisation Act provides Swedish companies facing economic difficulties with an opportunity to resolve these difficulties without being declared bankrupt. Corporate reorganization proceedings shall, as a main rule, terminate within three months from commencement but may under certain conditions be extended for up to fifteen months.

An administrator (*rekonstruktör*) is appointed by the court and supervises the day-to-day activities and safeguards the interests of creditors of the debtor. However, the debtor remains in full possession of the business except that the consent of the administrator is required for important decisions such as paying a debt that arose prior to the granting of a reorganization order, granting security for a debt that arose prior to the granting of a reorganization order, undertaking new obligations or transferring, pledging or granting rights in respect of assets of a substantial value for the business.

The corporate reorganization proceedings do not have the effect of terminating contracts entered into by the debtor. Further, the opening of corporate reorganization proceedings entails limitations in the contracting party's right to terminate a contract due to the debtor's delay with payment of performance. However on the other hand, the debtor, in certain cases subject to the approval of the administrator, may decide to terminate certain contracts. As a general rule, the debtor can terminate the agreement with three months' notice, regardless of the duration of the agreement. The debtor's counterparty is, however, entitled to compensation for the damage caused by the early termination. Otherwise, during the reorganization procedure, the debtor's business activities continue as normal. However, the procedure includes a suspension of payments to creditors and the debtor may not pay a debt that arose prior to the granting of the reorganization order without the consent of the administrator and such consent may only be granted should there be exceptional reasons for doing so and any petition for bankruptcy in respect of the debtor will be stayed.

A moratorium also applies to execution in respect of a claim or enforcement of security during corporate reorganization proceedings unless the security assets are in the physical possession of the secured creditor or any agent acting on behalf of such creditor (which is the case with a share pledge over the shares in a Swedish limited liability company and with a Swedish law pledge over a loan evidenced by a negotiable promissory note (*löpande skuldebrev*) *provided* that the share certificates of such company or such negotiable promissory note (as the case may be) has been physically delivered to the secured creditor or its agent and kept by the secured creditor or its agent) and always *provided* that such enforcement is not likely to jeopardize the restructuring of the business unless the stay would unfairly prejudice the creditors secured by such assets. In addition to the above requirements, in order to be able to enforce physical possession during a corporate reorganization proceedings it is also required that the administrator has agreed to such enforcement.

Creditors and other affected parties have the right to vote on the adoption of a company reorganization plan which, if adopted, becomes binding on all interested parties, including secured and otherwise prioritized creditors. This means that it is possible for secured and prioritized creditors to have their claims devaluated by way of a write-down. However, in order for secured or prioritized creditors to have their claims devaluated, no group of creditors with more junior priority or without priority is allowed to receive payment.

The affected parties will be divided into separate classes reflecting a commonality of interest. As a minimum, creditors of secured and unsecured claims shall be treated in separate classes for the purposes of adopting the company reorganization plan, but it is possible to further divide the creditors into more classes. A company reorganization plan shall, as a general rule, be adopted by the affected parties *provided* that a two-thirds majority in the amount of their claims or interests is obtained in each class. However, if the proposed reorganization plan is not approved by all classes, it may under certain circumstances still be adopted in a "cram-down-procedure" *provided* that more than half of the classes have approved the plan and *provided* that at least one of these classes are prioritized creditors or that at least two of the classes are creditors which would be likely to receive payment in the event of the company's bankruptcy. This means that various actions, including write-down of debt, could be forced upon individual creditors as well as classes of creditors. It is also possible to include further options in the reorganization plan, such as an increase or decrease in share capital and conversion of debt into equity.

Ipso facto clauses, *i.e.,* clauses which enables a party to an agreement to terminate, accelerate or otherwise change the terms of the agreement as a result of a reorganization having been initiated, are invalid. The preparatory works for the legislation do not elaborate on whether this also includes clauses which prohibit incurrence of new debt under existing agreements, such as the ability to issue subsequent notes or make utilizations under a facility agreement. Consequently, it is possible that such clauses may not be binding on the debtor.

Limitations on the validity and value of a guarantee or security interest

If a Swedish limited liability company provides any security interest or guarantee without receiving sufficient corporate benefit in return, such security interest or guarantee will, according to the Swedish Companies Act (*aktiebolagslagen (2005:551)*) (the "**Swedish Companies Act**"), in whole or in part, constitute a transfer of value from a Swedish limited liability company (a "**Swedish Company**") which would be unlawful if: (i) the Swedish Company would lack cover for its restricted equity capital after such value transfer or (ii) it would not be considered prudent by the Swedish Company to undertake the value transfer after having taken into consideration the equity requirements imposed by the nature, scope and risks relating to the Swedish Company's business or the Swedish Company's need to strengthen its balance sheet, liquidity or financial position.

This could be the case if, at the time the guarantee or security interest for the obligations of a third party is provided by a Swedish Company, such third party is deemed unable to fulfil its obligation to indemnify the Swedish Company if the guarantee is utilized or if the security is enforced. Further, this could also be the case if a Swedish Company provides any security interest or guarantee in respect of debt owed by a non-wholly-owned subsidiary of the Swedish Company without the Swedish Company receiving sufficient corporate benefit in return.

The Guarantees provided by certain of Verisure Group's subsidiaries incorporated in Sweden are limited in accordance with the above restrictions relating to corporate benefit and contains limitation language limiting the liability of certain of Verisure Group's subsidiaries thereunder if required by the abovementioned restrictions relating to unlawful value transfers.

The Swedish Companies Act also prohibits a Swedish Company from providing a guarantee or a security interest for a loan that is provided to facilitate the acquisition of shares in the Swedish Company or the shares in any of its parent companies incorporated in Sweden. Moreover, it is generally believed that the prohibition also applies when a Swedish Company provides a guarantee or a security interest for a loan that is provided to facilitate the acquisition of a subsidiary of any of its parent companies incorporated in Sweden not being a subsidiary of the relevant Swedish Company. Additionally, a Swedish Company may not provide a guarantee or any security interest for the obligations of a parent or sister company, unless the parent company of the group, to which the Swedish Company and such parent or sister company belongs, is domiciled within the EEA.

Limitations on enforcement measures

Enforcement of a pledge over shares in a Swedish Company, or even the exercise of voting rights of a security agent ahead of such enforcement, may be subject to certain notification requirements and conditional upon certain approvals as required under the Swedish Foreign Direct Investments Act (Sw. *lag (2023:560) om granskning av utländska direktinvesteringar*). If an enforcement measure falls within the scope of the notification requirement, failure to notify the Inspectorate of Strategic Products (Sw. *Inspektionen för Strategiska Produkter*) (the "**Inspectorate**") and/or the implementation of the relevant investment before a clearance decision from the authority has been obtained may result in sanction charges. In case the Inspectorate decides that an investment shall be prohibited, any legal measures or steps (Sw. *Rättshandlingar*) implementing the investment are voidable as a matter of Swedish law.

Creation of valid security interests

In order to create a valid security interest under Swedish law, the property subject to such security interest must fulfil the following criteria: (i) there must be an underlying debtor-creditor relationship in respect of the obligations which the security purports to secure; (ii) the pledgor must grant the security interest, typically in the form of a pledge agreement; and (iii) an act perfecting the security interest must take place. The method for perfection varies depending on the asset type.

Under Swedish law, in addition to certain actions that must be taken to perfect a security interest by the secured party and the grantor, for any security to be validly created, the grantor must be effectively deprived of its right to control, deal with or dispose of the assets subject to the security interest. Any security interests purported to be created under Swedish law over assets which the security provider may remain in possession of, retain exclusive control over, freely operate or collect, invest and dispose of any income from until the occurrence of an acceleration event would therefore not be effective until an acceleration event has occurred and the security interests have been perfected. Such unperfected security interests are vulnerable under applicable provisions of Swedish law of being set aside as a preference in any Swedish insolvency proceeding affecting the security provider. Thus, a security provider must be effectively deprived of its right to control, deal with or dispose of the secured assets, and arrangements providing for the release of a security interest over an asset in connection with the disposal thereof or upon the occurrence of other circumstances would be at risk of impairing the validity of the security.

Security granted in favor of the secured parties represented by an agent

It is generally possible under Swedish law to grant security interests in favor of the secured parties represented by an agent. However, it is not established by Swedish judicial precedent or otherwise by Swedish law that a power of attorney or a mandate of agency, including the appointment of an agent, can be made irrevocable and therefore any powers of attorney or mandates of agency can be revoked and will terminate by operation of law and without notice at the bankruptcy or temporal demise of the party giving such powers.

Spain

Financial assistance

The obligations and liabilities of any Spanish Guarantor (also in respect of the security interests granted by it) shall not include any obligation which if incurred would constitute financial assistance within the meaning of, as applicable, article 143.2 or 150 of the Spanish Corporations Act 1/2010 (*texto refundido de la Ley de Sociedades de Capital, aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio*).

Pursuant to these financial assistance rules, a company may not generally advance funds, grant loans, grant guarantees, provide security or grant any other financial assistance in connection with the acquisition of the shares of such company or its parent company (or, in case of a Spanish limited liability company (*sociedad de responsabilidad limitada)*, of companies within the same group). These limitations would restrict the ability of

the Spanish Guarantors to grant Guarantees and Collateral to secure the financing or the refinancing of acquisition debt of the relevant Spanish Guarantor or its parent companies.

Insolvency rules

The restated text of the Spanish Insolvency Law, approved by Royal Legislative Decree 1/2020, of May 5 (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*) (as amended from time to time, the "**Spanish Insolvency Law**") regulates pre-insolvency and court insolvency proceedings, as opposed to out-of-court liquidation or proceedings (which, pursuant to Spanish law, are only available when the debtor has sufficient assets to meet its liabilities or in specific situations regulated under the Spanish Insolvency Law) as well as other pre-insolvency mechanisms.

The insolvency proceedings, which are called "*concursos de acreedores*", are applicable to all persons or entities (except for limited exceptions specifically contemplated in the Spanish Insolvency Law). As a general rule, these proceedings may lead either to the restructuring of the business through the implementation of an agreement between the creditors (*convenio*) ("**CVA**") or to the liquidation of the debtor's assets (including the sale of productive units).

Insolvency filing

Insolvency proceedings are available as a type of legal protection that the debtor may request in order to avoid the attachment of its assets by its creditors.

A debtor (and in the case of a company, its directors) is required to apply for insolvency proceedings within two months upon inability to regularly pay its liabilities as they become due (*insolvencia actual*). The debtor is also entitled (but not required) to apply for such insolvency proceedings when it foresees its inability to regularly pay liabilities as they become due in the next three months (*insolvencia inminente*).

Insolvency is considered "voluntary" (*concurso voluntario*) if filed by the debtor. If the debtor requests the bankruptcy, it must prove its current or imminent insolvency. The debtor must file a petition for bankruptcy within two months after it becomes aware, or should have become aware, of its state of actual insolvency (inability to regularly pay the debts as they come due). It is presumed that the debtor becomes aware of its insolvency, unless otherwise proven, if any of the circumstances that qualify as the basis for a petition for mandatory insolvency occur. Where the debtor fails to file a petition for bankruptcy within the time period established by law (two months), (i) the directors may be removed from office and substituted by a bankruptcy authority (once the bankruptcy is declared and the bankruptcy process is initiated); (ii) the debtor may be unable to exercise certain courses of action; and (iii) the directors may be held liable for the impaired claims accrued as from the consent of insolvency (*responsabilidad concursal*), should the debtor be liquidated and bankruptcy be deemed as "guilty" (*concurso culpable*).

If filed by a third party, the insolvency is deemed "mandatory" (*concurso necesario*). Under Article 2.4 of the Spanish Insolvency Law, a creditor can seek a debtor's declaration of insolvency, among others, if it can prove that it has failed to attach any assets, or sufficient assets, to pay the amounts owed under the existing debt. Creditors petitioning a mandatory case must prove one of the following circumstances, in order to show the debtor's current insolvency (creditors do not have standing to file upon imminent insolvency): (i) there is a prior judicial or administrative declaration of insolvency of the debtor, which is final (*i.e.*, that cannot be appealed), (ii) there is a title by which an order for execution or enforcement has been issued, and the subsequent seizure of assets has not resulted in the obtaining of the sufficient eligible assets required for the full payment, (iii) there is a seizure of assets affecting or comprising the generality of the debtor's assets, (iv) there is a generalized default on payments by the debtor, (v) there is a generalized default on payment on certain tax, social security and employment obligations during the applicable statutory period (three months), or (vi) there is a misplacement, "fire sale" or ruinous liquidation of the debtor's assets.

The general duty to file for insolvency within the referred two months does not apply if the debtor who is in actual, imminent or likely insolvency and has not been declared in insolvency notifies the court that it has started negotiations with its creditors to seek support for a "restructuring plan" (the "**Plan**"), by means of the communication that is foreseen under Article 585 of the Spanish Insolvency Law (the "**Opening of Negotiations Communication**"), the so-called 5 *bis* communication by reference to the previous regulation (*Ley* 22/2003, *de 9 de julio, Concursal*), in which case it will have an additional grace period of three months and one more to file for insolvency. After filing, the debtor is not entitled to file another Opening of Negotiations Communication for a term of one year. The aforementioned grace period of three months could be extended if, not later than at the end of the initial three-month grace period, either creditors holding more than 50% of the debts that the Plan may affect at that time (net of any credits that would qualify as subordinated claims in an insolvency situation)

or the debtor, with the support of such creditors, may request the court for a three-month extension, *provided* the restructuring expert, if one is appointed, issues a favourable report in support of the request. The court may lift the grace period extension at the request of (i) the debtor, (ii) the restructuring expert (when appointed) or creditors holding more than 40% of the debt that the Plan may affect at that time (net of any credits that would qualify as subordinated claims in an insolvency situation), or (iii) any creditor that proves that such extension no longer fulfils the objective of supporting the Plan negotiations. Any creditor may also ask to be excluded from the effects of the grace period extension if it could be unfairly prejudiced by it, and particularly if it could lead to its current insolvency or a significant loss of the value of its collateral.

The concept of "likelihood of insolvency" (*probabilidad de insolvencia*) refers to when it is objectively foreseeable that the debtor will be unable to regularly fulfil its obligations that fall due in the next two years unless it enters into a Plan with its creditors. In addition to being able to start negotiating with its creditors with a view to entering into a Plan at any time during this period when insolvency is likely, the debtor will also be able to file for pre-insolvency in court, in which case it will inform the court that it is trying to negotiate a Plan with its creditors.

Pre-insolvency regime

As mentioned above, the general duty to file for bankruptcy within the referred two-months period does not apply if the debtor notifies the applicable Court that it has initiated negotiations (or its intention to immediately initiate) with its creditors to obtain support for a Plan, as set out in Articles 614 *et seq.* of the Spanish Insolvency Law. By means of the pre-insolvency filing, the debtor has a three-month period (which can be extended in certain circumstances for another three-month and potentially, based on case law, for an additional three-month period or even a subsequent three-month period extension) as from the date when the debtor gives such notice, to agree on a Plan with its creditors and one further month to file for bankruptcy, if the above mentioned period has elapsed without an agreement being reached and the situation of insolvency persists.

A debtor can file a pre-insolvency filing in those cases where the debtor is in a situation of:

- Actual insolvency (*insolvencia actual*) (*i.e.*, it cannot meet its due and payable obligations), *provided* that no insolvency petition has been filed;

- Imminent insolvency (*insolvencia inminente*) (*i.e.*, it foresees that it will not be able to meet its due and payable obligations in the following three months); and

- Likelihood of insolvency (*probabilidad de insolvencia*) (*i.e.*, when it is objectively foreseeable that it will not be able to regularly comply with the obligations that are going to become due and payable in the following two years).

During the three-month period following the filing of the Opening of Negotiations Communication (or six months in case it has been extended), enforcement actions are stayed, subject to the following:

- As a general rule, neither judicial nor extrajudicial enforcement proceedings may be initiated to seize or attach assets or rights that the debtor requires to continue its professional or business activities (the so-called "**necessary assets**"). Previously initiated enforcement proceedings will be stayed.

  It is not always easy to determine when an asset is necessary to operate the business and, for this reason, this issue needs to be decided by the courts on a case-by-case basis. Courts normally take a flexible approach and consider elements such as cash or credit rights as assets that are necessary to continue to run the business. However, creditors may challenge the court clerk's asset qualification, which the court will hear.

  Moreover, upon the debtor's request, the stay of enforcement proceedings may be extended to assets of the debtor which might not be necessary for the continuation of the business. This is granted when such decision is necessary to secure the success of the restructuring. This enforcement moratorium can also be extended to corporate guarantees and security interests granted by other members of the group, when the enforcement can cause the debtor or the guarantor's insolvency.

- At the debtor's request, the court may impose these stays on one or several creditors or classes of creditors in respect of other assets or rights, even if they are not deemed "necessary assets," if doing so could help bring the negotiations to a satisfactory conclusion, *provided* the restructuring expert, if one has been appointed, has given its consent. The court decision on this suspension may be challenged by a remedy (recurso de reposición), exclusively.

- Subject to the above, enforcing security in rem over "necessary assets" may be initiated but will be automatically stayed (unless the court before whom the Opening of Negotiations Communication has been filed decides to extend the prohibition to include such assets). However, neither financial collateral governed by RDL 5/2005, nor in rem security interests over assets located in another Member State (other than Denmark) should be affected by this suspension.

With regards to the above provisions, Spanish courts may apply them in relation to assets held by non-Spanish affiliates of the entity that files for pre-insolvency. As a result, such provision will have effects outside of Spain.

In any case, the above regime does not apply to public credit rights (*créditos de derecho público*). In such case, enforcement can be suspended in very limited circumstances and, in any case, up to a maximum period of three months.

Likewise, creditors that cannot be subject to the effects of a Plan cannot be affected by the pre-insolvency filing.

Also, while the effects of pre-insolvency are in force, according to the Spanish Insolvency Law, directors' legal duty to wind up the company in the event of a capital impairment situation (*i.e.*, its net equity is below a half of its share capital) is suspended.

In regards of essential contracts for the viability of the business, the relevant counterparties will not be entitled to suspend, amend or early terminate such contracts for contractual breaches occurred prior to the pre-insolvency filing while the effects of such communication are in force (even if the relevant contracts allowed it).

Pre-insolvency filings also have the following effects:

- *Over credit rights*. Pre-insolvency does not cause itself the early maturity of claims. Contractual provisions amending or declaring the early maturity of claims in case of pre-insolvency shall become ineffective.

- *Over contracts*. Any contractual provisions declaring the early termination, suspension or amendment of a contract in case of pre-insolvency or analogous proceedings shall be rendered ineffective. This will not be applicable for contractual netting agreements (*acuerdos de compensación contractual*) subject to RDL 5/2005.

Filing of the Opening of Negotiations Communication also entails that any application for compulsory insolvency proceedings ("***concurso necesario***") will not be processed until the grace period plus one month to file for insolvency have elapsed (and the situation of actual insolvency ("***insolvencia actual***") persists).

Further, whilst the effects of the pre-insolvency filing are in place, there is no obligation for the debtor to agree its corporate winding-up ("***disolución***") if the debtor is in a situation of patrimonial imbalance. A Spanish debtor is in a situation of patrimonial imbalance when losses bring its net worth ("***patrimonio neto***") below 50% of its share capital.

Restructuring Plan

Restructuring plans allow for the adoption of a wide range of measures, including debt write-offs, postponements, debt capitalizations, restructuring of the collateral structure, termination of agreements and different measures for debt payment as well as other restructuring measures over the debtor's assets, equity or operational structure.

A restructuring plan may modify the composition, conditions or structure of the debtor's assets and liabilities, or its net equity including the transmissions of assets, productive units or the entire business as a going concern as well as any operative change, or a combination of the above.

Under the Spanish Insolvency Law, the effects of a Plan, if the needed majority votes favorably, can be imposed on all types of creditors and claims (subject to specific and limited exceptions), including trade creditors, one or multiple classes of creditors and, with certain exceptions, even debtor's shareholders. Public creditors can only be subject to the Plan if very strict requirements are complied with. In particular, claims held by public creditors (*e.g.*, tax authorities, the Spanish Social Security) cannot be subject to a haircut, debt-for-equity swap, modification or termination of any guarantees, change of debtor or change of governing law. According to this special regime, as a general rule, their maturity can be extended up to twelve months from the issuance of the homologation ruling and up to six months from the issuance of the homologation ruling if a deferral or division

in instalments (*aplazamiento o fraccionamiento de pago*) of such debt has been agreed with the public administration.

The Plan must include a minimum content set out in Article 633 of the Spanish Insolvency Law and will need to be formalized in a public document (*formalizado en instrumento público*).

The court may suspend a debtor's voluntary application for insolvency during the pre-insolvency period at the request of either (i) the restructuring expert or (ii) creditors holding more than 50% of the debt affected by the Plan, *provided* that the court receives evidence of a prepared creditor-supported Plan susceptible of approval. This rule may therefore prevent debtors from frustrating ongoing refinancing negotiations by filing for insolvency, thus allowing viable Plans to be accomplished, as long as the creditors submit the Plan for the court's approval within a month following the debtor's petition for voluntary insolvency (Article 612 of the Spanish Insolvency Law).

In addition, a Plan under the Spanish Insolvency Law may contain almost any restructuring alternative, *provided* it is sufficient and proportionate to ensure the viability of the business and its continuation as a going concern. The debtor and its creditors may agree on any type of measure deemed necessary to effectively restructure the debtor's business, including changes in the composition, conditions or structure, not only of the debtor's liabilities, but also of its assets or any part of its capital structure. This could include sales of assets, parts of the business or even the entire business as a going concern, as well as any other necessary operational changes, or a combination of the same. The Plan must nevertheless set out the reasons why it has a "reasonable prospect of preventing the insolvency" of the debtor and ensuring the viability of its business, including the necessary pre-conditions for its success.

Additionally, the mere judicial approval of a Plan does not affect bilateral contracts with outstanding reciprocal obligations at that time, they remain in force. Moreover, contracts that are deemed necessary to ensure the continuity of the debtor's business cannot be terminated due to a change of control in the debtor as a result of a debt-for-equity swap contemplated by the Plan. However, the Spanish Insolvency Law specifies certain exceptions to the principle of continuation of bilateral contracts that aim to ensure a Plan's success, in particular, in relation to: (i) executory contracts (*i.e.*, contracts with outstanding bilateral obligations); (ii) contracts with senior executives; (iii) financial collateral arrangements, netting arrangements; and (iv) trade supply agreements.

On a separate note, creditors affected by the Plan will be grouped into classes. The class formation criteria must be based on a common interest shared by each group of creditors.

As a general rule, it is presumed that creditors with the same ranking in an insolvency process share a common interest, but they can also be separated into different classes if there are reasons justifying such split (*e.g.*, financial and non-financial nature, conflicts of interests among creditors of different classes, measures to be imposed by the Plan). In any case, secured claims must constitute a single class, unless the different nature of the collateral justifies the creation of separate classes. Claims governed by public law will also constitute a separate class among the classes with the same ranking.

Certain effects of the insolvency on the debtor

In the case of voluntary insolvency (which should be filed by the debtor within two months after it becomes aware, or should have become aware, of its state of current insolvency), as a general rule, subject to certain exceptions, the debtor retains the management and full powers of disposal over its assets, although it is subject to the intervention (*intervención*) of the insolvency administrators (*administradores concursales*). In the case of mandatory insolvency, as a general rule, subject to certain exceptions, the debtor's management powers are suspended, and management's former power, including the power to dispose of assets, is conferred solely upon the insolvency administrators (*sustitución*). In addition, upon the insolvency administrator's request, the court has the power to swap the intervention regime for a suspension regime or vice versa. Actions carried out by the debtor that breach any required supervision of the bankruptcy authorities may be declared null and void.

The referred limitations on the management's powers also affect the representation powers under powers of attorney granted by the company. This may affect, for instance, irrevocable powers of attorney granted by the debtor in favor of a security agent or lenders in relation to any security granted, which may not be unilaterally enforceable if the debtor is declared insolvent given that the exercise of the powers conferred therein may require the insolvency administrator's approval.

The time between the petition and the insolvency declaration by the court will depend upon a number of factors, including whether the filing has been made by the debtor or the creditor (and in turn whether the debtor has

challenged the petition made by the creditor), whether all appropriate documentation has been submitted on a timely basis or is incomplete, and the workload of the court.

Ranking of credits

A judge's insolvency order contains an express request for creditors to report claims owed to them within one month of the publication of the insolvency proceedings' commencement in Spanish Public Gazette ("BOE") (although there are some exceptions). Creditors must provide original documentation or electronic form thereof to justify their claims. Based on the documentation provided by the creditors and documentation held by the debtor, the insolvency administrator draws up a report which includes a list of the debtor's assets, and a list of acknowledged claims that are classified according to the categories established under law, which are as follows: (i) claims benefiting from special privileges, (ii) claims benefiting from general privileges, (iii) ordinary claims and (iv) subordinated claims.

- Creditors benefiting from special privileges, representing security on certain assets (essentially, *in rem* security). These privileges may entail separate proceedings, though subject to certain restrictions derived from a waiting period that may last up to one year from the date of declaration of the insolvency, unless the relevant charged asset is not necessary for the debtor's professional or business activity. The amount of debt benefiting from special privileges is limited to the collateral assets as valued according to certain criteria described in the Spanish Insolvency Law (*i.e.*, the amount of the value of their security, *provided* that such security is listed in the creditors' list (in this regard, the value of a security for purposes of the CVA or a Plan shall be 90% of the reasonable value of the secured asset minus those claims that hold higher ranking security over such asset)). The remainder will have the ranking that would have corresponded to it if it had not been secured by an *in rem* security. Claims secured with pledges over future credit rights are only considered specially privileged if (i) the future credit rights arise from agreements or relationships established or executed prior to the declaration of insolvency, and (ii) (a) in the case of possessory pledges, the pledge was granted as a public document or, (b) in the case of non-possessory pledges (*prenda sin desplazamiento*), the pledge was registered with the applicable public registry.

- In the event of liquidation, they are the first to collect payment against the assets on which they are secured. However, the insolvency administrator has the option to halt any enforcement of the securities and pay these claims (as a debt against the insolvency state—*créditos contra la masa*) under specific payment rules. Privileged creditors are not subject to the composition agreement unless they give their express support by voting in favor of the composition agreement or, in case they do not give such express support, if creditors holding security which represent at least 65% (or 80% depending on the conditions of the composition agreement) of the total value of secured claims of the same class vote in favor of such composition agreement.

- Creditors benefiting from a general privilege, including, among others, specific labor claims and specific claims brought by public entities or authorities. Debts with public entities or authorities corresponding to tax debts and social security obligations are recognized as privileged for half (50%) of their amount, debts held by the creditor applying for the corresponding insolvency proceedings, to the extent such application has been approved, for up to half (50%) of the amount of such debt. Also, new funds under a Plan entered into in compliance with the requirements set forth in Article 635 *et seq.* of the Spanish Insolvency Law in the amount not admitted as a debt against the insolvency estate will also be credits with general privileges. The holders of general privileges are not to be affected by the composition agreement if they do not agree to the said composition agreement, unless creditors holding claims benefiting from general privileges which represent at least 60% (or 75% depending on the conditions of the composition agreement) of the total value of claims benefiting from general privileges of the same class (there are four classes: public, labor, finance and others) vote in favor of such composition agreement. In the event of liquidation, they are the first collecting payment, in accordance with the ranking established under the Spanish Insolvency Law.

- Ordinary creditors (non-subordinated and non-privileged claims) will be paid after claims benefiting from general privileges have been completely paid and on a *pro rata* basis *vis-à-vis* each other and together with the amount not covered by the proceeds obtained from the foreclosure of assets guaranteeing the privileged credits. If the debtor achieves a composition agreement, the ordinary credits will be affected.

- Subordinated creditors (those subordinated to all ordinary creditors by virtue of an agreement or pursuant to law), include, among others, credits communicated late (outside the specific one-month period mentioned above); credits which are contractually subordinated vis-à-vis all other credits of the debtor; credits relating to surcharge and unpaid interest claims (including default interest) except for those credits secured with an *in rem* right up to the secured amount; fines; creditors which are "specially related parties"

(*personas especialmente relacionadas*) to the insolvent debtor; claims resulting from acts that were set aside where the creditor was declared in the judgment to have acted in bad faith (*rescisión concursal*); and certain credits deriving from contracts with reciprocal obligations if the creditor attempts to prevent the fulfilment of the contract to the detriment of the insolvency interests. Subordinated creditors are second level creditors; they do not have the right to vote at the creditors' meeting (whereby the CVA is approved or rejected) and have very limited chances of collection, according to the ranking established by Spanish Insolvency Law. Furthermore, "specially related parties," are not entitled to vote on a Plan.

In the case of a legal entity, the following shall be deemed as "specially related parties": (i) shareholders with unlimited liability, (ii) any direct or indirect shareholders holding more than 5% (for companies which have issued securities listed on a regulated market) or 10% (for companies which have not issued securities listed on a regulated market) of the debtor's share capital by the time the credit right under dispute in the insolvency scenario arises, (iii) directors (including shadow directors), liquidators and those holding general powers of attorney from the insolvent company, as well as such individuals holding such positions within two years prior to the declaration of insolvency, and (iv) companies pertaining to the same group as the debtor and their common shareholders *provided* such shareholders meet the minimum shareholding requirements set out in (ii) above. In addition, it is established in the Spanish Insolvency Law the refutable presumption that the assignees of the above are also "specially related persons" if the assignment has occurred within two years prior to the declaration of insolvency. Nevertheless, creditors who have directly or indirectly capitalized their credit rights pursuant to a Plan entered into in compliance with the requirements set forth in Article 635 *et seq.* of the Spanish Insolvency Law shall not be deemed as being in a special relationship with the debtor, in respect of credits against the debtor, as a result of the financing granted under such Plan nor as a shadow directors, a result of the covenants agreed under such Plan.

Notwithstanding the above, claims against the debtor's estate (*créditos contra la masa*) from Article 242 of the Spanish Insolvency Law (for example, certain debts incurred by the debtor following the declaration opening the insolvency proceedings) will be generally payable when due according to their own terms. Debts against the insolvency estate, include, among others, (i) certain amounts of the employee payroll, (ii) certain costs and expenses of the insolvency proceedings, (iii) certain amounts due by the debtor in reciprocal agreements that are in force after the insolvency declaration and amounts due for breaches of those agreements after the insolvency declaration, (iv) certain amounts arising from obligations created by law or from non-contractual liability of the insolvent debtor after the declaration of insolvency and until its conclusion, (v) certain debts incurred by the debtor following the declaration of insolvency, (vi) in case of liquidation, the credit rights granted to the debtor to comply with a CVA prior to the opening of the liquidation phase, and (vii) in case of subsequent insolvency, 50% of the funds lent in compliance with a Plan which is not subject to claw back, as long as the claims affected by the approved Plan amount to 51% of the total liabilities at least (except for new funds granted by the debtor or by persons specially related to the debtor through a share capital increase, loans or acts with an analogous purpose, in which case the claims affected by the approved Plan must amount to more than 60% of the total liabilities at least (excluding the claims of such persons for the purposes of calculating that majority)).

As a general rule, insolvency proceedings are not compatible with other enforcement proceedings. When compatible, in order to protect the interests of the debtors and creditors, the law extends the jurisdiction of the court dealing with insolvency proceedings, which is, then, legally authorized to handle any enforcement proceedings or inferring measures affecting the debtor's asset (whether based upon civil, labor or administrative law).

Additionally, as a general rule, subject to specific exceptions established by Spanish case law, the right to set-off is prohibited once the debtor has been declared insolvent unless (i) the legal requirements for the set-off were satisfied prior to the declaration of insolvency, even if such compensation is alleged afterwards, or the creditor communicated the existence of the claim to the insolvency administrator; (ii) the claims and debts arise from the same legal relation; or (iii) the claim of the insolvent debtor is governed by a foreign law that permits set-off in cases of insolvency.

Moratorium

The Spanish Insolvency Law imposes a moratorium on the enforcement of secured creditor's rights (*in rem* security) over assets or rights that are considered to be necessary for the continuance of the debtor's business in the event of insolvency. The moratorium would take effect following the date of the declaration of insolvency until the earlier of (i) one year from the declaration of the insolvency if the insolvent company has not been placed in liquidation; (ii) the date the creditors reach an agreement that does not affect the exercise of the rights granted by the security interest; or (iii) the court conducting the insolvency proceedings declares that the asset is not necessary for the continuation of the debtor's activities in accordance with the Spanish Insolvency Law.

Commencement of the liquidation phase causes the loss of the right to commence a separate enforcement process in relation to those secured lenders who did not commence enforcement either before the declaration of insolvency or after a year since the declaration of insolvency.

Early termination provisions

Pursuant to the Spanish Insolvency Law, early termination provisions due to the insolvency of one of the parties to a contract are unenforceable, unless the debtor or the insolvency administrator, with the approval of the court, considers that termination is in interest of the insolvency estate. In addition, the declaration of insolvency determines that interest accrual is suspended, except credit rights secured with an *in rem* right, in which case non-moratorium interest accrues up to the value of the security.

Hardening periods

There is no automatic claw back by operation of law. Therefore, there are no prior transactions that automatically become void as a result of the initiation of insolvency proceedings but instead the insolvency administrator must expressly challenge those transactions acts and payments.

In addition, creditors who have applied to exercise any claw back action (stating the specific action they aim to contest or revoke and their grounds), shall be entitled to exercise such action if the insolvency administrator does not do so within the two months following their request. Under the Spanish Insolvency Law, upon declaration of insolvency, acts detrimental (*perjudiciales*) to the debtor's estate (*i.e.*, causing a so-called "**patrimonial damage**") carried out during the two years prior to either the insolvency petition date or to the notice to the court regarding the initiation of negotiations or the intention to commence them, may be challenged, even if there was no fraudulent intention, *provided* that: (i) a restructuring plan has not been approved or, when approved, has not been homologated by the court; and (ii) the insolvency declaration takes place within the year after the end of the pre-insolvency period. In addition, certain actions can be subject to claw back under the general regime of avoidance set forth in the Spanish Civil Code, which is quite restrictive.

The same rescission grounds apply in relation to any detrimental action carried out or agreement entered into by the debtor within two years preceding the pre-insolvency filing, as well as those carried out since that date up to the declaration of insolvency, even if there has been no fraudulent intent, as long as: (i) the Plan has not been passed or, when passed, has not been approved by the court; and (ii) the insolvency is declared within a year of the end of the pre-insolvency period.

The Spanish Insolvency Law does not define the meaning of "patrimonial damage" but it establishes a series of presumptions that give some indication as to how a court would rule in specific cases. Damage does not refer to the intention of the parties, but to the consequences of the transaction on the debtor's interest or on the equality of treatment among creditors. The analysis of whether an action, agreement or transaction is detrimental to the insolvency estate must be made on a case-by-case basis. The Spanish Insolvency Law presumes that: (i) those acts where no consideration is received for a disposed asset and acts which result in the early repayment or settlements of obligations which would have become due after the declaration of insolvency (unless such obligations were secured by means of an *in rem* security) are detrimental, without this presumption being rebuttable; and (ii) unless the debtor or another affected party (such as a creditor) can prove otherwise to the court's satisfaction, a disposal made in favor of a related person or entity (as defined in the Spanish Insolvency Law) as well as the creation of a security interest securing a pre-existing obligation or a new obligation that replaces an existing one, and those payments or other acts extinguishing obligations which would have become due after the declaration of insolvency and which are secured by means of an *in rem* security, are detrimental. In the case of actions not covered by the presumptions above, the burden of proof is on the person bringing the action of rescission. The business, acts and payments made in the ordinary course of business and under market conditions, and the security created in connection therewith, may not be rescinded.

Accordingly, any act of disposal with a "related person or entity," as defined in the Spanish Insolvency Law, is presumed to be detrimental unless proved otherwise. Also, the general principle of "No termination effect," applicable to every type of contract, is established such that all agreements remain effective at the time of the insolvency. Any contractual provision in such kind of contract granting a creditor the right to terminate an agreement based only on the declaration of insolvency of the debtor (except if expressly permitted by specific laws, *e.g.*, Law 12/1992, of May 27, on agency agreement (*Ley 12/1992, de 27 mayo, sobre contrato de agencia*), or if the unilateral termination of the contract is allowed by law) will be deemed as non-existent (void) and will, therefore, be unenforceable.

Payments made to the debtor in insolvency will release the payor as long as he or her was not aware of the debtor's declaration of insolvency when making the payment. Knowledge is presumed in the event the declaration of insolvency has been published in the Spanish Official Gazette (*Boletín Oficial del Estado*).

Under no circumstances can the following be rescinded: (i) ordinary transactions carried out within the debtor's ordinary course of the business, *provided* that they are carried out under market conditions, (ii) actions contemplated in the specific legislation regarding systems of payment, set-off or liquidation of values and derivative instruments, (iii) guarantees constituted in favor of public law credits or credits in favor of the labor authorities or (iv) transactions subject to foreign law in case the beneficiary of the transaction can prove that such transaction cannot be rescinded under the law to which it is subject to. The Spanish Insolvency Law also includes among the transactions that cannot be subject to claw-back any transactions acknowledging and paying public law credits to mitigate the debtor's liability pursuant to the applicable criminal laws.

Protection of certain Plans against claw-back

Neither Plans nor any transactions, acts and payments accomplished or any guarantees instituted in the performance of such Plans will be subject to an action for rescission, *provided* that they comply with the requirements set out below.

In order to seek protection against claw-back, Plans can be judicially sanctioned (*homologado*) by the commercial court that will be competent to conduct a potential bankruptcy proceeding, upon request by the debtor or by any creditor having entered into such Plans.

If the Plan affects claims that represent at least 51% of the debtor's total liabilities, the following will not be subject to claw-back unless it is proven that they were made with an intent to defraud creditors:

(a) Actions and transactions that were "reasonable" and "immediately necessary" for the successful negotiation of the Plan, if expressly identified as such in the Plan.

    Any payment of (i) fees or costs in relation to negotiating, signing or confirming the Plan; (ii) fees for legal and professional advice closely related with the restructuring; (iii) employee salaries for completed work; and (iv) other amounts in the ordinary course of the debtor's business activity, will be deemed to be protected actions and transactions.

(b) Interim and new money:

    (i) Interim money: new financing granted to the debtor that is reasonable and immediately needed to (A) ensure that the debtor's activity continues totally or partially while the Plan is being negotiated (and until a court approves it); or (B) maintain or increase the value of the debtor's business or business units.

    (ii) New money: new financing granted to the debtor that is provided for in the Plan and is necessary for its implementation.

    Interim and new money may benefit from two effects:

        (A) Protection against claw-back under the same terms as any other actions or transactions resulting from the Plan. As a special rule, in order to protect interim or new money lent by a "specially related party" to the debtor from claw-back, the claims affected by the Plan (after deducting any claims held by specially related parties) must represent more than 60% of the debtor's liabilities. Otherwise, they will be subject to the ordinary claw-back regime.

        (B) Preferential treatment for repayment of interim or new money: in the event of insolvency, 50% of the interim or new money provided in the framework of a court-approved Plan will be treated as a claim against the estate (*crédito contra la masa*). The remaining 50% will be treated as a generally privileged claim (*crédito con privilegio general*).

    This preferential treatment will only apply if the claims affected by the Plan exceed the minimum thresholds described above with respect to the debtor's total liabilities (*i.e.*, 51% in general, and 60% (after deducting any claims held by specially related parties) if interim or new money is granted by a "specially related party" to the debtor).

(c) Actions and transactions that are reasonable and immediately necessary to implement the Plan.

If the Plan affects claims that represent less than 51% of the debtor's total liabilities, the actions and transactions described above *may* still be subject to claw-back, but none of the rebuttable presumptions of detriment explained in section "*Hardening Periods"* will apply. Therefore (as long as none of the non-rebuttable presumptions apply), the insolvency administrator or the creditor requesting the claw-back will need to evidence the detriment.

Court approval of a Plan may be sought merely to ring-fence it from potential claw-back if the debtor becomes insolvent (*i.e*., without seeking to cram down dissenting creditors). The court will verify that the relevant majorities required for court approval are met before approving the Plan.

Judicially sanctioned Plans will not be subject to the bankruptcy claw-back action, but they may be challenged pursuant to general fraudulent conveyance law.

As to the rules to calculate whether the required thresholds have been reached, all creditors holding an interest in a syndicated loan will be deemed to have adhered to the Plan if it is favorably voted upon by at least 75% of the liabilities represented by the loan, or a lower majority if so established in the syndicated loan agreement. In any case, if the relevant threshold is satisfied, the Plan will be deemed approved by the total amount of the creditors subject to the syndicated instrument. If the threshold is not satisfied, votes of consenting creditors will be taken into account on an individual basis, unless the syndicated claims constitute a single class of creditors (in which case it will be deemed that that class has not approved the Plan). In addition, dissenting creditors under a syndicated instrument can challenge the Plan before the courts, unless the syndicated instrument provides otherwise.

All voting classes of creditors need not accept a Plan for it to be adopted for the Plan to become binding for both (i) dissenting creditors in classes where a majority has been achieved (*i.e*., an intra-class cram-down); and (ii) creditors in classes where no majority has been achieved (*i.e*., a cross-class cram-down). For this to happen, the Plan must meet one of the following two requirements: (a) it must be supported by a simple majority of the classes, *provided* at least one of those classes is composed of claims that would benefit from a general or special privilege (*i.e*., secured claims) if the debtor were declared insolvent; or, failing that, (b) it must be supported by at least one of the classes that is "in the money" (*i.e*., any class that could, upon a valuation of the debtor as a going concern by the restructuring expert, be reasonably presumed to receive any payment according to the ranking of liquidation priorities applicable under the Spanish Insolvency Law).

Following the above, a dissenting class subject to a haircut will be allowed to challenge the Plan based on, among others, a more junior class (or the equity holders) receiving any payment from, or maintaining any interest in, the debtor under the Plan (*i.e*., the absolute-priority rule). The Spanish Insolvency Law, however, contains certain exceptions to the absolute-priority rule (it can be derogated in order to ensure the viability of the company and that the affected creditors' claims would not be unjustifiably prejudiced).

The Spanish Insolvency Law contains three distinct sets of measures aimed at restricting shareholders' bargaining power and ensuring that they will not unreasonably frustrate or impede the adoption, approval or implementation of a Plan.

The effects of a cross-class cram-down are subject to some limitations. If the Plan affects a class of claims secured by rights *in rem*, and that class has rejected the Plan by a majority of dissenting votes over favorable votes, any secured dissenting creditor of that class will have the right to:

(a) enforce the underlying security interest (which will accelerate the underlying secured claim) within a month of the court ruling approving the Plan being published in the Public Insolvency Registry. If the proceeds obtained from the enforcement:

    (i) are lower than the security value of the collateral set out in the Plan, the creditor will keep those proceeds in full (security value equals 90% of "reasonable value" minus legally preferred claims). Any deficit will remain unsatisfied, or

    (ii) are higher than the security value collateral set out in the Plan, but lower than the original claim, the creditor will keep those proceeds in full. Any excess will be deducted from the amounts that the creditor's unsecured part of the claim would be entitled to receive pursuant to the Plan; or

(b) alternatively, and only if expressly provided in the Plan, the dissenting creditor may wait to receive a cash payment for the amount of the secured claim that is covered by the security value of the collateral within no more than 120 days. If payment is not received in a timely manner, the affected creditor will be entitled to enforce the security interest.

CVA

Once the insolvency administration has drawn up a report which includes a list of the debtor's assets, and a list of claims, the Spanish Insolvency Law encourages creditors within insolvency proceedings to reach a CVA. This agreement may be proposed by either the debtor or by creditors, and it shall set forth how, when and up to what amount creditors are to be paid. Once executed, this agreement must be honored by the debtor and respected by creditors.

A CVA can contain proposals for write-offs and/or stays and it may also contain alternative or complementary proposals for all creditors or for certain classes of creditors (except for public law creditors), including conversion of debt into shares, into profit-sharing credits, convertible bonds or subordinated debt, or any financial instrument different from the original debt. It may also include proposals for allocation of all assets or of certain assets to a specific person with a commitment from the acquirer to continue the activity and to pay off the debt as determined in the CVA. The proposals in the CVA shall include a payment schedule.

A CVA proposal cannot:

(a) include any form of global liquidation of the debtor's assets;

(b) alter the ranking of the creditors' claims established in the Spanish Insolvency Law;

(c) include conditions, although the proposal can be subject to the approval of the CVAs of other companies of the group that have also been declared insolvent;

(d) impose additional obligations on any creditor, unless expressly accepted;

(e) impose certain restructuring measures on public and employment claims, such as changing the governing law or the debtor (although a third party may assume the repayment obligation without releasing the debtor), modifying or cancelling their security, or converting their claims into shares, profit-participating loans or new debt instruments which characteristics or ranking are different; or

(f) include haircuts or defer certain social security claims.

For a CVA to be deemed approved by the creditors, certain majorities must be obtained pursuant to the Spanish Insolvency Law, depending on the intensity of the measures imposed on creditors. The holders of subordinated claims are not entitled to vote.

Although in principle secured creditors are not subject to an approved CVA (unless they have expressly voted in favor), the effects of an approved CVA can also be extended to secured and privileged creditors *provided* that the relevant CVA has been approved by certain majorities of creditors within its class, pursuant to the rules in the Spanish Insolvency Law.

Liquidation

Liquidation operates where a resolution between the debtor and its creditors is not reached or when it is decided upon by the insolvency court. Furthermore, the debtor can file a petition for liquidation at any time; although it must file such petition if, during the period while the arrangement is in force, it becomes aware of no longer being able to meet the payment commitments and obligations undertaken after the approval of such arrangement. In such a case, the company will be aimed at dissolution. Deferred credits will compulsorily fall due and credits consisting of other benefits are converted into cash credits.

Pursuant to the Spanish Insolvency Law, the insolvency administrator does not file a liquidation plan for the court to approve and there is not a mandatory period for concluding the liquidation. When declaring liquidation or subsequently, the court will also approve, prior to hearing the insolvency administrator, any special liquidation rules the court deems appropriate (which cannot provide for liquidation to go beyond one year or require court approval for the sale of any assets). The court may modify or terminate these special liquidation rules at any time, either *ex officio*, or at the insolvency administrator's request. Creditors may request that the court dismiss and replace the insolvency administrator if liquidation takes more than one year, although the court will assess whether there exists a justified reason for the delay and, if so, will not dismiss the administrator. In the absence of special liquidation rules approved by the court, certain subsidiary rules set forth in the Spanish Insolvency Law will apply.

The insolvency administrator is required to report quarterly on the liquidation process.

Default of a CVA leads to liquidation of the debtor, so that no legal possibility to amend the CVA is allowed.

The enforcement of security interests is governed by specific rules. Once the debtor is declared insolvent, the enforcement of security interests over assets owned by the debtor that are necessary for its professional or business activities (presumably most of the debtor's assets) will be stayed until the earliest of the following circumstances: (a) approval of a creditors' CVA (insofar as it does not affect secured claims and, therefore, the exercise of the relevant enforcement right); or (b) one year has elapsed since the declaration of insolvency without liquidation proceedings having been initiated.

When the suspension period ends, the enforcement of the security interest may be initiated or resumed, and will be ruled on separately by the court hearing the insolvency proceedings. Lenders must consider whether they want to start enforcement early to retain such option in the case the restructuring efforts fail and the debtor ends in liquidation given that the commencement of the liquidation phase will result in the loss of the right to commence a separate enforcement process for those secured lenders who did not start enforcement either before the declaration of insolvency or within a year of the declaration of insolvency. However, secured creditors will recover their right to enforce the security interest if a year has elapsed since liquidation was opened without the collateral being sold.

Corporate interest

The laws of Spain may limit the ability of the Spanish Guarantors to guarantee debt of a related company or grant security on account of a related company's debts. These limitations arise from the interpretations of various provisions and from certain general principles of corporate law which include rules governing capital maintenance or countervailing benefits (*ventajas compensatorias*), under which, among others, the risks associated with a guarantee or grant of security on account of a parent or sister company's debt need to be reasonable and economically and operationally justified from the guarantor's or grantor's perspective (beyond an abstract group interest). If these limitations were not observed, the Guarantees and the Collaterals granted could be subject to legal challenge.

Parallel debt/Security agent

Spanish law does not recognize the concept of trusteeship or parallel debt structures although it contemplates a similar figure to the trustee (the *comisario de obligacionistas*) within the context of issuance of notes by Spanish companies; as a result, there is some uncertainty as to whether a Spanish court would recognize the authority of Security Agent as authorized representative of the holders of the Notes and whether this would cause delays in the enforcement of the Guarantees and the Collateral and consequences of not being able to enforce the Collateral.

Although this by itself does not prohibit appointing the Security Agent, the absence of regulation creates uncertainty as to how a Spanish court would recognize the Security Agent's actions in an enforcement situation. Notwithstanding the foregoing, if enforcement of any security interest or guarantees in Spain was to be carried out by the Security Agent, it may be necessary to prove that the Security Agent is duly and expressly empowered for such purpose by means of a power of attorney granted in their favor by each of the note holders, duly notarized and apostilled.

Likewise, validity and enforceability of security interests granted in favor of the secured parties through the Security Agent, in its capacity as joint and several creditor (*acreedor solidario*) of the secured parties, has not been tested before the Spanish courts. Moreover, the structure of joint and several creditor is not expressly contemplated under Spanish law in a situation in which the joint and several creditor does not hold a portion of the secured obligation itself.

Moreover, the concept of "parallel debt" may be questioned under Spanish law and we are not aware of any court resolution where it has been recognized by a Spanish Court. In particular, Spanish law requires, in order to be valid and enforceable, for all obligations to be assumed by reason of a valid and licit ground (*causa*) (Article 1,261 of the Spanish Civil Code ("***Código Civil***")) and therefore, the validity and enforceability of abstract obligations or any obligation assumed without a valid and licit ground (*causa*) may be rejected. Thus, we cannot discard the possibility that a Spanish Court may consider that the parallel debt obligation lacks *causa*, and it may consider that the relevant obligations cannot be secured by the Guarantees and the Collateral.

Norway

Limitations on credit, guarantees and security provided by guarantors incorporated in Norway

Section 8-7 of the Norwegian Private Limited Companies Act of 1997 No. 44 and the Norwegian Public Limited Companies Act of 1997 No. 45 (together, the "**Acts**" and each an "**Act**") restricts a Norwegian private or public limited liability company from granting credit to, or providing security for the obligations of, its shareholders (or any related party) beyond its distributable reserves (free equity) and then, further *provided*, that satisfactory security for repayment/recovery has been established in favor of the relevant Norwegian limited liability company (which is not very practical).

This restriction applies to granting credit and providing guarantees and security interest. The term "credit" covers loans to shareholders but could also cover sales from the company to shareholders on credit and prepayments of purchases by the company from its shareholders. The term "security" covers both asset security as well as personal security (for example, guarantees or co-debtor arrangements). Whether a credit or security is in compliance with the Acts has to be determined at the time the credit or security is granted. If, for example, the conditions later change so that the company no longer has any distributable funds, this does not affect the status of the credit or security already granted.

The above restriction does not, however, apply to credit, guarantees or security interests for the obligations of a parent company or another company within the same "group," as defined in the Acts. This exemption must be read in conjunction with the group definition in Section 1-3 of the Acts which, broadly speaking, includes Norwegian (private or public) limited companies which are controlled (directly or indirectly) by the parent company of the group. A Norwegian limited liability company may also grant credit or provide guarantees and security interest for the obligations of a foreign parent or sister company, *provided* that such credit, guarantee or security interest serves the "financial interest of the group," as defined in the Acts. The Norwegian preparatory works to this exception of the Acts sets out that guarantees and/or security interest granted in favor of other group companies (Norwegian or foreign) should as a general rule be considered to serve the financial interest of the group, however, guarantees and/or security interest granted to enable funds being distributed to the ultimate owners of the group will most likely not fall within this exception.

Accordingly, any guarantees and/or security interests by Norwegian guarantors in favor of other obligors for funds made available under the Notes for the purpose of distributing dividends to the ultimate owners/sponsors of the group will be void and infringing the above limitation.

In addition to the restrictions with regard to, amongst others, upstream and cross-stream guarantees and security as outlined above, Section 8-10 of the Acts, restricts the ability of a Norwegian limited liability company from providing financial assistance (including to put funds at disposal, grant loans or provide security or guarantees) in connection with the acquisition of its shares or in connection with the acquisition of shares in its parent company (including any intermediate parent company) (hereinafter referred to as "**Acquisition Debt**").

The restrictions against financial assistance referred to above apply irrespective of whether the company in which shares are acquired is a Norwegian or foreign company. In order for a guarantee, loan or security provided by a Norwegian guarantor in favor of a purchaser of shares in the Norwegian guarantor or its parent company to be valid and binding, the general rule being that financial exposure of the Norwegian guarantor must not exceed the amounts that the Norwegian guarantor has available for distribution of dividends to its shareholders, and adequate security must be deposited for the repayment or recovery claim. There is furthermore amongst others a requirement that the credit worthiness of the purchaser is evaluated by the board of directors, that the assistance is approved by the board of directors and that the assistance is approved by the general meeting of the Norwegian guarantor according to a special procedure. From January 1, 2020 this strict legislation was amended and certain exemptions introduced which, subject to various conditions, permits a Norwegian guarantor to provide financial assistance for Acquisition Debt in circumstances where the acquirer is domiciled in an EEA state and the acquirer is member to the same group of companies as the Norwegian Guarantor or the acquisition results in the establishment of a group of companies.

The restrictions apply not only to the granting of loans, guarantees and security, but also to making assets available and other transfers which are not lawful distributions in accordance with the Acts.

The assistance is prohibited if made "in connection with" the acquisition of shares, which may also cover financial assistance after completion of the acquisition (such as the refinancing of an acquisition loan facility or the subsequent merger of the target company and the acquiring entity). There must, however, be sufficient connection both in time and as regards other circumstances surrounding such financial assistance for it to contravene Section 8-10.

Accordingly, any guarantees and/or security interests by Norwegian guarantors in favor of other obligors for funds made available under the Notes for the purpose refinancing loans used to finance the acquisition of the shares in Verisure Group (including any intermediate parent company) or finance the acquisition of the shares in such Norwegian guarantor may be void under Norwegian law as infringing the above limitations.

A loan, guarantee or security interest infringing the limitations set out in Section 8-7 and/or Section 8-10 of the Acts is void and any funds paid out pursuant to such guarantee or security interest will have to be repaid. In addition, loans, securities and guarantees of guarantors incorporated in Norway may be deemed void for failing to comply with the provisions in Chapter 3 of the Acts regulating transactions between the relevant company and its shareholders and transactions within the "group."

The principle of corporate benefit also exists in Norway and may in some situations impose a restriction on a Norwegian guarantor's ability to offer credits or a guarantee and provide security interest to shareholders (or close associates of the shareholders), in addition to the restrictions on financial assistance and upstream/cross stream guarantees, loans and security interest described above.

As a consequence of the restrictions on financial assistance in Norway, the value of a guarantee and any security provided by a Norwegian guarantor may be limited. In addition, a guarantee or security interest infringing the limitations set forth in Sections 8-7 and/or 8-10 of the Acts will be void, and any funds paid out will have to be repaid. Finally, an illegal arrangement of this kind may give rise to directors' liability issues.

To cater for the above-mentioned restrictions, the Guarantees and the security interests provided by the Norwegian companies are subject to limitation language substantially in the form as follows:

The obligations and liabilities of each Guarantor incorporated in Norway ("**Norwegian Guarantor**") for the Issuer's obligations under the Guarantees shall be limited by such mandatory provisions of law applicable to that Norwegian Guarantor limiting the legal capacity or ability of the relevant Norwegian Guarantor to grant and/or honor a guarantee thereunder (including, but not limited to, the provisions of Sections 8-7 to 8-10 (both inclusive) of the Norwegian Private Limited Liability Companies Act of 13 June 1997 No. 44 1997 or the Norwegian Public Limited Liability Companies Act of 13 June 1997 No. 45 1997 (as the case may be)), and the obligations and liability of each such Norwegian Guarantor under the Guarantees or under any other guarantee or indemnity contained therein shall only apply to the extent not so limited.

The limitations set forth in these sections will apply *mutatis mutandis* to any security created by a Norwegian Guarantor and to any guarantee, undertaking, indemnity, any similar obligation resulting in a payment obligation and any payment, including but not limited to distributions, cash sweeps, credits, loans and set-off, pursuant to or permitted by any such security and made by any Norwegian Guarantor.

The liability of each Norwegian Guarantor for the Issuer's and the other Guarantors' obligations under the Notes will be limited to €3,600,000,000 of the principal value of the debt being guaranteed, plus any unpaid amount of interest, fees, liability, costs and expenses under the Notes.

General limitations—insolvency

Norwegian insolvency legislation is regulated by the Norwegian Bankruptcy Act of June 8, 1984 No. 58 (the "**Bankruptcy Act**"), which sets forth the various procedures to be followed both in case of court administered debt negotiations and bankruptcy proceedings, and the Creditors Recovery Act of June 8, 1984 No. 59 (the "**Recovery Act**") containing provisions on, among other things, the priority of claims.

The key features of Norwegian bankruptcy proceedings are (i) the seizure and subsequent disposal of debtor's assets, (ii) assessment and ranking of claims, (iii) testing and revocation of transactions (including securing of existing claims) made prior to the bankruptcy, (iv) handling of the debtor's contractual relationships and (v) distribution of funds (if any) in accordance with the priority rules. If the business operations of the bankrupt company are continued, they are in practice continued at the risk of, and only to the extent guaranteed by, the creditors.

Bankruptcy proceedings may be opened *provided* that the debtor is insolvent. Both the debtor and the creditors (holding or pretending to hold a claim) can petition for bankruptcy.

There are two requirements for a debtor to be deemed to be insolvent. The debtor must (i) be unable to service its debt as it becomes due (the "cash flow test"), and (ii) be in "deficit" (the company's debts must exceed the sum of its assets and revenues) (the "**balance sheet test**").

During bankruptcy proceedings the debtor's assets are controlled by the court appointed liquidator (generally a lawyer), on behalf of the bankruptcy estate. The main task of the liquidator is to turn all the debtor's assets into cash in the manner assumed to be most profitable for the estate (the creditors), and then to distribute the available cash to the rightful creditors.

All of the debtor's assets will in practice be seized by the bankruptcy estate, and the debtor may not dispose of the seized assets in any way while the bankruptcy proceedings are ongoing. The bankruptcy estate may also seize assets held by third parties, if these assets are acquired from the debtor in an unlawful manner, if the acquisition lacks legal protection, or if the transaction can be reversed according to the Recovery Act. The bankruptcy estate is a separate legal entity, which is authorized to exercise all ownership interests/rights with respect to the seized assets, including but not limited to the realization of assets.

Secured creditors are in principle not deemed to be part of the bankruptcy proceedings to the extent the value of the security is sufficient to cover the underlying obligations of the debtor. The secured creditors may realize the security, and cover their claims, however, keeping in mind that the realization of a number of categories of security the first six months after the opening of a bankruptcy will be subject to the approval of the bankruptcy estate (automatic stay) (the same principles apply to official debt negotiations). The bankruptcy estate may, subject to certain conditions being fulfilled, also decide to realize the security and divide the proceeds between the secured creditors and others holding legal rights in the assets.

Any under-secured amount (*i.e.*, any amount exceeding the value of the secured assets) will be deemed as an ordinary (unsecured) trade claim.

In a Norwegian bankruptcy, the creditors will be paid according to the following priority:

- secured claims (valid and perfected security covered up to the value of the secured asset—either after the realization by the secured creditor itself or after realization undertaken by the bankruptcy estate);
- super priority claims (claims which arise during the bankruptcy proceedings, liquidator's costs, obligations of the estate);
- salary claims (within certain limitations);
- tax claims (such as withholding tax and value-added tax within certain limitations);
- ordinary unsecured claims (all other claims unless subordinated, including unsecured debt, trade creditors and indemnity claims); and
- subordinated claims (including interest incurred after the opening of bankruptcy proceedings, claims subordinated by agreement, liquidated damages and penalty claims).

Pursuant to the Recovery Act, the bankruptcy estate may be entitled to set aside or reverse transactions carried out in the three-month period (and in respect of transactions in favor of related parties up to two years) before the opening of the bankruptcy, such as extraordinary payments of certain creditors, security established for old debt and transaction at under-value. The bankruptcy estate may also, under certain circumstances, be entitled to set aside or reverse transactions made in bad faith or negligently which in an improper manner increase the debtor's debt, favor one creditor at the expense of others or deprive the debtor of assets which may otherwise have served to cover the creditors' claims, in which case the time limit for challenges by the estate is increased to ten years.

It should also be noted that the bankruptcy estate has a statutory first lien of up to 5% of the respective asset's estimated value or sales value over assets mortgaged/pledged by the debtor or mortgaged/pledged by a third party for the debtor's indebtedness (limited, however, to the standard Norwegian court fee (presently being in the amount of 1,345 Norwegian kroner) multiplied by 700 for assets registered in an asset register (No. *realregister*)). Such statutory lien is not applicable to financial security pursuant to the Norwegian Financial Security Act no. 17/2004 (cash deposits and financial instruments), cf. the Norwegian Liens Act no. 2/1980 section 6-4 (9).

Solvent Enforcement

Enforcement of a guarantee claim against a solvent guarantor will in principal require a final judgment by a court (unless the guarantee is written on a promissory note). Thereafter the creditor may apply to the enforcement authorities for enforcement of his claim.

Enforcement of security normally requires that the pledgee/chargee files an application to enforcement authorities for the enforcement of the security. Certain types of security may, however, be enforced without the involvement of the enforcement authority or a court. A provision granting the secured party such right of enforcement is typically included in any pledge agreement between the pledgor and the secured party.

On May 11, 2020, the Norwegian Parliament implemented a temporary Act on restructuring (hereinafter the "**Restructuring Act**") to aid businesses facing economic difficulties as a consequence of the COVID-19 outbreak. The Restructuring Act is temporarily replacing Part 1 on debt negotiations of the current Norwegian Bankruptcy Act of June 8, 1984, which relates to judicial debt restructuring proceedings and will apply from the effective date until July 1, 2026. It is expected that the Restructuring Act will be replaced by a permanent Act on restructuring with similar provisions.

The key provisions of the Restructuring Act are as follows: (i) the institution of restructuring proceedings shall not be conditional upon the debtor being unable to pay its debts when due, (ii) creditors may, on certain conditions, file a petition for institution of restructuring proceedings, (iii) ability to fund the debtor's operations during the restructuring period, (iv) improved prospects for converting debt into equity in connection with restructuring, (v) authorization of new administrative regulations to grant exemptions from the statutory priority of corporation tax claims, value added tax claims, etc., (vi) the current requirements for equal treatment of creditors upon voluntary composition and a minimum dividend upon compulsory composition are abolished, and (vii) amendments to the provisions on adoption of a restructuring proposal.

Among the most notable provisions of the Restructuring Act is the introduction of provisions conferring super-priority, *i.e.,* priority ahead of existing security interests, on any security interest established in accounts receivable, inventories, machinery and plant, to secure loans granted to fund the continuation of operations during the restructuring period and to fund the restructuring proceedings.

The Restructuring Act may have an impact on the Group's operations in Norway.

Portugal

One or more of the Guarantors of the Notes are incorporated under the laws of Portugal.

Applicable insolvency law

Insolvency proceedings regarding a Portuguese party are governed by the Portuguese Insolvency and Corporate Recovery Code, enacted in 2004 through Decree-Law no. 53/2004, of March 18, 2004 as amended (*Código da Insolvência e da Recuperação de Empresas*) (the "**PICRC**").

Insolvency proceedings with respect to any Portuguese company may be initiated in Portugal. Such proceedings shall be governed pursuant to the PICRC.

In addition, a Portuguese party will, in principle, be subject to insolvency proceedings covered by the EU Insolvency Regulation. Under the EU Insolvency Regulation, Portuguese courts are entitled to open main insolvency proceedings against a Portuguese party if its COMI is located in Portugal. Such a proceeding has a universal scope and intends to cover the whole of the debtor's assets. In the case of a company or a legal person, the place of the registered office shall be presumed to be the COMI in the absence of proof to the contrary. However, this presumption will cease to apply if the registered office has been moved to another EU Member State within the three-month period prior to the request for the opening of insolvency proceedings.

If the COMI of a debtor is located in an EU Member State (other than Denmark), Portuguese courts may only open "secondary insolvency proceedings," *provided* that the debtor possesses an establishment in Portugal. The effects of such "secondary insolvency proceedings" are restricted to the assets of the debtor located in Portugal.

Portuguese insolvency law

The following is a brief description of certain aspects of the insolvency laws of Portugal.

The debtor is deemed insolvent when it is unable to comply with its obligations as they fall due. Companies are also deemed insolvent when liabilities are significantly higher than assets (over-indebted balance sheet). Both are determined on the basis of a fair assessment. However, the insolvency proceeding may be started, for example, in the following cases: (i) general default of the debtor's payment obligations; and (ii) the escape of

the members of the board of directors, without appropriate replacements being appointed; among others. It is up to the debtor to prove its solvency with recourse to its legally mandatory account books.

In addition to the standard insolvency proceedings provided in the PICRC (as better detailed below), the 2012 reform introduced a pre-insolvency proceeding named "special revitalization procedure" (*processo especial de revitalização*) (the "**PER**"), which was last amended by Law No. 9/2022, of January 11, 2022. The PER aims at facilitating the recovery of any debtor who owns or runs a business (all other debtors may resort to another proceeding named "special procedure for payment arrangement" (*processo especial para acordo de pagamento*) which is very similar to the PER) in financial distress or in the imminence of becoming insolvent by means of an agreement between the debtor and its creditors. If such an agreement has been approved by the prescribed majority of creditors and has been confirmed by the court, it becomes binding to all creditors, including those who opposed the agreement and those who have not claimed their credits or participated in the negotiations. The filing for the PER is made jointly by the debtor and by creditors holding, at least, 10% of the non-subordinated credits. Moreover, the application for the PER must be instructed with a statement signed by a certified accountant or a statutory auditor, whenever the auditing of accounts is legally required, attesting that the company is not in a situation of insolvency. In order to ensure that creditors upon whom the effective reorganization of companies will depend are treated equitably, the last amendment to PER creates additional obligations to large companies, thus separating these from micro small and medium-sized companies (such as defined in Decree-law no 372/2007, of November 6, 2007).

Therefore, when filing for PER, large companies must submit a proposal of classification of creditors affected by the recovery plan separated into different categories, according to the nature of the respective claims, into guaranteed, privileged, common and subordinated creditors, and among these, wanting to reflect the universe of the company's creditors depending on the existence of sufficient common interests, namely: (i) employees, regardless of the type of contract; (ii) holders of share capital; (iii) banking entities that have financed the company; (iv) suppliers of goods and service providers; and (v) public creditors.

Within the deadline established for deciding any challenges to the list of creditors presented, the court may determine its change in the event that they do not reflect the universe of the company's creditors or the existence of sufficient common interests among them.

The insolvency proceedings may be initiated either by (i) the debtor (voluntary insolvency); (ii) any person who is responsible for the debtor's debts; (iii) any of its creditors, whatever the nature of the credit or (iv) by the Public Prosecution Office (*Ministério Público*) (compulsory insolvency). Debtors have the duty to file for insolvency within 30 days upon becoming aware of the insolvency situation or after the date the debtor should be aware of the insolvency situation. Individuals who do not own a business and companies who have submitted to PER before, during the special suspension deadline provided for in the PICRC, are exempt from the duty to file for insolvency.

The PICRC establishes a single main insolvency procedure, called *processo de insolvência*. The insolvency proceedings may, after the insolvency's declaration having been issued by the court, lead to the liquidation of the company or to the approval of an insolvency plan.

The commencement of the insolvency proceedings is based in a written petition filed by the debtor or by any of the persons described above with the court. Where the insolvency petition is filed by the debtor (being a legal person), the following information must be therein indicated: (i) an indication as to whether the insolvency situation is existing or imminent; (ii) identification of the company's directors and of its five major creditors, (iii) the debtor's commercial registry certificate issued by the commercial registry office; (iv) a list of all known creditors and the details of each claim; (v) a list of all pending lawsuits brought up against the debtor; (vi) a comprehensive explanation of the company's activities over the last three years and all the debtor's establishments, as well as of the reasons, in the debtor's view, that determined the insolvency situation; (vii) identification of all the shareholders, known associates or members of the debtor and those who may be legally liable for the company's debts; (viii) a list of all company's assets and rights; (ix) the accounting books of the company for the preceding three fiscal years; (x) a list of all the debtor's employees; (xi) a copy of the resolution passing the filing of the corresponding petition; and (xii) a document identifying the companies with which the debtor is in a controlling or group relationship and, where applicable, identifying the processes in which its insolvency is requested or has been declared. Where the insolvency petition is not filed by the debtor, the petitioner shall present the information referred to in (ii) and (iii) above. If it is not possible for the petitioner to present such information, it may request the debtor to do so. The petitioner shall also justify the origin, nature and amount of its claim, or, if applicable, its liability for insolvency credits (*créditos sobre a insolvência*), as well as present all information in his possession relating to the assets and debts of the debtor.

The court shall serve the debtor to submit within ten days a pleading challenging the insolvency petition. If and when the debtor does not oppose the petition, the facts described in the petition are deemed confessed and the court shall immediately declare the insolvency of the debtor if such facts are sufficient to establish that the debtor is insolvent. If the debtor submits a pleading challenging the insolvency petition, the court must schedule a hearing of the petitioner and the debtor within five days. After the hearing, the court declares the insolvency or orders the closing of the proceedings.

In the declaration of insolvency, the court shall, *inter alia*, appoint the insolvency administrator (*administrador da insolvência*) (the "**Liquidator**"), who will immediately take control of the debtor's assets. The declaration of insolvency is registered in the civil or commercial registry (as the case may be) and is published online in a webpage run by the Portuguese Ministry of Justice, called *Citius*.

The Liquidator has the power to collect the assets of the debtor company wherever those assets may be located.

Effects of the insolvency on the debtor

Insolvency automatically deprives the debtor (or its legal representatives, if applicable) of the power to manage and dispose of the debtor's assets.

Such powers are vested in the Liquidator, who is entitled to carry out all transactions in the ordinary course of business, to continue trading, being also responsible for collecting the debtor's assets, selling all these assets and making all the arrangements in order to pay the creditors and all the expenses.

However, the court or the first general meeting of creditors may, in certain circumstances and at the debtor's request, allow him to retain the management of his assets, *provided* that he has submitted a restructuring plan or undertakes to submit such plan within 30 days.

The first general meeting of creditors resolves on (i) whether to close or pursue the debtor's business and (ii) whether to liquidate the assets immediately or ask the Liquidator to draft an insolvency plan.

Effects of the insolvency on the pending litigation

The declaration of insolvency entails the suspension of all debt enforcement proceedings against the debtor as well as the suspension of any measures requested by the insolvency creditors relating to the debtor's assets and forbids the commencement of enforcement proceedings brought by the insolvency creditors (however these proceedings may proceed if there are other debtors different from the insolvent party).

The declaration of insolvency also implies that (i) all the pending claims against the debtor related to the debtor's assets or that its outcome may influence the value the debtor's assets; and (ii) all the claims with a pecuniary nature filed by the debtor, shall be joined to the insolvency proceedings, if requested by the Liquidator, grounded on the best convenience for the purposes of the insolvency proceedings.

According to a ruling by the Portuguese Supreme Court, the declaration of insolvency also leads to the extinction of all lawsuits aiming at collecting sums or claiming performance of obligations from the debtor.

Rules on the ranking of credits

During the insolvency proceedings, the Liquidator will assess and quantify the claims against the debtor company. Creditors will be able to submit their claims by lodging their proofs of claim with the Liquidator. Creditors are entitled to challenge the Liquidator's decisions on this subject by filing a motion with the court.

All creditors have to file a proof of claim with the Liquidator within the deadline set by the court (up to 30 days from the declaration insolvency). Any creditor who fails to file a proof of claim within the prescribed deadline runs a high risk of not being acknowledged by the Liquidator and of not being paid within the insolvency proceedings, unless said creditor, *provided* certain requirements are met, files a special lawsuit for the acknowledgement of its claim (*ação de verificação ulterior de créditos*) within six months from the day when the declaration of insolvency has become final and definitive (*res judicata*).

The court has to issue a ruling on the claims and on their ranking before any payments can be made. If no one has challenged the Liquidator's decisions on the claims and their ranking, the court may simply confirm them. If such decisions have been challenged, the court may, if need be, hold a hearing and then rule on the subject.

The PICRC distinguishes between guaranteed claims (*créditos garantidos*) which constitute secured claims (including special preferred claims), privileged claims (*créditos privilegiados*) that include general preferred claims over assets of the insolvent estate, common claims (*créditos comuns*) and subordinated claims (*créditos subordinados*).

Among others, the following creditors or claims enjoy some degree of priority: (i) claims from employees; (ii) court fees, including the remuneration of the Liquidator and other administrative and legal costs; (iii) taxes and social security; and (iv) creditors with security over the assets of the debtor.

Before making any payments to the creditors, the Liquidator will set aside the sums or assets needed to pay off the debts of the insolvent estate (namely, expenses incurred after the declaration of insolvency in connection with the management or liquidation of the debtor's assets).

The debts of the insolvent estate are paid out of the income of the insolvent estate. If the said income proves insufficient, the remaining debts of the insolvent estate are paid out of the proceeds of the sale of the debtor's assets. In principle, only 10% of the proceeds from the sale of assets encumbered with *in rem* security interests may be set aside to pay the debts of the insolvent estate. This 10% threshold may, however, be disregarded by the Liquidator if necessary to pay off all debts of the insolvent estate.

After securing full payment of the debts of the insolvent estate and after the court's ruling on the claims and their ranking has become final and definitive (*res judicata*), the Liquidator may begin to make payments to all other creditors.

However, according to recent amendments to the PICRC, it is mandatory for the Liquidator to make partial payments (*rateios parciais*) of the amounts deposited with the insolvent estate, whenever the following conditions are met: (i) the insolvency declaration decision issued by the court is *res judicata* (*i.e.*, non appealable); (ii) has already lapsed the deadline to challenge the list of acknowledged claims issued by the Liquidator and no challenge was filed, or even if it had, such challenge has already been decided by the court; (iii) when the amount deposited with the insolvent estate if of €10,000.00 or more and its ownership is not challenged; and (iv) the insolvency proceedings is not in a phase where the final payments can be made. If the referred conditions are met, the Liquidator should prepare a map with the foreseen payments, which is published to be commented by the creditors within 15 days. Once such deadline has lapsed, the court should decide in 10 days on the payments it considers grounded.

Limitations on the validity of certain transactions

There are several types of transactions which can be rescinded by the Liquidator after the debtor has been declared insolvent and the corresponding assets or monies may then be returned to the insolvent estate.

Some acts may be qualified as detrimental to the insolvency estate, such as, acts that diminish, frustrate, aggravate, put in danger or delay the satisfaction of creditors. Under certain circumstances, such acts may be rescinded on behalf of the insolvency estate, *provided* that they have been performed within two years prior to the filing of the insolvency proceedings. In this case, rescission is only possible if the third party has acted in bad faith.

On the other hand, certain acts may be rescinded to the benefit of the insolvency estate without any further requirements, such as (i) acts entered into by the debtor which can be qualified as free of charge and which have been performed within two years prior to the beginning of the insolvency proceedings, (ii) payment or any other form of settlement of obligations which would only fall due after the filing of the insolvency proceedings, *provided* that said payment or settlement has taken place in the six months prior to the filing of the insolvency proceedings, (iii) payment or any other form of settlement of obligations not yet due, *provided* that said payment or settlement has taken place after the filing of the insolvency proceedings, (iv) payment or any form of settlement of obligations in a way which is unusual and which the creditor was not entitled to claim, *provided* that said payment or settlement has taken place in the six months prior to the filing of the insolvency proceedings, (v) personal guarantees granted by the debtor in the six months prior to the filing of the insolvency proceedings, *provided* that said guarantees relate to a business transaction of no real interest to the debtor, (vi) *in rem* security interests granted by the debtor in the six months prior to the filing of the insolvency proceedings in order to secure the performance of pre-existing obligations or of new obligations which replace the pre-existing ones, (vii) *in rem* security interests granted by the debtor in the sixty days prior to the filing of the insolvency proceedings, *provided* that the granting of said securities and the contraction of the secured obligation take place simultaneously, (viii) agreements executed in the year prior to the filing of the insolvency proceedings, in which the obligations undertaken by the debtor clearly exceed those undertaken by the

counterparty and (ix) reimbursement of shareholder loans in the year prior to the filing of the insolvency proceedings.

Financial assistance and corporate interest

The guarantees and security granted by any company incorporated under Portuguese law shall not extend to cover any indebtedness which would cause the infringement of Article 322 of the Portuguese Companies Code, enacted by Decree-Law no. 262/86, of September 2, 1986, as amended (*Código das Sociedades Comerciais*) (the "**Portuguese Companies Code**"), which restricts the ability of companies incorporated under Portuguese law to provide funds or any form of guarantee or security in order for a third party to acquire or subscribe any shares in such Portuguese company (or its direct or indirect controlling company).

Any contract or unilateral act of the Portuguese company in breach of the aforementioned rule shall be deemed null and void, pursuant to Article 322(3) of the Portuguese Companies Code and, therefore, the limitation described above on the liabilities and obligations of any Portuguese Guarantor may have the effect of reducing the amount of the obligations or liabilities assumed and/or the amount guaranteed or secured to zero.

Pursuant to Article 6.3 of the Portuguese Companies Code, the granting of any guarantee or security by a Portuguese company to secure the obligations of a third party shall be considered *ultra vires* unless (i) the Portuguese company is in a group or control relationship (as such terms are defined in the Portuguese Companies Code) with the entities whose obligations are being secured (although it may be sustained that, for these purposes, both the parent and subsidiary companies must be domiciled in Portugal); or (ii) the Portuguese company has a justifiable corporate interest (*justificado interesse próprio*) in granting the guarantee and/or security. Please note that Portuguese law does not define the concept nor exemplifies what may be considered a justifiable corporate interest of a given company and Portuguese courts and scholars tend to use as criteria to determine the existence of justifiable corporate interest in specific situations, in particular, amongst others, the fact of whether the granting of the guarantee and/or security is necessary for the company to obtain a potential economic benefit/advantage or to avoid a loss. Therefore, in the event any Portuguese company is considered not to have a justifiable corporate interest in the granting of guarantees and/or security to secure the obligations of the Issuer, such guarantees and/or security may not be enforceable under Portuguese law.

The documentation in relation to the guarantees and security, to the extent they concern a Portuguese Guarantor, may contain limitation language and, hence, such guarantees and security interests are limited in the manner described therein.

The Guarantees and any other security, guarantee, indemnity, obligation and liability granted or undertaken by each Portuguese Guarantor, or over any of the shares or quotas of, or any credit rights over, any Portuguese Guarantor, are limited to a global maximum secured amount of €5.0 million, and, as a result, Portuguese Guarantors will not have an obligation to repay any amounts to the holders of the Notes or the Security Agent under such Guarantees and any other security, guarantee, indemnity, obligation and liability once the maximum secured amount has been reached.

Limitations on enforcement

Under Portuguese law, claims may become time-barred (20 years being the ordinary term set forth under article 309 of the Portuguese Civil Code) and may be or become subject to the defense of set-off or counterclaim.

The terms "enforceable," "enforceability," "valid," "legal," "binding" and "effective" (or any combination thereof) mean that all of the obligations assumed by the relevant party under the relevant documents are of a type enforced by Portuguese courts; the terms do not mean that these obligations will necessarily be enforced in all circumstances in accordance with their terms. In particular, enforcement before the courts is subject to:

- the degree to which the relevant obligations are enforceable under their governing law;
- the nature of the remedies available in the courts;
- the availability of defenses such as (without limitation) set-off, fraud, abuse of rights (*abuso de direito*), violation of public policy principles, duress, misrepresentation, undue influence, conflict of interests, force majeure, exception *non adimplenti contractus*, error, abatement and counterclaim; and
- the applicable statute of limitations.

As a general rule, under Portuguese law, any guarantee, pledge or mortgage must guarantee or secure another obligation to which it is ancillary (*princípio da acessoriedade*), which must be clearly identified in the relevant guarantee or security agreement. Therefore, the guarantee or security interest follows the underlying obligation in such a way that the invalidity of the underlying obligation entails invalidity of the guarantee or security and termination of the underlying obligation entails termination of the guarantee or security. In the event that the security providers are able to prove that there are no existing and valid guaranteed obligations, Portuguese courts may consider that the security providers' obligations under the relevant guarantees or security are not enforceable.

The enforcement of security (including a guarantee) before the Portuguese courts will be subject to the following:

- a Portuguese court may refuse to give effect to any provision of the relevant agreements on the grounds that such provision conflicts with Portuguese public policy (*ordem pública*);

- the Portuguese courts will not grant enforcement in the event that they deem that a right has been exercised in abuse of right (*abuso de direito*) and will not enforce an obligation in case of fraud;

- a Portuguese court may issue an award of damages where specific performance is deemed impracticable; and

- a Portuguese court may not enforce a penalty clause within the meaning of article 812 of the Portuguese Civil Code which the court would consider excessive as a pre-estimate of damages or if the obligations secured by the penalty clause have been performed in part; in this event the court may reduce the amount of the penalty.

The principles above mentioned are of general application and in applying such principles a court, among other things, might not allow a creditor to accelerate maturity of a debt upon the occurrence of a default deemed immaterial.

Finally, it should be noted that Portuguese Guarantors will be entitled to claim for themselves immunity from suit, execution, attachment or other legal process in respect of its obligations under the Collateral to the extent that their assets are covered by the immunities legally set forth, which include, but are not limited to, assets that are part of the public domain of the Portuguese Republic (*domínio público do Estado*) or allocated to public service purposes.

Trustee and Security Agent

It should be noted that Portuguese Law does not recognize the concept of parallel debt or trusteeship. The Indenture provides (along with the Intercreditor Agreement) that only the Security Agent has the right to enforce the Security Documents in its capacity as agent (*mandatário com representação*) and joint and several creditor (*credor solidário*) and that the holders of the Notes will not have direct security interests and that therefore will not be entitled to take enforcement. Notwithstanding the foregoing, if enforcement of any security interest in Portugal was to be carried out by the Security Agent, it may be necessary to prove that the Security Agent is duly and expressly empowered for such purpose by means of a power of attorney granted in their favor by each of the noteholders, duly notarized and legalized, and that the Security Agent is a joint and several creditor (*credor solidário*).

France

Insolvency

We conduct part of our business activity in France and, to the extent that the registered office of any of the Guarantors or its main centre of interests within the meaning of Article R. 600-1 of the French Commercial Code is deemed to be in France, they could be subject to confidential French court-assisted proceedings (*i.e.*, *mandat ad hoc* or *conciliation* proceedings) (which do not fall within the scope of the EU Insolvency Regulation). In addition, to the extent that (i) their COMI is deemed to be in France or they have an establishment in France or, (ii) in cases where the EU Insolvency Regulation does not apply, their registered office or their main centre of interests within the meaning of Article R. 600-1 of the French Commercial Code, is deemed to be in France, they could also be subject to French court-administered proceedings affecting creditors, *i.e.*, either safeguard proceedings or accelerated safeguard proceedings (*sauvegarde* or *sauvegarde accélérée*), judicial reorganization proceedings (*redressement judiciaire*) or judicial liquidation proceedings (*liquidation judiciaire*).

Annex A of the EU Insolvency Regulation lists safeguard, accelerated safeguard, judicial reorganization and judicial liquidation proceedings as insolvency proceedings within the meaning of the EU Insolvency Regulation. Any company of our group having its COMI in France could be subject to French main insolvency proceedings within the meaning of the EU Insolvency Regulation and any company of our group having an establishment in France and its COMI in another EU Member State (other than Denmark) could be subject to French secondary insolvency proceedings within the meaning of the EU Insolvency Regulation.

Specialized courts exist for (i) conciliation or court-administered proceedings with respect to debtors that meet or exceed (on a stand-alone basis or together with the companies under their control) (y) €20 million in turnover and 250 employees or (z) €40 million in net turnover, (ii) commencement of proceedings with respect to which the court's international jurisdiction results from the application of the EU Insolvency Regulation or (iii) in cases where the EU Insolvency Regulation does not apply, from the debtor having its main center of interests within the jurisdiction of such specialized courts.

In addition, the French court that commences preventive or insolvency proceedings with respect to the member of a corporate group has jurisdiction over all the other members of the group (subject to French courts having international jurisdiction with respect to such entities, in accordance with the rules outlined above, and to specific thresholds), accordingly, a court can supervise the insolvency proceedings of the whole group and may, for this purpose, appoint the same administrator (*administrateur judiciaire*) and creditors' representative (*mandataire judiciaire*) for all proceedings in respect of members of the group.

In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit your ability to enforce your rights under the Notes and corresponding security interests in the Collateral.

The following is a general discussion of preventive and insolvency proceedings governed by French law for informational purposes only and does not address all the French legal considerations that may be relevant to holders of the Notes.

Grace periods

In addition to insolvency laws discussed below, you could, like any other creditors, be subject to Article 1343-5 of the French Civil Code (*Code civil*).

Pursuant to the provisions of this article, French courts may, in any civil or commercial proceedings involving the debtor, whether initiated by the debtor or the creditor, taking into account the debtor's financial position and the creditor's needs, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations that are due and decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the legal rate, as published semi-annually by the French government) or that payments made shall first be allocated to the repayment of principal. A court order made under Article 1343-5 of the French Civil Code will suspend any pending enforcement measures, and any contractual default interest or penalty for late payment will not accrue or be due during the grace periods ordered by the relevant judge.

If the debtor is engaged in *conciliation* proceedings or has reached a *conciliation* agreement that is in the course of being executed, special rules apply to the grant of grace periods (see *"Court-assisted Proceedings*" below).

Insolvency test

Under French law, a debtor is considered to be insolvent (*en état de cessation des paiements*) when it is unable to pay its due debts (*passif exigible*) with its immediately available assets (*actif disponible*) taking into account available credit lines, existing debt rescheduling agreements and moratoria.

The date of insolvency (*date d'état de cessation des paiements*) is generally deemed to be the date of the court ruling commencing the judicial reorganization or judicial liquidation proceedings, unless the court sets an earlier date, which may be carried back up to 18 months before the date of such court ruling. Except for fraud, the date of insolvency may not be fixed at an earlier date than the date of the final court decision that approved an agreement (*homologation*) in the context of conciliation proceedings. The date of insolvency marks the beginning of the hardening period.

Court-assisted proceedings

A French debtor facing difficulties may in certain conditions request the commencement of court-assisted proceedings (*mandat ad hoc* or *conciliation*), the aim of which is to reach an agreement with the debtor's main creditors and stakeholders *e.g.*, an agreement to reduce or reschedule its indebtedness.

Mandat ad hoc proceedings may only be initiated by the debtor itself, in its sole discretion. In practice, *mandat ad hoc* proceedings are used by debtors that are facing any type of difficulties but are not insolvent (see "*Insolvency test*" above). The proceedings are informal and confidential by law (save for the disclosure of the court decision appointing the *mandataire ad hoc* to the statutory auditors, if any). They are carried out under the aegis of a court-appointed officer (*mandataire ad hoc*), whose name may be suggested by the debtor itself, under the supervision of the president of the court. The proceedings are not limited in time. The duties of the *mandataire ad hoc* are determined by the president of the court (usually the commercial court) who appoints him or her, usually to facilitate negotiations with creditors. Any agreement between the debtor and its creditors will be negotiated on a purely consensual and voluntary basis: those creditors not willing to take part cannot be bound by the agreement nor forced to accept it. *Mandat ad hoc* proceedings do not automatically stay any pending proceedings and creditors are not barred from taking legal action against the debtor to recover their claims but those that have accepted to take part in the proceedings usually accept not to do so for their duration. In any event, the debtor retains the right to petition the relevant judge for a grace period under Article 1343-5 of the French Civil Code (see "*Grace periods*" above). The agreement reached is reported to the president of the court but is not formally approved by it.

Conciliation proceedings may only be initiated by a debtor itself if it faces actual or foreseeable difficulties of a legal, economic or financial nature but (at the time the *conciliation* proceedings are commenced) is not insolvent (see "*Insolvency test*" above) or has not been insolvent for more than 45 calendar days. *Conciliation* proceedings are confidential by law (save for the disclosure of the court decision commencing the proceedings to the statutory auditors, if any). They are carried out under the aegis of a court-appointed conciliator (*conciliateur*), whose name may be suggested by the debtor itself, under the supervision of the president of the court.

The proceedings may last up to five months (after an initial period of a maximum of four months, upon request of the *conciliateur*, the president of the court may extend the conciliation period up to the absolute maximum of five months). If the debtor intends to have the conciliation agreement approved (*homologué*) or acknowledged (*constaté*), its request must be filed by the end of this five-month period, even though the hearing can take place afterwards, in which case the conciliation period will be extended until the decision of the president of the court or the court itself.

The duties of the *conciliateur* are to assist the debtor in negotiating an agreement with all or part of its creditors and/or trade partners and/or other stakeholders that puts an end to its difficulties, *e.g.*, providing for the restructuring of its indebtedness. Any agreement between the debtor and its creditors/stakeholders will be negotiated on a purely consensual and voluntary basis: (i) those creditors not willing to take part cannot be bound by the agreement nor forced to accept it. *Conciliation* proceedings do not automatically stay any pending proceedings and creditors are not barred from taking legal action against the debtor to recover their claims but those that have accepted to take part in the proceedings usually accept not to do so for their duration and (ii) creditors may not request the opening of insolvency proceedings (*redressement judiciaire* or *liquidation judiciaire*) against the debtor, for the duration of the *conciliation* proceedings.

Pursuant to Article L. 611-7 of the French Commercial Code, during the proceedings, the debtor retains the right to petition the judge that commenced them for a grace period (debt rescheduling for a maximum of two years) in accordance with Article 1343-5 of the French Civil Code (see "*Grace periods*" above) *provided* that a creditor has formally put the debtor on notice to pay, or is suing for payment or does not accept, by the deadline set by the *conciliateur*, a request made by the *conciliateur* to defer payment of his claim.

Moreover, if a creditor does not accept, by the deadline set by the *conciliateur*, a request made by the *conciliateur* to defer payment of its unmatured claim, the judge may defer or reschedule the payment of this unmatured claim for the duration of the *conciliation* proceedings (*i.e.*, a maximum period of five months). The judge will take his or her decision after having heard the *conciliateur* and may condition the duration of the measures it orders to reaching an agreement in the *conciliation* proceedings.

The *conciliation* agreement reached between the debtor and its creditors and/or trade partners and/or other stakeholders may be either acknowledged (*constaté*) by the President of the Court at the request of the parties, which makes the agreement binding upon them (in particular, performance of the conciliation agreement

prevents any action by the creditors party thereto against the debtor to obtain payment of claims governed by the conciliation agreement) and enforceable without further recourse to a judge (*force exécutoire*), but the *conciliation* proceedings remain confidential.

Alternatively, the conciliation agreement may be approved (*homologué*) by the court at the request of the debtor following a hearing held for that purpose, to which the social and economic committee, as the case may be, must be convened, if (i) the debtor is not insolvent or the conciliation agreement has the effect of putting an end to the debtor's insolvency, (ii) the conciliation agreement effectively ensures that the company will survive as a going concern and (iii) the conciliation agreement does not impair the rights of the non-signatory creditors. Such approval will have the same effect as its acknowledgement (*constatation*) as described above and, in addition:

- the decision of approval by the relevant Civil or Commercial court, which should only disclose the amount of any New Money Lien (see below) and the guarantees and security interests granted to secure the same, will be public but the agreement itself should otherwise remain confidential except *vis-à-vis* the social and economic committee that is informed of the content of the conciliation agreement and may have access to the full conciliation agreement at the clerk's office (*greffe*) of the court;

- creditors that, in the context of the conciliation proceedings, provide new money, goods or services designed to ensure the continuation of the business of the debtor (other than shareholders providing new equity in the context of a capital increase) will enjoy a priority of payment over all pre-commencement and post-commencement claims (subject to certain exceptions including certain pre-commencement or post-commencement employment claims and procedural costs) (the "**New Money Lien**"), in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings;

- in the event of subsequent safeguard, accelerated safeguard, judicial reorganization or judicial liquidation proceedings, the claims benefiting from the New Money Lien may not, without their holders' consent, be rescheduled or written off by a safeguard or reorganization plan (although such claims will not be paid before the safeguard or reorganization plan is adopted), not even by the classes of affected parties;

- when the debtor is submitted to statutory auditing, the conciliation agreement is communicated to its statutory auditors; and

- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of insolvency (see *"Insolvency test"* above), and therefore the starting date of the hardening period (*période suspecte*) (as defined below-see "*The hardening period (période suspecte) in judicial reorganization and liquidation proceedings*") in judicial reorganization and liquidation proceedings, cannot be set by the court as of a date earlier than the date of the approval (*homologation*) of the agreement by the court (except in case of fraud).

Whether the conciliation agreement is acknowledged or approved, the court may, at the request of the debtor, appoint the *conciliateur* to monitor the implementation of the agreement (*mandataire à l'exécution de l'accord*) during its performance and while it is in force:

- interest accruing on the affected claims that are the subject to the conciliation agreement may not be compounded;

- pursuant to Article L. 611-10-1 of the French Commercial Code, the debtor retains the right, during the performance period of a conciliation agreement, to petition the judge having commenced conciliation proceedings to impose grace periods on creditors who were asked to participate in the *conciliation* proceedings (other than the tax and social security administrations) and have formally put the debtor on notice to pay or who are suing for payment of claims that were not dealt with in the conciliation agreement, such decision being made after hearing the *conciliateur* if he or she has been appointed to monitor the implementation of the agreement, and taking into account the conditions of its performance; and

- pursuant to Article L. 611-10-2 of the French Commercial Code, a joint-debtor and a third party having previously granted credit support (a guarantee (*sûreté personnelle*) or security interest (*sûreté réelle*)) with respect to the debtor's obligations may benefit from the provisions of the *conciliation* agreement as well as from grace periods granted to the debtor in the context of *conciliation* proceedings and during the performance of the *conciliation* agreement.

In the event of a breach of the *conciliation* agreement, any party to it may petition the president of the court or the court (depending on whether the agreement was acknowledged or approved) for its termination. If such

termination is granted, grace periods granted in relation to the *conciliation* proceedings may be revoked. Conversely, *provided* the *conciliation* agreement is duly performed, any individual proceedings by creditors with respect to obtaining payment of the claims dealt with by the conciliation agreement are suspended and/or prohibited. The commencement of subsequent safeguard or insolvency proceedings will automatically put an end to the conciliation agreement, in which case the creditors will recover their claims (decreased by the payments already received) and pre-existing security interests or guarantees. Nevertheless, the termination of the *conciliation* agreement does not invalidate the provisions the purpose of which is to organize the consequences arising out of the termination of the *conciliation* agreement.

Conciliation proceedings, in the context of which a draft plan has been negotiated and is supported by a majority of creditors large enough to render likely to meet the threshold requirements for creditors' consent in safeguard, is a mandatory preliminary step of accelerated safeguard proceedings, as described below.

At the request of the debtor and after the participating creditors have been consulted on the matter, *mandat ad hoc* and conciliation proceedings may also be used to organize the partial or total sale of the debtor, in particular through a "plan for the disposal of the business" (Prepack sale - *plan de cession*) which would be implemented, as applicable, in the context of subsequent safeguard, judicial reorganization or liquidation proceedings. *Provided* that they comply with certain requirements, any offers received in this context by the *mandataire ad hoc* or the conciliateur may be directly considered by the court in the context of safeguard, judicial reorganization or judicial liquidation proceedings after consultation of the state prosecutor.

As a matter of law, two types of contractual provisions are deemed null and void: (i) any provision that modifies the conditions for the continuation of an ongoing contract by reducing the debtors' rights or increasing its obligations simply by reason of the appointment of a *mandataire ad hoc* or of the commencement of *conciliation* proceedings or of a request submitted to this end and (ii) any provision forcing the debtor to bear, by reason only of the appointment of a *mandataire ad hoc* or of the commencement of conciliation proceedings, more than three-quarters of the fees of the professional advisers whom the creditors have retained in connection with these proceedings.

Where the debtor cannot manage to reach an agreement with its creditors within the maximum time period allotted to court-assisted proceedings, the court will terminate those proceedings. The termination of amicable proceedings does not, in and of itself entail specific legal consequences for the debtor, in particular it does not result in the automatic commencement of insolvency proceedings. New *conciliation* proceedings cannot be commenced enduring a three-month period following the termination of the previous ones.

Court-administered proceedings—safeguard

A debtor that experiences difficulties that it is not able to overcome may, in its sole discretion, initiate safeguard proceedings (*procédure de sauvegarde*) with respect to itself, *provided* that it is not insolvent (*see "Insolvency Test"*). Where it is not demonstrated that the debtor is experiencing difficulties that it is not able to overcome, the court may invite the debtor to request the opening of *conciliation* proceedings. Creditors of the debtor are not notified of, nor invited to attend the hearing before the court at which the commencement of safeguard proceedings is requested even if they have a limited right to challenge the court decision commencing the proceedings.

Following the commencement of safeguard proceedings, a court-appointed administrator (*administrateur judiciaire*) is appointed (except for small companies where the court considers that such appointment is not necessary) within the list of judicial administrators (whose name can be proposed by the debtor or the state prosecutor). At the request of the debtor or the state prosecutor, or by the court on its own, two or more administrators can be appointed. The appointment of several administrators becomes mandatory when the debtor (i) owns at least three establishments outside the jurisdiction of the court where it is registered, or (ii) holds or controls (as provided by Articles L. 233-1 or L. 233-3 of the French Commercial Code) at least two companies subject to court-administered proceedings, or (iii) is held or controlled (as provided by the same articles) by a company subject to court-administered proceedings, such company itself holding or controlling another company subject to such proceedings, and (iv) generates at least €20 million of net turnover (for (ii) and (iii)). In case *mandat ad hoc* or *conciliation* proceedings were commenced in the eighteen months preceding the commencement of court-administered proceedings, the state prosecutor can object to the appointment of the mandataire ad hoc or conciliateur as administrator. The administrator is appointed to investigate the business of the debtor during an "observation period" (being the period starting on the date of the court decision commencing the proceedings and ending on the date on which the court takes a decision on the outcome of the proceedings), which may last up to twelve months. The role of the court-appointed administrator is also to assist the debtor in preparing a draft safeguard plan (*projet de plan de sauvegarde*) that it will circularize to its

creditors that may include a partial sale of the business. Creditors or Equity Holders do not have effective control over the proceedings, which remain in the hands of the debtor, assisted by the court-appointed administrator. The court-appointed administrator will either, in accordance with the terms of the judgment appointing him or her, exercise *ex-post facto* control over decisions made by the debtor (*mission de surveillance*) or assist the debtor with making some or all of the management decisions (*mission d'assistance*), under the supervision of the court.

A supervisory judge (*juge-commissaire*) and a creditors' representative (*mandataire judiciaire*) are also appointed at the beginning of the proceedings, alongside the court-appointed administrator. Disposal decisions that fall outside the scope of the ordinary course of business, among others require the prior approval of the supervisory judge (*e.g.*, granting security interests or settling disputes). The supervisory judge can appoint one to five controllers (*contrôleurs*) among the creditors who have filed a request, *provided* they meet certain conditions (in particular no affiliation to the debtor). Controllers (*contrôleurs*) assist the creditors' representative in his functions and the supervisory judge in his duty of supervising the progress of the insolvency proceedings. In order to protect creditors' interests and under certain conditions, the controllers may act in the interests of the creditors when the creditors' representative fails to take sufficient action.

If, after commencement of the proceedings, it appears that the debtor was insolvent (*en état de cessation des paiements*) before their commencement, at the request of the debtor, the administrator, the creditors' representative or the state prosecutor but, in any event, after having heard the debtor, the court may convert the safeguard proceedings into judicial reorganization proceedings.

In addition, at any time during the observation period, at the request of the debtor, the court-appointed administrator, the creditors' representative or the state prosecutor or on its own initiative, the court may convert safeguard proceedings into (i) judicial reorganization proceedings if the debtor is insolvent or (ii) judicial liquidation proceedings if the debtor is insolvent and its recovery is manifestly impossible.

At the request of the debtor, the court-appointed administrator, the creditors' representative or the state prosecutor, but not on its own initiative, where the plan has not been adopted by the classes of affected parties, the court may also convert safeguard proceedings into judicial reorganization proceedings if the approval of a safeguard plan is manifestly impossible and if the company would shortly become insolvent should safeguard proceedings end.

In these two conversion cases, the court's decision is only taken after having heard the debtor, the court-appointed administrator, the creditors' representative, the creditors of the debtor appointed by the supervisory judge as controllers ("***Contrôleurs***") (if any), the state prosecutor and the social and economic committee (if any).

As soon as safeguard proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

Ordinance No. 2021-1193, dated September 15, 2021, created a new post money privilege as an incentive for new financings granted to debtors in the context of safeguard or reorganization proceedings (the "**Post Money Lien**").

The Post Money Lien applies exclusively to proceedings commenced from October 1, 2021. The Post Money Lien also applies in the event of an amendment to the safeguard plan or reorganization plan adopted in proceedings commenced before May 22, 2020.

The Post Money Lien is distinct from the existing statutory preference enjoyed by financing granted, with the approval of the supervisory judge (*juge-commissaire*), after commencement of the proceedings, for the needs of the proceedings or of the observation period:

- The Post Money Lien applies to all new cash contributions made, with the exception of those made through a share capital increase, by any person:
    - in order to ensure the continuity of debtor's business during the observation period, in which case such cash contributions must be authorized by the supervisory judge, or
    - for the implementation of the safeguard or reorganization plan, i.e., within the plan as approved or amended by the court, and for the purposes of its performance, it being specified that both the draft plan on which the affected parties are called upon to vote and the judgment must mention all claims benefiting from the privilege, as well as the relevant amounts.

- Claims benefiting from the Post Money Lien enjoy a priority of payment over pre-commencement and post-commencement claims with the exception of (i) employees' super-privileged claims, (ii) procedural costs, (iii) the New Money Lien (iv) pre-commencement claims secured by security interests over real estate assets (only in the context of judicial liquidation proceedings) and (v) post-commencement wages claims not advanced through the French wages guarantee scheme (AGS) under provisions of Articles L. 3253-8 to L. 3253-13 of the French Labor Code.

- Such claims may not termed-out or written-off without the consent of the relevant creditors (although such claims will not be paid before the safeguard or reorganization plan is adopted) in subsequent safeguard proceedings, judicial reorganization proceedings or liquidation proceedings.

Once safeguard proceedings have been commenced, there will be an automatic stay on certain claims. Payment by the debtor of any debts incurred (i) prior to the commencement of the proceedings or (ii) after the commencement of the safeguard proceedings and if they do not relate to expenses necessary for the debtor's business activities during the observation period, are not for the requirements of the proceedings, or not in consideration for services rendered or goods delivered to the debtor during this period is prohibited, subject to very limited exceptions. For example, the supervisory judge can authorize payments for pre-commencement debts in order to discharge a lien on property needed to continue the debtor's operation or to recover goods or rights transferred as collateral in a fiduciary estate (*patrimoine fiduciaire*) (see "*Status of Creditors During Safeguard, Accelerated Safeguard, Judicial Reorganization or Judicial Liquidation Proceedings*").

The supervisory judge may also authorize the payment to a carrier exercising an action against an ultimate client or a compromise or settlement agreement with a carrier, or the granting of any contractual security interest to guarantee a post-commencement claim.

During the safeguard proceedings, any increase in the perimeter of a contractual security interest or a contractual right of retention, regardless of the method used, is prohibited. Consequently, margin call provisions are neutralized. This prohibition does not apply to any assignment of receivables as set forth in Articles 313-23 and seq. of the French Monetary and Financial Code if the framework master agreement was entered into before the commencement of the proceedings.

Creditors (and, if applicable, Equity Holders) must be consulted on the manner in which the debtor's liabilities will be settled under the plan (debt write-offs, payment terms or debt-for-equity-swaps) prior to the plan being approved by the court. The rules governing consultation vary according to the size of the business.

Standard consultation: for debtors which have (i) less than 250 employees and less than a net turnover of €20 million or (ii) less than a net turnover of €40 million. This also applies in respect of debtors which own or control other entities within the meaning of Articles L. 233-1 and L. 233-3 of the French Commercial Code, who fall below these thresholds. If so requested by the debtors and with the consent of the supervisory judge, creditors may also be subject to the class-based consultation.

In such case, the administrator notifies the proposals for the settlement of debts to the court-appointed creditors' representative, who seeks the agreement of each creditor who filed a claim, regarding the debt write-offs and payment schedules proposed. Creditors are consulted individually or collectively.

French law does not state whether the debt settlement proposals can vary according to the creditor and whether the principle of equal treatment of creditors is applicable at the consultation stage. According to legal commentaries and established practice, in the absence of a specific legislative prohibition, differing treatment as between creditors is possible, *provided* that it is justified by the specific position of the creditors and approved by the court-appointed creditors' representative. In practice, it is also possible at the consultation stage to make a proposal for a partial payment of the claim over a shorter time period instead of a full payment of the claim over the length of the plan (ten years maximum except for agricultural businesses where the maximum is fifteen years).

Creditors whose payment terms are not affected by the plan or who are paid in cash in full as soon as the plan is approved do not need to be consulted.

Creditors that do not respond within 30 days of their receipt of the debt settlement proposal (other than debt-for-equity-swap) made to them are deemed to have accepted it. The creditors' representative keeps a list of the responses from creditors, which is notified to the debtor, the court-appointed administrator and the controllers.

Within the framework of a standard consultation, if the creditors refuse the proposals that were submitted to them, the court that approves the safeguard plan (*plan de sauvegarde*) can impose on them a uniform rescheduling of their claims (subject to specific regimes such as the one applicable to claims benefiting from the New Money Lien or the Post Money Lien) over a maximum period of ten years (except for agricultural businesses where the maximum is fifteen years and for claims with maturity dates of more than the deferral period set by the court, in which case the maturity date shall remain the same), but no write-off of any claim or debt-for-equity swap may be imposed without the relevant creditor's individual acceptance.

Following a court imposed rescheduling, the first payment must be made within a year of the judgment adopting the plan (in the third and subsequent years, the amount of each annual instalment must be at least 5% of the amount of each debt claim and from the sixth year onwards, at least 10% (except for agricultural businesses)) or on the first payment date following the initial maturity of the claim if it is later than the first payment date provided for by the plan, in which case the amount of such first payment is equal to what the creditor would have received had he or she been paid in accordance with the uniform payment rescheduling applying to the other creditors.

If the draft plan provides for a modification of the share capital or the by-laws, the court may decide that the shareholders general meeting and, as the case may be, the general meetings of the holders of securities giving access to the share capital of the company shall vote, the first time the relevant meeting is convened, at a simple majority of the votes of the shareholders attending, or represented at, the meeting, *provided* that they hold at least half of the shares with voting rights. The second time the meeting is convened, the usual applicable legal provisions relating to quorum and majority shall apply.

If the plan provides for a share capital increase, the shareholders may pay up their subscription to such share capital increase by way of a set-off against their admitted claims against the debtor (as such claims may be reduced according to the provisions of the plan).

If the court adopts a safeguard plan, it can set a time-period (which cannot exceed the duration of the plan) during which the assets that it deems to be essential to the continuation of the business of the debtor may not be disposed of without the court's consent.

The plan adopted by the court may be modified during its implementation. However, when the modification is substantial and relates to the terms and conditions of the discharge of liabilities, the interested parties are consulted by registered letter with acknowledgment of receipt sent by the court clerk. Such interested parties shall answer to this consultation no later than 21 calendar days following the receipt. Failure to respond shall constitute acceptance of the proposed changes, except if they relate to debt write-offs or debt-to-equity swaps.

Class-based consultation:

This applies to large companies with (i) at least 250 employees and a net turnover of €20 million or (ii) with a net turnover of at least €40 million (on a standalone basis or together with other entities they hold or control, within the meaning of Articles L. 233-1 and L. 233-3 of the French Commercial Code), or upon the debtor's request and with the consent of the supervisory judge in the case of debtors that do not meet the aforementioned thresholds.

Are considered as "affected parties" (i) any creditors the rights of which are directly affected by the restructuring plan, (ii) or any stakeholders which hold an instrument giving access either immediately or on a deferred basis to the debtor's share capital in the event of their stake in the debtor's capital, the debtor's articles of association, or such stakeholder's rights are modified by the draft plan (the "**Equity Holders**"). Please note that a decision of the Versailles Court of Appeals, 22 June 2023, no 23/03276 in the Orpea matter, ruled that holders of notes giving future access to the share capital (such as notes convertible into shares) are deemed to be creditors for the purposes of the proceedings if they have not converted their bonds into equity by the date of the commencement of the proceedings.

Only the affected parties can vote on the draft plan.

The affected parties shall inform the court-appointed administrator (*administrateur judiciaire*), within 10 days from the notice sent by the court-appointed administrator, of any intercreditor agreements entered into before the commencement of the proceedings. Failing this, these intercreditor agreements are unenforceable.

The composition of the classes of affected parties are determined in light of the claims and rights arising prior to the date of the judgment commencing the proceedings. The court-appointed administrator divides the

affected parties into classes, which reflect sufficient commonality of interest, based on verifiable criteria, *provided* that the following conditions are satisfied:

- creditors holding security interests over the debtor's assets, for their secured claims, and unsecured creditors are members of separate classes;

- composition of classes respects intercreditor agreements concluded before the commencement of the proceedings;

- Equity Holders are members of separate classes.

Claims arising under employment contracts, pension rights acquired under an occupational pension scheme and maintenance claims arising from a family relationship are excluded from the class-based consultation and therefore are not affected by the plan.

At least 21 days before the date of the vote, the court-appointed administrator must submit to each affected party the rules governing the class formation criteria and the voting rights with respect to the class or classes to which affected parties belong. The amount of the claims taken into account shall be the amount indicated by the debtor and certified by its statutory auditor or, where no statutory auditor has been appointed, established by its chartered accountant. In the case of affected parties which are beneficiaries of a trust (*fiducie*) set up as a guarantee by the debtor, only the amounts of their claims not guaranteed by such a security shall be taken into account. Where there is an indexation clause, the amount of interest remaining due on the date of the judgment commencing the proceedings is calculated at the rate applicable on the date of that judgment. Foreign currency receivables are converted into euros at the exchange rate on the date of the judgment. In the event of disagreement, each affected party, the debtor, the public prosecutor, the creditors' representative or the court-appointed administrator can challenge the rules governing the class formation criteria or the voting rights before the supervisory judge (*juge-commissaire*), within 10 days from the notification or publication of such rules.

The supervisory judge must rule on such challenge within 10 days. In the absence of a decision by the supervisory judge in the 10 days period, the matter may be referred to the court. Appeal against the supervisory judge's decision has to be filed within 5 days of his/her order. The court of appeal then has 15 days to rule. There is no possibility to submit a challenge before the French Supreme Court.

The debtor, with the assistance of the court-appointed administrator, is in charge of preparing the draft plan. The draft plan shall be sent to the classes for a vote. The draft plan may, in particular, provide for rescheduling or cancellation of debts and/or debt-for-equity swaps. The classes of affected parties must approve or reject the safeguard plan within 20 to 30 days of its submission. The period may be extended or shortened by the supervisory judge upon request from the debtor or the court-appointed administrator but may never be shorter than 15 days. The plan must be approved by a majority vote of each class of affected parties (two-thirds of the votes held by the members casting a vote).

The class or classes of Equity Holders vote in accordance with the provisions applicable to either extraordinary general meetings, shareholders' meetings and special meetings or bondholders' general meetings, as the case may be. Within a class, the vote on the adoption of the plan may be replaced by an agreement which, after consultation with its members, has received the approval of two-thirds of the voting rights.

When the classes have adopted the draft plan, the court rules upon it and verifies that the following conditions are met:

- the plan has been adopted in accordance with the rules regarding the affected parties and their classification into classes;

- the affected parties sharing a sufficient community of interest within the same class benefit from equal treatment and are treated in proportion to their claim or right;

- all affected parties have been duly notified of the plan;

- if some affected parties have voted against the draft plan, none of these affected parties is worse off under a restructuring plan than such a creditor would be if the normal ranking of liquidation priorities under were applied, either in the event of liquidation, whether piecemeal or by sale as a going concern, or in the event of the next-best-alternative scenario if the restructuring plan were not confirmed (The "**Best Interest of**

Creditors Test"). If a party voting against a draft plan argues the judgment does not satisfy the Best Interest of Creditors Test, the court will determine the value of the company on a going concern basis;

- where applicable, any new financing is necessary to implement the plan and does not excessively affect the interests of the affected parties.

The court may refuse to approve the plan if it does not offer a reasonable prospect of avoiding the debtor's insolvency or of ensuring the viability of the business. The court must check that the interests of all creditors are "sufficiently protected." The judgement adopting the plan renders the plan enforceable against all (including the affected parties who did not vote or voted against the adoption of the plan).

As for plans adopted through a standard consultation, if the plan provides for a share capital increase, the shareholders may pay up their subscription to such share capital increase by way of a set-off against their admitted claims against the debtor (as such claims may be reduced according to the provisions of the plan).

If the plan is not approved by the required majority of each class of affected parties, it may be approved (*arrêté*) by the court at the request of the debtor or the court-appointed administrator with the agreement of the debtor and be imposed on the parties that voted against the draft plan (Cross-Class Cram-Down), where the plan meets the following conditions:

- the plan complies with the conditions for the adoption of the plan by the court mentioned above;
- the plan has been approved by:
    - a majority of the classes of affected parties entitled to vote, including at least one class of secured creditors or a class ranking higher than the class of unsecured creditors; or, if such condition is not met,
    - by at least one of the classes of affected parties entitled to vote, other than a class of Equity Holders or any other class which, after determination of the value of the debtor as a going concern, it may reasonably be assumed it would not be entitled to any payment, if the order of priority of creditors for the distribution of the assets in liquidation proceedings or of the sale plan (*plan de cession*) were applied;
- the claims of a dissenting class of affected creditors shall be paid in full (by identical or equivalent means) if a more junior class receives any distribution or keeps any interest under the restructuring plan (the "**absolute priority rule**"); upon request from the debtor, or from the court-appointed administrator with the debtor's consent, the court can override the absolute priority rule if it is deemed necessary to achieve the plan's objectives and if the plan does not excessively affect the rights or interests of affected parties;
- under the safeguard plan, no class of affected parties may receive or retain more than the total amount of its claims or interests;
- in the case of one or more dissenting classes of Equity Holders:
    - the formation of classes of affected parties was compulsory regarding the thresholds met by the debtor (*i.e.*, 250 employees and a net turnover of €20 million or with a net turnover of at least €40 million at the group level);
    - it may reasonably be assumed, after determination of the value of the debtor as a going concern, that the dissenting classes of Equity Holders would not be entitled to any payment or retain any interest if the order of priority of creditors for the distribution of the assets in liquidation proceedings or of the sale plan (*plan de cession*) were applied;
    - if the draft plan provides for a share capital increase subscribed in cash or by way of set off, the shares to be issued are offered in preference to the existing shareholders, in proportion to the part of the share capital represented by their shares;
    - the plan does not provide for the sale of all or part of the rights of the dissenting class or classes of Equity Holders.

The decision of the court shall constitute approval of the changes to the shareholding structure or to the rights of the Equity Holders or to the articles of association provided for in the plan. The court may appoint an agent to carry out the acts necessary for the implementation of these amendments.

As for plans adopted through a standard consultation, if the court adopts a safeguard plan, it can set up a time-period (which cannot exceed the duration of the plan) during which the assets that it deems to be essential to the continuation of the business of the debtor may not be disposed of without the court's consent.

At the latest within ten days from the vote of the classes on the draft plan, any affected party having voted against the draft plan and considering that:

- the best interest test criterion has not been met; or

- the condition relating to the adoption of the draft plan by at least one of the classes of affected parties entitled to vote (other than a class of Equity Holders or any other class which, after determining the value of the debtor as a going concern, it is reasonable to assume would not be entitled to any payment if the order of payment in a judicial liquidation was applied (whether in the event of a piecemeal sale or, a court-ordered sale plan)) has not been met; or

- in the event of a cross class-cram-down on Equity Holders, the condition relating to the debtor's value criterion has not been met (*i.e.*, it is reasonable to assume, after determining the value of the debtor as a going concern, that the Equity Holders of the dissenting class or classes would not be entitled to any payment or retain any interest if the order of payment applicable in a judicial liquidation was applied (whether in the event of a piecemeal sale or, of a court-ordered sale plan)),

may petition the court to dispute the same. Following a hearing and after receiving the public prosecutor's opinion, the court will, in the same decision, determine the value of the debtor (in respect of which the court is entitled to order the appointment of an expert) and rule on compliance with the aforementioned conditions and on the adoption of the plan.

The decision made by the court regarding the adoption of the plan may be appealed under the ordinary procedure within 10 days from its notification (or of its communication if the appeal was lodged by the State prosecutor). The decision of the court of appeal may be challenged before the French Supreme Court.

In the event no safeguard plan is adopted through the class-based consultation procedure (whether by approval by the classes of affected parties or by a cross-class cram-down), there is no statute that allows French courts to impose a term-out (*i.e.*, a rescheduling over a maximum period of 10 years of the indebtedness of dissenting creditors) although the courts retain this power under statute if the plan is adopted under the standard consultation procedure (*i.e.*, if no classes are formed and, in judicial reorganization proceedings, in case of failure of the class-based consultation (see "*Court-administered Proceedings—Judicial Reorganization or Judicial Liquidation Proceedings*" below)).

Specific case - Creditors that are public institutions: public creditors (financial administrations, social security and unemployment insurance organizations) may agree to grant debt write-offs under conditions that are similar to those that would be granted under normal market conditions by a private economic operator placed in a similar position. Public creditors may also decide to enter into subordination agreements for liens or mortgages, or relinquish these security interests. Public creditors examine possible debt write-offs within the framework of a local administrative committee (Commission des Chefs de Services Financiers). The tax authorities may grant relief from all direct taxes. As regards indirect taxes, relief may only be granted from default interest, adjustments, penalties or fines.

Where the plan provides for debt write-offs or rescheduling affecting secured public creditors' claims, the court-appointed administrator can decide to gather those public creditors within a class (or classes) of affected parties called upon to vote on the proposed plan.

Court-administered proceedings—accelerated safeguard A debtor that is engaged in conciliation proceedings may request the commencement of accelerated safeguard proceedings (*procédure de sauvegarde accélérée*). The accelerated safeguard proceedings are designed to "fast-track" difficulties faced by any debtor under Ordinance No. 2021-1193 dated September 15, 2021.

If the debtor does not meet the conditions that require the classes of affected parties to be constituted, the court opening accelerated safeguard proceedings must order such formation. In that regard, the court shall authorize such constitution for the commencement of accelerated safeguard proceedings.

To be eligible for accelerated safeguard proceedings, the debtor must fulfil the following conditions:

- its financial statements must have been certified by an auditor (*commissaire aux comptes*) or drawn-up by a chartered certified accountant (*expert-comptable*);

- the debtor must be subject to ongoing conciliation proceedings when it applies for the commencement of the proceedings;

- the debtor must have prepared a draft safeguard plan ensuring the continuation of its business as a going concern which is supported by enough affected parties involved in the proceedings to render its adoption by the relevant classes of affected parties likely within a maximum of two months, extendable for two months, following the commencement of accelerated safeguard proceedings;

- the debtor must not have been insolvent for more than 45 days when it initially applied for commencement of conciliation proceedings; and

- as is the case for regular safeguard proceedings, the debtor must face difficulties which it is not in a position to overcome.

When the debtor's accounts show that the nature of the indebtedness makes it likely that a plan will be adopted only by creditors having the status of finance companies, credit institutions and equivalent, as well as by all holders of a claim acquired from them or from a supplier of goods or services and, where applicable, bondholders, the debtor may request the commencement of safeguard proceedings, the effects of which are limited to these creditors. The debtor will be prohibited from paying, to any creditor to whom the accelerated safeguard proceedings apply, any amounts (including interest) in respect of debts incurred (i) prior to the commencement of the proceedings or (ii) after the commencement of the proceedings if not incurred for the purposes of the proceedings or the observation period or in consideration of services rendered/goods delivered to the debtor (post-commencement non-privileged debts). Such amounts may be paid only after the judgment of the court approving the safeguard plan and in accordance with its terms. The other creditors' debts will continue to be due and payable in the ordinary course of business according to their contractual or legal terms.

The regime applicable to standard safeguard proceedings in relation to the constitution of classes of affected parties is broadly applicable to accelerated safeguard proceedings (for example, affected parties will be consulted by way of a class-based consultation on a draft accelerated safeguard plan (*projet de plan de sauvegarde accélérée*) and affected parties may not prepare alternative draft plans as described above (see "*Class-based consultation*")), to the extent compatible with the accelerated timing, since the maximum duration of accelerated safeguard proceedings is four months (*provided* the court has decided to extend the initial two-month period).

However, certain provisions relating to ongoing contracts and to the recovery of assets by their owners do not apply in accelerated safeguard proceedings.

The plan in the context of accelerated safeguard proceedings is adopted following the same majority rules as in standard safeguard proceedings when classes of affected parties are set up and may notably provide for rescheduling, debt cancellation and conversion of debt into equity capital of the debtor (debt-for-equity swaps requiring relevant shareholder consent). No debt rescheduling or cancellation may be imposed, without their consent, on creditors that do not belong to one of the classes of affected parties.

If a plan is not adopted by the affected parties and approved by the court within the applicable deadlines, the court shall terminate the proceedings.

The list of claims of affected parties to the *conciliation* proceedings established by the debtor and certified by the statutory auditor or the chartered-accountant shall be deemed to constitute the filing of such claims for the purpose of accelerated safeguard proceedings, unless the affected parties otherwise elect to make such a filing (see "*Status of Creditors during Safeguard, Accelerated Safeguard, Judicial Reorganization or Judicial Liquidation Proceedings*" below).

Court-administered proceedings - judicial reorganization or liquidation proceedings

Judicial reorganization (*redressement judiciaire*) or liquidation proceedings (*liquidation judiciaire*) may be initiated against (*i.e.*, by a creditor or the State prosecutor) or by a debtor only if it is insolvent and, with respect to liquidation proceedings only, if the debtor's recovery is manifestly impossible. The debtor is required to petition for judicial reorganization or liquidation proceedings (or for *conciliation* proceedings, as discussed above) within

45 days of becoming insolvent if it does not file for conciliation proceedings. If it does not, *de jure* managers (including directors) and, as the case may be, *de facto* managers are exposed to civil liability.

Where the debtor requested the commencement of judicial reorganization proceedings and the court, after having heard the debtor, considers that judicial liquidation proceedings would be more appropriate, it may propose to the debtor the commencement of judicial liquidation proceedings. The same would apply if the debtor requested the commencement of judicial liquidation proceedings and the court considered that judicial reorganization proceedings would be more appropriate. In addition, at any time during the observation period, upon request of the debtor, the court-appointed administrator, the creditors' representative (*mandataire judiciaire*), a controller, the state prosecutor or upon its own initiative, the court may convert reorganization proceedings into liquidation proceedings if it appears that the debtor's recovery is manifestly impossible. In all cases, the court's decision is only taken after having heard the debtor, the court-appointed administrator, the creditors' representative, the controllers, the state prosecutor and the social and economic committee (if any).

The objectives of judicial reorganization proceedings are the sustainability of the business, the preservation of employment and the payment of creditors, in that order.

As soon as judicial reorganization or judicial liquidation proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

In the event of judicial reorganization proceedings, an administrator (*administrateur judiciaire*) is usually appointed by the court to investigate the business of the debtor during an observation period, which may last up to 18 months (instead of a maximum of 12 months under safeguard proceedings), and make proposals either for the reorganization of the debtor (by helping the debtor to elaborate a draft judicial reorganization plan, which is similar to a safeguard plan) or, unlike safeguard proceedings, if it appears that a reorganization plan is not possible, the sale of the business (which will occur through an open bid process organized by the administrator) or the liquidation of the debtor. The court-appointed administrator will assist the debtor in making management decisions (*mission d'assistance*) or may be empowered by the court to take over the management and control of the debtor (*mission d'administration*). Judicial reorganization proceedings broadly take place in a manner that is similar to safeguard proceedings, subject to certain specificities.

In particular, the rules relating to creditor consultation, especially the powers of the court adopting the judicial reorganization plan (*plan de redressement*) in the event of rejection by the creditors of proposals made to them, are similar, subject to certain exceptions including:

- if the debtor does not meet the required thresholds, the authorization to form classes of affected parties may also be requested from the supervisory judge by the court-appointed administrator, without the debtor's approval (in addition to being requested by the debtor);

- any affected party may also prepare a reorganization draft plan which shall be submitted, together with the plan drafted by the debtor, to a vote of the classes of affected parties at the latest 15 days before the date of the vote;

- if the draft reorganization plan or the plan provides for a change in the equity structure or share transfers, prior approval clauses (*clauses d'agrément*) are deemed null and void;

- if the classes of affected parties do not approve the reorganization plan, it may be approved (*arrêté*) by the court at the request of the debtor, the court-appointed administrator (with the debtor's consent) or any affected party and be imposed on the classes that voted against the draft plan (Cross-Class Cram-Down), where the plan meets the conditions of the Cross-Class Cram-Down mechanism;

- if the reorganization plan is not adopted by the classes of affected parties or according to the Cross-Class Cram-Down mechanism, the ability to impose an alternative plan according to the classic individual consultation and impose payment terms by the court is possible.

At any time during the observation period, the court can, at the request of the debtor, the court appointed administrator, the creditors' representative (*mandataire judiciaire*), the state prosecutor or at its own initiative, order the partial stop of the activity (*cessation partielle de l'activité*) or order the liquidation of the debtor if its recovery is manifestly impossible. At the end of the observation period, the outcome of the proceedings is decided by the court.

In addition, Ordinance No. 2021-1193, dated September 15, 2021 modified, the judicial reorganization proceedings to provide for the new Post Money Lien (as defined and detailed above see "*France— Court-administered Proceedings – Safeguard*").

In judicial reorganization proceedings, in the framework of individual standard consultation, in case a shareholders' meeting needs to vote to bring the shareholders' equity to a level equal to at least one half of the share capital as required by Article L. 626-3 of the French Commercial Code, the court-appointed administrator may appoint a trustee (*mandataire de justice*) to convene a shareholders' meeting and to vote the restoration of the shareholders' equity up to the amount proposed by the court-appointed administrator on behalf of the shareholders that refuse to vote in favor of such a resolution if the draft restructuring plan provides for a modification of the equity to the benefit of a third party(ies) undertaking to comply with the reorganization plan.

If the proposed reorganization plans are manifestly not likely to ensure that the debtor will recover or if no reorganization plan is proposed, the court, upon the request of the court-appointed administrator, can order the total or partial transfer of the business in accordance with the process for a sale of the business described below.

In judicial reorganization proceedings if (i) the company has at least 150 employees, or if it controls (within the meaning of the French Labor Code) one or more companies having together at least 150 employees, (ii) the disappearance of the company is likely to cause serious harm to the national or regional economy and to local employment and (iii) the modification of the company's share capital seems to be the only credible way to avoid harm to the national or regional economy and allows the continued operation of the business as a going concern, then at the request of the court-appointed administrator or of the state prosecutor (x) after the review of the options for a total or partial sale of the business and (y) if at least three months have elapsed as from the court decision commencing the proceedings, *provided* that the shareholders meetings required to approve the modification of the company's share capital required for adoption of the reorganization plan have refused such modification, the insolvency court may either:

- appoint a court officer (*mandataire*) in order to convene the shareholders meeting and vote the share capital increase in lieu of the shareholders having refused to do so, up to the amount provided for in the reorganization plan; or

- order, in favor of the persons who have undertaken to perform the reorganization plan, the sale of all or part of the share capital held by the shareholders having refused the share capital modification and holding, directly or indirectly a portion of the share capital providing them with a majority of the voting rights (including as a result of an agreement with other shareholders) or a blocking minority in the company's shareholders' meetings, any consent clause being deemed unwritten; the other shareholders have the right to withdraw from the company and request that their shares be simultaneously purchased by the transferees.

In the event of a sale ordered by the court, the price of the shares shall, failing agreement between the parties, be set by an expert designated by the court in summary proceedings.

In either of the above cases, the reorganization plan shall be subject to the undertaking of the new shareholders to hold their shares for a certain time period set by the court which may not exceed the duration of the reorganization plan.

If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator, which is generally the former creditors' representative (*mandataire judiciaire*). There is no observation period in judicial liquidation proceedings nor does the law limit their duration (except with respect to simplified judicial liquidation proceedings). The liquidator is vested with the power to and perform the liquidation operations (mainly liquidate the assets and settle the liabilities to the extent the proceeds from the liquidated assets are sufficient, in accordance with the creditors' priority order of payment). Managers are no longer in possession.

Concerning the liquidation of the assets of the debtor, there are two possible outcomes of such liquidation scenario, both of which are decided by the court without a vote of the creditors:

- a sale of the business (*cession d'entreprise*) (in which case a court-appointed administrator (*administrateur judiciaire*) will usually be appointed to manage the debtor during a temporary period of continuation of the business operations ordered by the court (three months, renewable once) and organize such sale of the business as a going-concern via an asset sale, a.k.a. a "sale plan" (*plan de cession*)), any third party (as

construed under French insolvency law) being entitled to present a bid on all or part of the debtor's business;

As part of the bids submitted to the court, the third-party purchaser can cherry-pick assets (including the real estate assets, jobs, and contracts) without the liabilities pertaining to them (with exceptions). The price offered for the transferred assets (including the real estate assets) is usually at a significant discount compared to their *in bonis* market value. The court will tend to favor a credible sale plan, that ensures the sustainability of the business as a going concern, and the preservation of jobs, over the payment of creditors.

Subject to certain exceptions, the court can judicially impose such a sale plan on creditors, including secured creditors and mortgagees as a general principle, the payment of the purchase price operating to release their security interests. By way of exception:

- a purchaser is obliged to continue to pay the remaining instalments due to creditors having granted financing for the acquisition of assets, used as collateral for such creditors and included in the sale of the business plan;

- the purchaser will be able to exercise the purchase option under a financial lease only if the outstanding amounts under such lease are repaid (but within the limit of the value of the leased asset as set by agreement between the parties or, failing such agreement, by the court); and

- only those secured creditors benefitting from a retention right (which is the case for pledges over inventory or certain types of pledges over shares, but not mortgages over real estate assets for example) would be entitled to retain their security interest over the asset on which they have such right (and therefore in practice prevent its sale) until repaid in full of their claim so secured or unless reaching an agreement with the relevant parties.

Third-party purchasers may also submit combined bids in respect of all or part of the business of several debtors subject to insolvency proceedings, in particular when the key assets are located in different legal entities subject to insolvency proceedings. Again, the price offered for the transferred assets could be significantly less than their *in bonis* market value;

- separate sales of the individual assets of the debtor, in which case the liquidator may decide to:

  - launch auction sales (*vente aux enchères* (or *adjudication amiable* for real estate assets only));

  - sell on an amicable basis (*vente de gré à gré*) each asset for which spontaneous purchase offers have been received (the formal authorization of the supervisory judge being necessary to conclude the sale agreement with the bidder); or

  - request, under the supervision of the supervisory judge, all potential interested purchasers to bid on each asset, as the case may be, by way of a private competitive process whereby the bidders submit their offers only at the hearing without the proposed prices being disclosed before such hearing (*procédure des plis cachetés*). However, the possibility to implement such process is questioned by certain legal authors and case-law in this respect has varied.

If the court adopts a sale plan, it can set a time-period during which the assets that it deems to be essential to the continuation of the business of the debtor may not be sold without its consent.

The court will end the proceedings when (a) there are no remaining due liabilities and the liquidator has sufficient funds to pay off the creditors (*extinction du passif*), or (b) the continuation of the liquidation process becomes impossible due to insufficiency of assets (*insuffisance d'actif*).

The court may also terminate the proceedings when the interest of the continuation of the liquidation process is disproportionate compared to the difficulty of selling the assets or in the event where there are insufficient funds to pay off the creditors, by appointing a *mandataire* in charge of continuing ongoing lawsuits and allocating the amounts received from these lawsuits between the remaining creditors.

The hardening period (période suspecte) in judicial reorganization and liquidation proceedings

The date of insolvency (*cessation des paiements*) of a debtor is deemed to be the date of the court order commencing proceedings, unless, in this decision or a subsequent one, the court sets an earlier date, which

may be no earlier than 18 months before the date of such court order (24 months with respect to acts transferring the ownership of asset without any consideration). Also, except in the case of fraud, the date of insolvency may not be set at a date earlier than the date of the final court decision that approved an agreement (*homologation*) in the context of *conciliation* proceedings. The date of insolvency is important because it marks the beginning of the hardening period (*période suspecte*), being the period from the date of insolvency of the debtor to the court decision commencing the judicial reorganization or liquidation proceedings affecting it.

Certain transactions entered into during the hardening period are automatically void by the court or voidable by the court.

- Automatically void transactions include transactions or payments entered into during the hardening period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no consideration or for a nominal consideration, contracts under which the obligations of the debtor significantly exceed the reciprocal obligations of the other party, payments of debts not due at the time of payment, payments of debts that are due made in a manner that is not commonly used in the ordinary course of business, deposits of cash or monetary instruments ordered by a court decision that has not yet become final to serve as bond or as a precautionary measure in accordance with Article 2350 of the French Civil Code, contractual security interest or contractual rights of retention constituted on the debtor's assets or rights guaranteeing debts having previously incurred (unless they replace a security interest having at least the same nature and perimeter and with the exception of the assignment of a claim provided for in Articles L. 313-23 and seq. of the French Monetary and Financial Code, made in performance of a framework agreement concluded prior to the date of cessation of payments), for debts having previously incurred, provisional attachment or seizure measures (*mesures conservatoires*) (unless the attachment or seizure predates the date of insolvency), operations relating to stock options, the transfer of any assets or rights to a trust arrangement (*fiducie*) (unless such transfer is made as security for a debt simultaneously incurred), any amendment to a trust arrangement (*fiducie*) that affects assets or rights already transferred in the trust as security for debt incurred prior to such amendment, and notarized declarations of exemption of assets from seizure (*déclaration d'insaisissabilité*) pursuant to Article L. 526-1 of the French Commercial Code.

- Transactions that are voidable by the court include payments made on debts that are due, transactions for consideration, administrative seizure measures, notices of attachments made to third parties (*avis à tiers détenteur*), seizures (*saisie attribution*) and oppositions made during the hardening period, in each case if the court determines that the party dealing with the debtor knew that the debtor was insolvent at the relevant time. Transactions relating to the transfer of assets for no consideration and notarized declarations of exemption of assets from seizure (*déclaration d'insaisissabilité*) pursuant to Article L. 526-1 of the French Commercial Code are also voidable when entered into during the six-month period prior to the beginning of the hardening period. Unlike automatically void transactions, which must be set aside by the court if so requested, the court has discretion to decide whether or not it is appropriate to set aside transactions that are only "voidable."

There is no hardening period prior to safeguard proceedings or accelerated safeguard proceedings.

Status of creditors during safeguard, accelerated safeguard, judicial reorganization or judicial liquidation proceedings

Contractual provisions pursuant to which the commencement of the proceedings triggers the acceleration of the debt (except with respect to judicial liquidation proceedings in which the court does not order the continued operation of the business) or the termination or cancellation of an ongoing contract are not enforceable against the debtor. Nor are "contractual provisions modifying the conditions of continuation of an ongoing contract, diminishing the rights or increasing the obligations of the debtor solely upon the opening of judicial reorganization proceedings" (in accordance with a decision of the French Supreme Court (*Cour de cassation*) dated January 14, 2014, No. 12-22.909 regarding a judicial reorganization proceedings and in accordance with a decision of the French Supreme Court dated February 22, No 15-15.942 regarding a safeguard proceedings, which case law is likely to be extended to accelerated safeguard proceedings). However, except in accelerated safeguard proceedings and judicial liquidation proceedings where the continued operation of the business has not been ordered by the court, the court-appointed administrator can require that other parties to an ongoing contract (*contrat en cours*) continue to perform their obligations even though the debtor may have been in default, but on the condition that the debtor fully performs its post-commencement contractual obligations (and *provided* that, in the case of reorganization or liquidation proceedings, absent consent to other terms of payment, the debtor pays cash on delivery). In such a case, if it is a contract with staggered performance or installment payments, the court-appointed administrator terminates the ongoing contract if it appears that the

debtor will not have the necessary funds to fulfill the obligations of the next installment. In addition, an ongoing contract is automatically terminated (i) after a formal notice to decide on the continuation of the contract is sent by the co-contracting party to the administrator and the administrator decides to terminate the contract or if the formal notice remains unanswered for more than a month, or (ii) in the event of non-payment as contractually agreed and without the co-contracting party's agreement to continue the contractual relationship. The court-appointed administrator may also apply to terminate the ongoing contract before the insolvency judge in which case the insolvency judge shall terminate the contract if (i) it is necessary to the safeguard of the debtor and if (ii) it does not materially affect the co-contracting party's interests. The commencement of liquidation proceedings, however, automatically accelerates the maturity of all of a debtor's obligations unless the court orders the continued operation of the business with a view to the adoption of a "plan for the sale of the business" (*plan de cession*) (which it may do for a period of three months, renewable once), in which case the acceleration of the obligations will only occur on the date of the court decision adopting the "plan for the sale of the business" or on the date on which the continued operation of the business ends.

As from the court decision commencing the proceedings:

- accrual of interest is suspended, except in respect of loans for a term of at least one year, or of contracts providing for a payment which is deferred by at least one year (however, accrued interest can no longer be compounded);

- the debtor is prohibited from paying debts incurred prior to the date of the court decision commencing the proceedings, subject to specified exceptions (which essentially cover the set-off of related (*connexe*s) debts and payments authorized by the supervisory judge (*juge-commissaire*) to recover assets (whether they be pledged, retained by a creditor based on a retention right or constitute collateral in a security trust estate (*patrimoine fiduciaire*)) required by the continued operation of the business or to pay a carrier requesting payment directly from the debtor);

- the debtor is prohibited from paying debts having arisen after the commencement of the proceedings unless they were incurred for the purposes of the proceedings or of the observation period or in consideration of services rendered/goods provided to the debtor, security interests can be granted as regards such debts the payment of which is not prohibited, subject to prior authorization by the supervisory judge;

- debts duly arising after the commencement of the proceedings and that were incurred for the purposes of the proceedings or of the observation period, or in consideration of services rendered/goods provided to the debtor during this period, must be paid as and when they fall due and, if not, will be given priority over debts incurred prior to the commencement of the proceedings (with certain limited exceptions, such as claims secured by a New Money Lien or a Post Money Lien), *provided* that they are duly brought to the attention of the judicial administrator or, failing one, the creditors' representative (*mandataire judiciaire*), or, should they both have ceased to be in office, the plan commissioner or the judicial liquidator within one year of the end of the observation period;

- creditors (or beneficiaries of a security interest over tangible asset granted by the debtor to secure the debt of a third party) may not initiate or pursue any individual legal action against the debtor or against a guarantor of the debtor where such guarantor is a natural person with respect to any claim arising prior to the court decision commencing the proceedings, if the objective of such legal action is:

    - to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due in order to file a proof of claim, as described below);

    - to terminate a contract for non-payment of amounts owed to the creditor; or

    to enforce the creditor's rights against any assets of the debtor, including if such assets secure third party debt, except (i) in judicial liquidation proceedings, by way of the applicable specific process for judicial foreclosure (*attribution judiciaire*) of the pledged assets or (ii) where such asset - whether tangible or intangible, movable or immovable - is located in another EU Member State within the European Union, in which case the rights *in rem* of creditors thereon would not be affected by the insolvency proceedings commenced in France, in accordance with the terms of Article 8 of the EU Insolvency Regulation (*provided* no secondary proceedings are commenced in such EU Member State). Similarly, the rights of a creditor on the debtor's assets located outside France and the EU would only be affected by the French insolvency proceedings if they were to be recognized by the local courts where the assets at stake are located (unless provided otherwise in a treaty to which France is a party).

- any increase to the base of a contractual security interest or a contractual retention right: (by any means whatsoever, by adding or supplementing assets or rights, in particular by registration of securities or proceeds supplementing the securities registered in a pledged securities account) is prohibited; any contrary provision, in particular relating to the transfer of future assets or rights of the debtor not yet in existence on the date of the judgment commencing the proceedings, will be held unenforceable as from the date of commencement of the proceedings; by exception, the increase in the base of a contractual security interest may however validly result from an assignment of professional receivables (*Dailly* assignment) pursuant to a master agreement entered into before commencement of the proceedings or from other specific contrary provisions of the French Commercial Code regarding restructuring and insolvency, the French Monetary and Financial Code or the French Insurance Code; and

- in the context of reorganization or liquidation proceedings only, absent consent to other terms of payment, immediate cash payment for services rendered pursuant to an ongoing contract, will be required.

A natural person that is the guarantor of the debtor may avail itself of the provisions of a safeguard plan ("***plan de sauvegarde***") or a judicial reorganization plan ("***plan de redressement***").

In accelerated safeguard proceedings, the above rules only apply to the creditors that fall within the scope of the proceedings. Debts owed to other creditors that are not within the scope of the proceedings continue to be payable in the ordinary course of business.

As a general rule, creditors domiciled in metropolitan France whose claims and securities arose prior to the commencement of proceedings must file a proof of claim with the court-appointed creditors' representative within two months of the publication of the court decision in an official gazette (*Bulletin officiel des annonces civiles et commerciales*); this period is extended to four months for creditors domiciled outside metropolitan France.

Creditors must also file a claim for the post-commencement non-privileged debts, with respect to which the two- or four-month period referred to above starts to run as from their maturity date. Creditors whose claims or securities have not been submitted during the relevant period are, except for limited exceptions, barred from receiving distributions made in connection with the proceedings. Employees are not subject to such limitations and are preferred creditors under French law.

In addition, the holder of a security interest *in rem* granted by the debtor to secure the debt of a third party must also file a statement of claim with the creditors representative under the same conditions.

At the beginning of the proceedings, the debtor must provide the court-appointed administrator and the creditors' representative with the list of all its creditors and all of their claims. Where the debtor has informed the creditors' representative of the existence of a claim, the claim as reported by the debtor is deemed to be a filing of the claim with the creditors' representative on behalf of the creditor. Creditors are allowed to ratify or amend a proof of claim so made on their behalf until the supervisory judge (*juge-commissaire*) rules on the admissibility of the claim. They may also file their own proof of claim within the deadlines described above.

In accelerated safeguard proceedings, however the debtor draws a list of the claims of its creditors having taken part in the *conciliation* proceedings, which is certified by its statutory auditors (failing which, its chartered certified accountant). Although such creditors may file proofs of claim as part of the regular process, they may also avail themselves of this simplified alternative and merely adjust if necessary the amounts of their claims as set forth in the list prepared by the debtor (within the above two or four months' time limit). Creditors that did not take part in the *conciliation* proceedings would have to file their proofs of claim within the aforementioned deadlines.

If the court adopts a safeguard plan, accelerated safeguard plan or reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan.

If the court adopts a plan for the sale of the business (*plan de cession*) of the debtor whether partial (within the frame of safeguard, reorganization or liquidation proceedings) or total (within the frame of reorganization or liquidation proceedings), the proceeds of the sale will be allocated towards the repayment of its creditors according to the ranking of the claims. If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator (usually the former creditor's representative) in charge of selling the assets of the debtor and settling its debts in accordance with their ranking.

French insolvency law assigns priority to the payment of certain preferred creditors, including employees, post-commencement legal costs (essentially, court official fees), creditors who benefit from a New Money Lien or a Post Money Lien, post-commencement privileged creditors and the French State (taxes and social

charges). In the event of judicial liquidation proceedings only, certain pre-commencement secured creditors whose claim is secured by real estate are paid prior to post-commencement privileged creditors. This order of priority does not apply to all creditors, for example it does not apply to creditors benefiting from a retention right over assets with respect to their claim related to such asset.

Creditors' liability

Pursuant to Article L. 650-1 of the French Commercial Code (as interpreted by case law), where safeguard, judicial reorganization or judicial liquidation proceedings have been commenced, creditors may only be held liable for the losses suffered as a result of facilities granted to the debtor on the following grounds (and may only be held liable on those grounds) *provided* that such grant was itself wrongful and if the relevant creditor (i) committed a fraud, or (ii) wrongfully interfered with the management of the debtor or (iii) obtained security or guarantees taken to support the facilities being disproportionate to such facilities. In addition, any security or guarantees taken to support facilities in respect of which a creditor is found liable on any of these grounds can be cancelled or reduced by the court.

Rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral

Under French law, a security interest in certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security. The liens on the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if we, or the Security Agent, fail or are unable to take the actions required to perfect any of these liens. Furthermore, it should be noted that neither the Trustee nor the Security Agent shall have any obligation to take any steps or action to perfect any of these liens. In particular, pledges over the securities of French subsidiaries in the form of a stock company (*société par actions*) that are governed by French law consist of pledges over a securities account (*nantissement de compte de titres financiers*) in which the relevant securities are registered. The securities account pledges will be validly established after execution of a statement of pledge (*déclaration de nantissement de compte titres financiers*) by each security provider in favor of the Security Agent. Each statement of pledge will have to be registered in the relevant shareholder's account (*compte d'actionnaire*) and shares registry (*registre de mouvement de titres*) of each French Guarantor (as defined below). In France, no lien searches are available for security interests which are not publicly registered (such as pledges over securities account) with the result that no assurance can be given on the priority of a security interest if it is not publicly registered.

Limitations on enforcement of security interests and cash amount ("soulte")

Security interests governed by French law may only secure a creditor up to the secured amount that is due and unpaid to it. Under French law, pledges over securities (whether in the form of a pledge over securities account or in the form of a pledge over shareholding interests (*parts sociales*)) may generally be enforced at the option of the secured creditors either (i) by way of a sale of the pledged securities in a public auction (the proceeds of the sale being paid to the secured creditors) or (ii) by way of judicial foreclosure (*attribution judiciaire*) or contractual foreclosure (*pacte commissoire*) of the pledged securities to the secured creditors, following which the secured creditors become the legal owner of the pledged securities. If the secured creditors choose to enforce by way of foreclosure (whether a judicial foreclosure or contractual foreclosure), the secured liabilities would be deemed extinguished up to the value of the foreclosed securities. Such value is determined either by the court-appointed expert in the context of a judicial attribution or by a pre-contractually agreed or judicially-appointed expert in the context of a contractual foreclosure. If the value of the Collateral exceeds the amount of secured debt, the secured creditor may be required to pay the pledgor a cash amount (*soulte*) equal to the difference between the value of the securities as so determined and the amount of the secured debt. This is true regardless of the actual amount of proceeds ultimately received by the secured creditor from a subsequent on-sale of the Collateral.

If the value of such securities is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such securities, and the remaining amount owed to such creditors will be unsecured in that respect.

An enforcement of the pledged securities could be undertaken through a public auction in accordance with applicable law. If enforcement is implemented through a public auction procedure, it is possible that the sale price received in any such auction might not reflect the value of the securities since the latter will not be sold pursuant to a competitive bid process and/or a private sale organized by an investment bank and controlled by the vendor on the basis of a value determined pursuant to the methods usually used for the purpose of the acquisition of companies or groups of companies.

In addition, in view of the area of activity of the Group or certain members of the Group, it should be noted that foreign investments in companies or businesses which operate in certain sectors (notably where their activities relate to equipment, products or services which are critical to the interests of France in terms of public order, public safety or national security, in particular in the areas of energy and water supply, public health, public transport and electronic communication) may require the prior authorization of the French authorities. This requirement may interfere with the enforcement of the Collateral consisting of shares or a business. Where any of the sectors specified by law or regulations are involved, the following shall constitute foreign investments which are subject to the prior authorization procedure:

- a transaction as a result of which a non-EU/EEA investor (i) acquires the control (within the meaning of Article L. 233-3 of the French Commercial Code), (ii) acquires all or part of a business (b*ranche d'activité*) or (iii) crosses the threshold of 33.33% of the share capital or voting rights, in each case of a company whose registered office is located in France;

- a transaction as a result of which an EU/EEA investor (i) acquires the control (within the meaning of Article L. 233-3 of the French Commercial Code) or (ii) acquires all or part of a business, in either case of a company whose registered office is located in France; and

- a transaction as a result of which a French investor under non-French control acquires all or part of a business of a company whose registered office is located in France.

When a foreign investment is subject to the authorization of the French authorities as above, the transaction cannot be completed prior to authorization. The foreign investor must submit a formal application for prior authorization to the French authorities which must render a decision within two months of receipt of the application (failing which authorization shall be deemed to have been granted).

We can provide no assurance that the approval of the French authorities would not be required in order to allow the Security Agent to enforce the pledge over the shares of the Guarantors and/or any of its subsidiaries or that such approval, if required, would be granted.

In addition to these limitations, specific insolvency-related limitations may prevent the enforcement of security interests in the context of court-assisted or court-administered proceedings.

Parallel debt—trust

Furthermore, in order to permit the beneficial holders of the Notes to benefit from a secured claim, the Intercreditor Agreement provides for the creation of "parallel debt" obligations in favor of the Security Agent (the "**Parallel Debt**") mirroring the obligations of the Issuer and the Guarantors (as principal obligors) towards the holders of the Notes under or in connection with the Indenture (the "**Principal Obligations**").

The Parallel Debt will at all times be in the same amount and payable at the same time as the Principal Obligations. Any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. Pursuant to the Parallel Debt, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under the Notes. The pledges governed by French law will be granted in favor of the Security Agent on behalf of the secured creditors and will directly secure the Parallel Debt, and may not directly secure the obligations under the Notes and the other indebtedness secured by the Collateral. The holders of the Notes will not be entitled to take enforcement actions in respect of such security interests except through the Security Agent (even if they are in some instances direct beneficiaries of the security interests in the Collateral).

There is one published decision of the French Supreme Court (*Cour de cassation*) on Parallel Debt mechanisms (*Cass. com. September 13, 2011 n°10-25533 Belvédère*) relating to a bond documentation governed by New York law. Such a decision recognized the enforceability in France of certain rights (especially the filing of claims in safeguard proceedings) of a security agent benefiting from a Parallel Debt. In particular, the French Supreme Court upheld the proof of claim of the legal holders of a Parallel Debt claim, considering that it did not contravene French international public policy (*ordre public international*) rules. The ruling was made on the basis that the French debtor was not exposed to double payment or artificial liability as a result of the Parallel Debt mechanism. Although this court decision is generally viewed by legal practitioners and academics as recognition by French courts of Parallel Debt structures in such circumstances, there can be no assurance that such a structure will be effective in all cases before French courts. Indeed, it should be noted that the legal issue addressed by it is limited to the proof of claims. The French court was not asked to generally uphold French security interests securing a Parallel Debt. It is also fair to say that case law on this matter is scarce and based on a case-by-case

analysis. Such a decision should not be considered as a general recognition of the enforceability in France of the rights of a security agent benefiting from a Parallel Debt claim. There is no certainty that the Parallel Debt construction will eliminate the risk of unenforceability under French law.

To the extent that the Notes or security interests in the Collateral created to the benefit of the Security Agent as Parallel Debt Creditor under the Parallel Debt and/or trust constructs are successfully challenged by other parties, holders of the Notes will not be entitled to receive on this basis any proceeds from an enforcement of the Guarantees or security interests in the Collateral. The holders of the Notes will bear the risks associated with the possible insolvency or bankruptcy of the Security Agent as the beneficiary of the Parallel Debt.

The concept of "trust" has been recognized by the French Tax Code by Article 792-0 bis of the French *Code général des impôts* and the French Supreme Court (*Cour de cassation*), which has held, in the same published decision referred to above (*Cass. com. September 13, 2011 n°10-25.533 Belvédère*) that a trustee validly appointed under a trust governed by the laws of the State of New York could validly be regarded as a creditor in safeguard proceedings commenced in France. However, while substantial comfort may be derived from the above, France has not ratified the Hague Convention of July 1, 1985 on the law applicable to trusts and on their recognition, so that the concept of "trust" has not been generally recognized under French law.

Fraudulent conveyance

French law contains specific "*action paulienne*" provisions dealing with fraudulent conveyance both in and outside insolvency proceedings. The *action paulienne* offers creditors protection against a decrease in their means of recovery. A legal act performed by a debtor (including, without limitation, an agreement pursuant to which such debtor guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of such debtor's or a third party's obligations, enters into additional agreements benefiting from existing security or any other legal act having a similar effect) can be challenged in, or outside of, the context of (i) insolvency proceedings of the relevant debtor, by the creditors' representative (*mandataire judiciaire*) or the court-appointed commissioner in charge of overseeing the implementation of the safeguard or reorganization plan (*commissaire à l'exécution du plan*), or (ii) by any of the creditors of the relevant debtor outside the insolvency proceedings or any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside insolvency proceedings. Any such legal act may be declared unenforceable against all the creditors of the relevant debtor (if the claim was lodged by the creditors' representative (*mandataire judiciaire*) or the court-appointed commissioner in charge of overseeing the implementation of the safeguard or reorganization plan (*commissaire à l'exécution du plan*)) or the concerned creditor (if the claim was lodged by such creditor) if**:** (i) the debtor performed such act without an obligation to do so, (ii) the relevant creditor or (in the case of a claim lodged by the creditors' representative (*mandataire judiciaire*) or the court-appointed commissioner in charge of overseeing the implementation of the safeguard or reorganization plan (*commissaire à l'exécution du plan*)) any creditor was prejudiced in its means of recovery as a consequence of the act and (iii) at the time the legal act was performed, both the debtor and the counterparty to the transaction knew or should have known that one or more of such debtor's creditors (existing or future) would be prejudiced in their means of recovery (where the legal act was entered into for no consideration (*à titre gratuit*), no such knowledge of the counterparty is necessary). If a court found that the issuance of the Notes, the grant of the security interests in the Collateral, or the granting of a Guarantee involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of the Notes, the granting of the security interests in the Collateral or the granting of such Guarantee could be (i) declared unenforceable against all the creditors if the claim was lodged by the creditors' representative (*mandataire judiciaire*) or the court-appointed commissioner in charge of overseeing the implementation of the safeguard or reorganization plan (*commissaire à l'exécution du plan*) or (ii) declared unenforceable against the creditor who lodged the claim in relation to the relevant act. As a result of such successful challenges, holders of the Notes may not enjoy the benefit of the Notes, the Guarantees or the security interests in the Collateral and the value of any consideration that holders of the Notes received with respect to the Notes, the security interests in the Collateral or the Guarantees could also be subject to recovery from the holders of the Notes and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by prejudiced creditors of the Issuer or the Guarantors as a result of the fraudulent conveyance.

Recognition of intercreditor arrangements by French courts

There is no law or published decision of the French courts of appeal or of the French Supreme Court (*Cour de cassation*) on the validity or enforceability of the obligations of an agreement such as the Intercreditor Agreement, except for Articles L. 626-30 and L.628-7 of the French Commercial Code pursuant to which, in the context of safeguard or judicial reorganization proceedings, the court-appointed administrator, while constituting the classes shall comply with the provisions of subordination agreements between creditors that were entered

into prior to the commencement of the safeguard, accelerated safeguard or judicial reorganization proceedings, *provided* that such subordination agreements have been brought to his attention within the required deadline. As a consequence, except to the extent referred to above (which, as at the date of this Offering Memorandum, has received no judicial interpretation), we cannot rule out that a French court would not give effect to certain provisions of the Intercreditor Agreement.

Priority of a pledge over a securities account

A pledge over the shares of a stock company (*société par actions*) governed by French law is a pledge over the relevant securities account (*nantissement de compte de titres financiers*) in which the shares of such company which are held by the grantor are credited. In France, no lien searches are available for security interests which are not registered, such as pledges over securities accounts (*nantissements de comptes de titres financiers*). As a result, no assurance can be given on the priority of a pledge over a securities account in which the shares of such a company are credited. Section I Bis to article L. 211-20 of the French Code Monétaire et Financier, which came into force on January 1, 2022, provides that creditors benefiting from multiple pledges over the same financial securities account shall be ranked (i) according to the date on which the financial securities account statement of pledge (*déclaration de nantissement*) has been signed or (ii) as otherwise contractually agreed between the parties. In case of multiple pledges over the same financial securities account, the pledgor in the name of which the pledged securities account is opened or any beneficiary of such a pledge shall notify that pledge to the entity in the books of which the relevant pledged securities account is held (*i.e.*, the company issuing such financial securities or any intermediary referred to in article L. 211-3 of the French Code Monétaire et Financier or a credit institution).

Priority of a pledge over the bank accounts and receivables

The pledges over the bank accounts and receivables are governed by French law. In France, no lien searches are available for security interests, which are not registered, such as pledges over bank accounts and receivables. As a result, no assurance can be given on the priority of the pledges over the relevant bank accounts or receivables of a debtor.

Enforceability of further pledges over the bank accounts

Nevertheless, pursuant to article 2361-1 of the French Civil Code, French law authorises the grantor of a pledge over a bank account or receivable to grant further pledges over that bank account or receivable. The ranking among creditors will be determined by the date of, as the case may be, the bank account pledge agreement or the receivables pledge agreement.

Limitations on guarantees

The liabilities and obligations of any Guarantor incorporated under the laws of France (a "**French Guarantor**") are subject to:

- certain exceptions, including to the extent of any obligations which, if incurred, would constitute prohibited financial assistance within the meaning of Article L.225-216 of the French Commercial Code or infringement of the provisions of Articles L.241-3, L.242-6 or L.244-1 of the French Commercial Code or any other law or regulations having the same effect, as interpreted by French courts; and

- French corporate benefit rules.

Under French financial assistance rules, a company incorporated as a *société anonyme* or a *société par actions simplifiée* is prohibited from guaranteeing indebtedness of another company that is used, directly or indirectly, for the purpose of its acquisition.

Under French corporate benefit rules, a guarantor must receive an actual and adequate benefit from the transaction involving the granting by it of the guarantee, taken as a whole. A court could declare any guarantee unenforceable and, if payment had already been made under the relevant guarantee, require that the recipient return the payment to the relevant guarantor, if the court found that these criteria were not fulfilled. The existence of a real and adequate benefit to the guarantor and whether the amounts guaranteed are commensurate with the benefit received are matters of fact as to which French case law provides no clear guidance.

Accordingly, the aggregate obligations and liabilities of a French Guarantor under its guarantee for the obligations of the Issuer under the Notes, its guarantee of the Senior Notes and its guarantee of the Senior Credit Facilities and the amounts recoverable thereunder will be limited, at any time, to an amount equal to the

aggregate of all amounts borrowed directly (as borrower under the Senior Credit Facilities, as the case may be) or indirectly under On-Lending Facilities (as defined below) by that French Guarantor and/or any of its subsidiaries under intercompany loans or similar arrangements and outstanding from time to time (the "**Maximum Guaranteed Amount**"); it being specified that any payment made by any such French Guarantor under its guarantee or under its Senior Credit Facilities guarantee or under its Senior Notes guarantee in respect of the obligations of any other obligor shall reduce *pro tanto* the outstanding amount of the intercompany loans (if any) due by such French Guarantor or its subsidiaries under the intercompany loan arrangements referred to above under such On-Lending Facilities.

For the avoidance of doubt, any payment made by a French Guarantor under the On-Lending Facilities shall reduce the Maximum Guaranteed Amount.

By virtue of this limitation, a French Guarantor's obligation under the guarantees could be significantly less than amounts payable with respect to the Notes, or a French Guarantor may have effectively no obligation under its guarantees.

In addition, if a French Guarantor receives, in return for issuing the guarantee, an economic return that is less than the economic benefit such French Guarantor would obtain in a transaction entered into on an arm's length basis, the difference between the actual economic benefit and that in a comparable arm's length transaction could be taxable under certain circumstances.

"**On-Lending Facilities**" means, in respect of a French Guarantor, the loans made available to such French Guarantor and/or its subsidiaries as borrowers (including all interest, commissions, costs, fees, expenses and other sums accruing or payable in connection with such amount) to the extent that such loans are financed by way of amounts which are made available to such French Guarantor and/or its subsidiaries by a borrower under the Senior Credit Facilities with the proceeds of the Senior Credit Facilities and/or by Midholding with the proceeds of the Senior Notes and/or by the Issuer with the proceeds of the Notes, and on-lent (either directly or through one or more other subsidiaries of the borrower of the Senior Credit Facilities and/or of Midholding and/or of the Issuer) to, or used to refinance any indebtedness previously on-lent directly or indirectly to, such French Guarantor and/or its subsidiaries.

Denmark

Corporate benefit

It is a requirement under Danish law that a Danish guarantor (including, if it is a company incorporated under Danish law, the Additional Guarantor) obtains an adequate corporate benefit from the issuance of a guarantee or granting of security. This is due to a requirement under Danish law pursuant to which the management of a company is required to act responsibly (in Danish: "*forsvarligt*") and to ensure a proper management of the company's assets. Furthermore, the management of the company is obliged to act in accordance with the company's individual interests, including consideration of the company's financial position, capital and liquidity resources, the benefits that the company will obtain through, and the risks related to, the granting of guarantees and security, assessment of the debtor, securing that the arrangement is on market terms/arms' length terms, etc. If such benefit is not obtained, the directors of a Danish guarantor may be subject to civil liability and the guarantee and/or security may be deemed invalid. It is not clear under Danish case law under which circumstances corporate benefit accrues to a subsidiary when such subsidiary guarantees and secures debt of a direct or indirect parent company or other group company.

Parallel debt

There is no established concept of "trust," "trustee" or "parallel debt" under Danish law and as such these concepts may not be recognized or enforced by Danish courts. Danish law does not make any distinction between registered and beneficial ownership and if such distinction is made under foreign law the beneficial owner will be deemed the owner under Danish law.

Bankruptcy

Insolvency proceedings with respect to a Danish guarantor would likely proceed under and be governed by Danish insolvency laws (as indicated above under "*European Union*", Council Regulation (EC) 2015/848 of 20 May 2015 on insolvency proceedings does not apply in Denmark). These laws may adversely affect the enforcement of a holder's rights under the Notes and may not be as favorable to their interests as a creditor as the laws of other jurisdictions.

In a Danish bankruptcy, the debtor's assets are liquidated, and the proceeds are distributed to the creditors based on a priority of claims. Such liquidation may not yield the same value to the creditors as an in-court restructuring (in Danish; *"rekonstruktion*"), an out of court reorganization and sale of a going concern.

Pursuant to the Danish Bankruptcy Act (Consolidated Act No. 1600 of 25 December 2022 as amended, in Danish: "*konkursloven"*), bankruptcy proceedings may be commenced either at the petition of the debtor or a creditor. A bankruptcy requires the bankruptcy court to be satisfied that the debtor is unable to fulfil its obligations as they fall due and that the insolvency is not temporary based on an assessment of the debtor's liquidity status. A bankruptcy petition by a creditor is barred if the creditor is adequately protected in the event of the debtor's insolvency by means of good and valid security in general in assets of the debtor, alternatively in assets of a creditor under terms which state that filing for bankruptcy is non-compliant. Further, the bankruptcy court must reject a bankruptcy petition (or a petition for opening restructuring proceedings, see below) by a creditor if the creditor does not have a significant legal interest (in Danish: "*væsentlig individuel interesse*") which typically means in the form of the prospect of full or partial coverage of the creditor's claim (dividend).

The Danish bankruptcy scheme is based on the fundamental principle of *pari passu* satisfaction of the debtor's creditors. The principle is, however, to some extent modified by the rules governing priority of debts in bankruptcy. Some claims (certain preferential and privileged claims) rank before ordinary claims and other claims (certain subordinated claims) rank below ordinary claims. The status of a claim is dependent upon express statutory authority (except for subordinated loans, which by contract are subordinated). Preferential claims primarily include costs and expenses involved in the administration of the bankruptcy estate and debts approved by an administrator during an in-court restructuring process. Privileged claims are mainly salary claims (excluding salary claims from the top management), including salary income taxes related to unpaid salary at the time of bankruptcy (or restructuring as the case may be). Most tax claims are ordinary claims. Interest accrued on ordinary claims will rank as ordinary claims up to the date of the bankruptcy adjudication, after which date the accrued interest will rank as a subordinated claim.

Danish bankruptcy law contains several provisions enabling the trustee in bankruptcy to initiate proceedings to have certain transactions prior to the bankruptcy voidable (claw back rules). For further see below under *"Certain Avoidance Rules (Claw back Rules)"*.

In the event of bankruptcy, claims in foreign currencies will be converted into Danish kroner using the Danish National Bank's (*Nationalbanken*) official exchange rate for the relevant currency against Danish kroner as at the date of declaration of bankruptcy by the Danish bankruptcy court.

Appointment of Bankruptcy Trustee

The Danish bankruptcy court appoints one or more trustees to administer the debtor's bankruptcy estate. In practice, and requested or decided by the court, the unsecured creditors, if their claims are likely to receive some dividend, will be able to vote for who is appointed as trustee. However, a request for such vote shall be made no later than three (3) weeks after the bankruptcy is announced publicly. The candidate or the candidates (as the case may be) that the majority of the unsecured claims (by the amount of the claims) casts its vote on will be appointed. The trustee is not required to be an attorney, but in practice that is normally the case.

The trustee must comply with the disqualification rules set out in the Danish Bankruptcy Act. No one may act as a trustee (or restructuring administrator, see below) if the candidate is dependent on the debtor or if, due to his interest in the outcome of the case or for other reasons, there is doubt about his impartiality in the matter at hand, or if, more than 1 year before the deadline, the candidate has provided advice to a significant extent to the debtor and/or a related party who directly or indirectly owns a significant part of the capital in the debtor. The ban not to be appointed as trustee (or restructuring administrator, see below) also applies to a candidate that is or has been, more than 2 years before the deadline, a close relative of the debtor or part of the management of the debtor or his close relative.

The trustee will make all decisions concerning the administration of the bankruptcy estate and generally represent the estate in every respect with binding effect.

Restructuring

Danish insolvency law also includes a scheme for restructuring of insolvent companies. Restructuring proceedings are an alternative to bankruptcy proceedings for companies or sole proprietorship (in Danish: "*enkeltmandsvirksomhed*"), below jointly referred to as company/debtor. During the restructuring procedure, creditors are restricted in their ability to enforce their claims, but valid and binding security may be enforced under certain conditions.

A company (debtor) as well as a creditor may file an application for restructuring with the bankruptcy court. The petition must be filed with the bankruptcy court in the district in which the company (debtor) operates its business. For the bankruptcy court to initiate a restructuring process it is required that the company (debtor) is unable to fulfil its obligations as they fall due (and that the insolvency is not temporary) as further described in the section above entitled "*Bankruptcy*" above.

The main purpose of the restructuring is for an otherwise healthy company to overcome the insolvency - or a company that through a restructuring could become a healthy and solvent company. A restructuring must involve one or more of the following: (i) a compulsory composition/moratorium, (ii) a business transfer, or (iii) other measures that alone or together with the other parts of the restructuring result in the debtor ceasing to be insolvent (*e.g.*, infusion of capital or conversion of debt).

When a restructuring process is initiated, the bankruptcy court will appoint a restructuring administrator and at the request of the company a restructuring accountant.

The restructuring administrator shall, *inter alia*, prepare a restructuring plan and, together with the restructuring accountant (if any), a final restructuring proposal. A meeting shall be held at the bankruptcy court where the creditors must vote on the final restructuring proposal.

The restructuring will be lifted if the debtor becomes solvent during the proceedings. Also, the debtor may recall a petition handed in by the debtor itself before the four (4) weeks meeting with the creditors is held.

If the restructuring proposal is rejected by the creditors or ratification is denied by the bankruptcy court, the bankruptcy court will commence bankruptcy proceedings against the debtor.

As a result of the restructuring, the debtor will be protected against claims for payment by his creditors during the restructuring. The debtor is not allowed to make any transactions of material importance without the approval of the restructuring administrator. Payments to creditors may only be made in accordance with the ranking of creditors in bankruptcy, or if the payment is necessary in order to avoid losses to the general body of creditors.

Danish bankruptcy law contains several provisions enabling the restructuring administrator to initiate proceedings to have certain transactions prior to the restructuring voided (claw back rules). For further see below under *"Certain Avoidance Rules (Claw back Rules)"*.

Certain Avoidance Rules (Claw back Rules)

The Danish Bankruptcy Act includes certain avoidance rules (claw back rules) that, subject to certain conditions, may entitle the bankruptcy estate to void the debtor's transactions completed prior to the bankruptcy if such transactions have reduced the assets of the bankruptcy estate or otherwise damaged the bankruptcy estate and/or if the transactions have favored one or more particular creditors without observing the ranking of the creditors pursuant to the statutory priority of claims.

The avoidance rules (claw back rules) also apply to restructuring proceedings with certain modifications.

Most avoidance provisions contain time limits, which are generally three or six months prior to the filing of the petition (the "deadline date" (in Danish: *"fristdagen"*)), but such periods are extended (i) up to two years if (*inter alia*) a transaction has been made to the benefit of a person or entity closely related to the debtor and/or (ii) for an indefinite period if the debtor was or became insolvent (unable to pay its debts due to the transaction), and the debtor stayed insolvent to the time of the opening of the insolvency proceedings by the bankruptcy court, *provided* the transaction is deemed improper.

The "deadline date" is further defined in Section 1 of the Danish Bankruptcy Act. In practice, the "deadline date" will often be the date on which the bankruptcy court received a petition for restructuring proceedings or bankruptcy.

Transactions damaging the bankruptcy estate include, among other things, repayment of debts, gifts, renunciations of inheritance or the payment of excessive salary or pension to related parties.

Transactions favoring particular creditors without observing the ranking of the creditors pursuant to the statutory priority of claims may include, among other things, payment by unusual means of payment, payments made in advance of the (usual) due date of the debt or payments that have critically deteriorated the debtor's ability to pay, in each case *provided* that the relevant payment did not appear to be ordinary, or the provision of security for debts already incurred (known as "**old debt**").

In case payment of debt is done by other than money and payments with naturals not usual in that particular business relationship or payments are made before they are due or in amounts that have had a distinctly impairing effect on the debtor's ability to pay its debts, are typically subject to avoidance.

Below is a summary of (i) the avoidance rule relating to security for old debt and (ii) the general avoidance rule applicable to various transactions. Other avoidance rules are not summarized further herein.

Pursuant to Section 70 of the Danish Bankruptcy Act, all types of charges, mortgages and other types of security that were not granted to the creditor at the time the debt was incurred or that were not perfected without undue delay after the time the debt was incurred will generally be subject to avoidance, if the relevant act of perfection is completed later than the date falling three months prior to the "deadline date".

Under Danish bankruptcy law the issuance of guarantees may also be subject to avoidance if, among other things (i) the issuance was made at a time when the issuer was insolvent, (ii) the issuance is without due consideration and/or (iii) between closely related parties.

The hardening period of three months is extended to two years if the security is provided in favor of a related party of the debtor unless it is proven that the debtor neither was, nor upon creation of the security became, insolvent.

Pursuant to Section 74 of the Danish Bankruptcy Act (known as the "general clause" (in Danish: *"generalklausulen"*)), any disposition which unduly favors a creditor to the detriment of the other creditors, or whereby the debtor's property is prevented from serving the purpose of satisfying the creditors, or whereby the debtor's debt is increased to the detriment of the creditors, may be declared void if the debtor was, or by the disposition became, insolvent, the debtor stayed insolvent to the time of the opening of the insolvency proceedings by the bankruptcy court and the favored party knew or ought to have known about the debtor's insolvency and the circumstances that made the disposition "improper" (in Danish: "*utilbørlig"*). For these purposes, transactions which are contrary to common norms of correct and decent business behavior will generally be deemed improper. Improper behavior may be any such behavior which is contrary to the purpose of insolvency proceedings, for example, where a creditor should have realized that a given transaction would deprive the other creditors of their right to satisfaction of their claims.

The general avoidance rule in Section 74 is not subject to any fixed hardening period, meaning that a transaction may be deemed vulnerable to be set aside even if it was completed long before the "deadline date", *provided* that the aforementioned conditions are otherwise satisfied.

The trustee is competent to pursue a claim for voidance in all aspects, however in case the trustee gives up to pursue such claim the creditors may in accordance with a certain procedure pursue a claim for voidance to the benefit of the bankruptcy estate and the creditors in accordance with the bankruptcy order. Litigation regarding a claim for voidance is a matter under the jurisdiction of ordinary courts (not the bankruptcy court). As a general rule, such legal proceedings must be initiated within twelve months after the declaration of the bankruptcy order.

Solvent Liquidation

The Danish Companies Act (Consolidated Act No. 1168 of 1 September 2023 as amended, in Danish: *"selskabsloven"*) provides a regime for liquidation of a company pursuant to which the assets of the company are realized and distributed by the liquidator to the company's creditors and, *provided* that all creditors have been paid in full, the company's shareholders. The decision to liquidate a company is made by the shareholders of the company at a general meeting that also appoints one or more liquidator(s). At the end of the liquidation process the company will be dissolved.

Liquidation is not an insolvency proceeding under Danish law and only companies that are solvent can be liquidated. If a company is insolvent, or if it turns out during the liquidation process that the company cannot pay all its creditors in full, the company must enter into bankruptcy proceedings instead.

Financial assistance

The Danish Companies Act contains restrictions on financial assistance by Danish limited companies.

Pursuant to Section 206(1) of the Danish Companies Act, a Danish limited liability company may not, directly or indirectly, provide any loan, guarantee, security or other financial assistance in relation to the financing and/or refinancing of a third party's acquisition of shares in the company or its direct or indirect parent companies (the

"**prohibition against financial assistance**"). The prohibition against financial assistance also applies to subsidiaries of the Danish company whether or not incorporated in Denmark.

However, pursuant to Section 206(2) of the Danish Companies Act, the prohibition against financial assistance does not apply if the financial assistance (i) is granted on the basis of a credit rating of the persons receiving financial assistance, (ii) has been approved by the company's general meeting, such approval to be based on a written report submitted by the company's central management body specifying certain matters relating to the financial assistance in question, (iii) does not exceed what is advisable, having regard to the company's financial position, (iv) does not exceed the company's distributable reserves and (v) is provided on arm's length terms.

Contractual limitations of Guarantees granted by Guarantors incorporated in Denmark

To mitigate the above mentioned financial assistance issues and corporate benefit restrictions, a Guarantee, security and/or other means of financial assistance (in whatever form) granted or purported to be granted by a Danish guarantor and each of its subsidiaries will be deemed not to be so granted and limited if and to the extent required to comply with the provisions on unlawful financial assistance as set out in Section 206 of the Danish Companies Act. In addition, any guarantee, security and/or other means of financial assistance (in whatever form) granted or purported to be granted by a Danish guarantor may further be limited to a maximum amount equivalent to the higher of the equity (in Danish: "*egenkapital*") of such Danish Guarantor (calculated in accordance with the approved accounting principles) at the time when the guarantee, security and/or other means of financial assistance is granted or at the time when a demand for payment is requested pursuant to the guarantee, security and/or other means of financial assistance.

Foreign Currency, Statutory Limitation

Under the Danish Bankruptcy Act, claims must be converted into DKK at the exchange rate at the day the bankruptcy court issued a bankruptcy order over the company.

Claims may become barred under Danish statutes of limitation or principles of passivity or may become subject to set-off or counterclaim and a guarantee in favor of a Danish credit institution or a non-Danish credit institution that provides services into Denmark (either by way of cross border or branch establishment) may not be enforceable unless a claim has been made under the guarantee within six months after the due date of the guaranteed obligation.

Enforceability

The Notes and the Trustee will not be registered with the Danish Financial Supervisory (*Finanstilsynet*) pursuant to Chapter 4 of the Danish Capital Markets Act (Consolidated Act No. 1493 of 18 November 2025 as amended and supplemented from time to time (*Lov om kapitalmarkeder*)), and therefore Collateral governed by Danish law may be deemed to be expressed to be granted in favor of unspecified secured parties. The enforceability of security expressed to be granted in favor of unspecified secured parties, and for which no new act of perfection is performed upon each accession of a new secured party, has not been tested by the Danish courts.

Switzerland

Certain Insolvency Law Considerations

One or more of the guarantors are incorporated under the laws of Switzerland and, in the event of insolvency of any of these entities, insolvency proceedings may be initiated in Switzerland. The insolvency laws of Switzerland may not be as favorable to your interests as creditors as the laws of United States or other jurisdictions with which you may be familiar.

The following is a brief description of certain aspects of insolvency law in Switzerland. In the event that a Swiss guarantor experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

Pursuant to Swiss insolvency laws, your ability to receive payment under the Notes may be more limited than would be the case under United States, Swedish or any other non-Swiss bankruptcy laws. Under Swiss law, the following types of proceedings (altogether referred to as insolvency proceedings) may be opened against an entity having its registered office or assets in Switzerland.

In the event of a Swiss entity's insolvency, the respective insolvency proceedings would be governed by Swiss law as a result of such Swiss entity's offices being registered in the competent commercial register in

Switzerland. In addition, Swiss debt enforcement and insolvency laws may be applicable in case of an enforcement of security interests over assets of a foreign entity located in Switzerland. The enforcement of claims and questions relating to insolvency and bankruptcy in general are dealt with by the Swiss Federal Act on Debt Enforcement and Bankruptcy, as amended from time to time. Under these rules, claims that are pursued against a Swiss entity can lead to the opening of bankruptcy (*Konkurs*) and, hence, a general liquidation of all assets, even if located outside Switzerland, and liabilities of the debtor. However, with regard to assets located outside Switzerland, a Swiss bankruptcy decree is enforceable only if it is recognized at the place where such assets are located. If bankruptcy has not been declared, creditors secured by a pledge must follow a special enforcement proceeding limited to the liquidation of the collateral (*Betreibung auf Pfandverwertung*) unless the parties have agreed on a private liquidation.

However, if bankruptcy is declared while such a special enforcement proceeding is pending, the proceeding ceases and the creditor participates in the bankruptcy proceedings with the other creditors and a private liquidation is no longer permitted.

As a rule, the opening of bankruptcy by the competent court needs to be preceded by a prior debt enforcement procedure which involves, *inter alia*, the issuance of a payment summons by local debt enforcement authorities (*Betreibungsamt*). However, the competent court may also declare a debtor bankrupt without such prior proceedings if the following requirements are met: (i) at the request of the debtor, if the debtor's board of directors or the auditors of the company (in case of failure of the board of directors) declare that the debtor is overindebted (*überschuldet*) within the meaning of art. 725b of the Swiss Code of Obligations (or the corresponding provision of the Swiss Code of Obligations in case of a limited liability company (*GmbH*)) or if it declares to be insolvent (*zahlungsunfähig*), and (ii) at the request of a creditor, if the debtor commits certain acts to the detriment of its creditors or ceases to make payments (*Zahlungseinstellung*) or if certain events happen during composition proceedings. The bankruptcy proceedings are carried out and the bankrupt estate is managed by the receiver in bankruptcy (*Konkursverwaltung*) which will draw up an inventory of the assets and, further to a creditors' call for the filing of claims, establish a schedule of claims (*Kollokationsplan*).

All assets at the time of the declaration of bankruptcy and all assets acquired or received subsequently form the bankrupt estate which, after deduction of costs and certain other expenses, is used to satisfy the creditors. However, in respect of assets located abroad, the Swiss authorities do not have jurisdiction to collect such assets for the purpose of including them in the Swiss bankruptcy estate of the debtor. It is therefore the foreign law applicable at the place where the assets are located abroad, or treaties between Switzerland and the state in which such assets are located, that will determine whether and to what extent the foreign authorities can assist in the collection of these assets. Assets of the bankrupt estate over which a pledge was created in favor of a creditor before the declaration of bankruptcy are included in the bankrupt estate. The pledgee is under an obligation to remit the pledged assets to the bankrupt estate. The assets are liquidated by the receiver in bankruptcy in the same manner as the other assets of the bankrupt estate, but the creditor secured by the pledge retains its privilege to be satisfied from the proceeds of the liquidation of the assets pledged to it with priority over the unsecured creditors. Final distribution of non-secured claims is based on a ranking of creditors in three classes. The first and the second class, which are privileged, comprise claims under employment contracts, accident insurance, pension plans, family law and claims for deposits under the Swiss banking act. Certain privileges can also be claimed by the government and its subdivisions based on specific provisions of federal law. All other creditors are treated equally in the third class. A secured party participates in the third class to the extent its claim is not covered by its collateral.

If the enforcement proceeds are not sufficient to fully satisfy the secured claims, the remainder of the claims have equal rank as unsecured claims with all other unsecured and (*provided* it is not a privileged claim) non-prioritized claims. If several pledges secure the same claim, the amount realized is applied proportionally to the claim.

Any creditor wishing to contest the schedule of claims because his claim has been entirely or partially rejected by the receiver in bankruptcy or not allocated in the rank requested must bring an action against the estate before the competent court. If any creditor wishes to contest the admission of another creditor to the schedule of claims or the allocated rank, he must bring an action against such creditor. Such court proceedings could cause holders of Notes to recover less than the principal amount of their Notes or less than they could recover in a liquidation under U.S. bankruptcy law. Such proceedings could also cause payment to the holders of the Notes to be delayed, as compared with holders of undisputed claims.

With the opening of bankruptcy proceedings, interest ceases to accrue against the debtor. However, interest on claims secured by pledges continues to accrue until the realization of the pledge, *provided* the proceeds exceed

the amount of the claim and the interest which had accrued by the date of the opening of bankruptcy proceedings.

Claims assigned for security purposes by a Swiss entity that came into existence prior to the opening of bankruptcy can be enforced by the assignee outside Swiss bankruptcy proceedings, subject to potential avoidance actions. According to the current jurisprudence of the Swiss Federal Supreme Court, assigned claims that come into existence after the opening of bankruptcy over a Swiss entity or similar insolvency proceedings that lead to the loss of the capacity of the relevant assignor to dispose of such rights or claims may generally not be enforceable by the secured creditor.

With respect to any Guarantee provided by a Guarantor incorporated in Switzerland, should it accept jurisdiction in proceedings on the merits, a Swiss court will generally recognize the choice of New York law. The scope of such choice of law is, usually, limited to the rules of the substantive law chosen by the parties; as to procedural matters, a Swiss court will apply Swiss procedural law. Due to the different nature of Swiss procedural law and the procedural law in common law jurisdictions (such as the United States of America and the United Kingdom) classification and delimitation issues between substantive and procedural law could occur. To establish the non-Swiss substantive law applicable to the merits, a Swiss court may, in pecuniary matters, request the parties to establish the non-Swiss substantive law; Swiss law will be applied, if the content of the foreign substantive law cannot be established. While a Swiss court will generally accept a choice of law, restrictively applied exceptions exist: Swiss courts may diverge from the chosen substantive law if such chosen law would lead to a result contrary to Swiss public policy, if the purpose of mandatory rules of Swiss law require, by their special aim, immediate application, or if the purpose of mandatory rules of another law, to which the dispute is closely connected, are considered legitimate under Swiss legal concepts and, upon weighing the interests of the parties involved, the clearly predominant interest(s) of one party so require.

Swiss insolvency laws also provide for reorganization procedures by composition with the debtor's creditors. Reorganization is initiated by a request with the competent court for a stay (*Nachlassstundung*) pending negotiation of the composition agreement with the creditors and confirmation of such agreement by the competent court. A distinction is made between a composition agreement providing for the assignment of assets (*Nachlassvertrag mit Vermögensabtretung*) which leads to a private liquidation and in many instances has analogous effects as a bankruptcy, and a dividend composition (*Dividenden-Vergleich*) providing for the payment of a certain percentage on the creditors' claims and the continuation of the debtor. Further, there is the possibility of a composition in the form of a mere payment term extension (*Stundungsvergleich*). During a moratorium, debt collection proceedings cannot be initiated and pending proceedings are stayed. An assignment of claims for security purposes entered into by a Swiss entity prior to the granting of a moratorium is ineffective if the assigned claims come into existence only after the granting of a moratorium. Furthermore, the debtor's power to dispose of its assets and to manage its affairs is restricted. In case of a pledge, the secured party is not entitled to proceed with a private liquidation until the confirmation of the settlement by the competent court. A secured creditor participates in the settlement only for the amount of its claim not covered by the collateral. The moratorium does not affect the agreed due dates of debts (contrary to bankruptcy, in which case all debts become immediately due upon adjudication). The moratorium aims at facilitating the conclusion of one of the above composition agreements. Any composition agreement needs to be approved by the creditors and confirmed by the competent court. With the judicial confirmation, the composition agreement becomes binding on all creditors, whereby secured claims are only subject to the composition agreement to the extent that the collateral proves to be insufficient to cover the secured claims.

Foreign bankruptcy decrees issued in the country of a debtor's domicile may be recognized in Switzerland only, *provided* that (i) the bankruptcy decree is enforceable in the country where it was issued, (ii) its recognition is, *inter alia*, not against Swiss public policy, and (iii) it was either issued in the country of the debtor's domicile or in the country where the debtor has its center of main interest, *provided* that the debtor was not domiciled in Switzerland at the time the foreign bankruptcy proceedings were initiated.

Security in the Form of a Pledge

Under Swiss law, a valid pledge only arises if the pledgor loses the exclusive possession over the pledged assets (which includes the delivery of the share certificates representing all shares in a Guarantor incorporated in Switzerland whose shares are pledged duly endorsed in blank). Until a pledgor loses exclusive control over the assets purported to be pledged under a Swiss pledge agreement, a third party may acquire preferential property rights over such assets, including a right of pledge.

Under Swiss conflict of law rules, although Swiss law permits a choice of law with respect to a pledge of shares or an assignment of bank accounts, such choice of law may not be opposable to third parties.

A sale or transfer of shares in a Guarantor incorporated in Switzerland in the context of the realization of the share pledge agreement concerning such shares may be subject to Swiss transfer stamp duty if a Swiss securities dealer, as defined in the Swiss stamp tax act, is involved in the transaction as party or intermediary.

Under Swiss law, pledges are accessory to the obligations they secure and, therefore, pledges may only be constituted for the benefit of the creditors of the secured obligations. Any pledge governed by Swiss law to secure claims of the holders of the Notes under the Indenture should therefore be constituted for the benefit of the holders of the Notes acting as pledgees (being represented for the purposes thereof by the Security Agent acting in its capacity as security agent for itself and as direct representative (*direkter Stellvertreter*) in the name and for the account of each other pledgees). Because any such pledge is likely to be constituted for the benefit of the Security Agent acting as a fiduciary (*Treuhänder*) in its own name but for the benefit of the holders of the Notes (but not as a direct representative (*direkter Stellvertreter*) acting in its own name and in the name and for the account of each other Secured Party), there is a risk regarding the enforceability of such pledge granted in favor of the holders of the Notes. In order to mitigate these risks and in order to give the Security Agent as much flexibility as possible, the Intercreditor Agreement provides for the creation of a parallel debt structure, whereby the pledge would not directly secure the claims of the holders of the Notes but an independent claim of the Security Agent stated to be at all times equal to the outstanding claims of the holders of the Notes, under in particular, the Notes and the Indenture. Under this structure the holders of the Notes will bear some risks associated with a possible insolvency or bankruptcy of the Security Agent. There are no published court decisions confirming the validity of the parallel debt structure and hence it is uncertain whether such structure would be valid and enforceable under Swiss law as it could be viewed as a circumvention of the accessory nature of the pledge.

Certain Swiss Financial Assistance Limitations on Guarantees and Security

The validity or enforceability of a Guarantee or a security interest granted by a Guarantor incorporated in Switzerland (a "**Swiss Guarantor**") may be limited by applicable bankruptcy, insolvency, re-organization, corporate, tax, contract or similar laws, regulations or defenses affecting creditors and secured parties in general (including provisions relating to fraudulent transfer, voidable preference, corporate purpose, financial assistance, capital maintenance and solvency) or laws or principles of general application (including the abuse of rights (*Rechtsmissbrauch*) and the principle of good faith (*Grundsatz von Treu und Glauben*)) and public policy.

In particular, Swiss rules regarding capital maintenance, including but not limited to Articles 671, 672, 675(2), 675(3) and 680(2) of the Swiss Code of Obligations, prohibit the direct or indirect repayment of a Swiss corporation's share capital and legal reserves to its shareholders and restrict the distribution of a Swiss corporation's accrued earnings to its shareholders. Guarantees, share pledges, assignments for security purposes and any other collateral granted by a Swiss corporation in order to guarantee or secure liabilities of a direct or indirect parent or sister company as well as any other undertaking contained in any agreement having the same or a similar effect, such as, but not limited to, the waiver of set off or subrogation rights, the subordination of intra-group claims or any other financial obligation (including, but not limited to, indemnity obligations) may be considered as an indirect distribution of assets which are subject to the limitation provided by Swiss law to protect the share capital and legal reserves of Swiss corporation. Similar rules apply in case the guarantee or collateral is granted, or other financial obligation is assumed, by a Swiss limited liability company (GmbH). Therefore, it is standard market practice for indenture agreements, credit agreements, guarantees and security documents to contain so-called "limitation language" in relation to Swiss subsidiaries or sister companies essentially providing for that if and to the extent a Swiss Guarantor becomes liable under the relevant agreement for obligations of any direct or indirect shareholder (upstream security) or subsidiary of such shareholder (cross-stream security) other than direct or indirect wholly-owned subsidiaries of such Swiss Guarantor (the "**Restricted Obligations**") and if complying with such obligations would constitute a repayment of capital (*Einlagerückgewähr*), a violation of the legally protected reserves (*gesetzlich geschützte Reserven*) or the payment of a (constructive) dividend (*Gewinnausschüttung*) by such Swiss Guarantor or would otherwise be restricted under Swiss law and practice then applicable, such Swiss Guarantor's aggregate liability for Restricted Obligations shall not exceed the amount of the Swiss Guarantor's freely disposable equity (*frei verfügbares Eigenkapital)* at the time of the enforcement of the guarantee (or other financial obligation) or, as the case may be, any collateral (the "**Maximum Amount**"), and providing for that if the secured / guaranteed obligations are Restricted Obligations, then any payment triggered by the enforcement of the security interest/guarantee (including, in particular, Swiss withholding tax of currently 35% on a deemed dividend distribution or of a lower tax rate resulting from a refund procedure applicable under a double-taxation treaty) would equally be limited by the Maximum Amount. The Restricted Obligations are only valid if approved by the general meeting at the time of enforcement in accordance Swiss law and applicable Swiss accounting principles. There are restrictions for companies that have obtained a COVID-19 credit, including the prohibition, amongst

other things, of distribution of dividend as long as such credit has not been repaid or terminated. As a result, the creditors to be secured by any Restricted Obligations should take into account that the actual value of such Restricted Obligations may be very limited. This shall in particular be relevant for the purpose of the Guarantee (or any other security) to be granted by a Swiss Guarantor for the benefits of the holders of the Notes.

To the extent a Guarantee or a security interest granted by a Swiss Guarantor guarantees or secures liabilities of direct or indirect shareholders or sister companies (so-called "**upstream or cross-stream obligations**"), the liability of such Swiss Guarantor is limited under Swiss law (i) insofar as such upstream or cross-stream obligations must be within the corporate purpose and interests of such Swiss Guarantor and (ii) to the amount of such Swiss Guarantor's freely disposable equity, being the balance sheet profits and non-statutory reserves available for the distribution as dividends at the time of enforcement of such Guarantee or security interest. The payment of dividends from the Swiss Guarantor to the Issuer will reduce the distributable profits and reserves available to satisfy the obligations under such Guarantee or security interest. Also, the distributable reserves of the Swiss Guarantor may be reduced by the amount of any upstream or cross-stream intercompany loan provided by the Swiss Guarantor which is not at arm's length terms. See "*Risk Factors—Risks Related to Our Financing Arrangements and the Notes—The Guarantees and the Collateral securing the Notes will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*."

A Swiss Guarantor is under no obligation to maintain a specific level of distributable profits and reserves, and, if a Swiss Guarantor has distributable profits and reserves, such Swiss Guarantor may make dividend payments that reduce its distributable profits and reserves to zero. Since a Swiss Guarantor may pay dividends to service indebtedness and for tax-planning purposes. There can be no assurance that a Swiss Guarantor will have distributable profits and reserves available to satisfy the obligations under the Guarantee or the relevant Security Document, whether or not such dividend payments are made. The payment of dividends to service debt obligations of a Swiss Guarantor (including under the Notes) will deplete the distributable profits and reserves available to satisfy the obligations under the Guarantee of the relevant Security Document. In addition, the enforcement of upstream or cross-stream obligations (*e.g.,* payment under the Guarantee by the Swiss Guarantors) may require certain prior corporate formalities to be completed, including, but not limited to, obtaining an audit report determining the freely distributable reserves at the time of enforcement under then applicable law, shareholders' resolutions and board resolutions.

In addition, financial assistance rules are uncertain under Swiss law. The Swiss Guarantor cannot provide any assurance that future court rulings will not further restrict the enforceability, or deny the validity, of guarantees or security interests. Such rulings would negatively affect the ability to enforce the guarantees or security interests granted by a Swiss Guarantor. Further, Swiss corporate law rules may significantly impact the value of the Guarantee or security interest granted by a Swiss Guarantor.

Avoidance Actions

Certain arrangements or dispositions that are made during a certain period (the "**suspect period**") preceding the declaration of bankruptcy or the grant of a moratorium in connection with a composition proceeding may be challenged by the receiver in bankruptcy (*Konkursverwaltung*) and certain creditors under the applicable rules of avoidance. The avoidance may relate to (i) gifts and gratuitous transactions made in the suspect period of twelve months prior to being declared bankrupt or the grant of a moratorium, (ii) certain acts of a debtor (*e.g.*, repayment of a debt which has not yet fallen due, settlement of a debt by unusual means of payment, granting of a collateral for previously unsecured liabilities without previously being obliged to do so) in the suspect period of twelve months prior to being declared bankrupt or the grant of a moratorium if the debtor at that time was over-indebted, and (iii) dispositions made by the debtor within a suspect period of five years prior to being declared bankrupt or the grant of a moratorium with the intent, identifiable by the other party, to disadvantage its creditors or to prefer certain of its creditors to the detriment of other creditors. In case of an avoidance action regarding a disposition in favor of an affiliated person, including a group company, the favored person bears the burden of proof that the intent of disadvantaging the creditors was not identifiable.

In case of successful avoidance, the relevant creditors (such as holders of the Notes) are under an obligation to repay the amounts received. The transactions potentially subject to avoidance also include those contemplated by a Guarantee or security interest granted by a Swiss Guarantor. If they are challenged successfully, the rights granted under the Guarantee or the relevant Security Document may become unenforceable and any amounts received by the holders of the Notes under a guarantee that is avoided must be refunded by the holders of the Notes to the insolvent estate. The holders of the Notes who have restituted the avoided amount paid to them regain their original claim against the Swiss Guarantor and are entitled to list

their claim in the schedule of claims in their respective rank and priority. The Swiss principles on avoidance may therefore limit the ability of the holders of the Notes to recover payments due on the guarantees.

Certain Withholding Tax Considerations Related to Guarantee/Security Payments

Moreover, the enforcement of a Guarantee or a security interest granted by a Swiss Guarantor may give rise to Swiss withholding taxes on payments under the such Guarantee or the relevant Security Document (of up to 35% at present rates, subject to applicable double-taxation treaties) to the extent that the payment or enforcement on the Guarantee or the security interest is regarded as a deemed distribution by a Swiss Guarantor to the Issuer or any other related party and any obligations of a Swiss Guarantor to gross-up by paying additional amounts may not be enforceable under Swiss Law.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the purchase agreement (the "**Purchase Agreement**") dated the date of the final Offering Memorandum, the Issuer has agreed to sell to each Initial Purchaser, and each Initial Purchaser has agreed, severally and not jointly, to purchase the Notes from the Issuer. The Initial Purchasers are BofA Securities Europe SA, Goldman Sachs Bank Europe SE, DNB Carnegie Investment Bank AB (publ), Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ), Barclays Bank Ireland PLC, BNP PARIBAS, CaixaBank, S.A., Crédit Agricole Corporate and Investment Bank, Danske Bank A/S, J.P. Morgan SE, Landesbank Baden-Württemberg, Mediobanca – Banca di Credito Finanziario S.p.A, Morgan Stanley Europe SE, MUFG Securities (Europe) N.V., Banco Santander, S.A., UniCredit Bank GmbH.

Sales in the United States may be made through affiliates of the Initial Purchasers.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to certain conditions precedents, including, among other conditions, the delivery of certain legal opinions by counsel.

The Purchase Agreement also provides that the Issuer and the Guarantors will indemnify and hold harmless the Initial Purchasers against certain liabilities in connection with the offer and sale of the Notes and will contribute to payments that the Initial Purchasers may be required to make in respect thereof. None of the Issuer or the Guarantors will, for a period of 90 days following the time when sales of Notes were first made, offer, sell, contract to sell or otherwise dispose of any debt securities of, or guarantees by, the Issuer or any of its subsidiaries or affiliates that are substantially similar to the Notes without the prior written consent of BofA Securities Europe SA and Goldman Sachs Bank Europe SE.

The Initial Purchasers propose to offer the Notes initially at the price indicated on the cover page hereof. After the initial offering, the Offering price and other selling terms of the Notes may from time to time be varied by the Initial Purchasers without notice.

Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the Offering price set forth on the cover page hereof.

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state or other jurisdiction of the United States, and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of such state or other jurisdiction. Accordingly, the Notes offered hereby are being offered and sold only to QIBs in accordance with Rule 144A and outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S. Resales of the Notes are restricted as described under "*Transfer Restrictions.*"

In addition, with respect to the Notes initially sold pursuant to Regulation S, until 40 days after the latter of the Issue Date and the date on which the Notes were first offered to persons other than distributors (as defined in Regulation S), an offer or sale of such Notes within the United States by a broker/dealer (whether or not participating in the Offering of the Notes) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the U.S. Securities Act.

Each Initial Purchaser has represented, warranted and agreed that it:

- has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes, in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and

- has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

No action has been taken in any jurisdiction, by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes and the Guarantees may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor

any other offering material or advertisements in connection with the Notes and the Guarantees may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this Offering Memorandum and resale of the Notes. See "*Important Information*" and "*Transfer Restrictions.*"

One or more Initial Purchasers may make offers or sales of the Notes in the United States through an affiliate or any other U.S. registered broker-dealers pursuant to applicable U.S. securities laws. Any Initial Purchaser not registered with the SEC as a US registered broker-dealer will only effect offers and sales of Regulation S Notes (as defined herein) outside the United States to non-US persons and will only effect offers and sales of Rule 144A notes inside the United States if intermediated by a U.S. registered broker-dealer and only to the extent permitted by Rule 15a-6 under the Securities Exchange Act of 1934.

The Notes and the Guarantees are a new issue of securities for which there currently is no market. Application has been made to list the Notes on the Exchange, without admission to trading on one of the securities markets operated by the Exchange. There can be no assurance that such listing will be maintained.

The Initial Purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. The Initial Purchasers are not obligated, however, to make a market in the Notes; any market-making activity may be discontinued at any time at the sole discretion of the Initial Purchasers without notice, and the ability of the Initial Purchasers to make a market in the Notes may be impacted by changes in any regulatory requirements applicable to the marketing, holding and trading of, and issuing quotations with respect to, the Notes. In addition, any such market making activity will be subject to the limits imposed by the U.S. Securities Act and the Exchange Act. Accordingly, we cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you. See "*Risk Factors—Risks Related to the Notes—An active trading market may not develop for the Notes, in which case your ability to sell the Notes may be limited.*"

If the Notes are traded, they may trade at a discount from their initial Offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

Stabilization

In connection with the Offering, the Initial Purchasers may purchase and sell the Notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the Initial Purchasers of a greater principal amount of Notes than they are required to purchase in the Offering. The Initial Purchasers must close out any short position by purchasing Notes in the open market. A short position is more likely to be created if the Initial Purchasers are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could materially adversely affect investors who purchase in the Offering.

Similar to other purchase transactions, the Initial Purchasers' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market.

Neither we nor any of the Initial Purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither we nor any of the Initial Purchasers make any representation that the Initial Purchasers will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice. See "*Risk Factors—Risks Related to the Notes—An active trading market may not develop for the Notes, in which case your ability to sell the Notes may be limited.*"

The Initial Purchasers or their respective affiliates from time to time have provided in the past, provide currently and may provide in the future, commercial lending and banking, investment banking, hedging, consulting and financial advisory services to the Issuer, the Guarantors and their subsidiaries and affiliates for which they have received, and in the future may receive, customary fees, commissions and expenses. Certain of the Initial Purchasers or their respective affiliates have acted as underwriters in the IPO and are arrangers, lenders or agents under the Senior Credit Facilities, in connection with which they receive certain fees and commissions. We intend to use the net proceeds from the Offering to redeem all of the Existing Senior Notes. To the extent

that the Initial Purchasers or their respective affiliates are holders of the Existing Senior Notes, they will receive a portion of the proceeds of the Offering.

In addition, in the ordinary course of their business activities, the Initial Purchasers or their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve investments or securities of the Issuer, the Guarantors and their subsidiaries and affiliates. The Initial Purchasers and/or their respective affiliates may receive allocations of the Notes (subject to customary closing conditions), which could affect future trading of the Notes. Certain of the Initial Purchasers or their respective affiliates that have a lending relationship with the Issuer, the Guarantors or their subsidiaries or affiliates routinely hedge their credit exposure to the Issuer, the Guarantors, subsidiaries and/or affiliates consistent with their customary risk management policies. Typically, such Initial Purchasers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities (including potentially the Notes). Any such short positions could adversely affect future trading prices of the Notes. Moreover, the Initial Purchasers or their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Further, one or more of the Initial Purchasers may sell through affiliates or other appropriately licensed entities for sales of the Notes in jurisdictions where they are otherwise not permitted, including in respect of sales into the United States. To the extent certain of the Initial Purchasers are not U.S. registered broker-dealers under Section 15 of the U.S. Exchange Act and intend to effect any sales of the Notes in the United States, they will do so through one or more U.S. registered broker-dealers as permitted by the regulations of the Financial Industry Regulatory Authority and in compliance with all applicable federal or state securities laws of the United States.

We expect that delivery of the Notes will be made against payment on the Notes on or about the Issue Date, which will be eight business days following the date of pricing of the Notes (this settlement cycle is being referred to as “T+8”). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in one business day unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of this Offering Memorandum or the next six business days will be required to specify an alternative settlement code at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

TRANSFER RESTRICTIONS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state or other jurisdiction of the United States, and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of such state or other jurisdiction. Accordingly, the Notes offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) in reliance on Rule 144A under the U.S. Securities Act and to non-U.S. persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

We use the terms "U.S. person," "offshore transaction" and "United States" with the meanings given to them in Regulation S.

In addition, until 40 days after the latter of the Issue Date and the date on which the Notes were first offered to persons other than the distributors (as defined in Regulation S), an offer or sale of the Notes within the United States by a broker/dealer (whether or not participating in the Offering of the Notes) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the U.S. Securities Act.

You, by your acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer and the Initial Purchasers as follows:

(1) You understand and acknowledge that the Notes and the Guarantees have not been registered under the U.S. Securities Act or any other applicable securities laws and that the Notes are being offered for resale in transactions not requiring registration under the U.S. Securities Act or any other securities laws, including sales pursuant to Rule 144A under the U.S. Securities Act, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any other applicable securities laws, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (4) and (5) below.

(2) You are not our "affiliate" (as defined in Rule 144 under the U.S. Securities Act) or acting on our behalf and you are either:

   (a) a QIB, within the meaning of Rule 144A under the U.S. Securities Act and are aware that any sale of these Notes to you will be made in reliance on Rule 144A under the U.S. Securities Act and such acquisition will be for your own account or for the account of another QIB; or

   (b) not a U.S. person and are purchasing the Notes outside the United States in an offshore transaction in accordance with Regulation S under the U.S. Securities Act.

(3) You acknowledge that neither we nor the Initial Purchasers, nor any person representing us or the Initial Purchasers, has made any representation to you with respect to the offer or sale of any Notes, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that neither the Initial Purchasers nor any person representing the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this Offering Memorandum. You also acknowledge that you have had access to such financial and other information concerning us and the Notes as you have deemed necessary in connection with your decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, us and the Initial Purchasers.

(4) You are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A, or Regulation S or any other exemption from registration available under the U.S. Securities Act.

(5) You agree on your own behalf and on behalf of any investor account or accounts for which you are purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the "**Resale Restriction Termination Date**") that is one year (in the case of Rule 144A Notes) or 40 days (in the case of Regulation S Notes) after the later of the date of the original issue and the last date on which the Issuer or any of its affiliates (as defined under Rule 501(b) of Regulation D of the U.S. Securities Act) were the owner of such Notes (or any predecessor thereto) only (i) to the Issuer, (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act, (iii) for so long as the Notes are eligible pursuant to Rule 144A under the U.S. Securities Act, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the U.S. Securities Act, (iv) pursuant to offers and sales (in the case of Regulation S Notes, to non-U.S. persons) that occur outside the United States in compliance with Regulation S under the U.S. Securities Act or (v) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and to compliance with any applicable state securities laws and local laws and regulations, and further subject to our and the Transfer Agent's rights prior to any such offer, sale or transfer (I) pursuant to clause (v) to require the delivery of an opinion of counsel, certification and other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing in the Indenture is completed and delivered by the transferor to the Transfer Agent. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

(6) Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

"THIS NOTE HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" ("**QIB**") (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) ("**RULE 144A**") OR (B) IT IS A NON-U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT ("**REGULATION S**"), (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTES, PRIOR TO THE DATE (THE "**RESALE RESTRICTION TERMINATION DATE**") WHICH IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF**,** AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE)] [IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS NOTE WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S)] ONLY (A) TO THE ISSUER, THE GUARANTORS OR ANY SUBSIDIARY THEREOF (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES [IN THE CASE OF REGULATION S NOTES: TO NON-U.S. PERSONS] THAT OCCUR OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN ACCORDANCE WITH REGULATION S OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRANSFER AGENT'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY

OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE REVERSE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRANSFER AGENT; AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "U.S. PERSON," "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANING GIVEN TO THEM BY REGULATION S."

(7) You will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in such Notes as well as to holders of such Notes.

(8) You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes.

(9) You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations, warranties and agreements and agree that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by your purchase of the Notes are no longer accurate, you shall promptly notify the Initial Purchasers. If you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

(10) You understand that no action has been taken in any jurisdiction by the Issuer or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth in this section of the Offering Memorandum and/or in the front of this Offering Memorandum under "*Important Information—Notice to Swedish Investors*," "*Important Information—Notice to Spanish Investors*," "*Important Information—Notice to Portuguese Investors*," "*Important Information—Notice to U.K. Investors*," "*Important Information—Notice to Swiss Investors*," "*Important Information—Notice to Norwegian Investors*," "*Important Information—Notice to French Investors*," "*Important Information—Notice to Danish Investors*," "*Important Information—Notice Regarding U.S. Securities Laws*" and "*Plan of Distribution*."

(11) You represent that you are not a "retail investor" in the EEA. For the purposes of this paragraph, the expression "retail investor" means a person who is one (or both) of the following:

(a) a "retail client" as defined in point (11) of Article 4(1) of MiFID II; or

(b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

(12) You represent that you are not a "retail investor" in the UK. For purposes of this paragraph, the expression "retail investor" means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**").

LEGAL MATTERS

Various legal matters will be passed upon for us by Latham & Watkins (London) LLP, as to matters of U.S. federal, New York state law, English law. Advokatfirman Vinge KB, as to matters of Swedish law, Advokatfirmaet Thommessen AS, as to matters of Norwegian law, Uría Menéndez Abogados, S.L.P., as to matters of Spanish law, Uría Menéndez Abogados, S.L.P. - Sucursal em Portugal, as to matters of Portuguese law, Latham & Watkins A.A.R.P.I., as to matters of French law, Plesner Advokatpartnerselskab as to matters of Danish law and Lenz & Staehelin, as to matters of Swiss law. Certain legal matters will be passed upon for the Initial Purchasers by Allen Overy Shearman Sterling LLP, as to matters of U.S. federal, New York state law, English law, Advokatfirman RE:FI STHLM AB, as to matters of Swedish law, Advokatfirmaet Arntzen AS, as to matters of Norwegian law, Allen Overy Shearman Sterling, as to matters of Spanish law, Cuatrecasas, Sociedade de Advogados, SP, RL, as to matters of Portuguese law and Allen Overy Shearman Sterling LLP, as to matters of French law.

INDEPENDENT AUDITORS

The consolidated financial statements of Verisure Group Topholding AB as of and for the years ended December 31, 2024 and 2023, included elsewhere in this Offering Memorandum, have been audited by Öhrlings PricewaterhouseCoopers AB, independent auditors, as stated in the reports appearing herein. Öhrlings PricewaterhouseCoopers AB has issued unqualified opinions for the years ended December 31, 2024 and 2023. The consolidated financial statements of Verisure plc as of and for the year ended December 31, 2025, included elsewhere in this Offering Memorandum, have been audited by PricewaterhouseCoopers LLP, independent auditors, as stated in the reports herein. PricewaterhouseCoopers LLP has issued an unqualified opinion for the year ended December 31, 2025.

The unaudited condensed consolidated financial statements of Verisure Group Topholding AB as comparative information in the unaudited condensed consolidated financial statements of Verisure plc as of and for the three months ended March 31, 2025 and the unaudited condensed consolidated financial statements of Verisure plc as of and for the three months ended March 31, 2026 included in this offering memorandum have not been audited.

ENFORCEABILITY OF JUDGMENTS

The Issuer is a Swedish company. The Guarantors are entities organized or incorporated, as applicable, under the laws of Spain, Sweden, Norway, Portugal, France, Denmark and Switzerland. All the directors and executive officers of the Issuer and the Guarantors are resident outside of the United States. All the assets of the Issuer and the Guarantors and their respective directors and officers are located outside the United States. Although the Issuer and the Guarantors have agreed, in accordance with the terms of the Indenture, to accept agent for service of process in the United States by agents designated for such purpose, it may not be possible for holders of the Notes to (a) effect service of process upon the Issuer, the Guarantors or their respective directors or officers, or (b) enforce judgments of courts of the United States (including judgments with respect to the payment of principal, premium, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes) or other laws against any such entities or persons in the courts of a foreign jurisdiction.

Sweden

Pursuant to the provisions of the Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012, on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the "**2012 Brussels Regulation**"), a judgment entered against a company incorporated in Sweden (a "**Swedish Party**") in the courts of a Member State (as defined in the 2012 Brussels Regulation, *i.e.,* all Member States of the European Union) and which is enforceable in such a Member State, will be directly enforceable in Sweden upon the satisfaction of the formal requirements of the 2012 Brussels Regulation without any declaration of enforceability being required. It should be noted, however, that a party may apply for refusal of recognition or refusal of enforcement, as applicable, in accordance with the 2012 Brussels Regulation. Such an application shall be submitted to the relevant district court (*tingsrätt*).

Pursuant to the 2012 Brussels Regulation, if a judgment contains a measure or an order which is not known under the laws of the Member State in which the recognition of the judgment is invoked or in which the enforcement of the judgment, the court settlement or the authentic instrument is sought, that measure or order shall, to the extent possible, be adapted to a measure or order known under the laws of that Member State which has equivalent effects attached to it and which pursues similar aims and interests.

The Intercreditor Agreement as well as the Swedish Security Documents include asymmetric (non-exclusive) jurisdiction clauses. However, a recent ruling of the Court of Justice of the European Union (the "**CJEU**") in Società Italiana Lastre SpA v Agora Sarl (Case C-537/23) ("***Lastre***") has clarified that one-sided or asymmetric jurisdiction clauses shall be valid only if certain requirements are met. In addition, the Lastre ruling has led to uncertainty as to whether the courts of EU Member States would recognize the validity of asymmetric jurisdiction clauses in all circumstances.

Although the CJEU decision in Lastre does not apply directly to jurisdiction clauses which designate the courts of England, as in the Intercreditor Agreement, there is a possibility that the case might have an effect, indirectly, also on the jurisdiction clause in respect of the Intercreditor Agreement. Consequently, Noteholders should be aware that challenges or jurisdictional disputes may arise because of the asymmetric jurisdiction clauses in the Intercreditor Agreement and the Swedish Security Documents and this could increase the complexity, cost, or duration of legal proceedings.

Pursuant to the provisions of the 2007 Lugano Convention on the Recognition of Judgments in Civil and Commercial Matters (the "**Lugano Convention**"), a judgment entered against a Swedish party in the courts of a Contracting Party (as defined in the Lugano Convention) and which is enforceable in such a Contracting Party, will, *provided* that a motion for enforcement has been filed and granted with the relevant district court, be enforceable in Sweden if it meets the formal requirements under the Lugano Convention.

Pursuant to the provisions of the Hague Convention on Choice of Court Agreements, concluded 30 June 2005 (the "**Hague Convention 2005**") judgments entered against a Swedish party issued by the courts of a Contracting State (as defined in the Hague Convention 2005), e.g. the United Kingdom of Great Britain and Northern Ireland, that are based on exclusive choice of court agreement concluded in civil or commercial matters will, *provided* that such judgment has effect and is enforceable in such Contracting State, be recognized or enforceable in Sweden only upon the satisfaction of the following requirements: (a) the relevant judgment relates to an exclusive choice of court agreement (as defined in the Hague Convention 2005) concluded after the Hague Convention 2005 entered into force in the State of the chosen court; (b) that a motion for enforcement has been filed with the relevant district court as provided by law and has been granted; (c) the judgment is not subject of review in the State of origin and the time limit for seeking ordinary review has expired; and (d) no grounds for refusal of recognition or enforcement as described in article 9, 10 and 11 of the Hague Convention 2005 exists.

In case any such grounds obtain, or in case a relevant Swedish court determines that there is no exclusive choice of court agreement, a judgment rendered by the courts in a Contracting State against a Swedish party would not be recognized or enforceable in Sweden as a matter of right without a retrial on its merits.

On 1st July 2025 the Hague Convention of 2nd July, 2019 on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters (the "**Hague Convention 2019**"), entered into force for the United Kingdom. Sweden is bound by the Hague Convention 2019 as a Member State of the European Union. The Hague Convention 2019 applies, as between the United Kingdom and Sweden, to the recognition and enforcement of judgments given in civil or commercial proceedings instituted on or after 1 July 2025. Pursuant to the provisions of the Hague Convention 2019, a judgment entered against a Swedish entity in the courts of a Contracting State (as defined in the Hague Convention 2019) and which is enforceable in such Contracting State, will be directly enforceable in Sweden only upon the satisfaction of certain requirements, which, *inter alia*, include that the relevant judgment relates to a choice of court agreement other than an "exclusive choice of court agreement" (as defined in the Hague Convention 2019).

A judgment entered against a Swedish party in the courts of a state which is not, under the terms of the 2012 Brussels Regulation or the Lugano Convention, a Member State (as defined in the 2012 Brussels Regulation) or a Contracting Party (as defined in the Lugano Convention), or, with respect to a judgment that is based on an exclusive choice of court agreement and which has effect and is enforceable in the state where the judgement was rendered, a Contracting State (as defined in the Hague Convention 2005), or, with respect to a judgment that is based on a non-exclusive choice of court agreement and which has effect and is enforceable in the state where the judgement was rendered, a Contracting State (as defined in the Hague Convention 2019), for example, the United States, would not be recognized or enforceable in Sweden as a matter of law without a retrial on its merits. Therefore, a final judgment for payment of money rendered by the courts of such state, would not be directly enforceable, either in whole or in part, in Sweden.

There is a Swedish Supreme Court precedent that supports the fact that a judgment against a Swedish party from a foreign court which is:

- based on a contract which expressly excludes the jurisdiction of any other court than the relevant court;
- rendered in compliance with all procedural aspects of the applicable court;
- not possible to appeal; and
- not contrary to or in violation of, or conflict with, "*ordre public*" or Swedish public policy,

should be recognized by a Swedish court in the way that it is the sole legal fact upon which the relevant Swedish court should render its own judgment, which in turn will be enforceable in Sweden.

In order to enforce any such judgement in Sweden, proceedings must therefore be initiated by way of civil law action on the judgment debt before a court of competent jurisdiction in Sweden, or an administrative tribunal or executive or other public authority of Sweden. In such an action, a judgment rendered by the courts of such state may be regarded as evidence of, for example, factual circumstances or the content of the relevant foreign law, but the competent Swedish authority may also choose to rehear the dispute *ab initio*.

Any legal proceedings in the courts of Sweden will be conducted in Swedish and a court or enforcement authority in Sweden may require, as a further condition for admissibility and/or enforceability, the translation into Swedish of any relevant document. Further assistance from Swedish authorities in the service of process in connection with foreign proceedings might require the observance of certain procedural and other regulations.

Swedish courts may award judgments or give awards in currencies other than the local currency, but the judgment debtor has the right under the laws of Sweden to pay the judgment debt (even though denominated in a foreign currency) in the local currency at the rate of exchange prevailing at the date of payment (however, the judgment creditor may, subject to availability of the foreign currency, convert such local currency into the foreign currency after payment and remove such foreign currency from Sweden), and a choice of currency provisions by the parties to an agreement may not be upheld by Swedish courts to constitute a right to refuse payment in Swedish kronor.

It is not established by Swedish judicial precedent or otherwise by Swedish law that a power of attorney or a mandate of agency, including the appointment of a service of process agent, can be made irrevocable and therefore any powers of attorney or mandates of agency can be revoked and will terminate by operation of law and without notice at the bankruptcy or temporal demise of the Swedish Party giving such powers.

Spain

An unappealable judgment obtained against Spanish companies outside of Spain (and, in particular, in the United States), but other than in a country bound by the provisions of EU Regulation 1215/2012 of the European Parliament and of the Council of December 12, 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, in response to a legal action filed before such courts would be enforceable in Spain, *provided* that the requirements in Law 29/2015 of 30 July, 2015 on international cooperation in civil matters ("**Law 29/2015**") are complied with.

These provisions set out that any unappealable judgment rendered outside of Spain (apart from countries bound by Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters) may be recognized and enforced in Spain pursuant to the following regimes: (i) in accordance with any applicable international treaty, or (ii) in the absence of any such treaty, when the requirements in Article 523 of the Spanish Civil Procedure Law and in Title V of Law 29/2015, including those applicable to exequatur proceedings, are complied with (basically, that the judgment must be final, translated into Spanish and apostilled). The foregoing is without prejudice to any special rules applicable under Spanish law (for example, the insolvency regime). Law 29/2015 expressly prohibits the competent Spanish court from reviewing a foreign judgment on the merits (*revisión sobre el fondo*).

Since there is no applicable treaty between Spain and the United States of America, the conditions referred to in point (ii) in the above paragraph must be satisfied in order to recognize and enforce an unappealable judgment of a United States court in Spain. These conditions require that none of the following circumstances concur:

- that the judgment is contrary to Spanish public policy (*órden público*);
- that the judgment has been rendered by clearly breaching the rights of defense of any of the parties and, in particular, if the judgment has been rendered by default of the defendant (*en rebeldía*) it would be deemed to breach his rights of defense if the defendant was not regularly and timely notified to enable him to defend himself properly;
- that the subject matter in respect of which the judgment has been rendered falls within the exclusive jurisdiction of the Spanish Courts or, in any other matters, if the foreign court jurisdiction does not have a reasonable connection with the dispute;
- that the foreign judgment is incompatible with another Spanish judgment;
- that the foreign judgment is incompatible with another country's judgment which meets the requirements to be enforceable in Spain;
- that there is an on-going proceeding between the same parties and dealing with the same subject which was opened before a Spanish Court prior to the opening of the proceedings before the foreign court;
- that the foreign judgment does not meet the requirements provided for in the Spanish Insolvency Law if the Issuer is subject to insolvency proceedings in Spain: to the extent that the party against which the judgment is enforced in Spain has been declared insolvent ("***declarada en concurso****"),* the foreign judgment must comply with the requirements provided for in the Spanish Insolvency Law and file its recognition claim before the Court in charge of the insolvency proceedings; or
- that the copy of the judgment presented before the Spanish Court is not duly apostilled.

According to Article 3.2 of Law 29/2015 the Spanish Government may deny cooperation with other state's authorities if there has been a repeated refusal of cooperation or a legal prohibition of providing cooperation by such other state's authorities *provided* that the Spanish Government passes a Royal Decree for these purposes.

In addition, the discovery process under actions filed in the United States of America could be adversely affected under certain circumstances by Spanish law (relating to communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons), which could prohibit or restrict obtaining evidence in Spain or from Spanish persons in connection with a judicial or administrative U.S. action. Spanish courts may express any such order in a currency other than euro in respect of the amount due and payable by the Issuer or Guarantors, but in case of enforcement in Spain, the court costs and interest will be paid in euros. Any judgment obtained against the Issuer or any of the Guarantors in any

country bound by the provisions of EU Regulation 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters would be recognized and enforced in accordance with the terms set forth thereby.

Any party wishing to have a U.S. ruling recognized and enforced in Spain must file an application seeking declaration of enforceability of the U.S. resolution (*exequatur*) which must be filed with the relevant Spanish First Instance Court (*Juzgado de Primera Instancia*) or Commercial Court (*Juzgado de lo Mercantil*).

The competence to hear applications for exequatur corresponds to the trial courts of the domicile of the party against which the recognition or enforcement is sought, or of the person who referred to the effects of the foreign judgment. Secondarily, the territorial jurisdiction shall be determined by the place of execution or the place in which resolution should produce its effects, being competent, in the latter case, the Court of first instance before which stands the demand for exequatur.

If the part that calls the exequatur was subject to bankruptcy proceedings in Spain and judgment had aimed some of the material competence of the judge of the competition, the competition to meet the request for exequatur will be up to the judge of the competition and shall be dealt with by the procedures of the bankruptcy incident.

If an original action is brought in Spain, Spanish courts may refuse to apply the designated law if its application contravenes Spanish public policy (orden público) or it may not grant enforcement in the event that they deem that a right has been exercised in such a manner to constitute an abuse of right ("*abuso de derecho*"). Additionally, pursuant to Article 54 of the current Civil Procedure Law the parties to an agreement are entitled to clearly agree to the submittal to one judge (*juzgado*) or court (*tribunal*) (*provided* that under the Civil Procedure Law and the Judicial Law (Ley Orgánica 6/1985, de 1 de Julio, del Poder Judicial) the relevant judge or court is competent to solve the corresponding dispute); therefore such article does not cover the validity of non-exclusive jurisdiction clauses, at least for conflicts between different Spanish courts.

Once a judgment has been recognized under the exequatur procedure, it will be enforceable in Spain in accordance with the Civil Procedure Law; in particular, the deadline for filing enforcement requests will be applicable (5 years).

The enforcement of any judgments in Spain involves, *inter alia*, the following principal actions and costs: (a) documents in a language other than Spanish must be accompanied by a sworn translation into Spanish (translator's fees will be payable); (b) foreign documents may be required to be legalized and apostilled; (c) certain professional fees required for the verification of the legal authority of a party litigating in Spain (if needed); (d) certain court fees and/or judicial taxes must be paid; (e) the procedural acts of a party litigating in Spain must be directed by an attorney-at-law and the party must be represented by a court agent (*procurador*); and (f) the content and validity of foreign law must be evidenced to the Spanish courts (which could, again, entail certain costs). In addition, Spanish civil proceedings rules cannot be amended by agreement of the parties and such rules will therefore prevail notwithstanding any provision to the contrary in the relevant agreement.

Norway

A judgment against the Issuer or any Guarantor in the courts of a state which is not, under the terms of the Lugano Convention on the Recognition of Judgments in Civil and Commercial Matters (the "**Lugano Convention**"), a "contracting state" (as defined in the Lugano Convention) or a state with which Norway has entered into a convention on the mutual recognition and enforcement of judgments, would not be recognized or enforceable in Norway as a matter of right unless the jurisdiction of such court has been specifically agreed between the parties in a civil matter in accordance with Section 19-16, cfr. Section 4-6, of the Norwegian Dispute Act or the recognition and enforcement of such judgments are otherwise accepted under Norwegian law. However, such judgments may be admissible as evidence in the courts of law, executive or other public authorities of Norway and may in such capacity carry persuasive authority depending on the merits of the judgment without a retrial on its merits. The foregoing could imply, *inter alia*, that a judgment by a U.S. court would not be recognized or enforceable in Norway as a matter of right. A judgment against an Issuer or any Guarantor in the courts of a state which is, under the terms of the Lugano Convention, a "contracting state" (as defined in the Lugano Convention) or a state with which Norway has entered into a convention on the mutual recognition and enforcement of judgments, and judgments rendered by a court whose jurisdiction have been expressly agreed to and accepted by the party, in writing and in a particular civil matter, in accordance with the Norwegian Dispute Act, and such judgments for which the recognition and enforcement is otherwise accepted under Norwegian law, would be recognized and enforceable in Norway, but only insofar as such recognition and enforcement would not be in breach of mandatory law or contrary to public policy in Norway. Only creditors

of a claim may have active judicial standing in a Norwegian court; therefore, a security agent or other representative of the creditors may seek enforcement of a claim but such claim may have to be supported by the actual creditors of such claim.

Portugal

The United States and the Portuguese Republic currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments other than arbitration awards (as Portugal is a party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958), in civil and commercial matters. Consequently, a final judgment for payment rendered by any federal or state court in the United States, whether or not predicated solely upon U.S. federal or state securities laws, would not automatically be enforceable in Portugal.

A final and conclusive judgment by a U.S. federal or state court for the payment of a specific sum of money would be enforceable in the courts of Portugal, after having been confirmed by a Portuguese court, as set forth in the Portuguese Code of Civil Procedure (*Código de Processo Civil*).

The Portuguese court with jurisdiction over such confirmation would be the Court of Appeal (*Tribunal da Relação*) of the judicial district where the relevant person against whom the judgment will be enforced is domiciled.

Pursuant to the Portuguese Code of Civil Procedure (*Código de Processo Civil*), in order for the judgment rendered in the U.S. federal or state courts to be enforceable, the following conditions must be met:

- there should be no doubts regarding the authenticity or the reasoning of the judgement;
- the judgment is final (*res judicata*) according to the applicable U.S. federal or state laws;
- the U.S. federal or state courts jurisdiction was not established fraudulently and the judgement does not relate to a matter over which Portuguese courts have exclusive jurisdiction;
- *lis pendens and condition of res judicata* cannot be alleged based on a case pending or judged on a Portuguese court, except if the foreign U.S. federal or state courts prevented the jurisdiction;
- the defendant was duly notified of the proceedings, under the U.S. federal or state laws, and the adversarial nature of proceedings and the principle of equality of the parties were duly complied with during the proceedings; and
- the judgment rendered is not incompatible with the international public policy of the Portuguese State.

If a judgment by a U.S. federal or state court is issued against a Portuguese national (either an individual or a company), its confirmation may also be challenged whenever its final outcome is less favorable to the Portuguese party than it would have been if the relevant court had applied Portuguese law (*provided* that, according to the Portuguese rules of private international law, Portuguese law should have been applied).

It should be mentioned that confirmation may also be challenged (i) if there is another final judgment which proves that the judgment under analysis arises from a crime committed by the judge in the exercise of his functions, (ii) if a document is presented whose existence a party was unaware of or if such party could not use such document during the proceedings in which judgment under analysis was rendered, *provided* that such document alone is deemed sufficient to modify the decision in favor of the defeated party or (iii) if the judgment is based on a sham litigation and the court has not prevented the parties from reaching their goal due to the fact that the court was unaware of the fraud.

In an action brought in Portugal on the basis of U.S. federal or state securities laws, Portuguese courts may not have the requisite power to grant all the remedies sought.

France

Certain of the Guarantors are entities organized under the laws of France with their registered offices or principal places of business in France (the "**French Entities**"). The directors, officers and other executives of the French Entities are neither residents nor citizens of the United States (the "**French Individuals**"). Furthermore, most of the assets of the French Entities and the French Individuals are located outside the United States. As a result, it may not be possible for investors to effect service of process upon such persons and entities, or to enforce

against them judgments of U.S. courts predicated upon the civil liability provisions of U.S. federal or state securities laws within the United States. However, it may be possible for investors to effect service of process within France upon those persons or entities in civil and commercial matters, *provided* that The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 is complied with.

The following is a summary of certain legal aspects of French law regarding the enforcement in France of civil law entitlements connected with the Notes against the French Entities and/or the French Individuals.

The United States and France are not parties to a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. Accordingly, a judgment rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws and which is enforceable in the United States, would not directly be recognized or enforceable in France.

A party in whose favor such judgment was rendered in the United States could initiate recognition and enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal Judiciaire*) that has exclusive jurisdiction over such matter.

Recognition and enforcement in France of such U.S. judgment could be obtained following proper (*i.e.*, *non ex parte*) proceedings if the French civil court is satisfied that the following conditions have been met (which conditions, under prevailing French case law, do not include a review by the French civil court of the merits of the foreign judgment):

- such U.S. judgment was rendered by a court having "indirect" jurisdiction over the matter as this concept is defined by French courts in the context of recognition and enforcement of foreign judgments, meaning that the dispute was clearly connected to the jurisdiction of such court, the choice of the U.S. court was not fraudulent and the French courts did not have exclusive jurisdiction over the matter;

- such U.S. judgment does not contravene French international public policy rules (*ordre public international)*, both pertaining to the merits and to the procedure of the case, including fundamental procedural rights; and

- such U.S. judgment is not tainted with fraud under French law.

In addition to these conditions, it is well established that only final and binding foreign judicial decisions (*i.e.*, those having *a res judicata* effect) can benefit from an exequatur under French law, that such U.S. judgment should not conflict with a French judgment or a foreign judgment that has become effective in France, and there is no proceedings pending before French courts at the time enforcement of the U.S. judgment is sought and having the same or similar subject matter as such U.S. judgment.

If the French civil court is satisfied that such conditions are met, the U.S. judgment will benefit from the *res judicata* effect as of the date of the decision of the French civil court and will thus be declared enforceable in France. However, the decision granting the exequatur can be appealed before the Court of Appeals.

In addition, the discovery process under actions filed in the United States could be adversely affected under certain circumstances by French law No. 68-678 of July 26, 1968, as modified and supplemented by French law No. 80-538 of July 16, 1980, Decree No. 2022-207 of February 18, 2022 and Order of the Ministry of Economy of March 7, 2022 (all relating to the communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities), which could prohibit or restrict obtaining evidence in France or from French persons in connection with a judicial or administrative U.S. action. Pursuant to the regulations above, the U.S. authorities would have to comply with international (the 1970 Hague Convention on the Taking of Evidence Abroad) or French procedural rules to obtain evidence in France or from French persons.

Similarly, European and French data protection rules (including Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and law No. 78-17 of 6 January 1978 on data processing, data files and individual liberties, as modified) can limit under certain circumstances the possibility of obtaining information in France or from French persons in connection with a judicial or administrative U.S. action in a discovery context.

Furthermore, if an original action is brought in France, French courts may refuse to apply foreign law designated by the applicable French rules of conflict (including the law chosen by the parties to govern their contract) if the

application of such law (in the case at hand) is deemed to contravene (i) French international public policy or (ii) overriding mandatory rules (as determined on a case by case basis by French courts). Furthermore, in an action brought in France on the basis of U.S. federal or state securities laws, French courts may not have the requisite power to grant all the remedies sought.

Pursuant to Article 14 of the French Civil Code, a French national (either a company or an individual) can sue a foreign defendant before French courts in connection with the performance of obligations contracted by the foreign defendant in France with a French person or in a foreign country with French person. Pursuant to Article 15 of the French Civil Code, a French national can be sued by a foreign claimant before French courts in connection with the performance of obligations contracted by the French national in a foreign country with the foreign claimant. For a long time, case law has interpreted these provisions as meaning that a French national, either claimant or defendant, could not be forced against its will to appear before a jurisdiction other than French courts. However, according to case law, the French courts' jurisdiction over French nationals is not mandatory to the extent an action has been commenced before a court in a jurisdiction that has sufficient contacts with the dispute and the choice of jurisdiction is not fraudulent. In addition, a French national may waive its rights to benefit from the provisions of Articles 14 and 15 of the French Civil Code, including by a jurisdiction provision in a contract or by way of conduct by voluntarily appearing before the foreign court.

It must be noted that under Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of December 12, 2012, as regards legal actions falling within the scope of said Regulation, the privileges granted to French nationals pursuant to Articles 14 and 15 of the French Civil Code may not be invoked against a person domiciled in an EU Member State. Conversely, pursuant to Article 6.2 of Regulation (EU) No. 1215/2012, the privilege granted by Article 14 of the French Civil Code may be invoked by a claimant domiciled in France, regardless of the claimant's nationality, to sue before French courts a defendant domiciled outside the EU.

In 2025, the Court of Justice of the European Union issued a decision addressing the validity of an "asymmetric" jurisdiction clause (*i.e.*, a contractual provision submitting one party to the exclusive jurisdiction of a court and giving another party the discretionary option to choose any competent jurisdiction) and ruled that such a clause is valid under EU law *provided* that (i) it designates the courts of one or more States which are either members of the European Union or parties to the Lugano Convention on the Recognition of Judgments in Civil and Commercial Matters (the "**Lugano Convention**"), (ii) it identifies objective factors which are sufficiently precise to enable the court to ascertain whether it has jurisdiction and (iii) it is not contrary to the provisions of Article 15, 19, or 23 and does not derogate from an exclusive jurisdiction pursuant to Article 24 of Regulation (EU) No. 1215/2012. The first civil chamber of the French Supreme Court (*Cour de cassation*) has applied these criteria in four cases dated 17 September 2025, and ruled in favor of the validity of "asymmetric" clauses meeting criteria set forth by the Court of Justice of the European Union. While these criteria will have to be clarified by future case law, any "asymmetric" jurisdiction clause in any relevant document that would not meet said requirements may be held invalid by French courts. There is also uncertainty as to whether non-compliance with the abovementioned criteria set out by the Court of Justice of the European Union would invalidate non-exclusive jurisdiction clauses, i.e. clauses under which parties agree that a specific court has jurisdiction without limiting their right to submit the dispute to the jurisdiction of another competent courts. Finally, in situations where Regulation (EU) No. 1215/2012 would not apply, the question of the validity of "asymmetric" clauses would be even more uncertain.

Finally, please note that any document submitted as evidence by the parties which is not in the French language may be required to be translated into French for the purpose of any proceedings brought before a French court in respect thereof (although such translations do not need to be made before the relevant proceedings are commenced).

Denmark

The United States and Denmark do not currently have a treaty providing for the reciprocal recognition and enforcement of judgements in civil and commercial matters. Accordingly, a judgement rendered by a U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws, enforceable in the United States, would not directly be recognized or enforceable in Denmark.

A final judgement properly obtained in a U.S. federal or state court would therefore not be recognized nor enforced by the Danish courts without re-examination of the substantive matters thereby adjudicated. In connection with any such re-examination, such judgement would generally be accepted as material evidence, but the parties must provide the Danish courts with satisfactory information about the contents of the relevant foreign law and, if they fail to do so, the Danish courts may apply Danish law instead.

Further, certain remedies available under U.S. federal or state law may not be allowed in Danish courts, *i.e.,* if they are contrary to Danish public policy, including, among other, punitive damages. The Danish courts may award damages only to the extent necessary to compensate for actual economic losses. Similarly, procedural remedies, including specific rules on the taking of evidence such as the rules on "discovery" in the U.S., may not be available in legal proceedings before Danish courts.

Similarly to the above, there can be no certainty that the Danish courts will enforce court judgements or orders obtained in the United States against any of the directors, officers, or other executives of a Danish guarantor, or that Danish courts will otherwise entertain actions in other jurisdictions.

Foreign arbitral awards against a Danish guarantor (or against any of its directors, officers, or other executives) may be enforced in Denmark under the 1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards and the 2005 Danish Arbitration Act.

Switzerland

Judgments in civil or commercial matters of a non-Swiss court or authority will be recognized and enforced against an individual or a legal entity with legal domicile or seat in Switzerland pursuant to a bilateral or multilateral treaty or convention between the foreign country and Switzerland. Where no applicable treaty or convention exists, the rules of the Swiss Federal Act on International Private Law ("**PILA**") apply. In cases where a foreign judgment for a monetary claim shall be enforced, the Swiss Federal Act on Debt Enforcement and the Swiss Code of Civil Procedure ("**ZPO**"), apply in addition to the PILA. The judgment of a Swiss court or authority of first instance concerning recognition and enforcement of a foreign judgment, including a U.S. Judgment, is generally subject to appeal.

There is doubt as to the enforceability of U.S. judgments in Switzerland and the applicability of U.S. federal or state laws in an action brought before a Swiss court. The United States and Switzerland currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final judgment by any U.S. federal or state court for payment, whether or not predicated solely upon U.S. federal or state laws, would not automatically be enforceable in Switzerland.

A final judgment by a foreign court may be recognized under the PILA and enforced upon request by filing an application with the competent court in Switzerland only if certain requirements of the PILA are met, in particular:

- the foreign court had jurisdiction over the original proceedings from a Swiss law perspective. Jurisdiction or authority is established:
    - if a provision of PILA so provides or, in the absence of such provision, if the defendant had his legal domicile in the country in which the judgment was rendered;
    - if the parties, in a pecuniary dispute, entered into an agreement valid under the PILA submitting their dispute to the jurisdiction of the court or authority which rendered the judgment;
    - if the defendant, in a pecuniary dispute, proceeded on the merits without objecting to jurisdiction; or
    - if, in the event of a counterclaim, the court or authority which rendered the judgment had jurisdiction over the principal claim and if there is a factual connection between the principal claim and the counterclaim;
- the judgment of such foreign court has become final and non-appealable under applicable foreign law, and no ordinary legal remedy is available against such judgment;
- the recognition of the foreign judgment is not manifestly incompatible with Swiss public policy;
- the defendant has been properly served with process according to the law of the state of his/ her/its domicile or ordinary residence (if in Switzerland, through judicial aid granted by the Swiss authorities) or the defendant has unconditionally appeared in the proceedings;
- the proceedings leading to the judgment have respected the principles of a fair trial (as understood in Switzerland) and, in particular, that the defendant has been granted the right to be heard and the possibility to properly defend his/her/its case; and

- no action between the same parties and on the same subject matter has been commenced or decided upon first in Switzerland and no judgment between the same parties and on the same subject matter has first been rendered by a foreign court, which judgment may be recognized in Switzerland.

Subject to the foregoing, purchasers of the Notes may be able to enforce in Switzerland judgments in civil and commercial matters obtained from foreign courts; however, we cannot assure you that those judgments will be enforceable. Awards of punitive damages in original actions outside Switzerland may also not be enforceable in Switzerland as they might be denied by Swiss courts as incompatible with Swiss public policy (*schweizerischer Ordre public*). Alternatively, a Swiss court may reduce the amount of damages granted by a foreign court and recognize damages only to the extent that they are necessary to compensate actual losses or damage. It is doubtful whether a Swiss court would accept jurisdiction and impose civil liability if proceedings commenced in Switzerland predicated solely upon United States federal or state securities laws. In addition, in an action brought in a Swiss court on the basis of United States federal or state securities laws, the Swiss courts may not have the requisite power to grant the remedies sought. Any amount denominated in a foreign currency adjudicated in a final judgment which has to be enforced through Swiss debt collection authorities (*schweizerische Zwangsvollstreckungsbehörden*) has to be converted into Swiss francs.

Swiss civil procedure differs substantially from U.S. civil procedure in a number of respects. With respect to the production of evidence, for example, U.S. federal and state law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings, may prior to trial, compel the production of documents by adverse or third parties and the depositions of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. In Switzerland, no such pre-trial discovery process exists (but the parties have very limited rights of precautionary taking of evidence in particular if one party shows credibly that the evidence is at risk or that it has a legitimate interest). Instead, before Swiss courts, the parties present the evidence in their possession during the proceedings and may request the production of documents in the counterparty's possession in the course of the proceedings.

Finally, no statement can be made as to the time and efficiency of the recognition and enforcement in Switzerland of a foreign judgment considering that recognition and enforcement proceedings tend to be time-consuming in Switzerland.

Swiss law documents may be executed in English. However, in case of enforcement the Swiss courts or any other official Swiss authority may require that the transaction documents and any judgment obtained in a foreign court be translated into one of the official languages of Switzerland.

The instruction and appointment of an agent and any power of attorney may be revoked at any time under Swiss law notwithstanding the appointment, instruction or power of attorney being said to be irrevocable and any mandate may, as a matter of statutory Swiss law, be terminated at any time by each party to the mandate.

Judicial documents may not be served directly from abroad, amongst others, the United States of America to a person in Switzerland (see Switzerland's reservations to the Hague Convention on Service Abroad of Judicial or Extra-Judicial Documents in Civil and Commercial Matters concluded on 15 November 1965) and service needs to be effected by way of judicial assistance.

WHERE YOU CAN FIND OTHER INFORMATION

Each purchaser of the Notes from the Initial Purchasers will be furnished with a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to the Offering Memorandum acknowledges that:

(1) such person has been afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;

(2) such person has not relied on the Initial Purchasers or any person affiliated with the initial purchasers in connection with its investigation of the accuracy of such information or its investment decision; and

(3) except as provided pursuant to (1) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

For so long as any of the Notes are "restricted securities" within the meaning of the Rule 144(a)(3) under the U.S. Securities Act, we will, during any period in which we are neither subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, nor exempt from the reporting requirements under Rule 12g3-2(b) of the Exchange Act, provide to the holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the written request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act. Any such request should be directed to the Issuer c/o Verisure Group, Box 392, 201 23 Malmö, Sweden.

We are not currently subject to the periodic reporting and other information requirements of the Exchange Act. However, pursuant to the Indenture governing the Notes and so long as the Notes are outstanding, we will furnish periodic information to holders of the Notes. See "*Description of Notes—Certain Covenants—Reports.*"

For so long as the Notes are listed on the Securities Official List of the Exchange and the listing rules so require, copies of the Issuer's organizational documents, the Indenture and our most recent consolidated financial statements published by us may be inspected and obtained at the respective office of the Issuer. See "*Listing and General Information*."

LISTING AND GENERAL INFORMATION

Listing

Application has been made to list the Notes on the Securities Official List of the Exchange.

Notice to holders of the Notes will be published either on the official website of the Exchange (www.luxse.com) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). We will maintain a registrar in Luxembourg for as long as any of the Notes are listed on the Exchange. We reserve the right to vary such appointment and we will publish notice of such change of appointment in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*), or to the extent and in the manner permitted by the rules of the Exchange, posted on the official website of the Exchange, www.luxse.com.

The Issuer and the Guarantors accept responsibility for the information contained in this Offering Memorandum. The Issuer and the Guarantors declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of this Offering Memorandum. This Offering Memorandum may only be used for the purposes for which it has been published.

For so long as the Notes are listed on the Securities Official List of the Exchange or the Official List of the Exchange, as applicable, and the listing rules so require, copies of the following documents may be inspected and obtained at the specified office of the Issuer during normal business hours on any weekday:

- the organizational documents of the Issuer and the Guarantors;
- the most recent audited consolidated financial statements and any interim financial statements published by Verisure plc;
- the Indenture relating to the Notes (which includes the Guarantees and form of the Notes);
- the Intercreditor Agreement; and
- the Security Documents.

Application may be made to the Exchange to have the Notes removed from listing on the Securities Official List of the Exchange or the Official List of the Exchange, as applicable, including if necessary to avoid any new withholding taxes in connection with the listing.

Clearing Information

The Notes have been, or will be, accepted for clearance and settlement through the facilities of Euroclear and Clearstream. Certain trading information with respect to the Notes is set out below.

The Notes sold pursuant to Regulation S and the Notes sold pursuant to Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream. The common code for the Notes sold pursuant to Regulation S is 333295636 and the common code for the Notes sold pursuant to Rule 144A is 333295644. The ISIN for the Notes sold pursuant to Regulation S is XS3332956369 and the ISIN for the Notes sold pursuant to Rule 144A is XS3332956443.

The Issuer

Verisure Holding AB (publ), a public limited liability company incorporated under the laws of Sweden, was registered on May 26, 2011, with registration number 556854-1410. The Issuer's registered address is c/o Verisure Group, Box 392, 201 23 Malmö, Sweden. The Issuer's main activity is the ownership and management, directly or indirectly, of property and other related activities. The Issuer has a share capital of €56,104.13 as of the date of this Offering Memorandum, represented by 500,000 fully paid up shares.

The Issuer's main investments as of the date of this Offering Memorandum include all of the outstanding shares in Verisure Group AB (publ) with registration number 556222-9012. There are no other investments being currently made or planned other than in connection with the Transactions.

Verisure Group AB (publ), a public limited liability company incorporated under the laws of Sweden, was registered on November 22, 1982, with registration number 556222-9012. Verisure Group AB (publ)'s registered address is Box 392, 201 23 Malmö, Sweden. Verisure Group AB (publ) is an operating company whose main activity is to offer goods and services relating to the security industry and ownership and management of property and other related activities. Following the Merger, all outstanding obligations of the Issuer under the Notes will be assumed by Verisure Group AB (publ).

The Guarantors

Securitas Direct Sverige AB (f/k/a Verisure Sales Sverige AB), a private limited liability company incorporated under the laws of Sweden, was registered on May 22, 2012, with registration number 556893-9010. Securitas Direct Sverige AB's registered address is Box 314, 581 02 Linköping, Sweden. Securitas Direct Sverige AB is an operating company whose main activity is to, directly or indirectly, offer goods and services relating to the security industry, the ownership and management of property and other related activities. Securitas Direct Sverige AB is indirectly wholly owned by the Issuer.

Verisure Sverige AB (f/k/a Securitas Direct Sverige AB), a private limited liability company incorporated under the laws of Sweden, was registered on November 8, 1971, with registration number 556153-2176. Verisure Sverige AB's registered address is Box 2511, 580 02 Linköping, Sweden. Verisure Sverige AB is an operating company whose main activity is to directly or indirectly offer goods and services relating to the security industry, the ownership and management of property and any other related activities. Verisure Sverige AB is indirectly wholly owned by the Issuer.

Verisure Holding AS, a limited liability company organized under the laws of Norway, was formed on September 30, 2011, with organization number 997 434 366. Verisure Holding AS's business address is Drammensveien 211, 0281 Oslo, Norway. Verisure Holding AS is an operating company whose main activity is to offer goods and services relating to alarm systems and the accompanying services and other related business activities, including ownership in companies with similar activities. Verisure Holding AS is indirectly wholly owned by the Issuer.

Verisure AS, a limited liability company organized under the laws of Norway, was formed on February 11, 1965 (and transferred to the Register of Business Enterprises on May 21, 1990) with organization number 929 120 825. Verisure AS's business address is Drammensveien 211, 0281 Oslo, Norway. Verisure AS is an operating company whose main activity is to offer goods and services relating to alarm systems. Verisure AS is indirectly wholly owned by the Issuer.

ESML SD Iberia Holding, S.A.U., a company organized under the laws of Spain, incorporated on September 25, 2008 as a *sociedad de responsabilidad limitada* and converted into a *sociedad anónima* with effect from December 19, 2011, and with registration number A-85537363, is the resulting entity of a merger with Dream Spanish Bidco, S.A.U. registered on December 27, 2011. ESML SD Iberia Holding, S.A.U.'s business address is C/Priégola 2, 28224, Pozuelo de Alarcón, Madrid. ESML SD Iberia Holding, S.A.U. is indirectly wholly owned by the Issuer.

Securitas Direct España, S.A.U., a company organized under the laws of Spain, was formed and registered on March 17, 1989, with registration number A-26106013. Securitas Direct España, S.A.U.'s business address is c/Priégola 2, 28224, Pozuelo de Alarcón, Madrid. Securitas Direct España, S.A.U. is an operating company whose main activity is to offer goods and services relating to alarm systems. Securitas Direct España, S.A.U. is indirectly wholly owned by the Issuer.

Securitas Direct Portugal, Unipessoal Lda., a private limited liability company by quotas (*sociedade por quotas*) organized under the laws of the Portuguese Republic, with a share capital of €50,000 was registered on December 4, 2001 at the Commercial Registry Office (*Conservatória do Registo Comercial*) of Cascais under the single corporate and tax number 505760320. Securitas Direct Portugal, Unipessoal Lda.'s business address is Praceta Professor Alfredo de Sousa, no. 3, 1495-241 Algés, parish of Algés, Linda-a-Velha e Cruz Quebrada-Dafundo, municipality of Oeiras, Portugal. Securitas Direct Portugal, Unipessoal Lda. is an operating company whose main activity is to offer goods and services relating to alarm systems. Securitas Direct Portugal, Unipessoal Lda. is indirectly wholly-owned by the Issuer.

Verisure SAS (formerly known as Securitas Direct S.A.S.), a limited liability company (*société par actions simplifiée*) organized under the laws of France, registered in France under sole identification number 345 006 027 R.C.S. Nanterre having its registered office at 1, Place du Général de Gaulle, 92160 Antony, France. Verisure SAS is an operating company whose main activity is to offer goods and services relating to alarm systems. Verisure SAS is indirectly wholly owned by the Issuer.

Verisure International AB, a private limited liability company incorporated under the laws of Sweden, was registered on November 8, 2017, with registration number 559132-9569. Verisure International AB's registered address is c/o Verisure Group, Box 392, 201 23 Malmö, Sweden. Verisure International AB is indirectly wholly owned by the Issuer.

Verisure A/S, a share company incorporated under the laws of Denmark, with a registration number of 25019202. Verisure A/S's registered address is Hovedvejen 2, 2600 Glostrup, Denmark. Verisure A/S is indirectly wholly owned by the Issuer.

Verisure Sàrl, a limited liability company incorporated under the laws of Switzerland, with a registration number of CHE-300.209.613. Verisure Sàrl's registered address is Chemin Jean-Baptiste Vandelle 3A,1290 Versoix, Switzerland. Verisure Sàrl is indirectly wholly owned by the Issuer.

Corporate authority

The Issuer has obtained all necessary consents, approvals and authorizations in connection with the issuance and performance of the Notes. The Guarantors will obtain all necessary consents, approvals and authorizations in connection with the Guarantee on or prior to the Post-Closing Date.

No Material Adverse Change in our Prospects and Financial Position

Except as disclosed elsewhere in this Offering Memorandum, there has been no material adverse change in our prospects and consolidated financial position since the date of our last published financial statements.

Litigation

Except as disclosed elsewhere in this Offering Memorandum, none of the Issuer nor any of the Guarantors are involved, or has been involved during the twelve months preceding the date of this Offering Memorandum, in any litigation, arbitration, governmental or administrative proceedings which would, individually or in the aggregate, have a material adverse effect on our results of operations, condition (financial or other) or general affairs and, so far as each is aware, having made all reasonable inquiries, there are no such litigation, arbitration or administrative proceedings pending or threatened.

Periodic Reporting Under the Exchange Act

The Issuer is not currently subject to the periodic reporting and other information requirements of the Exchange Act.

Use of Proceeds outside of Switzerland

The proceeds of the Notes will be used outside Switzerland at all times while any Notes are outstanding unless (i) use in Switzerland is permitted under the Swiss taxation laws in force from time to time or (ii) it is confirmed in a tax ruling by the Swiss Federal Tax Administration that such use of proceeds is permitted without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.

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Unaudited Condensed Consolidated financial statements of Verisure plc — March 31, 2026, 2025

Consolidated Income Statement

€m	Note	Q1 2026	Q1 2025
Revenue	3	**1,019.3**	919.9
Cost of sales		**(510.8)**	(477.1)
Gross profit		**508.5**	**442.8**
Selling expenses		**(109.7)**	(103.3)
Administrative expenses		**(282.4)**	(239.7)
Other income		**5.4**	1.1
Operating profit		**121.8**	**100.9**
Financial income		**41.6**	0.3
Financial expenses		**(72.9)**	(131.2)
Profit or (loss) before tax		**90.5**	**(30.0)**
Income tax (expense)/credit		**(28.7)**	(13.3)
Net profit or (loss) for the period		**61.8**	**(43.3)**

Earnings per share (€)		
Earnings (loss) per share, basic and diluted[1]	**0.06**	(0.05)

1) Earnings (loss) per share, basic and diluted, is calculated based on the weighted average number of outstanding shares in the period. The outstanding number of shares prior to the listing on Nasdaq Stockholm on 8 October 2025 is based on the total number of Verisure plc shares (800,000,000) at the time of listing on Nasdaq Stockholm on 8 October 2025. The amount of shares prior to the listing on Nasdaq Stockholm has also been applied to the comparative periods.

Consolidated Statement of Comprehensive Income

€m	Note	Q1 2026	Q1 2025
Net profit or (loss) for the period		**61.8**	**(43.3)**
Items that may subsequently be reclassified to the consolidated income statement			
Change in hedging reserve		**7.5**	(10.5)
Currency translation differences on foreign operations		**48.9**	155.8
Income tax related to these items		**(1.7)**	2.2
Items that may subsequently be reclassified to the consolidated income statement		**54.7**	**147.5**
Other comprehensive income		**54.7**	**147.5**
Total comprehensive income for the period		**116.5**	**104.2**

Consolidated Statement of Financial Position

€m	Note	Mar 2026	Mar 2025	Dec 2025
Assets				
Non-current assets				
Property, plant and equipment		**1,745.6**	1,617.3	1,701.9
Right-of-use assets		**212.0**	193.3	205.1
Goodwill		**7,738.2**	7,675.5	7,702.8
Customer portfolio		**4,022.8**	4,176.8	4,072.7
Other intangible assets		**1,407.4**	1,358.4	1,393.5
Deferred tax assets		**82.4**	134.0	78.2
Trade and other receivables	5	**156.4**	180.6	183.3
Total non-current assets		**15,364.8**	**15,335.9**	**15,337.5**
Current assets				
Inventories		**319.1**	336.7	281.7
Trade receivables	5	**345.8**	282.7	347.2
Current tax assets		**4.0**	16.6	33.0
Derivatives	5	**2.4**	1.6	0.2
Prepayments and accrued income		**172.9**	119.2	143.7
Other current receivables	5	**117.4**	104.4	104.8
Cash and cash equivalents	5	**32.4**	28.6	30.0
Total current assets		**994.0**	**889.8**	**940.6**
Total assets		**16,358.8**	**16,225.7**	**16,278.1**
Equity and liabilities				
Equity				
Equity attributable to the owners of the parent company	6	**8,882.9**	5,977.2	8,764.5
Total equity		**8,882.9**	**5,977.2**	**8,764.5**
Non-current liabilities				
Long-term borrowings	5, 7	**4,947.8**	7,687.2	4,985.5
Derivatives	5	**3.4**	23.3	20.4
Other non-current liabilities	5	**105.3**	110.3	108.2
Deferred tax liabilities		**1,010.1**	1,071.4	1,013.9
Other provisions		**54.6**	40.2	48.2
Total non-current liabilities		**6,121.2**	**8,932.4**	**6,176.2**
Current liabilities				
Trade payables	5	**162.3**	192.8	179.5
Current tax liabilities		**110.2**	111.8	86.9
Short-term borrowings	5, 7	**308.5**	294.3	329.8
Derivatives	5	**0.8**	5.2	6.1
Accrued expenses and deferred income	5	**685.5**	617.3	649.5
Other current liabilities	5	**87.4**	94.7	85.6
Total current liabilities		**1,354.7**	**1,316.1**	**1,337.4**
Total liabilities		**7,475.9**	**10,248.5**	**7,513.6**
Total equity and liabilities		**16,358.8**	**16,225.7**	**16,278.1**

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the parent company							
€m	Share capital	Other paid in capital	Share-based compensation reserve	Employee benefit trust	Translation reserve	Hedging reserve	Accumulated losses	Total
Balance as of 1 January 2026	**1.0**	**10,200.5**	**19.4**	**-**	**(319.8)**	**1.6**	**(1,138.2)**	**8,764.5**
Net profit or (loss) for the period	-	-	-	-	-	-	61.8	61.8
Other comprehensive income	-	-	-	-	48.9	5.8	-	54.7
Total comprehensive income	**-**	**-**	**-**	**-**	**48.9**	**5.8**	**61.8**	**116.5**
Transactions with owners								
Reclassification of shares held by Employee benefit trust	-	-	-	(17.3)	-	-	-	(17.3)
Share-based compensation plan	-	-	19.2	-	-	-	-	19.2
Total transactions with owners	**-**	**-**	**19.2**	**(17.3)**	**-**	**-**	**-**	**1.9**
Balance as of 31 March 2026	**1.0**	**10,200.5**	**38.6**	**(17.3)**	**(270.9)**	**7.4**	**(1,076.4)**	**8,882.9**

	Attributable to equity holders of the parent company							
€m	Share capital	Other paid in capital	Share-based compensation reserve	Employee benefit trust	Translation reserve	Hedging reserve	Accumulated losses	Total
Balance as of 1 January 2025	**359.0**	**6,801.0**	**-**	**-**	**(410.9)**	**13.4**	**(889.9)**	**5,872.6**
Net profit or (loss) for the period	-	-	-	-	-	-	(43.3)	(43.3)
Other comprehensive income	-	-	-	-	155.8	(8.3)	-	147.5
Total comprehensive income	**-**	**-**	**-**	**-**	**155.8**	**(8.3)**	**(43.3)**	**104.2**
Transactions with owners								
Shareholder's contribution	-	0.4	-	-	-	-	-	0.4
Total transaction with owners	**-**	**0.4**	**-**	**-**	**-**	**-**	**-**	**0.4**
Balance as of 31 March 2025	**359.0**	**6,801.4**	**-**	**-**	**(255.1)**	**5.1**	**(933.2)**	**5,977.2**

Attributable to	**Mar 2026**	**Mar 2025**	**Dec 2025**
Equity holders of the parent company	**8,882.9**	5,977.2	8,764.5
Closing balance	**8,882.9**	**5,977.2**	**8,764.5**

Consolidated Statement of Cash Flows

€m	Q1 2026	Q1 2025
Operating activities		
Operating profit	**121.8**	100.9
Adjustment of depreciation, amortisation and asset retirements	**309.7**	308.8
Adjustment for other non-cash items	**12.0**	-
Paid taxes	**9.5**	(18.1)
Cash flow from operating activities before change in working capital	**453.0**	**391.6**
Change in working capital		
Change in inventories	**(33.2)**	(19.8)
Change in trade receivables	**4.2**	(3.5)
Change in other receivables	**(35.7)**	(49.5)
Change in trade payables	**(20.3)**	13.8
Change in other payables	**36.6**	1.6
Cash flow from change in working capital	***(48.4)***	*(57.4)*
Cash flow from operating activities	**404.6**	**334.2**
Investing activities		
Investments in intangible assets	**(130.3)**	(114.8)
Investments in property, plant and equipment	**(127.6)**	(124.5)
Disposal of other investments	**16.3**	-
Interest received	**0.5**	0.2
Cash flow from investing activities	**(241.1)**	**(239.1)**
Financing activities		
Change in revolving credit facility	**(12.1)**	92.6
Repayment of lease liability	**(17.7)**	(16.3)
Change in factoring liabilities	**(9.7)**	(24.9)
Change in other borrowings	**(31.9)**	(12.5)
Interest paid	**(82.3)**	(133.2)
Other financial items	**(8.1)**	(1.9)
Cash flow from financing activities	**(161.8)**	**(96.2)**
Cash flow for the period	**1.7**	**(1.1)**
Cash and cash equivalents at start of period	**30.0**	30.1
Effects of exchange rate changes on cash and cash equivalents	**0.7**	(0.4)
Cash and cash equivalents at end of period	**32.4**	**28.6**

Notes to the Unaudited Condensed Consolidated Financial Statements

Note 1 Material accounting policies

Basis of presentation and accounting periods

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The quarterly comparative figures are presented as a continuation of the Verisure Group Topholding AB's 2025 consolidated accounts on the basis that Verisure plc was not established as the parent company of Verisure Group Topholding AB until 7 October 2025. The reorganisation only affected the share capital structure, not the underlying business.

The Q1 condensed consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the UK. The condensed consolidated financial statements also comply fully with IFRS Accounting Standards as adopted by the European Union. The most important accounting principles under IFRS, which form the basis for the preparation of this full year report, can be found in note 2 in the Verisure plc Group 2025 annual report. There has been no new or amended accounting standards, interpretations or improvements that have a significant impact on the Group.

These Q1 condensed consolidated financial statements should thus be read in conjunction with the Verisure plc Group 2025 annual report published at www.verisure.com, and the applied accounting principles are unchanged compared to those applied in the annual report. The condensed consolidated financial statements in this report have not been audited.

All figures in this interim report are presented in EUR millions unless otherwise stated. As a result of rounding, numbers presented may in some cases not add up to the total.

Percentages presented are always calculated taking the exact underlying value, and therefore deviations may occur if percentages are calculated taking the rounded figures presented in the tables. Where growth indicators are presented in constant currency the prior period results have been translated into euro using the same exchange rates as in 2025, excluding the impacts of IAS 29 hyperinflation accounting. Constant currency results are intended to provide further insights into the performance of the business excluding the effects of foreign exchange movements that are beyond its control.

For significant events during and after the reporting period, please see section Other items in this report.

Going concern

The Directors of Verisure have made a judgement, at the time of approving these interim condensed consolidated financial statements, that there are no material uncertainties that influence the Group's ability to continue as a going concern. The judgement is made based on the financial resources available, and with a reasonable expectation that the Group has adequate resources to continue the business for at least 12 months from the date of the issuance of this interim report. In the assessment, the Directors have contemplated the impact of potential severe but reasonable downsides that may affect the activity of the Group.

The Directors have a reasonable expectation that the Group is well placed to manage its business risks successfully and that it has sufficient resources to continue the operation over the going concern period. Consequently, the Directors continue to adopt the going concern concept in the preparation of these interim condensed consolidated financial statements.

Note 2 Critical accounting estimates and significant judgments

Preparing the Q1 condensed consolidated financial statements and applying the Group's accounting policies requires management to make estimates and judgements that affect the amounts recognised in the financial statements. Although these estimates and judgements are based on management's best information about current circumstances and future events and actions, actual results may differ and result in material variances.

The Group's latest annual audited financial statements set out the critical accounting judgements, significant accounting estimates and other areas of judgement and accounting estimates that were made in preparing those financial statements. There have been no changes to the key sources of estimation uncertainty or critical judgements disclosed in our 2025 annual consolidated financial statements. Further details can be found in note 2 to the Verisure plc Group 2025 annual report, published on our website.

Note 3 Segment reporting

The Group's operating segments are identified by grouping together the business by revenue stream, as this is the basis on which information is provided to the Chief Operating Decision Maker (CODM) for the purpose of allocating resources within the Group and assessing the performance of the Group's businesses. The Group has identified the Group Management Team as its CODM. The segments identified based on the Group's operating activities are Customer Acquisition, Portfolio Services and Adjacencies. Separately disclosed items (SDIs), share-based compensation, depreciation, amortisation and asset retirements, financial items and taxes are not reported or measured per segment.

Portfolio Services

The Portfolio Services segment provides a full security service to our customers for a monthly subscription fee. We typically enter into self-renewing monitoring agreements with customers at the time of installation and the majority of customers pay via direct debit. Our service includes 24/7 monitoring, expert verification and response, customer care, maintenance and professional technical support to existing customers.

Customer Acquisition

This segment develops, sources, purchases, provides and installs alarm systems for new customers in return for an upfront sales or installation fee. Sales and installations can be performed both by our own employees and by external partners. Each new customer generates installation income that is recognised once the installation of the alarm equipment has been completed. The Group's costs for materials, installation, administration and marketing generally exceed the non-recurring income, resulting in negative cash flow for the segment.

Adjacencies

The Adjacencies segment contains remote monitoring and assistance, services for senior protection as well as the sale of Arlo cameras, video surveillance services in retail and online channels across Europe. These sales are not considered as part of our core alarm business, and the revenue is therefore categorised as Adjacencies.

€m	Q1 2026	Q1 2025
Portfolio Services	**899.2**	797.0
Customer Acquisition	**93.7**	98.3
Adjacencies	**26.4**	24.6
Total revenue	**1,019.3**	**919.9**

There is no internal revenue between segments, therefore all the revenue in the table above is external revenue.

€m	Q1 2026	Q1 2025
Portfolio Services	**662.3**	583.9
Customer Acquisition	**(196.3)**	(171.3)
Adjacencies	**6.3**	6.2
Adjusted EBITDA[1]	**472.3**	**418.8**
Separately disclosed items affecting EBITDA[2]	**(21.0)**	(9.1)
Share-based compensation	**(19.8)**	-
Depreciation, amortisation and asset retirements	**(309.7)**	(308.8)
Operating profit	**121.8**	**100.9**
Financial items	**(31.3)**	(130.9)
Profit or (loss) before tax	**90.5**	**(30.0)**

1) The Group does not analyse segment data below Adjusted EBITDA.
2) A more detailed explanation of the Separately disclosed items affecting EBITDA is provided in the section 'Alternative performance measures (APMs)'.

Disaggregation of revenue

Our operating segments, Portfolio Services and Customer Acquisition, are represented in all the geographical regions presented. The operating segment Adjacencies is only represented in the Iberia and Nordics and the Central and Other geographical regions.

€m	Q1 2026	Q1 2025
Iberia and Nordics	**529.4**	493.4
Other Europe	**359.2**	329.9
Latin America	**116.9**	83.8
Central and other[1]	**13.8**	12.8
Total revenue	**1,019.3**	**919.9**

1) Relates to certain Adjacencies revenue in different countries in Europe, which is not considered part of the Group's core business.

Note 4 Share-based compensation

Restricted Share Awards (RSUs)

In October 2025, 8,745,146 shares were awarded to employees across the Group. 50% of the RSUs will vest on 30 October 2026 and 50% will vest on 30 October 2027. The RSUs are conditional on continued employment through to the applicable vesting dates and are therefore subject to forfeiture over the vesting period. The awards will be settled by delivering shares to the participants.

The weighted average fair value at grant date for the awards outstanding was €13.3. The weighted average remaining contractual life of awards outstanding at end of period was 1.1 years.

The following awards were outstanding as 31 March 2026 and 2025:

	Awards	
Units	**Q1 2026**	**Q1 2025**
Balance at beginning of the period	**8,726,757**	-
Forfeited during the period	**(37,801)**	-
Balance at end of period	**8,688,956**	**-**

Expenses arising from the awards

Total expenses (excluding social security contributions) arising from the awards recognised as an operating expense during the period were:

€m	**Q1 2026**	**Q1 2025**
Restricted Share Awards (RSUs)	**19.2**	-
Total	**19.2**	**-**

The social security contributions for the awards recognised as an operating expense was €0.6m (nil).

Note 5 Financial risk management

Financial instruments by category and valuation level

	Mar 2026		Mar 2025		Dec 2025	
€m	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Hedge accounting						
FX forwards[1]	**2.4**	**0.7**	1.6	2.9	0.1	6.0
Fair value						
FX swaps[1]	**0.0**	**0.1**	0.0	0.1	0.0	0.1
Cross currency swaps[1]	**-**	**0.5**	-	2.2	-	3.8
Interest rate swaps[1]	**-**	**2.9**	-	23.3	-	16.6
Other receivables, non-current[2]	**-**	**-**	11.4	-	28.9	-
Amortised cost						
Trade and other receivables, non-current	**144.8**	**-**	163.9	-	144.2	-
Trade receivables, current[4]	**345.8**	**-**	282.7	-	347.2	-
Other current receivables[4]	**38.9**	**-**	43.1	-	33.6	-
Cash and cash equivalent	**32.4**	**-**	28.6	-	30.0	-
Long-term borrowings[3,5]	**-**	**4,802.7**	-	7,552.2	-	4,841.8
Other non-current liabilities	**-**	**1.2**	-	1.2	-	1.1
Trade payables, current[4]	**-**	**162.3**	-	192.8	-	179.5
Accrued expenses, current[4]	**-**	**269.7**	-	205.9	-	221.8
Short-term borrowings[4,5]	**-**	**235.6**	-	235.4	-	264.6
Other current liabilities[4]	**-**	**22.0**	-	30.4	-	27.2

1) The derivatives measured at fair value are classified as level 2. Significant inputs are observable.
2) On 31 December 2025, other receivables measured at fair value included €17.5m classified as level 2 where significant inputs were observable. The observed input consisted of a market valuation of the underlying asset. At year end 2025 and at 31 March 2025, other receivables included €11.4m classified as level 3 where significant inputs were non-observable and where cost was deemed an appropriate representation of fair value.
3) The fair value of the bonds (Senior Secured Notes and Senior Unsecured Notes) amount to €2,159m (€4,660m in March 2025 and €2,184 in Dec 2025), fair value for the Term Loan B is €1,248m (€2,524m in March 2025 and €1,257 in Dec 2025), this is the quoted market price at the balance sheet date. These are classified as level 1 since it is a quoted market price in an active market. For the Group's remaining borrowings, book values approximate their fair values.
4) Due to the short-term nature of trade receivables, other current receivables, trade payables, accrued expenses, short-term borrowings and other current liabilities, their carrying amount approximates to their fair value.
5) Details of borrowings are presented in note 7.

The valuation hierarchy applied is as follows:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Other observable data than quoted prices included at Level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations). The valuation techniques for currency related instruments are based on published forwards rate and discounted contractual cash flows, and in terms of interest rate instruments the fair valuation is based on forward interest rates prepared on the basis of observable interest data and discounted contractual cash flows.
Level 3: Non-observable market data. For certain assets and liabilities, the carrying amount is assumed to be a reasonable approximation of fair value.

There have not been any transfers of assets or liabilities between levels.

Note 6 Share capital

Units	Mar 2026	Mar 2025	Dec 2025
Ordinary shares at end of period	**1,033,962,264**	69,799,000	1,033,962,264
Weighted average number of shares outstanding at period end[1]	**1,033,962,264**	800,000,000	854,484,363
Weighted average number of shares outstanding at period end, incl. dilution[1]	**1,035,235,352**	800,000,000	854,993,878

1) The weighted average number of shares outstanding for the comparative period prior listing, is calculated based on the total number of Verisure plc shares (800,000,000) at the time of listing on Nasdaq Stockholm on 8 October 2025.

Note 7 Borrowings

	Mar 2026			Mar 2025			Dec 2025		
€m	Principal amount	Adjustment amortised costs	Carrying amount	Principal amount	Adjustment amortised costs	Carrying amount	Principal amount	Adjustment amortised costs	Carrying amount
Non-current liabilities									
Secured									
Senior Secured Notes	**975.0**	**(5.8)**	**969.2**	3,325.0	(17.2)	**3,307.8**	975.0	(6.2)	**968.8**
Term Loan A	**1,290.0**	**(9.4)**	**1,280.6**	-	-	**-**	1,290.0	(9.8)	**1,280.2**
Term Loan B	**1,250.0**	**(6.1)**	**1,243.9**	2,525.0	(18.4)	**2,506.6**	1,250.0	(6.3)	**1,243.7**
Revolving Credit Facility	**54.2**	**(7.7)**	**46.5**	292.6	(5.4)	**287.2**	66.3	(8.1)	**58.2**
Unsecured									
Senior Unsecured Notes	**1,175.0**	**(6.1)**	**1,168.9**	1,313.3	(8.9)	**1,304.4**	1,175.0	(6.7)	**1,168.3**
Liabilities to other creditors[1]	**93.6**	**-**	**93.6**	146.2	-	**146.2**	122.6	-	**122.6**
Lease liabilities	**145.1**	**-**	**145.1**	135.0	-	**135.0**	143.7	-	**143.7**
Long-term borrowings	***4,982.9***	***(35.1)***	***4,947.8***	***7,737.1***	***(49.9)***	***7,687.2***	***5,022.6***	***(37.1)***	***4,985.5***
Current liabilities									
Accrued interest expenses	**42.2**	**-**	**42.2**	58.8	-	**58.8**	58.6	-	**58.6**
Liabilities to other creditors[1]	**193.4**	**-**	**193.4**	176.6	-	**176.6**	205.9	-	**205.9**
Lease liabilities	**72.9**	**-**	**72.9**	58.9	-	**58.9**	65.3	-	**65.3**
Short-term borrowings	***308.5***	**-**	***308.5***	***294.3***	**-**	***294.3***	***329.8***	**-**	***329.8***
Total	**5,291.4**	**(35.1)**	**5,256.3**	**8,031.4**	**(49.9)**	**7,981.5**	**5,352.4**	**(37.1)**	**5,315.3**

1) Liabilities to other creditors mainly consists of factoring liabilities. The non-current factoring liability amounted to €78.8m (€126.4m in Mar 2025 and €85.6m in Dec 2025), and the current factoring liability amounted to €152.8m (€138.2m in Mar 2025 and €155.7m in Dec 2025).

Net debt and net leverage reconciliations

€m	Mar 2026	Mar 2025	Dec 2025
Total borrowings (as above)	**5,256.3**	7,981.5	5,315.3
Less adjustments[1]	**(238.7)**	(273.5)	(262.8)
Total indebtedness	**5,017.6**	**7,708.0**	**5,052.5**
Less cash and cash equivalents	**(32.4)**	(28.6)	(30.0)
Total net debt[2]	**4,985.2**	**7,679.4**	**5,022.5**
Adjusted EBITDA (LTM)	**1,761.5**	**1,578.1**	**1,708.0**
LTM net leverage, ratio[2]	**2.8x**	**4.9x**	**2.9x**

1) Total borrowings excludes adjustments to amortised cost required by IFRS 9, as well as the balance of accrued interest expense and qualified receivables financing.
2) Alternative performance measure (APM). A reconciliation to the nearest IFRS equivalent is provided in the section 'Alternative performance measures (APMs)'.

Note 8 Pledged assets and contingent liabilities

Pledged assets

€m	Mar 2026	Mar 2025	Dec 2025
Net assets of subsidiaries	**13,601.7**	13,398.0	13,515.7
Bank accounts	**6.9**	6.2	6.5
Accounts receivables	**255.4**	183.5	253.5
Inventories	**1.2**	2.4	1.1
Other operating assets	**72.8**	69.2	68.2
Trademark	**45.2**	32.1	48.5
Endowment insurance	**0.5**	0.5	0.5

Contingent liabilities

€m	Mar 2026	Mar 2025	Dec 2025
Guarantees	**21.1**	41.3	42.7

The pledged assets are collateral for bank borrowings. Guarantees relate primarily to warranties provided to suppliers.

Note 9 Related party transactions

Related parties and related party transactions are described in note 16 in the 2025 annual report published at www.verisure.com.

During the first quarter of 2026, Verisure held a non-current financial receivable of €2.2m (nil) in respect of a loan to a related party. Interest income related to the non-current financial receivable, amounted to €0.0m (nil). Other related party transactions amounted to nil (€0.6m).

During the first quarter of 2025, transactions with the immediate parent company included interest income of €0.0m, a received shareholder contribution of €0.4m and an outstanding balance of financial receivable amounting to €15.0m by end of March 2025. Corresponding transactions and outstanding balance with an immediate parent company are no longer existing, as a consequence of the listing of the Group in October 2025.

In 2025, Verisure plc established an Employee benefit trust (EBT) and funded the EBT with an irrecoverable gift to purchase certain Management Shareholders' direct or indirect interest in Aegis Lux 2 S.à r.l. on the day of listing. In January 2026, Aegis Lux 2 S.à r.l. was liquidated and the equity instruments held by the EBT in the company were converted to a holding of 1,247,625 ordinary shares in Verisure plc. The shareholdings in Aegis Lux 2 S.à r.l., initially and as of December 2025 recognised as other financial asset, were subsequently derecognised in full and recognised in equity as treasury shares at time of conversion to holdings in Verisure plc.

Consolidated Financial Statements — Full year 2025

Consolidated Income Statement
For the year ended 31 December

€m	Note	2025	2024
Revenue	4	**3,745.4**	3,408.0
Cost of sales	6, 8, 10, 11, 12	**(1,933.9)**	(1,760.6)
Gross profit		**1,811.5**	**1,647.4**
Selling expenses	6, 8, 10, 11, 12	**(421.5)**	(391.0)
Administrative expenses	6, 7, 8, 9, 10, 11, 12	**(1,096.9)**	(953.9)
Other income		**5.6**	4.9
Operating profit		**298.7**	**307.4**
Financial income	13	**2.0**	28.0
Financial expenses	13	**(496.9)**	(523.5)
Profit or (loss) before tax		**(196.2)**	**(188.1)**
Income tax (expense)/credit	14	**(59.7)**	3.2
Net profit or (loss) for the period		**(255.9)**	**(184.9)**
Earnings per share (€)			
Earnings (loss) per share, basic and diluted	15	**(0.30)**	**(0.23)**

Consolidated Statement of Comprehensive Income
For the year ended 31 December

€m	Note	2025	2024
Net profit or (loss) for the period		**(255.9)**	**(184.9)**
Items that may not be reclassified to the consolidated income statement			
Re-measurement of defined benefit plan		**0.2**	(0.8)
Income tax related to these items	14	**0.0**	0.3
Items that may not be reclassified to the consolidated income statement		**0.2**	**(0.5)**
Items that may subsequently be reclassified to the consolidated income statement			
Change in hedging reserve		**(15.0)**	13.2
Currency translation differences on foreign operations		**91.1**	(124.2)
Income tax related to these items	14	**3.2**	(2.7)
Items that may subsequently be reclassified to the consolidated income statement		**79.3**	**(113.7)**
Other comprehensive income/(expenses)		**79.5**	**(114.2)**
Total comprehensive income/(expenses) for the period		**(176.4)**	**(299.1)**

The notes to the Consolidated Financial Statements on pages F-6 to F-44 form an integral part of the Consolidated Financial Statements.

All activities have arisen from continuing operations.

Consolidated Statement of Financial Position
As at 31 December

€m	Note	2025	2024
Assets			
Non-current assets			
Property, plant and equipment	17	**1,701.9**	1,574.1
Right-of-use assets	11	**205.1**	190.6
Goodwill	18	**7,702.8**	7,570.4
Customer portfolio	19	**4,072.7**	4,201.5
Other intangible assets	20	**1,393.5**	1,359.8
Deferred tax assets	14	**78.2**	136.9
Trade and other receivables	16, 22, 24	**183.3**	139.0
Total non-current assets		**15,337.5**	**15,172.3**
Current assets			
Inventories	23	**281.7**	316.2
Trade receivables	22, 24	**347.2**	316.3
Current tax assets	14	**33.0**	24.5
Derivatives	22	**0.2**	21.7
Prepayments and accrued income	21	**143.7**	94.0
Other current receivables	22	**104.8**	79.3
Cash and cash equivalents	22	**30.0**	30.1
Total current assets		**940.6**	**882.1**
Total assets		**16,278.1**	**16,054.4**

Consolidated Statement of Financial Position

As at 31 December

€m	Note	2025	2024
Equity and liabilities			
Equity			
Share capital		**1.0**	359.0
Other paid in capital		**10,200.5**	6,801.0
Share-based compensation reserve		**19.4**	-
Translation reserve		**(319.8)**	(410.9)
Hedging reserve		**1.6**	13.4
Accumulated losses		**(1,138.2)**	(889.9)
Total equity		**8,764.5**	**5,872.6**
Non-current liabilities			
Long-term borrowings	22, 25	**4,985.5**	7,580.0
Derivatives	22	**20.4**	24.9
Other non-current liabilities	22	**108.2**	137.0
Deferred tax liabilities	14	**1,013.9**	1,083.3
Other provisions	26	**48.2**	42.1
Total non-current liabilities		**6,176.2**	**8,867.3**
Current liabilities			
Trade payables	22	**179.5**	176.0
Current tax liabilities	14	**86.9**	104.2
Short-term borrowings	22, 25	**329.8**	357.5
Derivatives	22	**6.1**	0.0
Accrued expenses and deferred income	22, 27	**649.5**	576.8
Other current liabilities	22	**85.6**	100.0
Total current liabilities		**1,337.4**	**1,314.5**
Total liabilities		**7,513.6**	**10,181.8**
Total equity and liabilities		**16,278.1**	**16,054.4**

The Consolidated Financial Statements of Verisure plc, registered number 16440137, were approved by the Board of Directors and authorised for issue on 26 March 2026. They were signed on its behalf by:

AUSTIN LALLY
Director
London, 26 March 2026

Consolidated Statement of Changes in Equity
For the year ended 31 December

	Attributable to equity holders of the parent company							
€m	Share capital	Share premium	Other paid in capital	Share-based compensation reserve	Translation reserve	Hedging reserve	Accumulated losses	Total
Balance as of 1 January 2025	**359.0**	**-**	**6,801.0**	**-**	**(410.9)**	**13.4**	**(889.9)**	**5,872.6**
Net profit or (loss) for the period	-	-	-	-	-	-	**(255.9)**	**(255.9)**
Other comprehensive income/ (expense)	**-**	**-**	**-**	**-**	**91.1**	**(11.8)**	**0.2**	**79.5**
Total comprehensive income/ (expense)	**-**	**-**	**-**	**-**	***91.1***	***(11.8)***	***(255.7)***	***(176.4)***
Transactions with owners								
Reclassification from equity settled share-based compensation plan to cash settled	**-**	**-**	**(9.3)**	**-**	**-**	**-**	**7.4**	**(1.9)**
Shareholder's contribution	**-**	**-**	**3.6**	**-**	**-**	**-**	**-**	**3.6**
Effect from reorganisation - Verisure Group Topholding AB	**(359.0)**	**-**	**(6,795.3)**	**-**	**-**	**-**	**-**	**(7,154.3)**
Effect from reorganisation - Verisure plc	**0.8**	**7,153.6**	**-**	**-**	**-**	**-**	**-**	**7,154.4**
Share issuance	**0.2**	**3,099.8**	**-**	**-**	**-**	**-**	**-**	**3,100.0**
Transaction costs in relation to share issuance	**-**	**(52.9)**	**-**	**-**	**-**	**-**	**-**	**(52.9)**
Share-based compensation plan	**-**	**-**	**-**	**19.4**	**-**	**-**	**-**	**19.4**
Bonus issue	**10,200.5**	**(10,200.5)**	**-**	**-**	**-**	**-**	**-**	**-**
Capital reduction	**(10,200.5)**	**-**	**10,200.5**	**-**	**-**	**-**	**-**	**-**
Total transactions with owners	***(358.0)***	**-**	***3,399.5***	***19.4***	**-**	**-**	***7.4***	***3,068.3***
Balance as of 31 December 2025	**1.0**	**-**	**10,200.5**	**19.4**	**(319.8)**	**1.6**	**(1,138.2)**	**8,764.5**

	Attributable to equity holders of the parent company						
€m	Share capital	Other paid in capital	Share-based compensation reserve	Translation reserve	Hedging reserve	Accumulated losses	Total
Balance as of 1 January 2024	**359.0**	**6,819.9**	**-**	**(286.7)**	**2.9**	**(704.5)**	**6,190.7**
Net profit or (loss) for the period	-	-	-	-	-	(184.9)	**(184.9)**
Other comprehensive income/ (expense)	-	-	-	(124.2)	10.5	(0.5)	**(114.2)**
Total comprehensive income/ (expense)	**-**	**-**	**-**	***(124.2)***	***10.5***	***(185.4)***	***(299.1)***
Transactions with owners							
Redemption of share capital	(1.0)	(19.6)	-	-	-	-	**(20.7)**
Bonus issue	1.0	(1.0)	-	-	-	-	**0.0**
Shareholder's contribution	-	1.7	-	-	-	-	**1.7**
Total transaction with owners	**-**	***(18.9)***	**-**	**-**	**-**	**-**	***(19.0)***
Balance as of 31 December 2024	**359.0**	**6,801.0**	**-**	**(410.9)**	**13.4**	**(889.9)**	**5,872.6**

Refer to note 1 General company information for more information on equity transactions as well as comparative figures.

Consolidated Statement of Cash Flows
For the year ended 31 December

€m	Note	2025	2024
Operating activities			
Operating profit		**298.7**	307.4
Adjustment of depreciation and amortisation	12	**1,078.1**	1,068.7
Adjustment of retirement of assets		**139.4**	125.8
Adjustment for other non-cash items	10	**20.8**	2.1
Paid taxes		**(146.8)**	(114.6)
Cash flow from operating activities before change in working capital		**1,390.2**	**1,389.4**
Change in working capital			
Change in inventories		**32.9**	(26.3)
Change in trade receivables		**(44.6)**	(62.4)
Change in other receivables		**(83.1)**	(56.4)
Change in trade payables		**(0.1)**	6.7
Change in other payables		**21.7**	79.5
Cash flow from change in working capital		***(73.2)***	*(58.9)*
Cash flow from operating activities		**1,317.0**	**1,330.5**
Investing activities			
Investments in intangible assets	19, 20	**(477.9)**	(440.6)
Investments in property, plant and equipment	17	**(504.0)**	(478.2)
Shares purchased by Employee Benefit Trust		**(16.2)**	-
Acquisition of subsidiaries, net of cash acquired	5	**(204.3)**	-
Interest received		**2.1**	1.9
Cash flow from investing activities		**(1,200.3)**	**(916.9)**
Financing activities			
Share issuance		**3,100.1**	-
Transaction costs in relation to share issuance		**(52.9)**	-
New financing		**3,490.0**	1,050.0
Repayment of financing		**(5,251.5)**	(1,030.0)
Change in revolving credit facility		**(843.8)**	130.5
Repayment of lease liability		**(66.7)**	(61.0)
Change in other borrowings		**(31.6)**	(13.7)
Interest paid		**(411.7)**	(466.7)
Call cost old debt in relation to repayment of financing		**(10.6)**	-
Paid bank and advisory fees in relation to new financing		**(23.3)**	(11.0)
Other financial items		**(12.6)**	(1.9)
Cash flow from financing activities		**(114.6)**	**(403.8)**
Cash flow for the period		**2.1**	**9.8**
Cash and cash equivalents at start of period		**30.1**	21.4
Effects of exchange rate changes on cash and cash equivalents		**(2.2)**	(1.1)
Cash and cash equivalents at end of period		**30.0**	**30.1**

Notes to the Consolidated Financial Statements

Note 1 General company information

Information regarding Verisure plc

Verisure plc was incorporated on 9 May 2025, under the UK Companies Act 2006 and registered and domiciled in England and Wales with Reg. No. 16440137 and registered office in London. The Company was up until September 2025 a private company limited by shares founded in the United Kingdom under English law and operating under English law. The Company's form of association is governed by the UK Companies Act 2006. Verisure plc's shares are listed on Nasdaq Stockholm since 8 October 2025.

The financial statements were approved by the Board of Directors on 26 March 2026. The financial statements are subject to approval by the Annual General Meeting of shareholders.

Comparative period

These consolidated financial statements are the first full year report for Verisure plc, the newly formed Group. The comparative figures are presented as a continuation of the Verisure Group Topholding AB's 2024 consolidated annual accounts on the basis that Verisure plc was not established as the parent entity of Verisure Group Topholding AB until 7 October 2025. The reorganisation only affected the share capital structure, not the underlying business, as detailed below.

Share capital reorganisation and reduction

On 7 October 2025, the Company issued 742,900,000 shares against a contribution by Aegis Lux 2 S.à r.l. of 100% of the shares in Verisure Group Topholding AB, whereby Verisure plc became the ultimate parent company of the Verisure Group. Total number of shares after the share issue on this day equalled 800,000,000.

Stockholm Stock Exchange listing

On 8 October 2025, Verisure plc listed on Nasdaq Stockholm. The listing price per share amounted to €13.25, which corresponded to a market capitalisation value of €13.7bn. The listing process included issuance of 233,962,264 new shares and the total number of shares after the share issue amounted to 1,033,962,264.

Nature of operations

Verisure plc Group, hereafter referred to as 'the Group', is the leading provider of monitored security services for homes and small businesses in Europe and Latin America. The Group protects close to 6.2 million customers across 18 countries.

Note 2 Material accounting policies

The material accounting policies in the preparation of these consolidated financial statements are described in this note. These policies were applied consistently for all years presented, unless otherwise stated.

Basis of presentation

Compliance with IFRS

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the UK. The consolidated financial statements also comply fully with IFRS Accounting Standards as adopted by the European Union. The accounting policies are unchanged compared with those applied in 2024 and have been applied consistently throughout the current and preceding year.

Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except where a fair value measurement is required according to IFRS (e.g. for derivative financial instruments, which have been measured at fair value, and pension liabilities related to defined benefit plans), and for the application of IAS 29 Financial reporting in hyperinflationary economies regarding the Group's subsidiary in Argentina. Historical cost is generally based on the fair value of the consideration given up in exchange for the assets.

Basis of consolidation | IFRS 10 & IFRS 12

Subsidiaries are all entities of which the Group has control, directly or indirectly. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

All inter-company transactions, balances and unrealised gains and losses attributable to inter-company transactions are eliminated in the preparation of the consolidated financial statements. The accounting principles used by subsidiaries are adjusted where necessary to ensure consistency with the principles applied by the Group.

Going concern

The Group has continued to build on its good track record of underlying profitable and resilient growth over the last years. Verisure has continued to deliver good underlying results, both operationally and financially. Our business model has proved resilient to date, and we believe the fundamental customer need for security and peace of mind remains unchanged. The Group will consistently strive to maintain the highest levels of customer satisfaction in the industry in order to reduce attrition.

The Directors of Verisure have made a judgment, at the time of approving the consolidated financial statements of 2025, that there are no material uncertainties that influence the Group's ability to continue as a going concern. The judgment is made based on the financial resources available, and with a reasonable expectation that the Group has adequate resources to continue the business at least over the assessed period, i.e. from 31 December 2025 to 30 June 2027. In the assessment, the Directors have contemplated the impact of potential severe but reasonable downsides that may affect the activity of the Group. The main severe but plausible downsides assessed are higher attrition, higher cost per acquisition (CPA)/increased recurring monthly cost (RMC) and with no compensating uplift in monthly average revenue per user (ARPU).

The Directors have a reasonable expectation that the Group is well placed to manage its business risks in a balanced way and that it has sufficient resources to continue the operation over the going concern period. Consequently, the Directors continue to adopt the going concern concept in the preparation of these consolidated full year financial statements.

Foreign currency translation | IAS 21

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured by using the currency of the primary economic environment in which the entity operates (the functional currency). On consolidation, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. The consolidated financial statements are presented in euro (EUR/€), which is the parent company's functional and presentation currency.

Transactions and balances

Transactions in foreign currency are translated into an entity's functional currency using the exchange rates on the dates of the transactions. Exchange differences on monetary items are recognised in the consolidated income statement when they arise. Exchange differences from operating items are recognised as either cost of sales or selling or administrative expenses, while exchange differences from financial items are recognised as financial income or financial expenses. When preparing the financial statements of individual companies, foreign currency denominated receivables and liabilities are translated to the functional currency of the individual company using the exchange rates at each balance sheet date.

Segment reporting | IFRS 8

The Group's operating segments are identified by grouping together the business by revenue stream, as this is the basis on which information is provided to the Chief Operating Decision Maker (CODM) for the purposes of allocating resources within the Group and assessing the performance of the Group's businesses. The Group has identified the Group Management Team as its CODM. The segments identified based on the Group's operating activities are Customer Acquisition, Portfolio Services and Adjacencies which are explained further in note 4.

Separately disclosed items (SDIs)

Separately disclosed items (SDIs) are income and costs that have been recognised in the consolidated income statement and which management believes, due to their nature, collective size or incident, should be disclosed separately to give a more comparable view of the year-on-year financial performance. Subsequent adjustments to items previously recognised as an SDI will normally also be reflected as an SDI in future periods.

Revenue recognition | IFRS 15

The Group's revenue is mainly generated from recurring monthly fees in the Portfolio Services segment, which account for approximately 85% of the Group's total revenue. This revenue comes from providing monitored security services. The service includes 24/7 monitoring, expert verification and response, customer care, maintenance, and professional technical support. The remaining part of the revenue is mainly generated from security audits and installations in the Customer Acquisition segment, invoiced services, and product sales.

Within our customer contracts we have identified two performance obligations, security audit and installation as well as monitoring. For security audit and installations, revenue is recognised when the products are installed at a customer premises. Income from alarm monitoring services is recognised over time during the period to which the service relates.

For customer agreements containing multiple deliverables (security audit and installation as well as monitoring services) the transaction price is allocated to each performance obligation based on the stand-alone selling prices. The stand-alone selling price for the security audit and installation is calculated based on the cost for the installation with a margin based on external benchmarks. Any amount invoiced as installation fee which differs from the calculated stand-alone selling price for the installation service is recognised on a linear basis over the contract period.

Revenue from the sale of other products and services is recognised when the product is transferred to the customer or when the service is performed.

Payment terms

Payment terms on the Groups invoices to customers varies between the different markets where the Group operates. The payment terms varies between 7 days and 60 days.

Financing

To enhance payment flexibility to our customers, some of the Group's entities offer to finance part of the upfront fee, i.e. the customer is offered the opportunity to pay the financed amount in monthly instalments typically over a three-year period. This offered service supports the Group's growth and profitability targets and may be arranged in two alternative ways: external or internal financing.

Customer financing arrangements

The Group offers financing solutions to our customers, mainly for payment of the upfront fee for the installation and security audit. This could either be external financing - where a bank or financing partner is involved, or internal financing - where the Group offers the financing to the customer with internal resources within the Group.

External financing

The Group enters into factoring arrangements whereby customer receivables are transferred to a financing partner in exchange for cash. When the Group retains the customer payment default risk on the factored customer receivables the Group continues to recognise these receivables in the consolidated financial statements with a corresponding financial liability until such time as the full amount of the receivable is collected under the factoring arrangement from the customer.

Notes to the Consolidated Financial Statements continued

Internal financing

In case of internal financing, the customer is first invoiced all instalments relating to the financed upfront fee. The financed upfront fee is broken down into monthly instalments which are collected from the customer by the Group. In this case the Group assumes the credit risk.

Business combinations | IFRS 3

Acquisitions of subsidiaries and businesses are accounted for under IFRS 3. The consideration for each acquisition is measured at the aggregate of the fair values at the acquisition date of identifiable assets acquired, liabilities that arise or are assumed and equity instruments issued by the Group. The acquisition date is the date on which control is transferred to the Group. The consideration for an acquisition also includes any assets or liabilities arising from a contingent consideration arrangement. If the consideration exceeds the net assets acquired, that excess is recognised as goodwill. All acquisition-related costs are recognised in the consolidated income statement as incurred.

Deferred tax assets or liabilities and liabilities, or assets related to employee benefit arrangements, are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively.

Subsequent changes in fair values are adjusted against the cost of the acquisition where they qualify as measurement period adjustments and relate to information concerning facts and circumstances that existed at the acquisition date within one year from the acquisition date. Fair values and corresponding value of goodwill are restated.

Operating expenses

The Group's business model involves sales and installations carried out primarily by the same individuals. The costs of these activities are recognised in gross profit. This means that 'cost of sales' includes some costs that are actually selling expenses but cannot be allocated to a specific function.

Employee benefit expense | IAS 19

Post-employment obligations

Our employees in Norway, Denmark, Sweden, France, Belgium, the Netherlands, the United Kingdom, Finland, Germany and Switzerland participate in either defined contribution or defined benefit pension plans. Defined contribution plans are post-employment benefit schemes under which we pay fixed contributions into a separate legal entity and have no legal or constructive obligation to pay further contributions. Costs for defined contribution schemes are expensed in the period during which the employee carried out his or her work. Costs are in line with the payments made during the period.

All pension liabilities in Sweden are classified as defined contribution plans, except pensions for office-based staff which are through a national multi-employer pension plan, which is funded in the same manner as a defined benefit plan. The percentage of contribution depends on the level of employee participation and salaries in each country.

Defined benefit plans are post-employment benefit schemes other than defined contribution plans. The Group has defined benefit plans of limited scope in France and Switzerland. For these plans, amounts to be paid as retirement benefits are determined by reference to an actuarial calculation, usually based on employees' earnings and/or years of service.

Share-based payments | IFRS 2

The Group issues equity settled share-based payments to certain employees. Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight line basis over the vesting period. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if required, is recognised in the consolidated income statement such that the cumulative expense reflects the revised estimates with a corresponding adjustment to the share-based compensation equity reserve.

Taxes | IAS 12

Income taxes

Income taxes represent the sum of current and deferred tax. These taxes have been calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Current tax

Current tax is based on taxable profit for the year or tax assessment adjustments made to prior years. Taxable profit differs from profit in the consolidated income statement because it excludes items of income and expense that are taxable or deductible in different years and it further excludes items that are never taxable or deductible. Tax effects on items recognised in equity or other comprehensive income are recognised as such. The Group's current tax assets and liabilities are calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is recognised using the statement of financial position liability method. Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences unless they arise from the initial recognition of assets and liabilities in a transaction (other than in a business combination) that affects neither the taxable profits nor the accounting profit. Deferred tax liabilities are not recognised on differences arising from initial recognition of goodwill.

Deferred tax is calculated at tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax income or expense is reported in the consolidated income statement, except when it relates to items recognised in other comprehensive income in which case it is recognised as such.

Based on forecast data, deferred tax assets on losses carried forward are recognised to the extent that it is probable that future taxable profits will be available against which the amounts can be utilised. Even if no statutory profits are forecasted, deferred tax assets (resulting from both deductible temporary differences, unused tax losses and unused tax credits) are recognised up to the amount of deferred tax liability if the reversals occur during the same period. The carrying amount is reviewed on each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group is able to, and intends to, settle its current tax assets and liabilities on a net basis.

Property, plant and equipment | IAS 16 & IAS 36

Property, plant and equipment are recognised at cost less accumulated depreciation and any cumulative impairment losses.

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

Alarm equipment	6–14 years
Other machinery and equipment	3–10 years

The useful lives of Group assets are determined by management, decided country by country as well as split by residential and business customers, and applied at the time of installation and are reviewed annually. The assets' useful lives are based primarily on historical attrition, as well as anticipation of future events that may have an impact, such as technological tendencies and macroeconomic factors.

Alarm equipment is considered as devices installed in customers' premises. Other machinery and equipment are primarily IT-equipment and furniture.

An asset's residual value and value-in-use is annually reviewed, and adjusted if appropriate, on the defined reporting date. If the carrying amount is greater than the estimated recoverable amount it is written down. Gains and losses on disposals are recognised in the consolidated income statement as cost of sales. Alarm equipment is retired at customer cancellation.

Leases | IFRS 16

The Group recognises a right-of-use asset and a lease liability on the commencement date of the lease. The right-of-use asset is initially measured by cost, which comprises the initial amount of the lease liability adjusted with any direct cost incurred, lease payments made at or before the commencement date and estimation of dismantling, removal and restoration costs required by the terms and conditions of the lease. The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the consolidated income statement from the lease commencement over the shorter of the useful economic life of the leased asset and the lease term unless the lease contains a bargain purchase option which is reasonably certain to be exercised. The asset is always depreciated over the useful economic life of the asset using a straight-line method.

The lease liability is initially measured at the present value of the lease payments not paid at the commencement date. This includes fixed payments, variable lease payments that depend on an index or rate, and the amounts expected to be payable under a residual value guarantee.

The liability is measured at an amortised cost using the effective interest method. The liability is generally discounted using the lessees incremental borrowing rate except in rare circumstances in which the rate implicit in the lease is easily determinable. The incremental borrowing is determined for each contract, with separate calculations per country, per contract length as well as asset type, taking into account securities for some types of assets. The incremental borrowing rate is based on the calculation of the cost of debt in the Group's overall weighted average cost of capital (WACC) calculation.

The liability is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

Costs in respect of lease arrangements that are short-term in nature or relate to low-value assets are charged directly to the consolidated income statement on a straight-line basis over the term of the lease. Short-term leases are leases with a term of 12 months or less and low value is normally below €10k.

For non-lease components are included in vehicle leases, but not in leases of buildings.

Intangible assets | IAS 36 & IAS 38

Goodwill

Goodwill arising on business combinations is recognised as an asset on the date that control is acquired (acquisition date). Goodwill is measured as the excess of the acquisition cost over the net fair value of identified assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition. Goodwill is not amortised but is subject to an annual impairment test or more frequently if there is an indication of impairment. Goodwill is allocated to cash-generating units (CGUs), the lowest levels for which there are separately identifiable cash flows. Any impairment loss recognised for goodwill cannot be reversed in a subsequent period.

Customer portfolio

The customer portfolio includes contract portfolios from business combinations and customer acquisition costs. Customer portfolios from business combinations are principally represented by acquired customer portfolios and have finite

useful lives. These assets are recognised at fair value at the acquisition date and amortised over their estimated useful lives on a straight-line basis.

Customer acquisition costs are the incremental costs the Group incurred to obtain a contract with a customer, that it would not have incurred if the contract had not been obtained. This is mainly related to sales force commissions, paid when a new contract is signed. Customer acquisition costs are recognised at cost less accumulated amortisation.

Amortisation is based on the asset's cost and allocated on a straight-line basis over the estimated useful life. The estimation of useful life is based on historical and statistical data which includes attrition, showing how long until the customer cancels the contract with the Group and is reviewed and updated where required on an annual basis.

Other intangible assets

Other intangible assets are primarily computer software, development costs and trademarks. Trademarks are only capitalised if acquired in a business combination.

Trademarks with an indefinite useful life, where no predictable limit exists on the period during which the trademark is expected to generate revenue, are carried at cost less any accumulated impairment losses. These assets are not amortised but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that their carrying amount may be impaired.

Trademarks with a finite useful life, where a predictable limit exists on the period during which the trademark is expected to generate revenue, are amortised over their estimated useful life. In determining the useful life, contractual terms and other relevant factors are taken into consideration.

Development costs directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the capitalisation criteria are met. Directly attributable costs capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Development costs related to configuration of cloud solutions are not capitalised, but are reported as cost in the income statement.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Amortisation times for intangible assets

Amortisation of intangible assets is recognised to the consolidated income statement, either as Cost of sales or as Administrative expense, on a straight-line basis, as follows:

Customer portfolio	4-16 years
Internally developed intangible assets	3–10 years
Other intangible assets	3–10 years
Trademarks (finite)	6-10 years

For Customer Portfolio, the useful life ranges are calculated by country, split between business and residential customers with the weighted average useful life sitting towards the middle of the range.

Impairment of non-financial assets | IAS 36

Assets with an indefinite useful life are not subject to amortisation and are tested for impairment annually or as soon as an indication emerges that they have decreased in value.

Assets subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the recoverable amount may fall short of the carrying amount. The amount in excess of the recoverable amount is recognised in the consolidated income statement as an impairment loss.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

Financial instruments | IFRS 9

Financial assets – classification and measurement

The Group classifies and measures its financial assets in the categories at amortised cost and at fair value through profit or loss. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Debt instruments

Financial assets measured at fair value through profit or loss

Assets that do not fulfil the conditions for measurement at amortised cost are initially measured at fair value and subsequently remeasured at each reporting date. Changes in carrying value of derivatives not included in a hedging relationship are recognised as net in the Consolidated income statement. Accounting principles for derivatives for hedge accounting are described under the section 'Derivatives and hedge accounting' below.

Equity instruments

Equity instruments measured at fair value through profit or loss

The Group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at FVPL are recognised in the statement of profit or loss as applicable.

Financial liabilities – classification and measurement

Financial liabilities measured at amortised cost

The Group's financial liabilities consist of long-term borrowings, other non-current liabilities, trade payables, short-term borrowings and other current liabilities.

Impairment of financial assets recognised at amortised cost

The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach, i.e. the reserve will correspond to the expected loss over the lifetime of the trade receivables. To measure the expected credit losses, trade receivables are grouped based on days past due. Expected credit losses are based on historical loss rates adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. When the Group has more customer information than reflected in the statistical model, a management overlay is made for those specific customers. Expected credit losses are recognised under 'cost of sales' in the consolidated income statement.

Derivatives and hedge accounting

Derivatives are reported at fair value in the Statement of financial position on the date of contract, both initially and at subsequent remeasurement. The method used to report the gain or loss arising on remeasurement depends on whether the derivative was designated as a hedging instrument, and if so, the nature of the item hedged. The Group designates certain derivatives as hedging of a particular risk attributable to a highly probable forecast cash flow transaction (cash flow hedging). The Group does not use derivative financial instruments for speculative purposes.

When the Group enters into a transaction, the relationship between the hedging instrument and the hedged item, as well as the Group's objective for the risk management and the risk management strategy relating to the hedge, is documented. The Group also documents its assessment, both initially and subsequently, of whether the derivatives used in hedging transactions have been and will continue to be effective as regards countering changes in the cash flows attributable to the hedged items.

Information regarding fair values of various derivatives used for hedging purposes is found in note 22 Financial risk management. Fair values of derivatives not considered hedging instruments are classified as non-current assets or liabilities if the remaining term of the hedged item is longer than 12 months, and as current assets or liabilities if shorter. Trading derivatives are classified as current assets or liabilities.

Transaction exposure – cash flow hedging

Currency exposure relating to future contracted and forecast cash flows is hedged through forward currency contracts. These contracts are recognised in the Consolidated statement of financial position at fair value. The effective portion of changes in fair value is deferred to other comprehensive income. Hedge effectiveness is determined at the inception of the hedge relationship and through prospective assessments. When the hedged item is ultimately recognised in the Consolidated income statement the amounts previously recognised in other comprehensive income are reclassified to profit or loss. The ineffective portion of the change in value is recognised immediately in the Consolidated income statement. If the hedged forecast transaction is no longer expected to occur, accumulated gains or losses are recognised in income. If the Group fails to designate the hedging relationship before the hedged transaction has occurred and the forecast transaction is still expected to occur, the reported accumulated gain or loss remains in the hedging reserve in equity and is recognised in the same way as above when the transaction occurs.

Derivatives that are not designated as hedging instruments

Changes in the fair value of any derivative instrument that have not been designated as hedging instruments are recognised immediately in profit or loss.

Trade receivables

Trade receivables represent amounts owed by customers where the right to receive payment is conditional only by the passage of time. These are recorded at amortised cost reduced by allowance for estimated credit losses, unless they contain significant financing components when they are recognised at fair value.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less.

Borrowing

Borrowings are recognised at amortised cost net of transaction costs, applying the effective interest method. Transaction costs that are directly attributable to the establishment of credit facilities are deducted from the carrying amount of the related borrowings and amortised over the expected term of the loan using the effective interest rate when it is decided that the facility is planned to be utilised.

Borrowing is classified under current liabilities unless the Group has an unconditional right to defer payment of the debt for at least 12 months after the closing date.

Inventories | IAS 2

Inventories, consumables and supplies, are stated at the lower of cost and net realisable value. The cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of inventories. Net realisable value is the estimated selling price less all costs of completion and costs to be incurred in selling and distribution. The cost of inventories is determined by using the first-in first-out method. Provisions for obsolescence are included in the value for inventory.

Provisions | IAS 37

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle that obligation and a reliable estimate of the amount can be made. Obligations expected to be settled within 12 months of the reporting date are included within current liabilities.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where a provision is measured using the cash flows estimated to settle the

present obligation and the difference between the carrying amount and the present value of those cash flows is material to the financial statements, the carrying amount is the present value of those cash flows. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Hyperinflation | IAS 29

The Argentinian economy was designated as hyperinflationary from 1 July 2018. The Group applies IAS 29 Financial Reporting in Hyperinflationary Economies to its Argentinian operations. The Argentine peso results and non-monetary assets and liabilities have been revalued using the consumer price index issued by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE).

New standards and amendments

Certain new accounting standards and amendments to accounting standards have been published that are mandatory and have been adopted by the Group as of December 2025. This relates mainly to the amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' which have been issued and adopted. It is effective for periods beginning on or after 1 January 2025 and was endorsed by the United Kingdom Endorsement Board (UKEB) in 2024. This amendment did not have a significant impact on the Group's profit or loss or financial position.

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory as of the 31 December 2025 reporting period and have not been early adopted by the Group. This mainly relates to IFRS 18, explained more in detail below, as well as amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', effective for periods beginning on or after 1 January 2026 – endorsed by the UKEB in 2025. The Group does not expect these amendments to have a material impact on the operations or the Group financial statements, except for IFRS 18 explained below.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements to achieve better comparability of the financial performance of similar entities. IFRS 18 is expected to change the presentation of the Consolidated Income statement and to differentiate between earnings from operating activities, investment activities and financing activities, and will add additional disclosures. However, IFRS 18 will not change any accounting policies on recognition and measurement, hence it will not change reported net profit. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027.

Note 3 Critical accounting estimates and significant judgments

In preparing the consolidated financial statements and applying the Group's accounting policies, management must make estimates and judgments that affect the amounts recognised in the financial statements. Such estimates and judgments are based on factors such as historical experience, the observance of trends in the industries in which the Group operates and information available from the Group's customers and other outside sources. Although these estimates and judgments are based on management's best information about current circumstances and future events and actions, actual results may differ and result in material variances.

The critical accounting estimates and judgments made in applying the Group's accounting policies are set out below.

Critical accounting estimates

Revenue recognition

Revenue recognition requires management to make estimates, mainly to determine stand alone selling prices. The stand alone selling price determines how much of the revenue should be recognised immediately and how much should be deferred. The stand alone selling price used to determine security audit and installation revenue is calculated using a cost plus method. It relies on the estimated cost for installation and security audit and a margin based on an external benchmark. If the stand alone selling price would change +/- 5% compared to the applied selling price, this would give an impact on the revenue and operating profit for the year of +/- €13.5m.

Valuation of intangible assets arising from acquisition

The valuation of intangible assets arising on the acquisition of ADT Mexico requires an assessment of the fair value of those assets. Refer to note 5 Business combinations for further information. That assessment requires the business to determine the future benefits that a market participant would expect to obtain from those assets as well as a discount rate and so is subject to significant estimation. If different estimates were used, the valuation of goodwill and intangible assets arising on the acquisition would change. The profit would be impacted due to changes in intangible assets which would impact the amortisation going forward.

Impairment of goodwill and other non-financial assets

Goodwill and other intangible assets that have an indefinite useful life and are not subject to amortisation. Instead, assets with an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that their carrying values may be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The recoverable amounts of cash-generating units (CGUs) have been determined based on value-in-use calculations. The value-in-use calculations are based on estimated future cash flows. In calculating the net present value of the future cash flow, certain assumptions are required to be made in respect of uncertain matters, mainly including management's expectations of long-term sales growth rates, growth in Portfolio Services Adjusted EBITDA and applied discount rates.

Changing the assumptions selected by management, especially the assumptions regarding discount rate and long-term sales growth rates, could significantly affect impairment evaluation and hence the result. For further details refer to note 18.

Other accounting estimates

Other estimates consists of estimates which are not the most significant estimates for the Group, but which still hold enough importance to inform specifically on these estimates.

Useful lives for alarm equipment and customer portfolio

The useful lives of Group assets are determined by management, decided country by country, split by residential and business customers, applied at the time of installation and are reviewed and adjusted annually if necessary. The calculations of useful lives for alarm equipment and customer portfolio assets are two separate, but similar calculations. Both calculations are based on the three-year average of customer attrition and, when necessary, are adjusted to take into account anticipation of future events that may impact the useful life separately for each asset type. For alarm equipment this mainly consists of technological evolution e.g. 2G/3G network shutdown and macroeconomic factors, and for customer portfolio it mainly consists of macroeconomic factors.

Measurement of tax provisions and deferred income tax assets and liabilities

The Group operates in a number of countries and is liable to pay income taxes in numerous jurisdictions. The recognition of a tax provision involves judgment based on interpretation of applicable tax legislation on a country by country basis and an assessment of the likely outcome of any open tax assessments. The final resolution of some of these items may give rise to differences between the tax charge in the full year consolidated income statement, recognition of deferred taxes and tax payments.

The complexity of the Group's structure makes the degree of estimation and judgment more challenging. The resolution of issues is not always within the control of the Group, and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which we operate. For further information regarding tax provisions, refer to note 14 Taxes.

Significant accounting judgments

Alarm equipment classified as inventory

Inventory mainly consists of alarm equipment, most of which is held in our global logistic centres, and is subsequently either installed at a customer's premises, used for repairs and maintenance or sold via retail channels. Although a large portion of the inventory will eventually be recognised as an item of Property, plant and equipment, the Group has concluded that this alarm equipment is best represented as inventory given the complexity and significant estimation uncertainty in presenting a divided value of our inventory pool on the statement of financial position.

Note 4 Segment reporting

The Group's operating segments are identified by grouping together the business by revenue stream, as this is the basis on which information is provided to the Chief Operating Decision Maker (CODM) for the purposes of allocating resources within the Group and assessing the performance of the Group's businesses. The Group has identified the Group Management Team as its CODM. The segments identified based on the Group's operating activities are Customer acquisition, Portfolio services and Adjacencies. Separately disclosed items (SDIs) are not measured per segment.

Portfolio services

The Portfolio services segment provides a full security service to our customers for a monthly subscription fee. We typically enter into self-renewing monitoring agreements with customers at the time of installation and the majority of customers pay via direct debit. Our service includes 24/7 monitoring, expert verification and response, customer care, maintenance, and professional technical support to existing customers.

Customer acquisition

This segment develops, sources, purchases, provides and installs alarm systems for new customers in return for an upfront sales or installation fee. Sales and installations can be performed both by our own employees and by external partners. Each new customer generates installation income that is recognised once the installation of the alarm equipment has been completed. The Group's costs for materials, installation, administration and marketing generally exceed the non-recurring income, resulting in negative cash flow for the segment.

Adjacencies

The Adjacencies segment contains remote monitoring and assistance, services for senior protection as well as the sale of Arlo cameras, video surveillance services in retail and online channels across Europe. These sales are not considered as part of our core alarm business, and the revenue is therefore categorised as adjacencies.

€m	2025	2024
Portfolio services	**3,267.8**	2,947.8
Customer acquisition	**362.2**	367.4
Adjacencies	**115.4**	92.8
Total revenue	**3,745.4**	**3,408.0**

There is no internal revenue between segments, therefore all the revenue in the table above is external revenue.

€m	2025	2024
Portfolio services	**2,409.1**	2,141.9
Customer acquisition	**(723.0)**	(627.4)
Adjacencies	**21.9**	19.5
Adjusted EBITDA[1]	**1,708.0**	**1,534.0**
Separately disclosed items affecting EBITDA[2]	**(170.6)**	(32.1)
Share-based compensation	**(21.2)**	-
Depreciation and amortisation	**(1,078.1)**	(1,068.7)
Retirement of assets	**(139.4)**	(125.8)
Operating profit	**298.7**	**307.4**
Financial items	**(494.9)**	(495.5)
Profit or (loss) before tax	**(196.2)**	**(188.1)**

1) The Group does not analyse segment data below Adjusted EBITDA.
2) A more detailed explanation of the Separately disclosed items affecting EBITDA is provided in the sections 'Alternative performance measures and other performance metrics' and 'Alternative performance measures reconciliation'.

Geographical distribution of revenue

Our operating segments Customer acquisition and Portfolio services are represented in all of the geographical regions presented. The operating segment Adjacencies is only represented in the Iberia and Nordics and Central and other geographical regions.

€m	2025	2024
Iberia and Nordics[1]	**1,998.9**	1,852.6
Other Europe[2]	**1,340.4**	1,200.5
Latin America	**344.9**	303.1
Central and other	**61.2**	51.8
Total	**3,745.4**	**3,408.0**

1) Of this, €1,302.7m (€1,186.5m in 2024) relates to revenue in Spain.
2) Of this, €649.9m (€593.6m in 2024) relates to revenue in France, and €109.1m (€102.6m in 2024) relates to the UK.

Geographical distribution of non-current assets

€m	2025	2024
Spain	**4,806.3**	4,703.1
Sweden	**2,363.9**	3,206.6
France	**2,241.9**	1,903.0
UK	**226.4**	212.8
Remaining countries	**5,447.7**	4,874.6
Total	**15,086.2**	**14,900.1**

The above table comprises of the following balances presented in the consolidated statement of financial position: intangible assets, property, plant and equipment, right-of-use assets, and other non-current receivables that are not financial instruments.

Note 5 Business combinations

On 31 October 2025, the Group acquired 100% of the shares and voting rights in ADT Private Security Services de Mexico S.A. de C.V., a company based in Mexico with corporate domicile in Mexico City. The total consideration paid was €207.5m, settled in cash at the time of acquisition. No part of the consideration was contingent or deferred, and the consideration was settled through the Group's existing cash and borrowing facilities.

The Company specialises in security, monitoring, and alarm systems for both residential and business customers. The acquisition enhances the Group's strategy to continue to expand into high-potential markets and establishes the Group as the number one provider of professionally monitored security services in Mexico.

This transaction has been accounted for as a business combination under IFRS 3. According to the preliminary purchase price allocation, acquired intangible assets mainly relate to customer relationships (customer portfolio). The goodwill arising is, among other things, attributable to extensive local market knowledge, workforce know-how and buyer-specific synergies going forward. The recognised goodwill will not be deductible for tax purposes.

€m	Fair value
Property, plant and equipment	**7.7**
Right-of-use assets	**6.3**
Customer portfolio	**113.8**
Other intangible assets - Brand right of use	**24.9**
Inventories	**1.3**
Trade and other receivables	**6.5**
Cash and cash equivalents	**3.2**
Trade and other liabilities	**(13.0)**
Lease liabilities	**(6.3)**
Net deferred tax	**(35.9)**
Net current tax	**0.2**
Other assets and liabilities	**5.5**
Total net asset value excluding goodwill	**114.2**
Goodwill	**93.3**
Total net asset value including goodwill/Total consideration paid in cash at time of acquisition	**207.5**
Less acquired cash and cash equivalents	**(3.2)**
Net cash outflow from business combinations	**204.3**

The acquired business contributed revenue of €13.7m and net profit of €2.7m to the Group for the period from 31 October to 31 December 2025. If the acquisition had occurred on 1 January 2025, consolidated pro-forma revenue and net profit for the year would have been approximately €84.5m and €5.9m respectively.

Acquisition-related costs of €8.4m are included in administrative expenses in the Consolidated Income Statement and in cash flow from operating activities in the Consolidated Statement of Cash Flows.

There were no business combinations in 2024.

Note 6 Operating expenses by type

€m	Note	2025	2024
Employee benefit expense	8	**1,366.8**	1,243.6
Depreciation and amortisation expense	12	**1,078.1**	1,068.7
Retirement of assets	17	**139.4**	125.8
Cost of materials		**71.1**	75.6
Marketing and media-related costs		**464.5**	400.2
Other expenses		**332.4**	191.6
Total		**3,452.3**	**3,105.5**

€m	2025	2024
Exchange rate differences included in operating profit	**(0.5)**	(5.4)

Exchange rate differences included in financial income and expenses are shown in note 13 Financial income and expenses.

Note 7 Auditor's remuneration

€m	2025	2024
Fees payable to the Company's auditors and its associates for the audit of parent Company and consolidated financial statements[1]	**1.5**	0.4
Fee payable to Company's auditors and its associates for other services:		
Audit of the financial statements of the Company's subsidiaries	**1.8**	1.6
Audit-related assurance services[2]	**0.3**	-
Other assurance services[3]	**1.6**	1.1
Services relating to corporate finance transactions[4]	**0.4**	-
Tax advisory services	**0.0**	0.0
Total	**5.6**	**3.1**

1) Audit fees of €1.5m include €0.1m for the audit of the parent company financial statements and €1.4m for the audit of the consolidated financial statements.
2) Audit-relates assurance services include fees for limited assurance on the sustainability statement in accordance with CSRD requirements.
3) Other assurance services mainly include €1.1m for the preparation of the independent accountant's report included in the prospectus. These services are non-audit in nature and are not covered under statutory audit or audit-related assurance.
4) Services relating to corporate finance transactions relate to the listing support services in connection with the Company's admission to trading on the Nasdaq Stockholm. These services are non-audit in nature and are not covered under statutory audit or audit-related assurance.

Note 8 Employee information

Monthly average number of employees (headcount)

Number	2025	2024
Sales and Marketing Acquisition	**14,457**	14,187
Customer Operations	**10,655**	9,880
Innovation & Technology	**1,233**	1,127
Support & Adjacencies	**3,551**	3,356
Total	**29,896**	**28,550**

Employee benefit expenses

€m	2025	2024
Wages and salaries	**995.3**	929.0
Social security costs	**288.4**	257.8
Share-based payment expenses	**22.8**	1.7
Pension cost - defined contribution plans	**59.3**	54.2
Pension cost - defined benefit plans	**1.0**	0.9
Total	**1,366.8**	**1,243.6**

Key management personnel are defined, for the purpose of disclosure under IAS 24 ‘Related Party Disclosures’, as the Board of Directors and the CEO. In 2025, short term employee benefits for key management personnel amounted to €3.3m (€2.1m in 2024), post employment benefits corresponded to €0.1m (€0.1m in 2024) and the cost for share-based payments amounted to €1.9m (€0.4m in 2024). For further information about key management personnel, see the Remuneration Report presented in the Governance Report in this document.

Note 9 Share-based compensation

Restricted Share Awards (RSUs)

In October 2025, 8,745,146 shares were awarded to employees across the Group. 50% of the RSUs will vest on 30 October 2026 and 50% will vest on 30 October 2027. The RSUs are conditional on continued employment through to the applicable vesting dates and are therefore subject to forfeiture over the vesting period. The awards will be settled by delivering shares to the participants.

The weighted average fair value at grant date for the awards outstanding was €13.3m. The weighted average remaining contractual life of awards outstanding at end of period was 1.3 years.

The following awards were outstanding as at 31 December 2025 and 2024:

	Awards		Options	
Units	**2025**	**2024**	**2025**	**2024**
Balance at beginning of year	**-**	-	**1,512,600**	1,406,180
Granted during the year	**8,745,146**	-	**131,737**	161,800
Forfeited during the year	**(18,389)**	-	**(35,992)**	(41,940)
Exercised during the year	**-**	-	**(18,426)**	(13,440)
Balance at end of year	**8,726,757**	**-**	**1,589,919**	**1,512,600**

No options were exercisable by 31 December 2025 and no options expired during 2025.

Legacy Employee Option Plans

Certain employees of the Group participate in a management option plan and have been granted shares in Aegis Lux 2 S.à r.l. as a part of their compensation. The options vest in instalments over a period of a maximum of 5 years and are settled in shares. Pursuant to the IPO in October 2025, these legacy equity plans were discontinued and roll off agreements were established, giving rise to a plan modification under IFRS 2. The roll off plan resulted in accelerated vesting conditions to 1 January 2026, forfeiture or cancellation of unvested shares and a change from equity to cash settlement for any vested or unvested shares remaining.

At 31 December 2025, the fair value of the legacy option plans were zero, resulting in a credit of €1.8m to the income statement.

This plan modification resulted in a reclassification of the fair value of the options from equity to short-term liabilities. Total expenses arising related to options issued under the legacy plans of €3.6m (€1.7m in 2024) have been recognised in the Consolidated Income Statement of which €2.4m relates to the accelerated vesting.

Fair value of options granted

The fair value of the options at grant date is independently determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer group companies.

Equity plan

A limited number of leaders in the Group participate in an equity plan, which allows them to acquire shares at fair market value in Aegis Lux 2 S.à r.l., either directly or through a legal entity. As the investment is done at a fair market value and with participants' out-of-pocket resources, there is no benefit for the employees. This equity plan has no impact on the Group's Consolidated Financial Statements.

Expenses arising from options and awards

Total expenses (excluding social security contributions) arising from options and awards recognised as an operating expense during the period was:

€m	**2025**	**2024**
Legacy Employee Option Plan	**3.6**	1.7
Restricted Share Awards (RSUs)	**19.2**	-
Total	**22.8**	**1.7**

The social security contributions for the share-based compensation plans recognised as an operating expense was €2.0m (€0.2m in 2024).

Note 10 Non-cash items

€m	2025	2024
Non-cash cost related to share-based compensation	**21.1**	-
Adjustment of hyperinflation	**(0.3)**	2.1
Total	**20.8**	**2.1**

Note 11 Leases

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Amounts recognised in the Consolidated Income Statement are as follows:

€m	2025	2024
Depreciation charge - right-of-use assets	**72.6**	64.1
Interest expense[1]	**10.4**	8.3
Expense relating to short-term leases[2]	**1.6**	2.7
Expenses relating to leases of low-value assets[2]	**3.4**	2.5
Total	**88.0**	**77.6**

1) Included in financial expenses.

2) Included in cost of sales, selling expenses and administrative expenses.

Total cash outflow for leases

€m	2025	2024
Repayment of lease liabilities	**66.7**	61.0
Interest	**10.4**	8.3
Payments relating to leases of low-value assets and short-term contracts	**5.0**	5.2
Total cash outflow	**82.1**	**74.5**

Refer to note 25 Borrowings for more information regarding lease liabilities.

Right-of-use assets

	2025			
€m	Buildings	Vehicles	Other assets	Total
Cost				
Balance at beginning of year	**169.8**	**98.6**	**1.4**	**269.8**
Additions	**26.0**	**59.0**	**0.2**	**85.2**
Business combinations	**5.5**	**0.8**	**-**	**6.3**
Disposals/retirements of assets	**(11.9)**	**(35.8)**	**-**	**(47.7)**
Translation differences	**0.4**	**(0.1)**	**-**	**0.3**
Balance at end of year	**189.8**	**122.5**	**1.6**	**313.9**
Accumulated depreciation				
Depreciation at beginning of year	**(57.5)**	**(20.9)**	**(0.8)**	**(79.2)**
Disposals/retirements of assets	**10.5**	**32.8**	**-**	**43.3**
Depreciation charge for the year	**(30.1)**	**(42.5)**	**-**	**(72.6)**
Translation differences	**(0.3)**	**-**	**-**	**(0.3)**
Accumulated depreciation at end of year	**(77.4)**	**(30.6)**	**(0.8)**	**(108.8)**
Net book value at end of year	**112.4**	**91.9**	**0.8**	**205.1**

	2024			
€m	Buildings	Vehicles	Other assets	Total
Cost				
Balance at beginning of year	144.5	72.9	1.4	**218.8**
Additions	46.2	55.2	0.1	**101.5**
Disposals/retirements of assets	(19.7)	(29.4)	-	**(49.1)**
Translation differences	(1.2)	(0.1)	(0.1)	**(1.4)**
Balance at end of year	**169.8**	**98.6**	**1.4**	**269.8**
Accumulated depreciation				
Depreciation at beginning of year	(45.6)	(13.1)	(0.8)	**(59.5)**
Disposals/retirements of assets	15.7	28.0	-	**43.7**
Depreciation charge for the year	(28.3)	(35.7)	(0.1)	**(64.1)**
Translation differences	0.7	(0.1)	0.1	**0.7**
Accumulated depreciation at end of year	**(57.5)**	**(20.9)**	**(0.8)**	**(79.2)**
Net book value at end of year	**112.3**	**77.7**	**0.6**	**190.6**

Note 12 Depreciation and amortisation

€m	Note	2025	2024
Property, plant and equipment			
Alarm equipment		**212.2**	200.5
Other		**28.2**	26.5
Total property, plant and equipment	17	**240.4**	**227.0**
Right-of-use assets			
Buildings		**30.1**	28.3
Vehicles and other assets		**42.5**	35.8
Total right-of-use assets	11	**72.6**	**64.1**
Customer portfolio			
Customer portfolio - Business Combinations acquired intangibles		**422.9**	435.9
Customer portfolio - Business Combination Variable sales commissions[1]		**70.4**	93.2
Total customer portfolio - Business combinations		**493.3**	**529.1**
Customer portfolio - Variable sales commissions		**119.2**	99.7
Total customer portfolio	19	**612.5**	**628.8**
Other intangible assets			
Technology rights - Business combinations		**22.4**	22.9
Technology and other		**1.2**	1.6
Total technology and other		**23.6**	**24.5**
Internally developed intangible assets		**111.9**	107.6
Trademarks		**17.1**	16.7
Total other intangible assets	20	**152.6**	**148.8**
Total depreciation and amortisation		**1,078.1**	**1,068.7**

1) Relates to amortisation of variable sales commissions assets that were on the balance sheet prior to the 2020 Business Combination. As these costs would have been amortised as an operating cost absent the 2020 Business Combination, it is considered more appropriate to include the related amortisation in operating profit and not as an acquisition related SDI.

Depreciation and Amortisation - Business Combinations

€m	2025	2024
Customer portfolio - Acquired intangibles	**422.9**	435.9
Technology rights	**22.4**	22.9
Trademarks	**17.1**	16.7
Total[1]	**462.4**	**475.5**

1) The purpose of separating the Business Combinations impact is to reflect the operating result absent acquisition related amortisation (mainly due to the 2020 Business Combination) and present them separately. Refer to section 'Alternative performance measures and other performance metrics' and 'Alternative performance measures reconciliation' for more details.

Depreciation and amortisation are reflected in the income statement as follows:

€m	2025	2024
Cost of sales	**382.5**	342.5
Selling and administrative expenses	**695.6**	726.2
Total	**1,078.1**	**1,068.7**

Note 13 Financial income and expenses

€m	2025	2024
Interest income, other	**2.0**	1.9
Fair value changes in derivatives	**-**	16.9
Other financial income	**-**	9.2
Financial income	**2.0**	**28.0**
Interest cost, borrowings	**(353.3)**	(424.0)
Interest cost, leasing	**(10.4)**	(8.3)
Interest cost, factoring	**(20.2)**	(34.5)
Interest cost, other	**(2.7)**	(5.0)
Fair value changes in derivatives	**(11.4)**	-
Prepaid financing fee	**(25.3)**	(4.6)
Bond call premium	**(10.6)**	-
Bank charges	**(24.1)**	(24.8)
Exchange rate differences, net	**(35.5)**	(10.7)
Other financial expenses	**(3.4)**	(11.6)
Financial expenses	**(496.9)**	**(523.5)**
Financial income and expenses	**(494.9)**	**(495.5)**

Details of borrowings are presented in note 25 Borrowings.

Note 14 Taxes

Tax (expense)/credit

€m	2025		2024	
Current tax[1]	**(118.2)**	**60.3 %**	(119.3)	63.4 %
Deferred tax[2]	**58.5**	**(29.8)%**	122.5	(65.1)%
Total	**(59.7)**	**30.4 %**	**3.2**	**(1.7)%**

1) In 2025 and 2024, the total amount of current tax was related to overseas.
2) Of this, €8.3m and (4.2)% (€(3.1)m and 1.7% in 2024) related to the UK and €50.2m and (25.6)% (€125.6m and (66.8)% in 2024) related to overseas.

Reconciliation of effective tax and tax rate

€m	2025		2024	
Profit or (loss) before tax	**(196.2)**		(188.1)	
Tax according to the applicable tax rate for the parent company, 25.0% (20.6% in 2024)	**49.0**	**(25.0)%**	38.7	(20.6)%
Difference between tax rate in United Kingdom (Sweden in 2024) and weighted tax rates applicable to foreign subsidiaries	**15.2**	**(7.7)%**	17.0	(9.0)%
Non-taxable income	**2.1**	**(1.1)%**	18.4	(9.8)%
Non-deductible expenses	**(80.9)**	**41.2 %**	(79.8)	42.4 %
Recognition and utilisation of tax losses	**3.2**	**(1.6)%**	(24.2)	12.9 %
Tax attributable to prior periods	**(2.9)**	**1.5 %**	51.2	(27.2)%
Effect of tax rates changed	**(22.5)**	**11.5 %**	0.7	(0.4)%
Tax not based on income	**(25.2)**	**12.8 %**	(18.2)	9.7 %
Other items	**2.3**	**(1.2)%**	(0.6)	0.3 %
Total	**(59.7)**	**30.4 %**	**3.2**	**(1.7)%**

Changes in tax rates

As of 2025, the Group has a new parent company with its registered office in the UK (previously Sweden). This change has affected the statutory tax rate in 2025, which has increased from 20.6% in Sweden to 25.0% in the UK. During the financial year beginning 1 January 2025, changes in enacted tax rates resulted in a limited remeasurement of certain deferred tax balances, primarily reflecting the impact of progressive tax rate systems in specific jurisdictions. No other material legislative changes affecting the Group's tax position were identified during the period. In 2024, deferred tax balances were also adjusted to reflect developments in progressive tax rate systems in certain jurisdictions.

Uncertainty over income tax treatments

Verisure operates in various countries and is subject to taxation where the legislation is often complex and subject to interpretation by management and the government authorities.

Due to uncertainty regarding the appropriate tax treatment among our entities, management has estimated the most likely outcome and recognised a tax provision. The provision is reported in the current tax liabilities on the Consolidated Statement of Financial Position, reflecting the amount expected to be payable in the event of unfavourable tax ruling.

OECD Pillar Two model rules

With effect from 1 January 2024, the Group is subject to the OECD Pillar II GloBE Rules which has implemented a global minimum effective tax regime. The Group applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes.

The transitional safe harbour relief has been applied in the majority of the Group's tax jurisdictions. In 2024, the application of the Pillar II rules did not result in any additional tax liability for the Group. This year, in certain limited circumstances, where the safe harbour conditions are not met, the Group expects to be subject to additional Pillar II taxes, including qualified domestic minimum top-up taxes. Sufficient tax accruals have been recognised in the year and the impact is expected to be immaterial to the Group's consolidated financial statements.

Other comprehensive income

Tax recognised in other comprehensive income

€m	2025	2024
Deferred tax on re-measurements of defined benefit pension plans	**0.0**	0.3
Deferred tax on hedging reserve	**3.2**	(2.7)
Total	**3.2**	**(2.4)**

Deferred Taxes

The following are the major deferred tax assets and liabilities recognised by the Group:

Deferred tax assets attributable to:

€m	2025	2024
Property, plant and equipment	**4.6**	19.3
Lease liabilities	**51.9**	44.8
Customer portfolio	**4.5**	4.5
Other intangible assets[1]	**16.2**	14.1
Tax loss carry forwards	**101.5**	88.5
Pension provisions and employee related liabilities	**29.7**	10.4
Accrued revenue	**4.6**	4.2
Specific tax credit	**38.9**	52.0
Derivatives	**6.9**	7.0
Expected credit losses	**10.9**	10.2
Other temporary differences[2]	**29.2**	31.6
Total deferred tax assets	**298.9**	**286.6**
Netted deferred tax liabilities	**(220.7)**	(149.7)
Total	**78.2**	**136.9**

1) Relates to other intangible assets such as trademark and technology rights.
2) Other temporary differences relates to non-deductible interest, risk liabilities and provisions.

Deferred tax liabilities attributable to:

€m	2025	2024
Property, plant and equipment	**12.0**	26.5
Right-of-use assets	**49.9**	43.2
Goodwill	**3.3**	3.1
Customer portfolio	**1,057.2**	1,073.7
Other intangible assets[1]	**51.4**	37.0
Pension provisions and employee related liabilities	**1.6**	1.3
Prepaid revenue	**26.4**	19.1
Derivatives	**1.4**	4.6
Other temporary differences[2]	**31.4**	24.5
Total deferred tax liabilities	**1,234.6**	**1,233.0**
Netted against deferred tax assets	**(220.7)**	(149.7)
Total	**1,013.9**	**1,083.3**

1) Relates to other intangible assets such as R&D and IT.
2) Other temporary differences relates to bad debt and hyperinflation in Argentina.

Deferred tax related to tax loss carryforwards

Deferred tax assets are recognised in respect of tax loss carryforwards to the extent that the realisation of the related tax benefit through taxable profits is probable. At the balance sheet date, the Group had unused tax losses of €673.1m (€722.5m in 2024) available for offset against future profits. A deferred tax asset of €101.5m (€88.5m in 2024) has been recognised in respect of €428.2m (€328.3m in 2024) of such losses based on existing taxable temporary differences generating future taxable profits against which the assets can be recovered in the relevant jurisdictions. No deferred tax asset has been recognised in respect of the

remaining tax loss carry forwards of €244.9m (€394.2m in 2024) where the likelihood that sufficient taxable profits are not probable. The deferred tax assets related to tax losses carried forward which is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences related to subsidiaries which have suffered a loss in their taxable result in either this or the previous year amount to €52.8m (€48.4m in 2024).

Deferred tax assets related to tax losses are mainly arising from Germany, the UK, Ireland, Argentina, and Brazil. Loss utilisation is subject to annual caps in Germany, the UK and Brazil while in Argentina and Ireland, restrictions apply based on the source, trade, or type of income. Tax loss carry forwards are unlimited in time in Brazil, Germany, Ireland, and the UK, but limited to five years in Argentina. If the entities do not generate sufficient taxable profit in the future, these deferred tax assets may be subject to impairment.

Deferred tax movements

Reflects the pre-offset figures as follows:

€m	2025	2024
Deferred tax assets	**298.9**	286.6
Deferred tax liabilities	**(1,234.6)**	(1,233.0)
Deferred tax assets/(liabilities), net	**(935.7)**	**(946.4)**

Deferred tax change analysis

A reconciliation of pre-offset deferred tax is shown in the table below:

€m	2025	2024
Balance at beginning of year	**(946.4)**	(1,075.1)
Movement recognised in the consolidated income statement	**58.5**	122.5
Directly to equity	**3.2**	(2.4)
Business combinations	**(35.9)**	-
Translation differences	**(15.1)**	8.6
Balance at end of year	**(935.7)**	**(946.4)**

Note 15 Earnings per share

The calculation of basic and diluted earnings per share (EPS) is based on the following data:

€m	2025	2024
Net profit or (loss) for the period	**(255.9)**	(184.9)
Weighted average number of shares for basic EPS	**854,484,363**	800,000,000
EPS basic[1], €	**(0.30)**	**(0.23)**

1) Earnings per share (EPS), basic, is calculated based on the weighted average number of outstanding shares in the period. The outstanding number of shares prior to the listing on Nasdaq Stockholm on 8 October 2025 is based on the total number of Verisure plc shares (800,000,000) at the time of listing on Nasdaq Stockholm on 8 October 2025. The amount of shares prior to the listing on Nasdaq Stockholm has also been applied to the comparative period.

€m	2025	2024
Net profit or (loss) for the period	**(255.9)**	(184.9)
Weighted average number of shares for basic EPS	**854,484,363**	800,000,000
Dilution - shares subject to service conditions	**509,515**	-
Weighted average number of shares for diluted EPS	**854,993,878**	800,000,000
EPS diluted[1], €	**(0.30)**	**(0.23)**

1) Earnings per share (EPS), basic and diluted, is calculated based on the weighted average number of outstanding shares in the period. The outstanding number of shares prior to the listing on Nasdaq Stockholm on 8 October 2025 is based on the total number of Verisure plc shares (800,000,000) at the time of listing on Nasdaq Stockholm on 8 October 2025. The amount of shares prior to the listing on Nasdaq Stockholm has also been applied to the comparative period.

Note 16 Transactions with related parties

Transactions between Group companies have been eliminated upon consolidation and, therefore, are not disclosed in these consolidated financial statements. The related parties mainly consists of the Groups previous parent company Aegis Lux 2 S.à r.l. and Genesys Cloud Services B.V., controlled by one of main shareholders of the Group, as well as key management and directors. Disclosed below are all details of transactions between the Group and related parties. Refer to the Remuneration Report presented in the Governance report in this document for further information on remuneration for key management personnel, defined in the Group for the purpose of disclosure under IAS 24 'Related Party Disclosures' as Board of Directors and CEO.

Transactions with related parties

€m	2025	2024
Purchase of services, Genesys Cloud Services B.V.	**(2.7)**	(4.0)
Shareholder contribution, Aegis Lux 2 S.à r.l.	**3.6**	1.7
Interest income, Aegis Lux 2 S.à r.l.	**0.5**	0.3

Balances with related parties

€m	2025	2024
Financial receivables[1]	**19.7**	-
Trade receivables[2]	**-**	0.1
Other current receivables[1,2]	**-**	-

1) Financial receivables are disclosed in tables below.

2) There is no allowance for doubtful debts recognised in relation to the outstanding balances, and no associated credit loss costs have been recorded

Shares in related parties

Shares purchased by Employee Benefit Trust

€m	2025	2024
Balance at beginning of year	**-**	-
Shares purchased by Employee Benefit Trust	**16.2**	-
Fair value adjustment	**1.3**	-
Balance at end of year	**17.5**	**-**

Verisure plc established an Employee Benefit Trust (EBT) and funded the EBT with an irrecoverable gift to purchase certain Management Shareholders' direct or indirect interest in Aegis Lux 2 S.à r.l. on the day of listing. The value of the shares acquired by the EBT amounted at the day of acquisition to €16.2m and the cost was based on the offering price at time of listing.

Loans to related parties

Loan to Aegis Lux 2 S.à r.l.

€m	2025	2024
Balance at beginning of year	**-**	20.2
Loans advanced	**15.0**	-
Repayments received	**(15.0)**	(20.0)
Interest charged	**0.5**	0.3
Interest received	**(0.5)**	(0.5)
Balance at end of year	**-**	**-**

Loan to CFO

€m	2025	2024
Balance at beginning of year	**-**	-
Loans advanced	**2.2**	-
Balance at end of year	**2.2**	**-**

During the fourth quarter of 2025 Verisure held a non-current financial receivable of €2.2m in respect of a loan to a related party. The loan originated from Aegis Lux 2 S.à r.l., the Company's previous immediate parent undertaking, and was transferred to Verisure plc at the reporting date.

Note 17 Property, plant and equipment

	2025		
€m	**Alarm equipment**	**Other**	**Total**
Cost			
Balance at beginning of year	**1,949.9**	**158.3**	**2,108.2**
Additions	**441.9**	**61.1**	**503.0**
Business combinations	**7.4**	**0.3**	**7.7**
Disposals/retirements of assets	**(231.5)**	**(8.9)**	**(240.4)**
Translation differences	**2.2**	**0.1**	**2.3**
Balance at end of year	**2,169.9**	**210.9**	**2,380.8**
Accumulated depreciation			
Depreciation at beginning of year	**(463.5)**	**(70.6)**	**(534.1)**
Disposals/retirements of assets	**90.7**	**8.8**	**99.5**
Depreciation charge for the year	**(212.2)**	**(28.2)**	**(240.4)**
Translation differences	**(3.6)**	**(0.3)**	**(3.9)**
Accumulated depreciation at end of year	**(588.6)**	**(90.3)**	**(678.9)**
Net book value at end of year	**1,581.3**	**120.6**	**1,701.9**

	2024		
€m	**Alarm equipment**	**Other**	**Total**
Cost			
Balance at beginning of year	1,725.5	125.3	**1,850.8**
Additions	434.6	44.8	**479.4**
Disposals/retirements of assets	(187.7)	(10.3)	**(198.0)**
Translation differences	(22.5)	(1.5)	**(24.0)**
Balance at end of year	**1,949.9**	**158.3**	**2,108.2**
Accumulated depreciation			
Depreciation at beginning of year	(344.1)	(56.0)	**(400.1)**
Disposals/retirements of assets	68.0	10.4	**78.4**
Depreciation charge for the year	(200.5)	(26.5)	**(227.0)**
Translation differences	13.1	1.5	**14.6**
Accumulated depreciation at end of year	**(463.5)**	**(70.6)**	**(534.1)**
Net book value at end of year	**1,486.4**	**87.7**	**1,574.1**

Property, plant, and equipment mainly consist of alarm equipment installed at customer premises. Other equipment is mainly IT-equipment and furniture.

Disposals/retirements of assets are recognised in the Consolidated Income Statement as cost of sales. The cost corresponds mainly to the write-off of remaining capitalised equipment, from the time customers leave the portfolio or upgrade to our new platform.

Note 18 Goodwill and intangible assets with indefinite useful lives

Goodwill

€m	2025	2024
Balance at beginning of year	**7,570.4**	7,651.0
Translation differences	**39.1**	(80.6)
Business combination	**93.3**	-
Balance at end of year	**7,702.8**	**7,570.4**

The carrying amount of goodwill at the end of the year is related to the 2020 Business Combination as well as the acquisition of ADT Private Security Services de Mexico S.A. de C.V. in 2025. The 2020 Business Combination refers to when Hellman & Friedman in December 2020 reviewed and extended their long-term commitment to Verisure by completing a transfer of its indirect shareholdings in Verisure. In accordance with IFRS 3 'Business Combinations', this transfer of shareholdings resulted in a change in control and a significant uplift in asset values due to the fair valuation adjustment at the time of transfer, and a recognition of goodwill.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives relate to goodwill and a trademark, which are not amortised but rather tested for impairment annually. The goodwill and the trademark have primarily arisen from the 2020 Business Combination. Refer to note 20 Other intangible assets for further disclosures regarding the trademark.

Allocation of goodwill and intangible assets with indefinite useful lives

Goodwill acquired through business combinations is allocated to cash-generating units (CGUs) that are expected to benefit from the synergies of the combination. For the purpose of impairment testing, the goodwill and the trademark are grouped at the lowest level for which there are separately identifiable cash flows.

Goodwill and the trademark are allocated to the following CGUs:

	2025	
€m	Goodwill	Trademark
Iberia and Nordics	**4,408.6**	**636.1**
Other Europe	**2,602.1**	**267.1**
Latin America	**692.1**	**48.3**
Central and Other	**-**	**13.7**
Total	**7,702.8**	**965.2**

	2024	
€m	Goodwill	Trademark
Northern Europe	4,312.0	478.2
Southern Europe and Latin America	3,258.4	487.0
Total	**7,570.4**	**965.2**

Update in CGUs and reallocation of goodwill

In 2025, the Group implemented several changes in how geographical clusters are managed and reported. The change resulted in four defined geographical clusters (Iberia and Nordics, Other Europe, Latin America, and Central and Other) compared to the previous two clusters (Northern Europe and Southern Europe and Latin America). These changes have triggered a redefinition of our impairment CGUs which also resulted in a subsequent reallocation of goodwill. A relative value approach has been applied in accordance with IAS 36 'Impairment of assets' to reallocate the total carrying amount of goodwill between the four newly defined CGUs. The allocation key used is the weighted value of the new CGUs' forecasted 3-years average EBITDA aligned with the underlying assumptions and estimates used for goodwill impairment testing. The reallocation also affected the underlying currency denomination of goodwill.

Impairment tests

Based on the current available information used for the Group's annual impairment test, the Group does not consider that there are any reasonably possible scenarios that could arise that would result in an impairment charge being recognised. The recoverable amount for each CGU has been determined based on value-in-use calculations. The value-in-use calculations are based on cash flow forecasts derived from the most recent long-term financial plans presented to the Board of Directors. The forecast period used in the model is five years for mature markets and ten years for our fast scaling entities and new markets. The reason to use ten years on fast scaling entities and new markets is the long-term business model, where our experience proves that the investments in portfolio growth in these markets require a longer period to catch the expected future profitability. The principal assumptions in the value-in-use calculations are long-term sales growth rates, growth in Portfolio Services Adjusted EBITDA and applied discount rates. For the period, subsequent to the long-term plan, cash flows generated by the CGUs have been extrapolated on the basis of a projected annual growth rate of 2% (2% in 2024). The annual growth rate is based on historical experience as well as long-term inflation expectations.

The discount rate applied in the impairment testing is the pre-tax weighted average cost of capital (WACC) for each CGU. Assumptions relating to the WACC have been calculated individually for each country and weighted for each CGU based on the countries' share of revenue in the CGU. These assumptions have been determined based on both internal judgment and external benchmarking. The pre-tax WACC rates applied for each CGU was 10.3% in Iberia and Nordics, 9.5% in Other Europe, 14.6% in Latin America, and 12.8% in Central and Other, while the post-tax WACC for each CGU was 7.8% in Iberia and Nordics and Other Europe as well as 11.5% in Latin America, and 11.7% in Central and Other. In 2024 the pre-tax WACC rates applied were 11.5% for Northern Europe and 13.6% for Southern Europe and Latin America, while the post-tax WACC for each CGU were 9.4% for Northern Europe and 10.9% for Southern Europe and Latin America. The same WACC and projected annual growth rate has been applied for impairment testing on both goodwill and trademark.

The Group has conducted sensitivity analyses for each of the key assumptions used in the impairment tests. The sensitivity analyses considered a 1 percentage point (ppt) isolated reduction to Portfolio Services Adjusted EBITDA and long-term growth respectively, or a 1 ppt increase in discount rates. A deterioration of each of the main assumptions included in the calculation of value-in-use would, in isolation, disclose that the recoverable amount exceeds the carrying amount in all sensitivity testing conducted for the CGUs. Based on the this, the Directors have concluded that no impairment charge is required as of 31 December 2025.

Note 19 Customer portfolio

€m	2025 Customer Portfolio - Business combinations	Customer Portfolio - Variable sales commissions	Total
Cost			
Balance at beginning of year	**5,427.8**	**1,077.4**	**6,505.2**
Additions	**-**	**324.1**	**324.1**
Business combinations	**113.8**	**-**	**113.8**
Disposals/retirements of assets	**(17.0)**	**-**	**(17.0)**
Translation differences	**45.4**	**4.4**	**49.8**
Balance at end of year	**5,570.0**	**1,405.9**	**6,975.9**
Accumulated amortisation			
Amortisation at beginning of year	**(2,107.5)**	**(196.2)**	**(2,303.7)**
Disposals/retirements of assets	**17.0**	**-**	**17.0**
Amortisation charge for the year	**(493.3)**	**(119.2)**	**(612.5)**
Translation differences	**(1.3)**	**(2.7)**	**(4.0)**
Accumulated amortisation at end of year	**(2,585.1)**	**(318.1)**	**(2,903.2)**
Net book value at end of year	**2,984.9**	**1,087.8**	**4,072.7**

€m	2024 Customer Portfolio - Business combinations	Customer Portfolio - Variable sales commissions	Total
Cost			
Balance at beginning of year	5,474.2	790.4	6,264.6
Additions	0.5	301.5	302.0
Disposals/retirements of assets	(3.1)	(0.2)	(3.3)
Translation differences	(43.8)	(14.3)	(58.1)
Balance at end of year	**5,427.8**	**1,077.4**	**6,505.2**
Accumulated amortisation			
Amortisation at beginning of year	(1,585.7)	(104.2)	(1,689.9)
Disposals/retirements of assets	3.1	0.2	3.3
Amortisation charge for the year	(529.1)	(99.7)	(628.8)
Translation differences	4.3	7.4	11.7
Accumulated amortisation at end of year	**(2,107.5)**	**(196.2)**	**(2,303.7)**
Net book value at end of year	**3,320.3**	**881.2**	**4,201.5**

The net book value at year end includes €2,871.1m (€3,320.3m in 2024) relating to acquired intangibles arising from the 2020 Business Combination.

Management has assessed the recoverability of the carrying amount of the customer portfolio as of the acquisition date. The customer portfolio is tested for impairment if there is an indication of impairment. Potential indicators are monitored on the respective CGU level. During the year there have been no indications of impairment and therefore no impairment test on assets with definite useful lives have been performed. Annual impairment tests are described in note 18 Goodwill and intangible assets with indefinite useful lives.

Note 20 Other intangible assets

€m	2025 Trademarks	Internally Developed Intangible assets	Technology and other	Total
Cost				
Balance at beginning of year	**1,098.5**	**546.1**	**121.6**	**1,766.2**
Additions	**-**	**160.7**	**0.9**	**161.6**
Business combinations	**24.9**	**-**	**-**	**24.9**
Disposals/retirements of assets	**-**	**(2.6)**	**-**	**(2.6)**
Translation differences	**0.4**	**(0.9)**	**-**	**(0.5)**
Balance at end of year	**1,123.8**	**703.3**	**122.5**	**1,949.6**
Accumulated amortisation				
Amortisation at beginning of year	**(67.4)**	**(241.7)**	**(97.3)**	**(406.4)**
Disposals/retirements of assets	**-**	**2.5**	**-**	**2.5**
Amortisation charge for the year	**(17.1)**	**(111.9)**	**(23.6)**	**(152.6)**
Translation differences	**-**	**0.4**	**-**	**0.4**
Accumulated amortisation at end of year	**(84.5)**	**(350.7)**	**(120.9)**	**(556.1)**
Net book value at end of year	**1,039.3**	**352.6**	**1.6**	**1,393.5**

€m	2024 Trademarks	Internally Developed Intangible assets	Technology and other	Total
Cost				
Balance at beginning of year	1,098.5	425.0	124.2	1,647.7
Additions	-	138.5	0.4	138.9
Disposals/retirements of assets	-	(16.5)	(2.8)	(19.3)
Translation differences	-	(0.9)	(0.2)	(1.1)
Balance at end of year	**1,098.5**	**546.1**	**121.6**	**1,766.2**
Accumulated amortisation				
Amortisation at beginning of year	(50.7)	(143.1)	(75.8)	(269.6)
Disposals/retirements of assets	-	8.1	2.8	10.9
Amortisation charge for the year	(16.7)	(107.6)	(24.5)	(148.8)
Translation differences	-	0.9	0.2	1.1
Accumulated amortisation at end of year	**(67.4)**	**(241.7)**	**(97.3)**	**(406.4)**
Net book value at end of year	**1,031.1**	**304.4**	**24.3**	**1,359.8**

The net book value at year end includes €965.2m (€965.2m in 2024) relating to an acquired trademark intangible that arose from the 2020 Business Combination. This acquired trademark is not amortised but tested for impairment annually. Refer to note 18 Goodwill and intangible assets with indefinite useful lives for further details on impairment testing.

During the year there have been no indications of impairment and therefore no impairment test on assets with definite useful lives have been performed.

Note 21 Prepayments and accrued income

€m	2025	2024
Accrued sales income	**3.9**	2.3
Prepaid expenses	**126.6**	89.3
Other accrued income	**13.2**	2.4
Total	**143.7**	**94.0**

Note 22 Financial risk management

Financial instruments by category and valuation level

	2025		2024	
€m	Financial Asset	Financial Liability	Financial Asset	Financial Liability
Hedge accounting				
FX forwards[1]	**0.1**	**6.0**	9.1	-
Fair value				
FX swaps[1]	**0.0**	**0.1**	-	0.0
Cross currency swaps[1]	**-**	**3.8**	12.6	-
Interest rate swaps[1]	**-**	**16.6**	-	24.9
Other receivables, non-current[2]	**28.9**	**-**	11.4	-
Amortised cost				
Trade and other receivables, non-current	**144.2**	**-**	123.8	-
Trade receivables, current[4]	**347.2**	**-**	316.3	-
Other current receivables[4]	**33.6**	**-**	27.6	-
Cash and cash equivalents	**30.0**	**-**	30.1	-
Long-term borrowings[3,5]	**-**	**4,841.8**	-	7,445.7
Other non-current liabilities	**-**	**1.1**	-	1.1
Trade payables, current[4]	**-**	**179.5**	-	176.0
Accrued expenses, current[4]	**-**	**221.8**	-	189.0
Short-term borrowings[4,5]	**-**	**264.6**	-	300.8
Other current liabilities[4]	**-**	**27.2**	-	45.7

1) The derivatives measured at fair value are classified as level 2. Significant inputs are observable.

2) Other receivables, non-current, measured at fair value includes €17.5m (nil in 2024) classified as level 2 where significant inputs are observable. The observed input consists of a market valuation of the underlying asset. They also include €11.4m (€11.4m in 2024) classified as level 3 where significant inputs are unobservable where cost has been deemed an appropriate representation of fair value. The assets classified as level 3 are unchanged during the year.

3) The fair value of the bonds (Senior Secured Notes and Senior Unsecured Notes) amount to €2,184m (€4,673m on 31 December 2024) and fair value for the Term Loan B is €1,257m (€2,536m on 31 December 2024), being the quoted market price at the balance sheet date. These are classified as level 1 since it is a quoted market price in an active market. For the Group's remaining borrowings, book values approximate to their fair values.

4) Due to the short-term nature of trade receivables, other current receivables, trade payables, accrued expenses, short-term borrowings and other current liabilities, their carrying amount approximates to their fair value.

5) Details of borrowings are presented in note 25 Borrowings.

The valuation hierarchy applied is as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Other observable data than quoted prices included at Level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations). The valuation techniques for currency related instruments are based on published forwards rates and discounted contractual cash flows, and in terms of interest rate instruments the fair valuation is based on forward interest rates prepared on the basis of observable interest data and discounted contractual cash flows.

Level 3: Non-observable market data. For certain assets and liabilities, the carrying amount is assumed to be a reasonable approximation of fair value.

There have been no transfers of assets or liabilities between levels.

Derivatives

The Group's operations expose it to financial risks arising from movements in foreign exchange rates and interest rates. The Group uses derivative financial instruments in accordance with its Treasury Policy, which is approved by the Board of Directors. The Treasury Policy sets out written principles governing the use of derivatives and is aligned with the Group's overall risk management strategy. Derivatives are entered into solely for risk management (economic hedging) purposes and are not used for speculative or trading purposes.

Where the relevant requirements for hedge accounting are met, the Group designates derivatives as hedging instruments and applies hedge accounting to reduce potential accounting mismatches between the hedging instrument and the hedged item. Derivatives that are not designated in qualifying hedging relationships are, for accounting purposes, classified as 'held for trading' and measured at fair value through the income statement. Derivative assets and liabilities are presented as current when they are expected to be realised or settled within 12 months after the end of the reporting period (and otherwise as non-current).

The Group currently uses the following derivatives:

- Interest rate swaps: to hedge exposure to variability in future cash flows attributable to changes in interest rates on the Group's variable-rate long-term debt.
- Cross currency swaps: to hedge foreign exchange risk associated with the Group's financing activities by synthetically increasing the proportion of SEK-denominated debt and better aligning the EUR/SEK debt mix with the Group's EUR/SEK revenue mix.
- FX swaps: to manage short-term currency positions and liquidity within the Group's multi-currency cash pool.
- FX forwards: to hedge forecast foreign-currency cash flows by locking in the exchange rate for exposures where the transaction currency differs from the relevant subsidiary's functional currency. The Group enters into USD forward contracts only against EUR and SEK.

The Group's derivative financial instruments are recognised in the Consolidated Statement of Financial Position under the following line items.

€m	2025	2024
Non-current liabilities		
Interest rate swaps - held for trading	16.6	24.9
Cross currency swaps - held for trading	3.8	0.0
Total	**20.4**	**24.9**
Current liabilities		
FX forwards - cash flow hedges	6.0	-
FX swaps - held for trading	0.1	0.0
Total	**6.1**	**0.0**
Current receivables		
Cross currency swaps - held for trading	-	12.6
FX swaps - held for trading	0.1	-
FX forwards - cash flow hedges	0.1	9.1
Total	**0.2**	**21.7**

Change in hedging reserve

€m	Change in cash flow reserves
1 January 2024	**(3.2)**
Change in fair value of hedging instruments	13.2
Deferred tax	(2.7)
31 December 2024	**7.3**
Change in fair value of hedging instruments	**(15.0)**
Deferred tax	**3.2**
31 December 2025	**(4.5)**

Impact of hedge accounting on the Group's financial position and comprehensive income

Hedging instruments outstanding at year end and the impact of currency risk on the Group's financial position:

Derivatives – currency forwards - liabilities

€m	2025	2024
Carrying amount	**6.0**	-
Notional amount, currency USD	**151.4**	-
Maturity date	**January-December 2026**	-
Hedge ratio	**1:1**	-
Change in discounted spot value of outstanding hedging instruments since inception of the hedge	**6.0**	-
Change in value of hedged item to determine ineffectivness	**(6.0)**	-
Weighted average for outstanding hedging instruments in USD (including forward points)	**SEK 9.72: 1 USD EUR 1.15 : 1 USD**	-

Derivatives – currency forwards - assets

€m	2025	2024
Carrying amount	**0.1**	9.1
Notional amount, currency USD	**26.0**	209.7
Maturity date	**July-September 2026**	January-December 2025
Hedge ratio	**1:1**	1:1
Change in discounted spot value of outstanding hedging instruments since inception of the hedge	**0.1**	9.1
Change in value of hedged item to determine ineffectivness	**(0.1)**	-9.1
Weighted average for outstanding hedging instruments in USD (including forward points)	**EUR 1.19 : 1 USD**	SEK 10.42: 1 USD EUR 1.10 : 1 USD

Credit risk from trade receivables

Credit risk in the Group arises mainly from credit exposure to customers, including outstanding trade receivables, but also from other financial assets such as cash and cash equivalents, derivative instruments and other investments. The maximum exposure to credit risk corresponds to the carrying value of these assets in the Consolidated Statement of Financial Position, which amounted to €542.5m as of 31 December 2025 (€497.6m in 2024).

The Group's credit risk management is governed by a Credit Policy that includes the use of credit ratings, credit limits, defined approval and decision-making processes, and active monitoring and management of overdue and doubtful receivables. The objective of this policy is to ensure that sales are made only to customers with an appropriate credit profile. Although trade receivables generally reflect the geographical footprint of the Group's operations, the Group does not consider itself exposed to significant customer concentration risk, as it serves a large and diversified customer base across multiple countries with no single customer being individually significant. Overdue trade receivables are regularly reviewed to monitor any changes in credit risk, in order to catch any credit-impaired financial assets. Trade receivables are written off where there is no reasonable expectation of recovery. For further information, see note 24 Trade receivables.

Financial credit risk

The Group's objective is to minimise counterparty credit risk arising from financial transactions while maintaining an appropriate level of liquidity and financial flexibility. Financial credit risk is managed by conducting transactions only with external banks and other financial counterparties that, to the extent possible, have investment-grade credit ratings. In accordance with the Group's Treasury Policy, excess liquidity may be invested only in Government securities with a minimum long-term sovereign credit rating of Aa1 (Moody's) and/or AA+ (Standard & Poor's); or Money market funds with a minimum credit rating of Aa1 (Moody's) and/or AA+ (Standard & Poor's), managed by a Global Systemically Important Bank (G-SIB); or Bank deposits with banks holding a short-term investment-grade credit rating. The Group had no investments of excess liquid funds as of 31 December 2025 and 31 December 2024.

Interest bearing liabilities per currency

€m	2025	2024
Long-term borrowings (principal amount)		
EUR liabilities	**4,991.9**	7,475.5
SEK liabilities	**5.9**	136.4
Other currencies	**24.8**	21.9
Total	**5,022.6**	**7,633.8**
Short-term borrowings (carrying amount)		
EUR liabilities	**315.5**	345.4
SEK liabilities	**3.5**	4.4
Other currencies	**10.8**	7.7
Total	**329.8**	**357.5**

Credit facilities as of 31 December 2025

Credit frame	Currency	Facility amount €m	Available amount €m	Maturity
Revolving Credit Facility (RCF)	Multi-currency (EUR)	**950**	**884**	**2030**
Term loan A	EUR	**1,290**	**-**	**2030**
Term loan B	EUR	**1,250**	**-**	**2032**
Senior Secured Notes	EUR	**450**	**-**	**2028**
Senior Secured Notes	EUR	**525**	**-**	**2030**
Senior Unsecured Notes (SUN)	EUR	**1,175**	**-**	**2029**

Credit facilities as of 31 December 2024

Credit frame	Currency	Facility amount €m	Available amount €m	Maturity
Revolving Credit Facility (RCF)	Multi-currency (EUR)	700	500	2027
Term loan B	EUR	2,000	-	2028
Term loan B	EUR	525	-	2030
Senior Secured Notes	EUR	800	-	2026
Senior Secured Notes	EUR	1,150	-	2027
Senior Secured Notes	EUR	400	-	2027
Senior Secured Notes	EUR	450	-	2028
Senior Secured Notes	EUR	525	-	2030
Senior Unsecured Notes (SUN)	EUR	1,175	-	2029
Senior Unsecured Notes (SUN)	SEK	1,500	-	2029

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its financial obligations as they fall due or that funding can only be obtained at increased or high cost. The Group's objective is to maintain sufficient liquidity at all times to meet its business needs. Short-term liquidity is managed through a liquidity reserve referred to as Available Funds, defined as cash and cash equivalents, bank deposits, short-term investments and the undrawn portion of committed credit facilities. Under the Group's treasury policy, Available Funds must at all times exceed a minimum threshold. Liquidity is closely monitored against rolling cash flow forecasts, and the Group actively manages its funding and operations to ensure adequate headroom. The Group has a €950m Revolving Credit Facility (RCF) in place (€700m in 2024). As of 31 December 2025, Available Funds – comprising undrawn committed RCF amounts and cash and cash equivalents – amounted to €914m (€509m in 2024).

Refinancing risk

Refinancing risk is the risk that a significant portion of the Group's funding matures within a short period, at a time when access to funding may be restricted or available only at an increased cost. The Group mitigates the risk by actively managing and staggering the maturity profile of its external funding. The Group has no material debt maturities until February 2028, when €450m falls due.

The table below presents a maturity analysis of the Group's financial liabilities by relevant time buckets based on their contractual maturities. It includes: Non-derivative financial liabilities and Derivative financial instruments (both gross- and net-settled) where contractual maturities are necessary to understand the timing of cash flows. For interest rate swaps, cash flows have been estimated using the spot interest rates applicable at the end of the reporting period.

Liquidity report

The below liquidity report consists of undiscounted future cash flows.

	2025				
€m	**Less than 1 year**	**1-2 years**	**3-4 years**	**5 years or more**	**Total**
Non-derivatives					
Liabilities to credit institutions, principal amounts	**(148.5)**	**(455.1)**	**(2,990.0)**	**(1,250.0)**	**(4,843.6)**
Interest payments borrowings	**(227.0)**	**(424.8)**	**(245.0)**	**(97.0)**	**(993.8)**
Other non-current liabilities	**-**	**(0.1)**	**(1.0)**	**0.0**	**(1.1)**
Lease liabilities	**(74.5)**	**(99.3)**	**(36.8)**	**(22.8)**	**(233.4)**
Trade payables	**(179.5)**	**-**	**-**	**-**	**(179.5)**
Accrued expenses and deferred income	**(649.5)**	**-**	**-**	**-**	**(649.5)**
Other current liabilities	**(249.0)**	**-**	**-**	**-**	**(249.0)**
Total non-derivatives	**(1,528.0)**	**(979.3)**	**(3,272.8)**	**(1,369.8)**	**(7,149.9)**
Derivatives					
Interest rate derivatives					
Derivative contracts - inflow	**20.2**	**40.3**	**31.4**	**-**	**91.9**
Derivative contracts - outflow	**(27.1)**	**(54.1)**	**(42.1)**	**-**	**(123.3)**
Foreign exchange derivatives					
Derivative contracts - inflow	**14.5**	**26.3**	**-**	**-**	**40.8**
Derivative contracts - outflow	**(14.8)**	**(27.0)**	**-**	**-**	**(41.8)**
Total derivatives	**(7.2)**	**(14.5)**	**(10.7)**	**0.0**	**(32.4)**

	2024				
€m	**Less than 1 year**	**1-2 years**	**3-4 years**	**5 years or more**	**Total**
Non-derivatives					
Liabilities to credit institutions, principal amounts	(80.8)	(2,539.9)	(3,755.9)	(1,050.0)	**(7,426.6)**
Interest payments borrowings	(394.7)	(701.0)	(233.8)	(22.8)	**(1,352.3)**
Other non-current liabilities	-	-	(1.1)	-	**(1.1)**
Lease liabilities	(65.6)	(87.8)	(36.6)	(26.3)	**(216.3)**
Trade payables	(176.0)	-	-	-	**(176.0)**
Accrued expenses and deferred income	(576.8)	-	-	-	**(576.8)**
Other current liabilities	(234.7)	-	-	-	**(234.7)**
Total non-derivatives	**(1,528.6)**	**(3,328.7)**	**(4,027.4)**	**(1,099.1)**	**(9,983.8)**
Derivatives					
Interest rate derivatives					
Derivative contracts - inflow	26.8	41.6	-	-	**68.4**
Derivative contracts - outflow	(30.7)	(47.7)	-	-	**(78.4)**
Foreign exchange derivatives					
Derivative contracts - inflow	13.1	-	-	-	**13.1**
Derivative contracts - outflow	(14.6)	-	-	-	**(14.6)**
Total derivatives	**(5.4)**	**(6.1)**	**-**	**-**	**(11.5)**

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the Group's financial performance and cash flow. Borrowings at variable interest rates expose the Group to cash flow interest rate risk, while borrowings at fixed interest rates expose the Group to fair value interest rate risk. During 2025 and 2024, the Group's variable-rate borrowings were denominated in euro and Swedish krona. To reduce its exposure to interest rate risk, the Group enters into interest rate swaps to economically hedge the variability of cash flows arising from the Group's long-term debt. The Group targets a fixed-debt share of 50-75% of total borrowings, including the effect of derivatives. Currently, all interest rate swaps are used to exchange floating-debt interest

payments for fixed-debt payments. Excluding derivatives, approximately 45% of the Group's borrowings (excluding factoring financing) are at fixed rates. Including derivatives, approximately 65% of the Group's borrowings (excluding factoring financing) are at fixed rates. In addition, currency swaps are used to actively manage the Group's cash positions and to reduce interest costs charged by banks in the Group's cash pool structures. Refer to note 25 Borrowings for more information. As of 31 December 2025, based on current financing terms and derivatives in place, a 100-basis point increase in EURIBOR/STIBOR fixings would increase the Group's total interest expense by approximately €16m (negative impact).

Foreign currency risk

Transaction risk

The Group's foreign exchange exposure arises primarily from forecast purchases of materials denominated in USD. The main currency pairs are EUR/USD and SEK/USD. Exposures are continuously monitored and are partly hedged using foreign exchange forward contracts. The Group's policy is to hedge 25-75% of forecast USD material purchases on a 12-month rolling basis. In 2025, the notional maturities of FX forwards corresponded to approximately 48% of USD material purchases for the year. Where the relevant requirements are met, the Group applies hedge accounting to these contracts. As of 31 December 2025, the Group's USD exposure in trade payables amounted to $33.3m ($48.8m in 2024). Of this amount, $30.2m ($43.7m in 2024) relates to entities with the EUR as functional currency and $3.1m ($5.1m in 2024) relates to entities with the SEK as functional currency.

The Group has no outstanding SEK-denominated loans at 31 December 2025. As of year-end 2024, SEK denominated loans amounted to SEK 1,500m. The translation of non-EUR borrowings into EUR may impact the Group's consolidated income statement. To mitigate this exposure, the Group uses foreign exchange derivatives (cross currency swaps) to economically hedge the related foreign exchange risk.

Interest rate and foreign currency sensitivity analysis

The sensitivity analysis table shows the estimated effect that a 100-basis-point increase or decrease in EURIBOR/STIBOR rates would have on profit or loss and on total comprehensive income, excluding tax. The table also presents the impact of a 10% change in the USD exchange rate relative to SEK/EUR.

The sensitivity of profit before tax related to transaction risk arises from the remeasurement of USD-denominated monetary items (including financial assets and liabilities). The sensitivity of other components of equity (OCI) reflects changes in the fair value of foreign exchange forward contracts that are designated as cash flow hedges.

Sensitivity per risk

	2025		2024	
	Effect		Effect	
€thousand	Impact on profit before tax	Impact on other components of equity, before tax	Impact on profit before tax	Impact on other components of equity, before tax
Interest rate risk				
Interest rate +1 percentage point	**(16.1)**	**(16.1)**	(20.1)	(20.1)
Interest rate -1 percentage point	**16.1**	**16.1**	20,1	20.1
Transaction risk				
Currency rate SEK/USD +10 percentage point	**(0.3)**	**0.2**	(0.5)	0.1
Currency rate SEK/USD -10 percentage point	**0.3**	**(0.2)**	0.5	(0.1)
Currency rate EUR/USD +10 percentage point	**(2.6)**	**0.4**	(4.2)	0.8
Currency rate EUR/USD -10 percentage point	**2.6**	**(0.4)**	4.2	(0.8)

Capital management

The Group's capital management objective is to ensure that its financial resources are appropriately structured to support ongoing operations and future growth, provide financial resilience and comfort to lenders, and deliver sustainable returns to shareholders. This includes maintaining adequate liquidity to fund investments for continued development, both organically and through acquisitions. The capital that is being managed consists of shareholders' equity, borrowings, and cash and cash equivalents.

The Revolving Credit Facility ('RCF') includes a springing financial maintenance covenant. The Total Net Leverage Ratio is tested only if drawings under the RCF exceed 45% (€427.5m) of total commitments (€950m) at a Revolving Test Date. If the covenant is triggered, compliance is assessed semi-annually on 30 June and 31 December. The Total Net Leverage Ratio must not exceed 5.50:1 until 10 October 2028, and 5.00:1 thereafter.

As of 31 December 2025, RCF utilisation was below 45% and, accordingly, no financial covenant test was required. The Group complied with all applicable covenants during the reporting period. Further information on net debt and leverage is provided in note 25 Borrowings.

Note 23 Inventories

€m	2025	2024
Materials and consumables, gross	**295.8**	330.0
Provision for obsolescence	**(14.1)**	(13.8)
Inventory, net	**281.7**	**316.2**

The cost of inventory recognised as an expense and included in 'cost of sales' was €71.1m (€75.6m in 2024) in 2025.

Note 24 Trade receivables

Non-current

€m	2025	2024
Trade receivables before allowance for expected credit losses	**180.8**	152.5
Allowance for expected credit losses	**(44.6)**	(34.4)
Total	**136.2**	**118.1**

Current

€m	2025	2024
Trade receivables before allowance for expected credit losses	**404.1**	386.1
Allowance for expected credit losses	**(56.9)**	(69.8)
Total	**347.2**	**316.3**

Allowance for expected credit losses

€m	2025	2024
Balance at beginning of year	**104.2**	152.0
Allowance for expected credit losses	**54.2**	46.0
Receivables written off during the year as uncollectible[1]	**(54.8)**	(87.3)
Unused amounts reversed	**(1.8)**	(2.5)
Translation differences	**(0.3)**	(4.0)
Balance at end of year	**101.5**	**104.2**

1) The increase in receivables written off as uncollectible in 2024 is due to a clean up of old receivables. The clean up has not had any impact on the consolidated income statement.

Customer credit losses recognised in the Consolidated Income Statement totalled to €56.7m in 2025 (€45.4m in 2024).

Trade receivables and loss allowance – Months past due

€m	2025 Gross carrying amount – trade receivables	2025 Loss allowance	2024 Gross carrying amount – trade receivables	2024 Loss allowance
Not due	**438.0**	**14.2**	404.1	10.3
Past due 0–3 months	**53.6**	**9.4**	46.6	16.2
Past due 3–6 months	**19.1**	**12.5**	16.4	12.1
Past due 6–9 months	**16.4**	**12.0**	14.6	12.5
Past due 9–12 months	**14.9**	**12.1**	13.2	11.2
Past due >12 months	**42.9**	**41.3**	43.7	41.9
Total	**584.9**	**101.5**	**538.6**	**104.2**

Factoring

The carrying amounts of trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement the Group has transferred its rights to receive cash flows from the relevant receivables to a financing partner in exchange for cash. However, the Group has substantially retained all of the risks and rewards of ownership. The Group therefore continues to recognise the full receivable amount in the statement of financial position, amounting to €109.4m (€148.2m in 2024) as total trade receivables related to those under the factoring agreement. The liability related to the customer default risk amount under the factoring agreement is presented as a financial liability under borrowings, amounting to €241.3m (€289.5m in 2024).

Note 25 Borrowings

€m	2025 Principal amount	2025 Adjustment amortised costs	2025 Carrying amount	2024 Principal amount	2024 Adjustment amortised costs	2024 Carrying amount
Non-current liabilities						
Secured						
Senior Secured Notes	**975.0**	**(6.2)**	**968.8**	3,325.0	(18.8)	3,306.2
Term loan A	**1,290.0**	**(9.8)**	**1,280.2**	-	-	-
Term Loan B	**1,250.0**	**(6.3)**	**1,243.7**	2,525.0	(19.7)	2,505.3
Revolving Credit Facility	**66.3**	**(8.1)**	**58.2**	200.0	(5.9)	194.1
Unsecured						
Senior Unsecured Notes	**1,175.0**	**(6.7)**	**1,168.3**	1,305.9	(9.4)	1,296.5
Liabilities to other creditors[1]	**122.6**	**-**	**122.6**	143.6	-	143.6
Lease liabilities	**143.7**	**-**	**143.7**	134.3	-	134.3
Long-term borrowings	**5,022.6**	**(37.1)**	**4,985.5**	**7,633.8**	**(53.8)**	**7,580.0**
Current liabilities						
Accrued interest expenses	**58.6**	**-**	**58.6**	84.2	-	84.2
Liabilities to other creditors[1]	**205.9**	**-**	**205.9**	216.6	-	216.6
Lease liabilities	**65.3**	**-**	**65.3**	56.7	-	56.7
Short-term borrowings	**329.8**	**-**	**329.8**	**357.5**	**-**	**357.5**
Total	**5,352.4**	**(37.1)**	**5,315.3**	**7,991.3**	**(53.8)**	**7,937.5**

1) Liabilities to other creditors mainly consists of factoring liabilities. The non-current factoring liability amounted to €85.6m (€114.1m in 2024), and the current factoring liability amounted to €155.7m (€175.3m in 2024).

The Group's secured borrowings are jointly and severally guaranteed by some of the Group's direct and indirect subsidiaries and secured by liens on substantially all of their assets. An analysis of the security given is presented in note 28 Pledged assets and contingent liabilities.

Refer to note 11 Leases for more information regarding leasing.

Borrowings, currency and interest rate profile

The currency and interest rate profile of outstanding borrowing principals, excluding factoring financing and after taking into account the effect of the Group's currency and interest rate hedging activities, was as follows:

	Floating interest rate		Fixed interest rate			
2025	€m	Weighted average interest rate %	€m	Weighted average interest rate %	Weighted average period of which rate is fixed, years	Total €m
EUR	**1,422.5**	**5.1 %**	**3,150.0**	**4.8 %**	**3.6**	**4,572.5**
SEK	**275.0**	**5.4 %**	**-**	**-**	**-**	**275.0**
Total	**1,697.5**	**-**	**3,150.0**	**-**	**-**	**4,847.5**

	Floating interest rate		Fixed interest rate			
2024	€m	Weighted average interest rate %	€m	Weighted average interest rate %	Weighted average period of which rate is fixed, years	Total €m
EUR	1,450.1	7.8 %	5,500.0	4.7 %	3.0	**6,950.1**
SEK	405.9	7.1 %	-	-	-	**405.9**
Total	**1,856.0**	**-**	**5,500.0**	**-**	**-**	**7,356.0**

Cash flows related to borrowings

			Non-Cash changes 2025					
€m	Carrying amount 1 January 2025	Cash flows	Business combination	Change in adjustment amortised cost	New leases	Foreign exchange movement	New accrued interest	Carrying amount 31 December 2025
Long-term borrowings	**7,445.7**	**(2,626.3)**	**-**	**16.7**	**-**	**5.7**	**-**	**4,841.8**
Short-term borrowings	**216.6**	**(10.7)**	**-**	**-**	**-**	**-**	**-**	**205.9**
Accrued interest	**84.2**	**(84.2)**	**-**	**-**	**-**	**-**	**58.6**	**58.6**
Lease liabilities	**191.0**	**(66.7)**	**6.3**	**-**	**78.5**	**(0.1)**	**-**	**209.0**
Total borrowings	**7,937.5**	**(2,787.9)**	**6.3**	**16.7**	**78.5**	**5.6**	**58.6**	**5,315.3**
Cash and cash equivalents	**(30.1)**	**(2.1)**	**-**	**-**	**-**	**2.2**	**-**	**(30.0)**
Total	**7,907.4**	**(2,790.0)**	**6.3**	**16.7**	**78.5**	**7.8**	**58.6**	**5,285.3**

€m	Carrying amount 1 January 2024	Cash flows	Non-Cash changes 2024: Change in adjustment amortised cost	Non-Cash changes 2024: New leases	Non-Cash changes 2024: Foreign exchange movement	Non-Cash changes 2024: New accrued interest	Carrying amount 31 December 2024
Long-term borrowings	7,302.4	128.6	19.0	-	(4.3)	-	7,445.7
Short-term borrowings	199.4	17.2	-	-	-	-	216.6
Accrued interest	87.8	(87.8)	-	-	-	84.2	84.2
Lease liabilities	162.3	(61.0)	-	90.4	(0.7)	-	191.0
Total borrowing	**7,751.9**	**(3.0)**	**19.0**	**90.4**	**(5.0)**	**84.2**	**7,937.5**
Cash and cash equivalents	(21.4)	(9.8)	-	-	1.1	-	(30.1)
Total	**7,730.5**	**(12.8)**	**19.0**	**90.4**	**(3.9)**	**84.2**	**7,907.4**

Note 26 Other provisions

€m	2025: Staff-related provisions	Service related provisions	Provisions for legal claims	Other provisions	Total
Balance at beginning of year	**3.5**	**0.9**	**37.0**	**0.7**	**42.1**
Acquired through business combination	**-**	**-**	**-**	**2.9**	**2.9**
Reclassifications	**-**	**-**	**(3.5)**	**3.5**	**-**
Additional provisions	**1.3**	**-**	**35.6**	**2.8**	**39.7**
Utilised provisions	**(1.4)**	**(0.9)**	**(19.1)**	**(1.1)**	**(22.5)**
Reversal of provisions not used	**-**	**-**	**(14.0)**	**-**	**(14.0)**
Translation differences	**-**	**-**	**-**	**-**	**-**
Balance at end of year	**3.4**	**-**	**36.0**	**8.8**	**48.2**

The timing of utilisation of the provisions is uncertain and have therefore been included in non-current liabilities. The Group expects to utilise these provisions in more than 1 year, but in less than 5 years.

Legal claims

Legal claims provisions mainly relates to various general and product liability claims in the normal course of business. While the Group cannot predict the outcome of individual legal actions, where the exposure can be reliably measured and an outflow of economic benefits is considered probable, provisions are recognised following legal advice. There were no individually material provisions as at 31 December 2025.

Note 27 Accrued expenses and deferred income

€m	2025	2024
Deferred income	**211.2**	208.6
Employee related costs	**226.3**	184.4
Marketing-related and other external services	**58.2**	63.3
Goods received	**13.9**	13.5
Legal claims	**17.1**	15.4
Other items	**122.8**	91.6
Total	**649.5**	**576.8**

Unsatisfied long-term customer contracts

When the Group receives a payment but has not yet delivered the promised service, a contract liability arises which consists of deferred income for prepaid installation and services. A contract liability is accounted for until the performance obligation is performed or falls due for the customer to use and is then reported as revenue.

Aggregate amount of the customer contracts revenue allocated to long-term customer contracts that are partially or fully unsatisfied as of 31 December 2025 amounts to €824.7m (€823.7m in 2024). Management expects that 66.9% of the transaction price allocated to the partly unsatisfied contracts as of 31 December 2025 will be recognised as revenue during the year 2026, 28.0% is expected to be recognised during 2027 and 5.1% during 2028 or later. The Group does not include committed revenue with an outstanding contract period of 12 months or less. Since the Group does not include all contracts and has cancellable subscriptions, the amount of the outstanding unsatisfied performance obligations does not amount to expected revenue for future periods.

Liabilities related to contracts with customers

Customer contract liabilities comprise the Group's obligation to fulfil performance obligations to its customers for which it has received consideration in advance. This includes unearned revenue relating to prepaid services, installation revenue not considered to be a separate performance obligation and other contract liabilities.

When a customer pays consideration in advance, before the transfer of services, the amount received is recognised under prepayments in contract liabilities. The prepayments mainly include accrued subscriptions and prepayments according to contracts. The Group has recognised the following liabilities related to contracts with customers.

	2025		2024	
€m	Assets related to contracts with customers	Liabilities related to contracts with customers	Assets related to contracts with customers	Liabilities related to contracts with customers
Balance at beginning of year	**8.5**	**339.6**	6.5	321.6
Prepayments taken as revenue	**(24.1)**	**(282.1)**	(24.9)	(300.2)
New prepayments	**42.1**	**255.3**	26.7	320.8
Translation differences	**(0.2)**	**(0.7)**	0.2	(2.6)
Balance at end of year	**26.3**	**312.1**	**8.5**	**339.6**

Balance as of 31 December consists of (and where this is reported in the Consolidated Statement of Financial Position):

€m	2025	2024
Non-current assets, included in Trade and other receivables	**6.5**	0.4
Current assets, included in Prepayments and accrued income	**19.8**	8.1
Total assets related to contracts with customers	**26.3**	**8.5**
Non-current liabilities, included in Other non-current liabilities	**100.9**	131.0
Current liabilites, included in Accrued expenses and deferred income	**211.2**	208.6
Total liabilities related to contracts with customers	**312.1**	**339.6**

Note 28 Pledged assets and contingent liabilities

Pledged assets

€m	2025	2024
Net assets of subsidiaries	**13,515.7**	14,309.5
Bank accounts	**6.5**	6.2
Accounts receivables	**253.5**	363.4
Inventories	**1.1**	1.1
Other operating assets	**68.2**	65.8
Trademark	**48.5**	34.8
Endowment insurance	**0.5**	0.5

Contingent liabilities

€m	2025	2024
Guarantees	**42.7**	41.3

The Group has pledged shares in subsidiaries, certain bank accounts, trade receivables, intangible property rights, certain inventory assets, rights under insurance contracts, rights under acquisition agreements, and rights for the Group as collateral for bank borrowings, as disclosed in note 25 Borrowings. Guarantees relate mainly to warranties provided to suppliers.

Note 29 Events after the reporting period

There have been no significant events after the reporting period.

Independent auditors' report to the members of Verisure plc

Report on the audit of the group financial statements

Opinion

In our opinion, Verisure plc's group financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2025 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Consolidated Statement of Financial Position as at 31 December 2025;
- the Consolidated Income Statement for the year then ended;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Separate opinion in relation to international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union

As explained in note 2 to the financial statements, the group, in addition to applying UK-adopted international accounting standards, has also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In our opinion, the group financial statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("ISAs") and applicable law. Our responsibilities under ISAs (UK) and ISAs are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Context

This is our first year as external auditors of the group and the first accounting period following the corporate restructuring in which Verisure plc became the new UK ultimate parent company of the group. Verisure plc is a public limited company incorporated under the laws of England and Wales, and is listed on the NASDAQ Stockholm. As such, the group financial statements are subject to an audit in accordance with the requirements of the UK Companies Act 2006.

Overview

Audit scope

- The Group's headquarters are in the United Kingdom, however it maintains its head office finance team in Malmo, Sweden.
- We identified 40 legal entities, which when consolidated represent the Verisure plc Group, collectively and hereafter referred to as Verisure plc. Of the 40 components, we identified six which, in our view, required an audit of their complete financial information, either due to their size or their risk characteristics. In addition to the full scope audits, specific audit procedures were performed for one component on selected individually significant balances. This, together with additional procedures performed at group level, gave us the evidence we needed.
- We used component teams in seven countries to perform a combination of full scope audit procedures and audits of specific accounts or balances. Certain group financial statement disclosures and a number of complex areas, prepared by the head office finance function, were audited by the Sweden corporate component team.

Key audit matters

- Valuation of goodwill and customer portfolio assets
- Valuation of intangible assets (goodwill and customer portfolio assets) in relation to the ADT Mexico acquisition

Materiality

- Overall materiality: Euro 37 million based on 1% of total consolidated revenue.
- Performance materiality: Euro 27.75 million.

Independent auditors' report to the members of Verisure plc continued

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Valuation of goodwill and customer portfolio assets The Group has €7,702.8m of goodwill and €4,072.7m of customer portfolio assets per notes 18 and 19 respectively. The audit of goodwill and customer portfolio assets were areas of focus given the carrying value of the assets in comparison to the total consolidated assets. The carrying value of goodwill and customer portfolio assets are required to be supported by the higher of the future cash flows (value in use) or the fair value less cost to sell model. There is a risk that the goodwill and customer portfolio assets will be impaired if the cash flows do not meet the Group's forecast projections. The impairment review performed by the Group contain a number of estimates including discount rates, long-term sales growth rates and growth in Portfolio Services Adjusted EBITDA during the forecast periods. Changes in these assumptions could lead to an impairment to the carrying value of the goodwill and customer portfolio assets.	The following procedures have been performed: • Evaluated the design of management's controls to ensure the impairment assessment of goodwill and customer portfolio balances is appropriately performed; • Obtained management's impairment assessment and ensured the calculations were mathematically accurate; • Assessed management's determination of cash generating units; • Assessed the appropriateness of the model used; • Tested data in the model to ensure the data is complete and accurate; • Evaluated the work performed by the Group's valuation experts, by utilising a PwC valuation expert to conclude on the appropriateness of the model and discount rates applied; • Tested assumptions to support their reasonableness; and • Evaluated the company's sensitivity analysis over the significant assumptions used in the model. No material audit findings have been identified from our testing.

Key audit matter	How our audit addressed the key audit matter
Valuation of intangible assets (goodwill and customer portfolio assets) in relation to the ADT Mexico acquisition The Group acquired 100% of the shares and voting rights in ADT Private Security Services de Mexico S.A. de C.V. ("ADT Mexico") for total cash consideration of €207.5m per note 5. Management recognised goodwill of €93.3m and customer portfolio assets of €113.8m. Given the magnitude of the intangible assets relating to the ADT Mexico acquisition and the estimation involved in valuing the assets, we have determined that a high degree of resources (including experts) and effort were required in performing procedures related to the business combination.	The following procedures have been performed: • Evaluated the design of management's controls to ensure the purchase price allocation of intangible assets are appropriately performed; • Obtained management's purchase price allocation assessment and ensured the calculation is mathematically accurate; • Assessed the appropriateness of the model used; • Tested data in the model to ensure the data is complete and accurate; • Evaluated the work performed by the Group's valuation experts, by utilising a PwC valuation expert to conclude on the appropriateness of the model and discount rates applied; • Tested assumptions to support their reasonableness; and • Considered the adequacy of management's disclosure in respect of the ADT Mexico acquisition. No material audit findings have been identified from our testing.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which it operates.

The group's accounting process is structured around a local finance function in each of the group's reporting units. These functions maintain their own accounting records and controls (although transactional processing and certain controls for some reporting units are performed at a shared service centre) and report to the head office finance team based in Sweden through an integrated consolidation system.

In establishing the overall group audit strategy and plan, we determined the type of work that needed to be performed at the reporting units by the group engagement team and by component auditors from other PwC network firms. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting units so as to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the group financial statements as a whole.

For each reporting unit, we determined whether we required an audit of their complete financial information ("full scope") or whether procedures on specified accounts or balances would be sufficient. We determined that 6 full scope components were required because of their size. We maintained regular communication with the local teams during the planning, execution and completion phases of their audits. We directed the work of the component teams, reviewed their approach and findings and participated in the closing meetings of the significant components.

In addition, we determined that audit procedures over certain accounts or balances was required at one reporting unit to provide sufficient overall group coverage of particular financial statement line items. We performed a detailed review of the working papers for the significant components and other component team as deemed appropriate. We maintained regular communication with the local team during the planning, execution and completion phase of their audit. We directed the work of the component team, reviewed their approach and findings and participated in the closing meeting of the component.

The Swedish corporate component team performed audit procedures over certain areas that are managed by the corporate finance team based in Malmo, Sweden, including but not limited to group tax matters and the audit of the consolidation schedule.

Our full scope audits accounted for 70% of group revenue.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the group's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall group materiality	Euro 37 million.
How we determined it	1% of total consolidated revenue
Rationale for benchmark applied	We consider revenue to be the most appropriate benchmark to determine materiality for the group as revenue, which is a key metric used to assess the performance of the group.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between Euro 5.5 million and Euro 31.5 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to Euro 27.75 million for the group financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above Euro 3.7 million as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included:

- Obtaining from management their assessment which supports the Board's conclusions with respect to the going concern basis of preparation of the financial statements;
- Testing the mathematical integrity of the cash flow forecasts and the models which extend through to the end of 2027, and reconciling these to the Board approved budgets;
- Identifying and assessing management's alternate severe but plausible downside scenarios, and considering whether the assumptions in the downside scenario were reasonable and appropriate;
- Assessing the reliability of cash flow forecasts by comparing actual performance to forecasts, specifically performing lookback testing over the budgeted results of 2025; and
- Assessing the completeness of the going concern disclosures contained within the annual report.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Independent auditors' report to the members of Verisure plc continued

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

Auditors' 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 auditors' 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 (UK) and 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to data protection legislation, anti-bribery and competition law (including but not limited to the Foreign Corrupt Practices Act and the Proceeds of Crime Act), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting unauthorised manual journal entries to create fictitious

revenue during the reporting period and management bias in significant accounting estimates or judgments to manipulate results. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Holding discussions with Group management, legal and tax advisors, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Review of Board meeting minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgments;
- Identifying and testing journal entries based on our risk assessment and evaluating whether there was evidence of management bias that represents a risk of material misstatement due to fraud;
- Incorporating elements of unpredictability into the audit procedures performed; and
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements in accordance with ISAs (UK) is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

As part of an audit in accordance with ISAs, we exercise professional judgement 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, 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 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 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 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 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 fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the 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 those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent auditors' report to the members of Verisure plc continued

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

It is also our responsibility to assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- certain disclosures of directors' remuneration specified by law are not made.

We have no exceptions to report arising from this responsibility.

Report on other legal and regulatory requirements

We have checked the compliance of the consolidated financial statements of the company as at 31 December 2025 with the relevant statutory requirements set out in the ESEF Regulation that are applicable to financial statements. That is, for the company:

- The consolidated financial statements are prepared in a valid xHTML format;
- The XBRL markup of the consolidated financial statements uses the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the company as at 31 December 2025, have been prepared in a format that, in all material respects, enables uniform electronic reporting in compliance with the requirements laid down in the ESEF Regulation as described in the Directors' Report.

Other matter

We have reported separately on the company financial statements of Verisure plc for the period ended 31 December 2025 and on the information in the Annual Directors' Remuneration Report that is described as having been audited.

CHRISTOPHER BOREHAM (SENIOR STATUTORY AUDITOR)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
26 March 2026

Consolidated financial statements – Full year 2024, 2023, 2022

Consolidated income statement

EUR thousand	Note	2024	2023	2022
Revenue	4	**3,408,018**	3,089,970	2,827,022
Cost of sales	5, 7, 9, 10, 11	**(1,760,633)**	(1,604,045)	(1,495,240)
Gross profit		**1,647,385**	**1,485,925**	**1,331,782**
Selling expenses	5, 7, 9, 10, 11	**(390,992)**	(375,184)	(345,265)
Administrative expenses	5, 6, 7, 8, 9, 10, 11	**(953,881)**	(901,983)	(857,424)
Other income	5	**4,913**	4,277	4,757
Operating profit		**307,426**	**213,036**	**133,850**
Financial income	12, 15	**27,962**	15,883	950
Financial expenses	12	**(523,486)**	(549,556)	(337,725)
Profit or loss before tax		**(188,099)**	**(320,638)**	**(202,926)**
Income tax expense	13	**3,192**	42,687	(34,536)
Net profit or loss for the period		**(184,907)**	**(277,951)**	**(237,462)**
Earnings per share, before and after dilution	14	**(2.64)**	(3.97)	(3.39)

Consolidated statement of comprehensive income

EUR thousand	Note	2024	2023	2022
Net profit or loss for the period		**(184,907)**	**(277,951)**	**(237,462)**
Items that may not be reclassified to the income statement				
Re-measurement of defined benefit plan		**(757)**	(1,537)	1,633
Income tax related to these items	13	**299**	119	(120)
Items that may not be reclassified to the income statement		**(458)**	**(1,418)**	**1,513**
Items that may be reclassified to the income statement				
Change in hedging reserve		**13,205**	(5,146)	(8,583)
Currency translation differences on foreign operations		**(124,243)**	(47,631)	(220,899)
Income tax related to these items	13	**(2,720)**	1,060	1,768
Items that may be reclassified to the income statement		**(113,758)**	**(51,717)**	**(227,714)**
Other comprehensive profit or loss for the period		**(114,216)**	**(53,135)**	**(226,201)**
Total comprehensive profit or loss for the period		**(299,123)**	**(331,086)**	**(463,663)**

Consolidated statement of financial position

EUR thousand	Note	2024	2023	2022
Assets				
Non-current assets				
Property, plant and equipment	16	**1,574,056**	1,450,741	1,316,626
Right-of-use assets	17	**190,600**	159,342	157,255
Goodwill	18	**7,570,434**	7,651,016	7,694,963
Customer portfolio	19	**4,201,470**	4,574,762	4,914,528
Other intangible assets	20	**1,359,758**	1,378,151	1,355,849
Deferred tax assets	13	**136,921**	103,240	28,778
Derivatives	22	**–**	1,717	1,363
Trade and other receivables	15, 22, 24	**138,953**	176,420	104,542
Total non-current assets		**15,172,192**	**15,495,388**	**15,573,903**
Current assets				
Inventories	23	**316,233**	296,443	342,732
Trade receivables	22, 24	**316,340**	225,194	246,914
Current tax assets	13	**24,506**	11,071	12,434
Derivatives	22	**21,689**	140	6,244
Prepayments and accrued income	21	**94,000**	68,131	68,562
Other current receivables	15, 22	**79,311**	75,239	42,035
Cash and cash equivalents	22	**30,136**	21,403	43,726
Total current assets		**882,215**	**697,621**	**762,647**
Total assets		**16,054,408**	**16,193,009**	**16,336,550**

Consolidated statement of financial position

EUR thousand	Note	2024	2023	2022
Equity and liabilities				
Equity				
Share capital		**359,040**	359,040	359,040
Other paid in capital		**6,800,974**	6,819,872	6,817,949
Translation reserve		**(410,950)**	(286,707)	(239,076)
Hedging reserve		**13,430**	2,945	7,031
Retained earnings		**(889,863)**	(704,498)	(425,129)
Total equity		**5,872,631**	**6,190,652**	**6,519,815**
Non-current liabilities				
Long-term borrowings	22, 25	**7,579,974**	7,414,205	7,326,901
Derivatives	22	**24,877**	23,698	4,593
Other non-current liabilities	22	**137,032**	127,185	70,859
Deferred tax liabilities	13	**1,083,250**	1,178,357	1,249,486
Other provisions	26	**42,100**	34,780	16,815
Total non-current liabilities		**8,867,233**	**8,778,226**	**8,668,653**
Current liabilities				
Trade payables	22	**176,008**	171,164	188,664
Current tax liabilities		**104,181**	87,565	79,777
Short-term borrowings	22, 25	**357,517**	337,695	297,043
Derivatives	22	**30**	4,235	5,175
Accrued expenses and deferred income	27	**576,754**	546,676	516,907
Other current liabilities	22	**100,055**	76,795	60,517
Total current liabilities		**1,314,544**	**1,224,132**	**1,148,083**
Total liabilities		**10,181,777**	**10,002,357**	**9,816,736**
Total equity and liabilities		**16,054,408**	**16,193,009**	**16,336,550**

Consolidated statement of changes in equity

EUR thousand	Attributable to equity holders of the parent company					
	Share capital	Other paid in capital	Translation reserve	Hedging reserve	Retained earnings	Total
Balance as of 1 January 2024	**359,040**	**6,819,872**	**(286,707)**	**2,945**	**(704,498)**	**6,190,652**
Net profit for the period	**–**	**–**	**–**	**–**	**(184,907)**	**(184,907)**
Other comprehensive income	**–**	**–**	**(124,243)**	**10,485**	**(458)**	**(114,216)**
Total comprehensive income	**–**	**–**	***(124,243)***	***10,485***	***(185,365)***	***(299,123)***
Transactions with owners		**–**				**–**
Reduction of share capital with retirement	**(1,031)**	**(19,565)**	**–**	**–**	**–**	**(20,596)**
Bonus issue	**1,031**	**(1,031)**	**–**	**–**	**–**	**–**
Shareholder's contribution	**–**	**1,698**	**–**	**–**	**–**	**1,698**
Total transactions with owners	**–**	***(18,898)***	**–**	**–**	**–**	***(18,898)***
Balance as of 31 December 2024	**359,040**	**6,800,974**	**(410,950)**	**13,430**	**(889,863)**	**5,872,631**

EUR thousand	Attributable to equity holders of the parent company					
	Share capital	Other paid in capital	Translation reserve	Hedging reserve	Retained earnings	Total
Balance as of 1 January 2023	**359,040**	**6,817,949**	**(239,076)**	**7,031**	**(425,129)**	**6,519,815**
Net profit for the period	–	–	–	–	(277,951)	**(277,951)**
Other comprehensive income	–	–	(47,631)	(4,086)	(1,418)	**(53,135)**
Total comprehensive income	–	–	*(47,631)*	*(4,086)*	*(279,369)*	***(331,086)***
Transactions with owners						
Shareholder's contribution	–	1,923	–	–	–	**1,923**
Total transaction with owners	–	*1,923*	–	–	–	**1,923**
Balance as of 31 December 2023	**359,040**	**6,819,872**	**(286,707)**	**2,945**	**(704,498)**	**6,190,652**

EUR thousand	Attributable to equity holders of the parent company					
	Share capital	Other paid in capital	Translation reserve	Hedging reserve	Retained earnings	Total
Balance as of 1 January 2022	**359,040**	**6,816,933**	**(18,177)**	**13,846**	**(189,180)**	**6,982,462**
Net profit for the period	–	–	–	–	(237,462)	**(237,462)**
Other comprehensive income	–	–	(220,899)	(6,815)	1,513	**(226,201)**
Total comprehensive income	–	–	*(220,899)*	*(6,815)*	*(235,949)*	***(463,663)***
Transactions with owners						
Shareholder's contribution	–	1,016	–	–	–	**1,016**
Total transaction with owners	–	*1,016*	–	–	–	**1,016**
Balance as of 31 December 2022	**359,040**	**6,817,949**	**(239,076)**	**7,031**	**(425,129)**	**6,519,815**

Consolidated statement of cash flows

EUR thousand	Note	2024	2023	2022
Operating activities				
Operating profit		**307,426**	213,036	133,850
Adjustment for depreciation and amortisation	11	**1,068,653**	970,904	895,369
Adjustment for other non-cash items	9	**127,979**	105,510	87,081
Paid taxes		**(114,635)**	(91,239)	(77,133)
Cash flow from operating activities before change in working capital		**1,389,423**	**1,198,211**	**1,039,167**
Change in working capital				
Change in inventories		**(26,257)**	44,277	(86,977)
Change in trade receivables		**(62,444)**	(88,412)	(93,368)
Change in other receivables		**(56,421)**	15,584	(13,810)
Change in trade payables		**6,716**	(12,533)	(550)
Change in other payables		**79,508**	127,396	56,261
Cash flow from change in working capital		***(58,898)***	*86,312*	*(138,445)*
Cash flow from operating activities		**1,330,525**	**1,284,523**	**900,722**
Investing activities				
Investments in intangible and financial assets	19, 20	**(440,550)**	(418,892)	(400,739)
Investments in property, plant and equipment	16	**(478,243)**	(465,113)	(440,428)
Prepayment of intangible assets		**–**	–	157
Cash flow from investing activities		**(918,793)**	**(884,005)**	**(841,010)**
Financing activities				
New financing		**1,050,000**	450,000	500,000
Repayment of financing		**(900,000)**	(200,000)	(500,000)
Change in revolving credit facility		**531**	(240,396)	219,784
Repayment of lease liability		**(60,950)**	(54,422)	(49,154)
Change in other borrowings		**(13,740)**	102,311	110,488
Interest received		**1,902**	1,849	950
Interest paid		**(466,736)**	(453,755)	(304,813)
Paid bank and advisory fees		**(10,978)**	(5,416)	(6,441)
Other financial items		**(1,926)**	(21,852)	(11,043)
Cash flow from financing activities		**(401,897)**	**(421,681)**	**(40,230)**
Cash flow for the period		**9,835**	**(21,163)**	**19,482**
Cash and cash equivalents at start of period		**21,403**	43,726	24,360
Exchange difference on translating cash and cash equivalents		**(1,101)**	(1,160)	(116)
Cash and cash equivalents at end of period		**30,136**	**21,403**	**43,726**

Notes to the consolidated financial statements

Note 1 General company information

Information regarding Verisure Group Topholding AB
Verisure Group Topholding AB is a private limited liability company incorporated in August 2021, in and under the laws of Sweden with the registration number 559336-2071 and with its registered office in Malmö. Verisure Group Topholding AB's address is Box 392, 201 23 Malmö, and the head office is based in Geneva, Switzerland.

Verisure Group Topholding AB is directly and wholly owned by Aegis Lux 2 S.à r.l. The ultimate parent entity is Aegis Lux 1A S.à r.l., which operates in and under the laws of Luxembourg. Aegis Lux 1A S.à r.l. is controlled by Hellman & Friedman, a global private equity investment firm. The annual report for Aegis Lux 1A S.à r.l. can be found at the registered office of Aegis Lux 1A S.à r.l., 15 Boulevard F.W Raitteisen, L-2411 Luxembourg.

Nature of operations
The group in which Verisure Group Topholding AB is the parent company, hereafter referred to as "the Group", is a provider of monitored security services for homes and small businesses in Europe and Latin America. We protect over 5.6 million customers across 17 countries.

Note 2 Accounting policies

The most important accounting policies in the preparation of these consolidated financial statements are described below. These policies were applied consistently for all years presented, unless otherwise stated.

New standards and amendments
Certain new accounting standards and amendments to accounting standards have been published that are mandatory and have been adopted by the Group as of December 2024. These accounting standards and amendments have not had any material impact on the Group.

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory as of the 31 December 2024 reporting period and have not been early adopted by the Group. The Group does not expect these amendments to have a material impact on the operations or the Group financial statements, except for IFRS 18 explained below.

IFRS 18 Presentation and Disclosure in Financial Statements
IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements to achieve better comparability of the financial performance of similar entities. IFRS 18 is expected to change the presentation of the Consolidated Income statement and to differentiate between earnings from operating activities, investment activities and financing activities, and will add additional disclosures. However, IFRS 18 will not change any accounting policies on recognition and measurement, hence it will not change reported net profit. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, and the Group is not planning to early adopt.

Basis of presentation
Compliance with IFRS
These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the EU. The accounting policies are unchanged compared with those applied in 2023 and 2022.

Historical cost convention
The consolidated financial statements have been prepared on a historical cost basis, except where a fair value measurement is required according to IFRS (e.g., for derivative financial instruments, which have been measured at fair value, and pension liabilities related to defined benefit plans).

Basis of consolidation | IFRS 10 & IFRS 12
Subsidiaries are all entities of which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

All inter-company transactions, balances and unrealised gains and losses attributable to inter-company transactions are eliminated in the preparation of the consolidated financial statements. The accounting principles used by subsidiaries are adjusted where necessary to ensure consistency with the principles applied by the Group.

Foreign currency translation | IAS 21
Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured by using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in euro (EUR), which is the parent company's functional and presentation currency.

Transactions and balances
Transactions in foreign currency are translated into the functional currency using the exchange rates at the dates of the transactions. Exchange differences on monetary items are recognised in the consolidated income statement when they arise. Exchange differences from operating items are recognised as either cost of sales or selling or administrative expenses, while exchange differences from financial items are recognised as financial income or financial expenses. When preparing the

financial statements of individual companies, foreign currency denominated receivables and liabilities are translated to the functional currency of the individual company using the exchange rates at each balance sheet date.

Segment reporting | IFRS 8
The Group's operating segments are identified by grouping together the business by revenue stream, as this is the basis on which information is provided to the Chief Operating Decision Maker (CODM) for the purposes of allocating resources within the Group and assessing the performance of the Group's businesses. The Group has identified the management team as its CODM. The segments identified based on the Group's operating activities are customer acquisition, portfolio services and adjacencies which are explained further in note 4.

Revenue recognition | IFRS 15
The Group's revenue is mainly generated from the recurring monthly fees in the portfolio segment, which account for approximately 85% of the Group's total revenue. This revenue comes from providing monitored security services. The service includes 24/7 monitoring, expert verification and response, customer care, maintenance, and professional technical support. The remaining part of the revenue is mainly generated from security audits and installations in the customer acquisition segment, invoiced services, and product sales.

Within our customer contracts we have identified two performance obligations, security audit and installation as well as monitoring. For security audit and installation the revenue is recognised when the products are installed at our customers premises. Income from alarm monitoring services is recognised over time during the period to which the service relates.

For customer agreements containing multiple deliverables (security audit and installation as well as monitoring services) the transaction price is allocated to each performance obligation based on the stand-alone selling prices. The stand-alone selling price for the installation is calculated based on the cost for the installation with a margin based on external benchmarks. Any amount invoiced as installation fee which differs from the calculated stand-alone selling price for the installation service is recognised on a linear basis over the contract period.

Revenue from the sale of other products and services is recognised when the product is transferred to the customer or when the service is performed.

Financing
To enhance the payment plan flexibility to our customers, some of the Group's entities offer to finance part of the upfront fee, i.e., the customer gets the opportunity to pay the financed amount in monthly instalments typically over a three-year period. This offered service supports the Group's growth and profitability targets and may be arranged in two alternative ways; external or internal financing.

External financing
The Group enters into factoring arrangements whereby customer receivables are transferred to our financing partner in exchange for cash. When the Group retains the customer payment default risk on the factored customer receivables the Group continues to recognise these receivables in the consolidated financial statements with a corresponding financial liability until such time as the full amount of receivables is collected under the factoring arrangement from the customer.

Internal financing
In case of internal financing, the customer is first invoiced with all instalments relating to the amount of financed upfront fee. The financed amount is broken down into monthly instalments which is collected from the customer by the Group. In this case the Group assumes the credit risk.

Business combinations | IFRS 3
Business combinations are accounted for using the acquisition method. The consideration for the business combination is measured at fair value on the acquisition date, which is equivalent to the sum of the fair value of assets transferred, liabilities that arise or are assumed and equity ownership issued in exchange for control of the acquired business, as of the date of acquisition. The consideration also includes fair value on the acquisition date of any assets or liabilities arising from a contingent consideration arrangement. Acquisition related costs are recognised in the consolidated income statement during the period in which they are incurred.

Measurement adjustments to the fair value of consideration transferred or of the acquired identifiable assets and liabilities as a result of additional information received during the measurement period, concerning facts and circumstances at the time of the acquisition date, qualify as adjustments of the business combination and require retrospective restatement with corresponding adjustment of goodwill. The measurement period ends on the earlier of the date when the Group receives the information needed, or determines that the information cannot be obtained and one year after the acquisition date.

Operating expenses
The Group's business model involves sales and installation being carried out primarily by the same individuals. The costs of these activities are recognised in gross profit. This means that "cost of sales" includes some costs that are actually selling expenses but cannot be allocated to a specific function.

Employee benefit expense | IAS 19
Post-employment obligations
Our employees in Norway, Denmark, Sweden, France, Belgium, the Netherlands, the United Kingdom, Finland, Germany and Switzerland have a pension plan, whereas our employees in Argentina, Chile, Brazil, Spain, Portugal, Italy and Peru do not. We offer both defined contribution and defined benefit pension plans. Defined contribution plans are post-employment benefit schemes under which we pay fixed contributions into a separate legal entity and have no legal or constructive obligation to pay further contributions. Costs for defined contribution schemes are expensed in the period during which the employee carried out his or her work. Costs are in line with the payments made during the period.

All pension liabilities in Sweden are classified as defined contribution plans, except pensions for office-based staff which are through a national multi-employer pension plan, which is funded in the same manner as a defined benefit plan. The percentage of contribution depends on the level of employee participation and salaries in each country.

Defined benefit plans are post-employment benefit schemes other than defined contribution plans. The Group has defined benefit plans of limited scope in France and Switzerland. For these plans, amounts to be paid as retirement benefits are determined by reference to a formula usually based on employees' earnings and/or years of service.

Share-based payments | IFRS 2

Equity plan

A limited number of leaders in the Group participate in an equity plan, which allows them to acquire shares at fair market value in Aegis Lux 2 S.à r.l., either directly or through a legal entity. As the investment is done at a fair market value and with participants' out-of-pocket resources, there is no benefit for the employees.

Share option plan

Certain employees of the Group are granted share options in Aegis Lux 2 S.à r.l. The share option plan is settled through equity and disclosed accordingly. Hence, the options are recognised as an employee benefit expense, with a corresponding increase in equity during the vesting period. The total amount to be expensed is determined by reference to the fair value of the options granted. The fair value at grant date is determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model.

Taxes | IAS 12

Income taxes

Income taxes include current and deferred tax. These taxes have been calculated at a nominal amount according to each country's tax rate that have been defined or announced and are highly likely to become affected.

Current tax

Current tax is tax that is paid or received for the current year and includes any adjustments to current tax for prior years. In the case of items recognised directly in equity or other comprehensive income, any tax effect on equity or other comprehensive income is also recognised as such.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred income tax is recognised using the balance sheet method, which means that deferred income tax is calculated on all temporary differences between the tax bases of assets and liabilities and their carrying amounts. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profits nor the accounting profit, and does not give rise to taxable or deductible temporary differences of equal size.

Deferred tax is calculated at tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited to the consolidated income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also recognised in other comprehensive income.

Deferred tax assets on losses carried forward are recognised to the extent that it is probable that future taxable profits will be available against which the amounts can be utilised. Even though no statutory profits are forecasted, deferred tax assets (resulting from both deductible temporary differences, unused tax losses and unused tax credits) is recognised up to the amount of deferred tax liability if the reversals of deferred tax assets occur during the same period of the reversals of deferred tax liability. The carrying amount is reviewed on each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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.

Property, plant and equipment | IAS 16 & IAS 36

Property, plant and equipment are recognised at cost less accumulated depreciation and any cumulative impairment losses.

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

Alarm equipment	5–15 years
Other machinery and equipment	3–10 years

The useful lives and residual values of Group assets are determined by management at the time of acquisition and are reviewed annually for appropriateness. The assets´ lives are based primarily on historical experience with regards to the lifecycle of customers, as well as anticipation of future events that may have an impact, such as technological tendencies and macroeconomic factors.

Alarm equipment is considered as devices installed in customers' premises. Other machinery and equipment are primarily IT-equipment and furniture.

An asset's residual value and value-in-use are annually reviewed, and adjusted if appropriate, on the defined reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than the estimated recoverable amount. Gains and losses on disposals are recognised in the consolidated income statement as cost of sales.

Leases | IFRS 16

The Group recognises a right-of-use asset and a lease liability on the commencement date of the lease. The right-of-use asset is initially measured by cost, which comprises the initial amount of the lease liability adjusted with any lease payments made at or before the commencement date. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted with 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 incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as the discount rate. The incremental borrowing rate varies for each of the Group's entities and is based on the calculation of the cost of debt in the Group's overall weighted average cost of capital (WACC) calculation. It also considers what kind of asset is leased, as well as the contract period. The Group evaluates the rates annually and updates them according to any new contracts when necessary. When material changes are made in a contract, the Group also reevaluates the discount rate and updates it as appropriate.

Lease payments included in the measurement of the lease liability are comprised of fixed payments, variable lease payments that depend on an index or rate, and the amounts expected to be payable under a residual value guarantee.

Non-lease components are included in vehicle leases, but not in leases of buildings.

The lease liability is measured at an 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 or if the Group changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

The Group does not recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments as an expense on a straight-line basis over the lease term.

Intangible assets | IAS 36, IAS 38 and IFRS 15

Goodwill

Goodwill is allocated to the lowest levels for which there are separately identifiable cash flows or cash generating units (CGUs). Goodwill is not subject to amortisation and is tested for impairment annually, or as soon as there is an indication that the asset has declined in value and carried at cost less accumulated impairment losses.

Customer portfolio

The customer portfolio includes contract portfolios from business combinations and customer acquisition costs. Customer portfolio from business combinations acquisitions is principally represented by acquired customer portfolio and have finite useful lives. Customer portfolios acquired through business combinations are recognised at their fair value at the acquisition date and are amortised on a straight-line basis over their estimated useful lives.

The customer acquisition costs are the incremental costs for obtaining a contract, i.e. the costs that an entity incurs to obtain a contract with a customer, that it would not have incurred if the contract had not been obtained. This is mainly related to sales commissions to the sales force, paid when a new contract is signed. The customer acquisition costs are reported at cost less accumulated amortisation.

Amortisation is based on the asset's cost and allocated on a straight-line basis over the estimated useful life. The estimation of useful life is based on historical and statistical data showing how long until the customer cancels the contract with the Group.

Other intangible assets

Other intangible assets are primarily computer software, development costs and trademarks. Trademarks have been capitalised only in those cases where they have been acquired in a business combination.

Trademarks with indefinite useful lives are carried at cost less accumulated impairment losses, and are not amortised but tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Software that fulfils the capitalisation criteria are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over the asset's estimated useful life.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the capitalisation criteria are met. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Amortisation for all intangible assets, with a definite useful life, is measured using the straight-line method, as follows:

Customer portfolio	4–15 years
Computer software	3–10 years
Other intangible assets	3–10 years

Impairment of non-financial assets | IAS 36

Assets with an indefinite useful life are not subject to amortisation and are tested for impairment annually or as soon as an indication emerges that they have decreased in value.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the recoverable amount may fall short of the carrying amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows or cash generating units (CGUs).

Financial instruments | IFRS 9

Financial assets – classification and measurement

The Group classifies and measures its financial assets in the categories at amortised cost and at fair value through profit or loss. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Debt instruments

Financial assets at amortised cost

The Group's financial assets measured at amortised cost consists of non-current trade and other receivables, current trade receivables, other current receivables, cash and cash equivalents.

Financial assets at fair value through profit or loss

Assets that do not fulfil the conditions for measurement at amortised cost are measured at fair value through profit and loss. A profit or loss for a debt instrument measured at fair value through profit or loss and that is not included in a hedging relationship is recognised as net in the Consolidated income statement in the period in which the profit or loss arises. Any holdings of derivatives that have not been designated as hedging instruments are placed in this category. Accounting principles for derivatives for hedge accounting are described under the section "Derivatives and hedge accounting" below.

Financial liabilities – classification and measurement

Financial liabilities at amortised cost

The Group's financial liabilities consist of long-term borrowings, other non-current liabilities, trade payables, short-term borrowings and other current liabilities.

Impairment of financial assets recognised at amortised cost

The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach, i.e. the reserve will correspond to the expected loss over the lifetime of the trade receivables. To measure the expected credit losses, trade receivables have been grouped based on days past due. Expected credit losses are based on historical loss rates that are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. In cases when the Group has more information on customers than the statistical model reflects, a management overlay is made for those specific customers. Expected credit losses are recognised under "cost of sales" in the consolidated income statement.

Derivatives and hedge accounting

Derivatives are reported in the balance sheet on the date of contract at fair value, both initially and at subsequent remeasurement at the close of each reporting period. The method used to report the gain or loss arising on remeasurement depends on whether the derivative was designated as a hedging instrument, and if so, the nature of the item hedged. The Group designates certain derivatives as hedging of a particular risk attributable to a highly probable forecast cash flow transaction (cash flow hedging). The Group does not use derivative financial instruments for speculative purposes.

When the transaction is entered into, the Group documents the relationship between the hedging instrument and the hedged item, as well as the Group's objective for the risk management and the risk management strategy relating to the hedge. The Group also documents its assessment, both when the hedge is entered into and on an ongoing basis, of whether the derivatives used in hedging transactions have been and will continue to be effective as regards countering changes in the cash flows attributable to the hedged items.

Information concerning the fair value of various derivatives used for hedging purposes can be found in note 22 Financial risk management. The entire fair value of a derivative that is a hedging instrument is classified as a non-current asset or non-current liability if the remaining term of the hedged item is more than 12 months, and as a current asset or current liability if the remaining term of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Transaction exposure – cash flow hedging

Currency exposure relating to future contracted and forecast cash flows is hedged through forward currency contracts. The currency forwards that hedge the forecast cash flow are recognised in the balance sheet at fair value. The effective portion of changes in the fair value of the forward contract is recognised in other comprehensive income and accumulated in equity as long as the hedge is effective. The ineffective portion of the change in value is recognised immediately in the Consolidated income statement. If the hedge is not effective or if the hedged forecast transaction is no longer expected to occur, accumulated gains or losses are recognised immediately in net profit for the year. The amount that was recognised in equity via other comprehensive income is reversed to net profit for the year in the same period as that in which the hedged item affects net profit for the year. When a hedging instrument expires or is sold, terminated or exercised, or if the Group fails to designate the hedging relationship before the hedged transaction has occurred and the forecast transaction is still expected to occur, the reported accumulated gain or loss remains in the hedging reserve in equity and is recognised in the same way as above when the transaction occurs.

Derivatives that are not designated as hedging instruments

Changes in the fair value of any derivative instrument that have not been designated as hedging instruments are recognised immediately in profit or loss.

Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

Borrowing

Borrowings are recognised at amortised cost net after transaction costs, applying the effective interest method.

Borrowing is classified under current liabilities unless the Group has an unconditional right to defer payment of the debt for at least 12 months after the closing date.

Inventories | IAS 2

Inventories are stated at the lower of cost and net realisable value. The cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of inventories. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable direct selling expenses. The cost of inventories is determined by using the first-in first-out method. Provisions for obsolescence are included in the value for inventory.

Provisions | IAS 37

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Obligations expected to be settled within 12 months of the reporting date are included within current liabilities.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Hyperinflation | IAS 29

The Group's subsidiary in Argentina operates in a hyperinflationary environment. To reflect changes in purchasing power at the balance sheet date, the carrying amounts of non-monetary assets and liabilities, shareholders' equity, and comprehensive income are restated in terms of a measuring unit current at the balance sheet date. These are indexed using a general price index in accordance with IAS 29. Gains and losses on the net monetary position are included as a financial income or financial expense.

Note 3 Critical accounting judgements and significant accounting estimates

In preparing the consolidated financial statements and applying the Group's accounting policies, management must make assumptions and estimates concerning the future that affect the carrying amounts of assets and liabilities at the balance sheet date, the disclosure of contingencies that existed on the balance sheet date and the amounts of revenue and expenses recognised during the accounting period. Such assumptions and estimates are based on factors such as historical experience, the observance of trends in the industries in which the Group operates and information available from the Group's customers and other outside sources. These assumptions and estimates are based on management's best information about current and future events and actions and are continuously evaluated by management.

Due to the inherent uncertainty involved in making assumptions and estimates, actual outcomes could differ and result in material variances. An analysis of key areas of estimates uncertainties at the balance sheet date that may have a significant risk of causing a material adjustment to the carrying amounts of the Group's assets and liabilities within the next financial year is discussed below.

- Revenue recognition (note 4 Segment reporting).
- Impairment of goodwill and other non-financial assets (note 18 Goodwill and intangible assets with indefinite useful lives).
- Measurement of tax provisions and deferred income tax assets and liabilities (note 13 Taxes).
- Depreciation period for alarm equipment and amortisation period for customer portfolio (note 2 Accounting policies, note 16 Property, plant and equipment and note 19 Customer portfolio).

Revenue recognition

Revenue recognition in the Group requires management to make judgements and estimates, mainly to determine the stand alone selling prices. Determining whether revenues should be recognised immediately or be deferred require management to make judgements on the stand alone selling price of each performance obligation. The stand alone selling price of the security audit and installation revenue depends on the estimated installation cost and a margin based on an external benchmark.

Impairment of goodwill and other non-financial assets

In accordance with the accounting principle presented in note 2, goodwill and other intangible assets that have an indefinite useful life, are not subject to amortisation. Instead, assets with an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations. The calculation of the value-in-use is based on estimated future cash flows. In calculating the net present value of the future cash flow, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of:

- Long-term sales growth rates;
- Growth in adjusted EBITDA;
- Timing and quantum of future capital expenditure;
- Change in working capital; and
- The selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, especially the assumptions regarding discount rate and growth rate, could significantly affect impairment evaluation and hence the result. For further details on the test of impairment of goodwill and that have an indefinite useful life, see note 18.

Measurement of tax provisions and deferred income tax assets and liabilities

The Group is liable to pay income taxes in various countries. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain tax positions, the resolution of which is uncertain until an agreement has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits, losses and/or cash flows.

The complexity of the Group's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Group, and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which we operate. For further information regarding tax provisions, refer to note 13 Taxes.

Issues can, and often do, take many years to resolve. Payments in respect to tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As an outcome, there may be substantial differences between the tax charge in the consolidated income statement and tax payments, including potential tax cash flow impact from future implementation of local accounting regulation. The Group has also exercised significant judgement regarding net operating loss utilisation.

Moreover, the Group has exercised significant judgements regarding the recognition of deferred tax assets. The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of deductible temporary differences can be made. Where the temporary differences related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax assets have been recognised.

The amounts recognised in the consolidated financial statements in respect of each matter are derived from the Group's best estimation and judgement as described above. However, the inherent uncertainty regarding the outcome of these items means any resolution could differ from the accounting estimates and therefore impact the Group's consolidated income statement and cash flow. For further information regarding tax losses, refer to note 13 Taxes.

Depreciation period for alarm equipment and amortisation period for customer portfolio
The useful lives and residual values of Group assets are determined by management at the time of sale and are reviewed annually. The lives are based primarily on historical experience with regards to the lifecycle of customers, as well as anticipation of future events that may impact the useful life, such as technological evolution e.g., 2G/3G network shutdown and macroeconomic factors.

The charge in respect of periodic depreciation for alarm equipment as well as the amortisation of the customer portfolio, is derived after determining an estimate of expected useful life of alarm equipment, established useful life of customers, and the expected residual value at the end of life. A decrease in the expected life of an asset or its residual value results in an increase depreciation/amortisation charge being recorded in the consolidated income statement. A change in +/– 10 percentage points in depreciation and amortisation would impact the operating profit of approximately EUR 87 million (82 in 2023, 48 in 2022).

Note 4 Segment reporting

The Group's operating segments are identified by grouping together the business by revenue stream, as this is the basis on which information is provided to the Chief Operating Decision Maker (CODM) for the purposes of allocating resources within the Group and assessing the performance of the Group's businesses. The Group has identified the company management team as its CODM. The segments identified based on the Group's operating activities are customer acquisition, portfolio services and adjacencies. Separate disclosed items (SDIs), depreciation and amortisation, retirement of assets, financial items and taxes are not reported per segment. SDIs that affects adjusted EBITDA typically includes one-time costs related to various projects within the Group.

Portfolio services
The portfolio services segment provides a full security service to our customers for a monthly subscription fee. We typically enter into self-renewing monitoring agreements with customers at the time of installation and the majority of customers pay via direct debit. Our service includes 24/7 monitoring, expert verification and response, customer care, maintenance, and professional technical support to existing customers.

Customer acquisition
This segment develops, sources, purchases, provides and installs alarm systems for new customers in return for an upfront sales or installation fee.

Sales and installations can be performed both by our own employees as by external partners. Each new customer generates installation income that is recognised once the installation of the alarm equipment has been completed. The Group's costs for materials, installation, administration and marketing generally exceed the non-recurring income, resulting in negative cash flow for the segment.

Adjacencies
The adjacencies segment contains remote monitoring and assistance, services for senior citizens as well as the sale of Arlo cameras, video surveillance services in retail and online channels across Europe. These sales are not considered as part of our core alarm business, and the revenue is therefore categorised as adjacencies.

	2024							
EUR thousand	Customer acquisition	Portfolio services	Adjacencies	Total Group – Excl SDIs	SDIs	Group total	Add-back of SDIs and acquisition related items	Group total for Adjusted EBIT
Revenue	**367,368**	**2,947,809**	**92,841**	**3,408,018**	**–**	**3,408,018**	**–**	**3,408,018**
Adjusted EBITDA	**(627,441)**	**2,141,888**	**19,594**	**1,534,042**	**(32,149)**	**1,501,892**	**32,149**	**1,534,042**
Depreciation and amortisation				**(499,920)**	**(568,730)**[1)]	**(1,068,649)**	**475,484**[1)]	**(593,166)**
Retirements of assets				**(121,806)**	**(4,011)**	**(125,817)**	**4,011**	**(121,806)**
Adjusted EBIT								**819,070**
Financial items				**(461,696)**	**(33,829)**	**(495,525)**		
Net profit or loss before tax				**450,620**	**(638,719)**	**(188,099)**		

EUR thousand	2023 Customer acquisition	Portfolio services	Adjacencies	Total Group – Excl SDIs	SDIs	Group total	Add-back of SDIs and acquisition related items	Group total for Adjusted EBIT
Revenue	**362,273**	**2,635,294**	**92,404**	**3,089,970**	**–**	**3,089,970**	**–**	**3,089,970**
Adjusted EBITDA	**(551,063)**	**1,885,310**	**6,309**	**1,340,556**	**(42,457)**	**1,298,099**	**42,457**	**1,340,556**
Depreciation and amortisation				(402,467)	(568,437)[1)]	**(970,904)**	438,475[1)]	**(532,429)**
Retirements of assets				(114,159)	–	**(114,159)**	–	**(114,159)**
Adjusted EBIT								**693,968**
Financial items				(450,822)	(82,852)	**(533,674)**		
Net profit or loss before tax				**373,108**	**(693,746)**	**(320,638)**		

EUR thousand	2022 Customer acquisition	Portfolio services	Adjacencies	Total Group – Excl SDIs	SDIs	Group total	Add-back of SDIs and acquisition related items	Group total for adjusted EBIT
Revenue	**385,954**	**2,358,158**	**82,910**	**2,827,022**	**–**	**2,827,022**	**–**	**2,827,022**
Adjusted EBITDA	**(544,949)**	**1,694,334**	**2,424**	**1,151,810**	**(35,488)**	**1,116,322**	**35,488**	**1,151,810**
Depreciation and amortisation				(326,437)	(568,933)[1)]	**(895,370)**	407,495[1)]	**(487,875)**
Retirements of assets				(87,102)	–	**(87,102)**	–	**(87,102)**
Adjusted EBIT								**576,833**
Financial items				(322,438)	(14,338)	**(336,776)**		
Net profit or loss before tax				**415,833**	**(618,759)**	**(202,926)**		

1) EUR (475,484) thousand in 2024 ((438,475) in 2023 and (407,495) in 2022) reflects acquisition related items related to amortisation and depreciation impact in operating profit from the 2020 Business Combination. This impact is excluded from operating profit to reflect the underlying business performance absent the 2020 Business Combination.

Geographical distribution of revenue

Our operating segments Customer acquisition and Portfolio services are represented in all of the geographical regions presented. The operating segment Adjacencies is only represented in the Iberia and Nordics and Central and other geographical regions.

EUR thousand	2024	2023	2022
Iberia and Nordics[1)]	**1,852,587**	1,731,259	1,671,551
Other Europe[2)]	**1,200,481**	1,044,470	893,638
Latam	**303,058**	263,166	218,451
Central and other[3)]	**51,892**	51,075	43,381
Total	**3,408,018**	**3,089,970**	**2,827,022**

1) Of this, EUR 1,187 million relates to revenue in Spain (EUR 1,085 million in 2023 and EUR 998 million in 2022), and EUR 294 million relates to Sweden (EUR 274 million in 2023 and EUR 288 million in 2022).
2) Of this, EUR 594 million relates to revenue in France (EUR 529 million in 2023 and EUR 465 million in 2022).
3) Relates to certain adjacencies revenue in different countries in Europe which is not considered part of the Group's core business.

Geographical distribution of non-current assets

EUR thousand	2024	2023	2022
Spain	**4,811,150**	4,982,775	5,034,927
France	**1,913,577**	1,905,287	1,919,846
Sweden	**3,206,551**	3,276,169	3,232,254
Remaining countries	**5,103,995**	5,226,202	5,356,731
Total	**15,035,272**	**15,390,433**	**15,543,758**

The above table comprises of the following balances presented in the consolidated statement of financial position: intangible assets, property, plant and equipment, right-of-use assets and other non-current receivables that are not financial instruments.

Note 5 Operating expenses by type

EUR thousand	2024	2023	2022
Employee benefit expense	**1,243,579**	1,157,660	1,067,448
Depreciation and amortisation expense	**1,068,653**	970,904	895,369
Retirement of assets[1)]	**125,817**	114,159	87,102
Cost of materials	**75,565**	73,146	91,440
Marketing-related costs	**228,408**	203,035	213,554
Other expenses	**363,485**	362,306	343,015
Total	**3,105,506**	**2,881,211**	**2,697,928**

1) Details of retirement of assets are presented in note 16 Property, plant and equipment.

EUR thousand	2024	2023	2022
Exchange rate differences included in operating profit	**5,430**	1,931	(3,514)

Exchange rate differences included in financial income and expenses are shown in note 12 Financial Income and Expenses.

Note 6 Audit fees

EUR thousand	2024	2023	2022
PwC			
Audit assignments	**2,366**	1,968	1,822
Audit related assurance services	**150**	111	88
Other services[1)]	**619**	310	852
Total PwC	**3,135**	**2,389**	**2,762**
Other auditors			
Audit assignments	**24**	24	15
Total other auditors	**24**	**24**	**15**
Total for the Group	**3,159**	**2,413**	**2,777**

1) Mainly related to assurance services for debt refinancing.

Note 7 Employee information

Average number of full-time equivalent employees (FTEs) and headcount

Number	2024	2023	2022
Average number of full-time equivalent employees (FTEs)	**25,340**	24,404	22,690
Headcount as of 31 December	**28,556**	28,137	26,315

Remuneration for Board of Directors, CEO, other Key Executive Management and other employees

	2024			2023			2022		
EUR thousand	Board of Directors, CEO and other Key Executive	Other employees	Total	Board of Directors, CEO and other Key Executive	Other employees	Total	Board of Directors, CEO and other Key Executive	Other employees	Total
Salary and other benefits[1]	**5,239**	**923,778**	**929,017**	5,342	858,411	**863,753**	5,587	788,284	**793,871**
Shared based payment	**430**	**1,268**	**1,698**	430	1,742	**2,172**	513	597	**1,110**
Social security costs	**559**	**257,224**	**257,783**	709	241,611	**242,320**	675	228,584	**229,259**
Pension costs	**239**	**54,842**	**55,081**	256	49,160	**49,416**	277	42,931	**43,208**
Total	**6,466**	**1,237,113**	**1,243,579**	**6,736**	**1,150,925**	**1,157,660**	**7,051**	**1,060,397**	**1,067,448**

1) Including restructuring costs and other termination benefits.

CEO and other Key Executive Management have a 12 months' notice period corresponding to an amount of EUR 7,413 thousand in 2024, compared to EUR 7,052 thousand in 2023 and EUR 7,461 thousand in 2022.

Note 8 Employee option plan

Certain employees of the Group participate in a management option plan and are granted share options in Aegis Lux 2 S.à r.l. as a part of their compensation. The options vest in instalments over a period of a maximum of five years.

Set out below are summaries of options granted under the plan:

Number of options	2024	2023	2022
Balance at beginning of year	**1,406,180**	1,478,989	1,309,166
Granted during the year	**161,800**	230,498	227,301
Forfeited during the year	**(41,940)**	(137,915)	(45,816)
Exercised during the year	**(13,440)**	(165,392)	(11,662)
Balance at end of year	**1,512,600**	**1,406,180**	**1,478,989**

No options expired during 2024, 2023 and 2022.

Fair value of options granted

The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer Group companies. Total expenses arising from options issued under the employee option plan recognised during the period was EUR 1,698 thousand (2,172 in 2023, 1,110 in 2022).

Note 9 Non-cash items

EUR thousand	2024	2023	2022
Retirement of assets[1)]	**125,817**	114,159	87,102
Other items	**2,162**	(8,649)	(21)
Total	**127,979**	**105,510**	**87,081**

1) Mainly related to retirement of installed equipment due to cancellation of customer subscriptions.

Note 10 Leases

The Group leases offices, vehicles and various equipment and recognises a right-of-use asset and a lease liability for these leases, except for short-term and low-value leases.

The consolidated income statement shows the following amounts related to leases during 2024, 2023 and 2022:

EUR thousand	2024	2023	2022
Amortisation charge of right-of-use assets	**64,116**	55,467	51,152
Interest expense[1)]	**8,263**	6,353	5,496
Expense relating to short-term leases[2)]	**2,695**	1,334	2,688
Expenses relating to leases of low-value assets[2)]	**2,576**	377	281
Total	**77,649**	**63,531**	**59,617**

1) Included in financial expenses.
2) Included in cost of sales, selling expenses and administrative expenses.

Depreciation charge for right-of-use assets by type of asset

EUR thousand	2024	2023	2022
Buildings	**28,365**	24,878	22,973
Vehicles	**35,666**	30,307	27,799
Other items	**85**	282	380
Total	**64,116**	**55,467**	**51,152**

Total cash outflow for leases

EUR thousand	2024	2023	2022
Amortisation of lease liabilities	**60,950**	54,422	49,154
Interest	**8,263**	6,353	5,496
Payments relating to leases of low-value assets and short-term contracts	**5,271**	1,711	2,969
Total cash outflow	**74,483**	**62,486**	**57,619**

Refer to note 17 Right-of-use assets and note 25 Borrowings for more information regarding leasing.

Note 11 Depreciation and amortisation

EUR thousand	2024	2023	2022
Property, plant and equipment	**226,962**	209,136	190,081
Right-of-use assets	**64,116**	55,467	51,152
Customer portfolio	**628,805**	599,048	571,259
Other intangible assets	**148,769**	107,253	82,877
Total	**1,068,653**	**970,904**	**895,369**

Depreciation and amortisation are reflected in the income statement as follows:

EUR thousand	2024	2023	2022
Cost of sales	**342,442**	290,312	243,689
Selling and administrative expenses	**726,210**	680,592	651,680
Total	**1,068,653**	**970,904**	**895,369**

Amortisation of EUR 568,730 thousand (568,437 in 2023, 568,933 in 2022) relates to acquisition related intangible assets and is shown as SDIs in note 4.

Note 12 Financial income and expenses

EUR thousand	2024	2023	2022
Interest income, other	**1,901**	1,849	950
Fair value changes in derivatives	**16,889**	–	–
Other financial income[1)]	**9,171**	14,034	–
Financial income	**27,962**	**15,883**	**950**
Interest cost, borrowings	**(424,052)**	(411,524)	(282,134)
Interest cost, leasing	**(8,263)**	(6,353)	(5,496)
Interest cost, factoring	**(34,467)**	(30,691)	(21,590)
Interest cost, other	**(5,042)**	(3,295)	(929)
Fair value changes in derivatives	**–**	(24,137)	20,011
Exchange rate differences, net	**(10,684)**	(43,530)	(24,650)
Bank charges	**(24,811)**	(21,794)	(18,546)
Other financial expenses	**(16,166)**	(8,231)	(4,391)
Financial expenses	**(523,486)**	**(549,556)**	**(337,725)**
Financial income and expenses	**(495,524)**	**(533,673)**	**(336,775)**

1) Income related to adjustments for hyperinflation (IAS 29).

Details of borrowings are presented in note 25 Borrowings.

Note 13 Taxes

Income statement

Tax expense

EUR thousand	2024		2023		2022	
Current tax	**(119,257)**	**63.4%**	(96,245)	30.0%	(74,507)	36.7%
Deferred tax	**122,449**	**(65.1%)**	138,932	(43.3%)	39,971	(19.7%)
Total	**3,192**	**(1.7%)**	**42,687**	**(13.3%)**	**(34,536)**	**17.0%**

Reconciliation of effective tax

EUR thousand	2024		2023		2022	
Tax according to the applicable tax rate for the parent company	**38,748**	**(20.6%)**	66,051	(20.6%)	41,803	(20.6%)
Difference between tax rate in Sweden and weighted tax rates applicable to foreign subsidiaries	**16,987**	**(9.0%)**	(6,732)	2.1%	20,093	(9.9%)
Non-taxable income	**18,383**	**(9.8%)**	1,834	(0.6%)	33,703	(16.6%)
Non-deductible expenses	**(79,776)**	**42.4%**	(81,269)	25.3%	(75,724)	37.3%
Utilisation of tax losses not previously recognised	**(24,230)**	**12.9%**	4,712	(1.5%)	(50,973)	25.1%
Current tax attributable to prior periods	**51,225**	**(27.2%)**	8,939	(2.8%)	3,981	(2.0%)
Effect of tax rates changed	**665**	**(0.4%)**	(37,027)	11.5%	(1,303)	0.6%
Tax not based on income	**(18,159)**	**9.7%**	(8,946)	2.8%	(5,805)	2.9%
Other temporary differences	**(651)**	**0.3%**	95,125	(29.7%)	(311)	0.2%
Total	**3,192**	**(1.7%)**	**42,687**	**(13.3%)**	**(34,536)**	**17.0%**

Changes in tax rates

During the financial year beginning 1 January 2024, no legislative changes occurred in the jurisdictions in which the Group operates, other than the OECDs Pillar II model rules mentioned below in this note. However, due to the progressive tax rate systems in the Netherlands and Germany (trade tax) the corporate tax rate increased. As a consequence, the relevant deferred tax balances have been remeasured to align with the adjusted tax rates.

Other comprehensive income

Tax recognised in other comprehensive income

EUR thousand	2024	2023	2022
Deferred tax on remeasurements of defined benefit pension plans	**299**	119	(120)
Deferred tax on hedging reserve	**(2,720)**	1,060	1,768
Total	**(2,421)**	**1,179**	**1,648**

Balance sheet

Deferred tax assets attributable to:

EUR thousand	2024	2023	2022
Property, plant and equipment[1)]	**19,285**	3,096	3,156
Lease liabilities	**44,781**	39,946	36,333
Customer portfolio	**4,481**	1,589	520
Other intangible assets	**14,139**	8,049	8,605
Tax loss carry forwards	**88,543**	69,637	75,614
Pension provisions and employee related liabilities	**10,425**	4,378	2,079
Prepaid revenue	**4,193**	26,970	26,074
Specific Tax credit	**51,988**	75,486	–
Derivatives	**7,011**	4,837	977
Expected credit losses	**10,166**	–	–
Other temporary differences	**31,633**	21,440	10,855
Total deferred tax assets	**286,645**	**255,427**	**164,213**
Netted deferred tax liabilities	**(149,724)**	(152,188)	(135,435)
Total	**136,921**	**103,240**	**28,778**

1) Relates to other intangible assets that is not specified on a separate row.

Deferred tax liabilities attributable to:

EUR thousand	2024	2023	2022
Property, plant and equipment	**26,533**	11,762	12,798
Right-of-use assets	**43,214**	38,176	36,922
Goodwill	**3,120**	–	–
Customer portfolio	**1,073,684**	1,194,572	1,270,636
Other intangible assets[1)]	**37,026**	31,701	29,873
Pension provisions and employee related liabilities	**1,311**	222	169
Prepaid revenue	**2,772**	19,166	15,993
Derivatives	**4,568**	2,860	6,169
Other temporary differences	**40,746**	32,084	12,360
Total deferred tax liabilities	**1,232,974**	**1,330,544**	**1,384,920**
Netted against deferred tax assets	**(149,724)**	(152,188)	(135,435)
Total	**1,083,250**	**1,178,357**	**1,249,485**

1) Relates to other intangible assets that is not specified on a separate row.

Deferred tax related to tax loss carryforwards

Deferred tax assets are recognised in respect to tax losses carry forwards to the extent that the realisation of the related tax benefit through taxable profits is probable. On 31 December 2024, the Group had unused tax losses of EUR 722.5 million (623.5 in 2023, 648.5 in 2022) available for offset against future profits. A deferred tax asset of EUR 88,5 million (69.6 in 2023, 75.6 in 2022) has been recognised in respect of EUR 328,3 million (319.1 in 2023, 354.5 in 2022) of such losses. No deferred tax asset has been recognised in respect of the remaining tax loss carry forwards of EUR 394,2 million (304,4 in 2023, 294 in 2022) where the likelihood that sufficient taxable profits are not probable.

Deferred tax assets related to tax losses are mainly arising from Germany, the UK, Ireland, Argentina, and Brazil. Loss utilisation is subject to annual caps in Germany, the UK and Brazil while in Argentina and Ireland, restrictions apply based on the source, trade, or type of income. Tax loss carry forwards are unlimited in time in Brazil, Germany, Ireland, and the UK, but limited to five years in Argentina. If the entities do not generate sufficient taxable profit in the future, these deferred tax assets may be subject to impairment.

Deferred tax movements
Reflected in the consolidated statement of financial position as follows:

EUR thousand	2024	2023	2022
Deferred tax assets	**286,645**	255,427	164,213
Deferred tax liabilities	**(1,232,974)**	(1,330,544)	(1,384,920)
Deferred tax assets/(liabilities), net	**(946,329)**	**(1,075,117)**	**(1,220,707)**

Deferred tax change analysis
A reconciliation of net deferred tax is shown in the table below:

EUR thousand	2024	2023	2022
Balance at beginning of year	**(1,075,117)**	(1,220,707)	(1,278,833)
Movement recognised in the consolidated statement	**122,449**	138,932	39,971
Directly to equity	**(2,421)**	1,179	1,648
Translation differences	**8,760**	5,479	16,507
Balance at end of year	**(946,329)**	**(1,075,117)**	**(1,220,707)**

OECD Pillar II model rules
The Pillar II legislation implementing the global minimum effective tax regime is effective for the Group's financial year beginning 1 January 2024. The Group applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes. A comprehensive assessment of the Group´s exposure to Pillar II income taxes has been diligently conducted by the Group. This assessment draws upon extensive data, including Group consolidated financial statements and Country by Country Reporting. Based on this thorough analysis, it has been determined that the transitional safe harbour relief applies in all jurisdictions where the Group operates, and no top-up tax is therefore levied.

Uncertainty over income tax treatments
Verisure operates in various countries and is subject to taxation where the legislation is often complex and subject to interpretation by management and the government authorities.

Due to uncertainty regarding the appropriate tax treatment among our entities management has estimated the most likely outcome and recognised a tax provision. The provision is reported in the current tax liabilities on the consolidated statement of financial position, reflecting the amount expected to be payable in the event of unfavorable tax ruling.

Note 14 Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

EUR thousand	2024	2023	2022
Net profit or loss for the period	**(184,907)**	(277,951)	(237,462)
Earnings per share, before dilution, EUR	**(2.65)**	(3.97)	(3.39)
Earnings per share, after dilution, EUR	**(2.65)**	(3.97)	(3.39)
Adjusted Net profit or loss for the period	**248,080**	167,207	126,553
Adjusted earnings per share, before dilution, EUR	**3.55**	2.39	1.81
Adjusted earnings per share, after dilution, EUR	**3.55**	2.39	1.81

Weighted average number of shares	2024	2023	2022
Weighted average number of shares outstanding, before dilution	**69,799,000**	70,000,000	70,000,000
Weighted average number of shares outstanding, after dilution	**69,799,000**	70,000,000	70,000,000

Note 15 Transactions with related parties

Transactions between Group companies have been eliminated upon consolidation and, therefore, are not disclosed in these consolidated financial statements. All transactions with related parties are at arm's length rates.

Disclosed below are all details of transactions between the Group and the immediate parent company unless otherwise stated.

Transactions with related parties

EUR thousand	2024	2023	2022
Interest income	**267**	224	–
Shareholder contribution	**1,698**	1,923	1,016

Balances with related parties

EUR thousand	2024	2023	2022
Financial receivables[1)]	**–**	20,224	–
Other current receivables[1), 2)]	**8**	8	8

1) Financial receivables are disclosed in table below.
2) There is no provision for doubtful debts related to the amount of the outstanding balance and no related expected credit losses cost.

Loans to related parties

EUR thousand	2024	2023	2022
Balance at beginning of year	**20,224**	–	–
Loans advanced	**–**	20,000	–
Loans repayments received	**(20,000)**	–	–
Interest charged	**267**	224	–
Interest received	**(491)**	–	–
Balance at end of year	**–**	**20,224**	**–**

Other related party transactions impacting the income statement amount to a cost of EUR 2.8 million (2.7 in 2023 and 2.7 in 2022).

Refer to note 7 Employee information and note 8 Employee option plan for information regarding remuneration to the Board of Directors, CEO and other Key Executive Management.

Note 16 Property, plant and equipment

	2024		
EUR thousand	Alarm equipment	Other	Total
Cost			
Balance at beginning of year	**1,725,469**	**125,245**	**1,850,714**
Additions	**434,624**	**44,826**	**479,450**
Disposals/retirements of assets	**(187,725)**	**(10,274)**	**(197,998)**
Translation differences	**(22,559)**	**(1,512)**	**(24,072)**
Balance at end of year	**1,949,809**	**158,286**	**2,108,095**
Accumulated depreciation			
Depreciation at beginning of year	**(344,075)**	**(55,895)**	**(399,969)**
Disposals/retirements of assets	**68,035**	**10,382**	**78,417**
Depreciation charge for the year	**(200,502)**	**(26,460)**	**(226,962)**
Translation differences	**12,970**	**1,509**	**14,479**
Accumulated depreciation at end of year	**(463,572)**	**(70,466)**	**(534,038)**
Net book value at end of year	**1,486,236**	**87,820**	**1,574,056**

	2023		
EUR thousand	Alarm equipment	Other	Total
Cost			
Balance at beginning of year	1,461,677	107,169	**1,568,846**
Additions	436,585	25,508	**462,093**
Disposals/retirements of assets	(166,373)	(6,908)	**(173,282)**
Translation differences	(6,420)	(524)	**(6,943)**
Balance at end of year	**1,725,469**	**125,245**	**1,850,714**
Accumulated depreciation			
Depreciation at beginning of year	(214,965)	(37,253)	**(252,218)**
Disposals/retirements of assets	51,116	6,438	**57,554**
Depreciation charge for the year	(183,621)	(25,515)	**(209,136)**
Translation differences	3,395	436	**3,830**
Accumulated depreciation at end of year	**(344,075)**	**(55,895)**	**(399,969)**
Net book value at end of year	**1,381,392**	**69,349**	**1,450,741**

	2022		
EUR thousand	Alarm equipment	Other	Total
Cost			
Balance at beginning of year	1,204,496	77,764	**1,282,260**
Additions	410,078	30,349	**440,428**
Disposals/retirements of assets	(137,082)	(13)	**(137,095)**
Translation differences	(15,816)	(931)	**(16,747)**
Balance at end of year	**1,461,677**	**107,169**	**1,568,846**
Accumulated depreciation			
Depreciation at beginning of year	(96,492)	(15,815)	**(112,307)**
Disposals/retirements of assets	43,865	(1,229)	**42,636**
Depreciation charge for the year	(168,123)	(21,957)	**(190,081)**
Translation differences	5,784	1,749	**7,534**
Accumulated depreciation at end of year	**(214,965)**	**(37,253)**	**(252,218)**
Net book value at end of year	**1,246,711**	**69,915**	**1,316,626**

Property, plant, and equipment mainly consist of alarm equipment. This equipment is considered as devices installed on customers' premises. Other machinery and equipment are mainly IT-equipment and furniture.

Disposals/retirements of assets are recognised in the consolidated income statement as cost of sales. The cost corresponds mainly to the remaining balance of capitalised alarm equipment, from the time customers leave the portfolio or upgrades to a new platform.

Note 17 Right-of-use assets

	2024			
EUR thousand	Buildings	Vehicles	Other assets	Total
Cost				
Balance at beginning of year	**144,494**	**72,932**	**1,396**	**218,824**
Additions	**46,211**	**55,153**	**80**	**101,444**
Disposals/retirements of assets	**(19,698)**	**(29,440)**	**(6)**	**(49,144)**
Translation differences	**(1,243)**	**(70)**	**(142)**	**(1,456)**
Balance at end of year	**169,764**	**98,576**	**1,328**	**269,667**
Accumulated depreciation				
Depreciation at beginning of year	**(45,613)**	**(13,066)**	**(802)**	**(59,480)**
Disposals/retirements of assets	**15,779**	**27,962**	**6**	**43,747**
Depreciation charge for the year	**(28,365)**	**(35,666)**	**(85)**	**(64,116)**
Translation differences	**740**	**(78)**	**119**	**781**
Accumulated depreciation at end of year	**(57,458)**	**(20,847)**	**(763)**	**(79,068)**
Net book value at end of year	**112,306**	**77,730**	**564**	**190,600**

	2023			
EUR thousand	Buildings	Vehicles	Other assets	Total
Cost				
Balance at beginning of year	130,412	56,099	1,437	**187,949**
Additions	21,169	40,824	1	**61,994**
Disposals/retirements of assets	(6,702)	(23,813)	(28)	**(30,543)**
Translation differences	(384)	(178)	(15)	**(577)**
Balance at end of year	**144,494**	**72,932**	**1,396**	**218,822**
Accumulated depreciation				
Depreciation at beginning of year	(25,816)	(4,344)	(535)	**(30,695)**
Disposals/retirements of assets	4,920	21,503	28	**26,451**
Depreciation charge for the year	(24,878)	(30,307)	(282)	**(55,467)**
Translation differences	161	82	(12)	**231**
Accumulated depreciation at end of year	**(45,613)**	**(13,066)**	**(802)**	**(59,481)**
Net book value at end of year	**98,881**	**59,868**	**593**	**159,342**

	2022			
EUR thousand	Buildings	Vehicles	Other assets	Total
Cost				
Balance at beginning of year	114,310	53,946	1,502	**169,758**
Additions	29,673	35,373	51	**65,097**
Disposals/retirements of assets	(11,777)	(32,750)	(138)	**(44,665)**
Translation differences	(1,793)	(469)	20	**(2,242)**
Balance at end of year	**130,412**	**56,099**	**1,436**	**187,948**
Accumulated depreciation				
Depreciation at beginning of year	(14,065)	(8,536)	(294)	**(22,895)**
Disposals/retirements of assets	10,599	31,672	134	**42,406**
Depreciation charge for the year	(22,973)	(27,799)	(380)	**(51,152)**
Translation differences	623	320	6	**950**
Accumulated depreciation at end of year	**(25,816)**	**(4,343)**	**(535)**	**(30,693)**
Net book value at end of year	**104,596**	**51,756**	**903**	**157,255**

Refer to note 10 Leases and note 25 Borrowings for more information regarding leasing.

Note 18 Goodwill and intangible assets with indefinite useful lives

Book value of goodwill

EUR thousand	2024	2023	2022
Balance at beginning of year	**7,651,016**	7,694,963	7,870,528
Translation differences	**(80,582)**	(43,947)	(175,565)
Balance at end of year	**7,570,434**	**7,651,016**	**7,694,963**

Goodwill at the end of the year is related to a business combination in December 2020.

Allocation of goodwill and intangible assets with indefinite useful lives

For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units or CGUs).

Goodwill and trademark assets are allocated to CGUs, as follows:

	2024		2023		2022	
EUR thousand	Goodwill	Trademark	Goodwill	Trademark	Goodwill	Trademark
Northern Europe	**4,311,989**	**478,159**	4,387,486	478,159	4,425,262	478,159
Southern Europe and Latin America	**3,258,445**	**487,035**	3,263,530	487,035	3,269,701	487,035
Total	**7,570,434**	**965,194**	**7,651,016**	**965,194**	**7,694,963**	**965,194**

Impairment tests

The conclusion from the annual impairment test is that there is no impairment of goodwill or trademark. The recoverable amount for each CGU has been determined based on value-in-use calculations. The value-in-use calculations are based on cash flow forecasts derived from the most recent long-term financial plans presented to the Board of Directors. The forecast period used in the model is five years on mature markets and ten years on emerging markets. The reason to use ten years on emerging markets is the long-term business model, where the investments in portfolio growth in an emerging market requires a longer period to catch the expected future profitability. The principal assumptions in the value-in-use calculations are long-term sales growth rates, growth in adjusted EBITDA, timing and quantum of capital expenditures and change in working capital. For the period, subsequent to the long-term plan, cash flows generated by the CGU's have been extrapolated on the basis of a projected annual growth rate of 2% (2% in 2023, 2% in 2022). The annual growth rate is based on historical experience as well as long-term inflation expectations.

The discount rate applied in the impairment testing is the pre-tax weighted average cost of capital (WACC) for each geography. Assumptions relating to WACC has been calculated individually for each country and weighted to an average for each CGU based on the countries share of revenue in the CGU. These assumptions are determined from internal judgement and benchmarking. The weighted average WACC applied was 9.4% (9.6% in 2023, 9.3% in 2022) for Northern Europe and 10.9% (11.4% in 2023, 10.4% in 2022) for Southern Europe and Latin America.

A sensitivity analysis has been performed on the impairment test with the conclusion that the Group would not have any impairment issues if the WACC rates used was 1 percentage unit higher or if the compound annual growth rate was 1 percentage unit lower.

Note 19 Customer portfolio

EUR thousand	2024	2023	2022
Cost			
Balance at beginning of year	**6,264,670**	6,013,773	5,831,038
Additions	**301,963**	275,896	276,329
Disposals/retirements of assets	**(3,256)**	(2,101)	(2,027)
Translation differences	**(58,070)**	(22,898)	(91,567)
Balance at end of year	**6,505,306**	**6,264,670**	**6,013,773**
Accumulated amortisation			
Amortisation at beginning of year	**(1,689,908)**	(1,099,246)	(535,109)
Disposals/retirements of assets	**3,255**	2,100	1,870
Amortisation charge for the year	**(628,805)**	(599,048)	(571,259)
Translation differences	**11,622**	6,286	5,252
Accumulated amortisation at end of year	**(2,303,836)**	**(1,689,908)**	**(1,099,246)**
Net book value at end of year	**4,201,470**	**4,574,762**	**4,914,528**

The net book value at year end includes EUR 881,153 thousand (686,265 in 2023, 481,049 in 2022) related to incremental cost to obtain customer contracts, with a related amorisation charge of EUR 99,687 thousand (70,230 in 2023, 41,932 in 2022). It also includes EUR 3,319,656 thousand (3,888,107 in 2023, 4,433,166 in 2022) related to acquired intangibles arising from a business combination in 2020.

Management has assessed the recoverability of the carrying amount of the customer portfolio as of the acquisition date. The customer portfolio is tested for impairment if there is an indication of impairment. Potential indicators are monitored on the respective CGU level. Annual impairment tests are described in note 18 Goodwill and intangible assets with indefinite useful lives.

Note 20 Other intangible assets

EUR thousand	2024	2023	2022
Cost			
Balance at beginning of year	**1,647,743**	1,520,407	1,397,609
Additions	**138,872**	130,464	124,410
Disposals/retirements of assets	**(19,315)**	(2,361)	(1,711)
Translation differences	**(1,300)**	(767)	99
Balance at end of year	**1,766,001**	**1,647,743**	**1,520,407**
Accumulated amortisation			
Amortisation at beginning of year	**(269,592)**	(164,558)	(83,006)
Disposals/retirements of assets	**10,896**	1,421	1,231
Amortisation charge for the year	**(148,769)**	(107,253)	(82,877)
Translation differences	**1,222**	797	94
Accumulated amortisation at end of year	**(406,243)**	**(269,592)**	**(164,558)**
Net book value at end of year	**1,359,758**	**1,378,151**	**1,355,849**

The net book value includes EUR 965,194 thousand (965,194 in 2023, 965,194 in 2022) relating to an acquired trademark intangible that arose from a business combination in 2020. This acquired trademark is not amortised but tested for impairment annually. Refer to note 18 Goodwill and intangible assets with indefinite useful lives for further details on impairment testing.

EUR 304,267 thousand (281,883 in 2023, 217,793 in 2022) relates to internally developed intangible assets. The balance at the end of the year related to internally developed intangible assets consists of cost of EUR 546,498 thousand (425,652 in 2023, 297,719 in 2022) and of accumulated amortisation of EUR (242,231) thousand ((143,769) in 2023, (79,927) in 2022).

Note 21 Prepayments and accrued income

EUR thousand	2024	2023	2022
Accrued sales income	**2,346**	2,093	1,260
Prepaid expenses	**89,274**	64,088	62,914
Other accrued income	**2,380**	1,949	4,388
Total	**94,000**	**68,131**	**68,562**

Note 22 Financial risk management

Financial instruments by category and valuation level

	2024		2023		2022	
EUR thousand	Financial asset	Financial liability	Financial asset	Financial liability	Financial asset	Financial liability
Hedge accounting						
FX forwards[1]	**9,127**	**–**	137	4,214	6,244	5,175
Fair value						
FX swaps[1]	**–**	**30**	4	21	–	–
Cross currency swaps[1]	**12,561**	**–**	1,717	–	1,363	–
Interest rate swaps[1]	**–**	**24,877**	–	23,698	–	4,593
Trade and other receivables, non-current[5]	**11,400**	**–**	11,400	–	–	–
Amortised cost						
Trade and other receivables, non-current	**123,783**	**–**	160,270	–	99,838	–
Trade receivables, current[4]	**316,340**	**–**	225,194	–	246,914	–
Other current receivables[4]	**27,596**	**–**	39,759	–	16,903	–
Cash and cash equivalent	**30,136**	**–**	21,403	–	43,726	–
Long-term borrowings[2), 3)]	**–**	**7,445,719**	–	7,302,412	–	7,212,644
Other non-current liabilities[2)]	**–**	**1,129**	–	2,474	–	3,152
Trade payables, current[4)]	**–**	**176,008**	–	171,164	–	188,664
Accrued expenses, current[4)]	**–**	**188,977**	–	197,270	–	206,518
Short-term borrowings[2), 4)]	**–**	**300,793**	–	287,155	–	250,664
Other current liabilities[4)]	**–**	**45,735**	–	33,157	–	24,652

1) All derivatives measured at fair value are classified as level 2. All significant inputs are observable.
2) Details of borrowings are presented in note 25 Borrowings.
3) Fair value of the bond (includes both Senior Secured Notes and Senior Unsecured Notes) amounts to EUR 4,673 million (4,158 in 2023, 3,507 in 2022), fair value for the Term Loan B is EUR 2,536 million (2,785 in 2023, 2,605 in 2022), which is the quoted market price at the balance sheet date. Since it is a quoted market price in an active market it is classified as level 1.
4) Due to the short-term nature of trade receivables, current receivables, trade payables, accrued expenses, short-term borrowings and other current liabilities, their carrying amount is assumed to be the same as their fair value.
5) These trade and other receivables measured at fair value are classified as level 3. Significant inputs are unobservable.

Derivatives

The Group's business activities expose it to financial risk arising from changes in foreign exchange rates and interest rates. The use of financial derivatives is governed by the Group's treasury policy, which is approved by the Board of Directors. The Group treasury policy provides written principles on the use of financial derivatives consistent with the Group's risk management strategy. Derivatives are used only for economic hedging purposes and not as speculative investments. Where all the criteria for hedge accounting are fulfilled, hedge accounting is applied to eliminate the effect of accounting differences between the hedging instrument and the hedged item. However, derivatives that have not been designated as hedging instruments are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

The Group currently uses the following derivatives:

- Interest rate swaps: to hedge cash flows due to interest rate risk on the Group's variable long-term debt.
- Cross currency swaps: to hedge foreign exchange risk in the Group's financing operations by artificially increasing the exposure to SEK debt and align the debt split EUR/SEK equal to our revenue split EUR/SEK.
- FX swaps: to manage currency positions in the Group´s multicurrency cash pool.
- FX forward: to lock in the exchange rate of future cash flow in a foreign currency different to the subsidiary's functional currency. The Group only enters into USD FX forwards against EUR and SEK.

The Group has the following derivative instruments recognised on the following lines of the balance sheet:

EUR thousand	2024	2023	2022
Non-current liabilities			
Interest rate swaps – held for trading	**24,877**	23,698	4,593
Total	**24,877**	**23,698**	**4,593**
Current liabilities			
FX forwards – cash flow hedges	**–**	4,214	5,175
FX swaps – held for trading	**30**	21	–
Total	**30**	**4,235**	**5,175**
Non–current receivables			
Cross currency swaps – held for trading	**–**	1,717	1,363
Total	**–**	**1,717**	**1,363**
Current receivables			
Cross currency swaps – held for trading	**12,561**	–	–
FX swaps – held for trading	**–**	4	–
FX forwards – cash flow hedges	**9,127**	137	6,244
Total	**21,689**	**140**	**6,244**

Change in hedging reserve

EUR thousand	Change in cash flow reserves
Beginning balance as of 1 January 2022	**7,664**
Change in fair value of hedging instrument	(8,583)
Deferred tax	1,768
Ending balance as of 31 December 2022	**849**
Change in fair value of hedging instrument	(5,146)
Deferred tax	1,060
Ending balance as of 31 December 2023	**(3,237)**
Change in fair value of hedging instrument	13,205
Deferred tax	(2,720)
Ending balance as of 31 December 2024	**7,248**

Impact of hedge accounting on the Group's financial position and earnings

The effects of the hedge accounting of the impact of currency risk on the Group's financial position are shown below:

Derivatives – currency forwards – liabilities

EUR thousand	2024	2023	2022
Carrying amount	–	4,214	5,175
Notional amount, currency USD	–	186,500	154,750
Maturity date	–	May–December 2024	May–December 2023
Hedge ratio	–	1:1	1:1
Change in discounted spot value of outstanding hedging instruments since inception of the hedge	–	(4,214)	(5,175)
Change in value of hedged item to determine ineffectiveness	–	4,214	5,175
Weighted average for outstanding hedging instruments in USD (including forward points)	–	SEK 10.53 : 1 USD EUR 1.09 : 1 USD	SEK 10.74 : 1 USD EUR 1.02 : 1 USD

Derivatives – currency forwards – assets

EUR thousand	2024	2023	2022
Carrying amount	**9,127**	137	6,244
Notional amount, currency USD	**209,700**	26,000	132,500
Maturity date	**January–December 2025**	January–December 2024	January–December 2023
Hedge ratio	**1:1**	1:1	1:1
Change in discounted spot value of outstanding hedging instruments since inception of the hedge	**9,127**	137	6,244
Change in value of hedged item to determine ineffectivness	**(9,127)**	(137)	(6,244)
Weighted average for outstanding hedging instruments in USD (including forward points)	**SEK 10.42: 1 USD EUR 1.10 : 1 USD**	EUR 1.12 : 1 USD	SEK 9.73 : 1 USD EUR 1.13 : 1 USD

Credit risk from trade receivables

The Group has no significant concentrations of credit risk in relation to trade receivables. Maximum credit exposure representing the value of the Group trade receivables at the end of 31 December 2024 was EUR 434,471 thousand (378,949 in 2023, 339,750 in 2022). In 2024, expenses related to credit losses constituted approximately 1.3% of consolidated revenue (compared to 1.4% in 2023 and 1.2% in 2022). For detailed quantitative information regarding the loss allowance for expected credit losses on trade receivables, and current loans and receivables, please refer to note 24.

The Group's credit policy ensures that credit management includes use of credit ratings, credit limits, decision-making structures and management of doubtful claims. The policy's goal is to ensure that sales are made only to customers with an appropriate credit rating. While the trade receivables closely follow the geography of Group operations, there are no significant concentrations of credit risk by customers as the Group has a large number of customers in many countries that are not individually significant. For more details, see note 24 Trade receivables.

Financial credit risk

The Group's objective is to minimise the counterparty risk of financial transactions without compromising flexibility. The Group limits financial credit risk by operating with external banks and financial counterparties that meet, to the extent possible, investment grade credit ratings. Excess liquid funds may only be invested in securities issued by governments, with a minimum long-term sovereign credit rating by Moody's of Aa1 and/or Standard & Poor's of AA+, or in money market funds with a minimum credit rating by Moody's of Aa1 and/or Standard & Poor's of AA+ and managed by a Global Systematically Important Bank. Alternatively, deposits may also be arranged with banks bearing a short-term investment grade credit rating. The Group had no investments of excess liquid funds as of 31 December 2024, 2023, and 2022.

Interest bearing liabilities per currency

EUR thousand	2024	2023	2022
Long-term borrowings (principal amount)			
EUR liabilities	**7,475,484**	7,323,468	7,249,723
SEK liabilities	**136,417**	142,758	142,175
Other currencies	**21,873**	20,731	23,528
Total	**7,633,774**	**7,486,957**	**7,415,426**
Short-term borrowings (carrying amount)			
EUR liabilities	**345,440**	324,202	284,390
SEK liabilities	**4,380**	4,763	4,182
Other currencies	**7,697**	8,730	8,470
Total	**357,517**	**337,695**	**297,042**

Credit facilities as of 31 December 2024

Credit frame	Currency	Facility amount	Available amount	Maturity
Revolving Credit Facility (RCF)	Multicurrency (EUR)	**700,000**	**499,970**	**2027**
Term loan B	EUR	**2,000,000**	**–**	**2028**
Term loan B	EUR	**525,000**	**–**	**2030**
Bond	EUR	**800,000**	**–**	**2026**
Bond	EUR	**1,150,000**	**–**	**2027**
Bond	EUR	**400,000**	**–**	**2027**
Bond	EUR	**450,000**	**–**	**2028**
Bond	EUR	**525,000**	**–**	**2030**
Senior Unsecured Notes (SUN)	EUR	**1,175,000**	**–**	**2029**
Senior Unsecured Notes (SUN)	SEK	**1,500,000**	**–**	**2029**

Credit facilities as of 31 December 2023

Credit frame	Currency	Facility amount	Available amount	Maturity
Revolving Credit Facility (RCF)	Multicurrency (EUR)	700,000	500,000	2027
Term loan B	EUR	800,000	–	2026
Term loan B	EUR	2,000,000	–	2028
Bond	EUR	800,000	–	2026
Bond	EUR	1,150,000	–	2027
Bond	EUR	500,000	–	2027
Bond	EUR	450,000	–	2028
Senior Unsecured Notes (SUN)	EUR	1,175,000	–	2029
Senior Unsecured Notes (SUN)	SEK	1,500,000	–	2029

Credit facilities as of 31 December 2022

Credit frame	Currency	Facility amount	Available amount	Maturity
Revolving Credit Facility (RCF)	Multicurrency (EUR)	700,000	245,501	2027
Term loan B	EUR	800,000	–	2026
Term loan B	EUR	2,000,000	–	2028
Bond	EUR	200,000	–	2025
Bond	EUR	800,000	–	2026
Bond	EUR	500,000	–	2027
Bond	EUR	1,150,000	–	2027
Senior Unsecured Notes (SUN)	EUR	1,175,000	–	2029
Senior Unsecured Notes (SUN)	SEK	1,500,000	–	2029

Liquidity risk

Liquidity risk is the risk that the Group's funds and credit facilities become insufficient to meet the business needs or that extra costs are incurred to arrange the financing needed. The Group's objective is to always maintain enough liquidity to attend to business needs. The Group's short-term liquidity is assured by maintaining a liquidity reserve called Available Funds (defined as cash, bank deposits, short-term investments, and the unutilised portion of committed credit facilities), which must always be above a certain amount. The Group closely monitors liquidity against forecasts and manages the business to ensure there is always enough liquidity in the Group. The Group has a EUR 700 million Revolving Credit Facility in place. As of the end of 2024, available funds, defined as undrawn amounts under the EUR 700 million Revolving Credit Facility, and cash and cash equivalents, were EUR 509 million.

Refinancing risk

Refinancing risk is defined as the risk that a too large proportion of the Group's funding matures within a limited time frame during which funding sources may be limited or expensive. The risk is minimised by actively managing the maturity profile of external funding. The Group does not have meaningful debt maturities until July 2026, when EUR 800 million are due.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities and net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows. For interest rate swaps, the cash flows have been estimated using spot interest rates applicable at the end of the reporting period.

Liquidity report

	2024			
EUR thousand	Less than 1 year	1–4 years	5 years or more	Total
Non–derivatives				
Liabilities to credit institutions, principal amounts	**(80,840)**	**(6,295,789)**	**(1,050,000)**	**(7,426,629)**
Interest payments borrowings	**(394,708)**	**(934,731)**	**(22,844)**	**(1,352,284)**
Other non–current liabilities	**–**	**(1,129)**	**–**	**(1,129)**
Lease liabilities	**(65,571)**	**(124,463)**	**(26,305)**	**(216,339)**
Trade payables	**(176,008)**	**–**	**–**	**(176,008)**
Other current liabilities	**(234,712)**	**–**	**–**	**(234,712)**
Total non–derivatives	**(951,839)**	**(7,356,112)**	**(1,099,149)**	**(9,407,100)**
Derivatives				
Interest rate derivatives				
Derivative contracts – inflow	**26,780**	**41,601**	**–**	**68,381**
Derivative contracts – outflow	**(30,684)**	**(47,665)**	**–**	**(78,348)**
Foreign exchange derivatives				
Derivative contracts – inflow	**13,131**	**–**	**–**	**13,131**
Derivative contracts – outflow	**(14,610)**	**–**	**–**	**(14,610)**
Total derivatives	**(5,383)**	**(6,064)**	**–**	**(11,446)**

	2023			
EUR thousand	Less than 1 year	1–4 years	5 years or more	Total
Non–derivatives				
Liabilities to credit institutions, principal amounts	(55,445)	(5,901,604)	(1,309,606)	**(7,266,655)**
Interest payments borrowings	(427,366)	(1,218,742)	(9,847)	**(1,655,956)**
Other non–current liabilities	–	(2,339)	–	**(2,339)**
Lease liabilities	(57,124)	(103,059)	(19,978)	**(180,161)**
Trade payables	(170,936)	–	–	**(170,936)**
Other current liabilities	(230,427)	–	–	**(230,427)**
Total non–derivatives	**(941,298)**	**(7,225,744)**	**(1,339,431)**	**(9,506,473)**
Derivatives				
Interest rate derivatives				
Derivative contracts – inflow	39,100	99,946	–	**139,046**
Derivative contracts – outflow	(30,684)	(78,432)	–	**(109,116)**
Foreign exchange derivatives				
Derivative contracts – inflow	167,451	–	–	**167,451**
Derivative contracts – outflow	(171,665)	–	–	**(171,665)**
Total derivatives	**4,202**	**21,514**	**–**	**25,716**

	2022			
EUR thousand	Less than 1 year	1–4 years	5 years or more	Total
Non–derivatives				
Liabilities to credit institutions, principal amounts	(53,428)	(5,902,695)	(1,309,529)	**(7,265,652)**
Interest payments borrowings	(376,625)	(1,309,258)	(108,269)	**(1,794,152)**
Other non–current liabilities	–	(1,267)	(2,048)	**(3,315)**
Lease liabilities	(51,954)	(97,961)	(28,028)	**(177,943)**
Trade payables	(188,664)	–	–	**(188,664)**
Other current liabilities	(231,170)	–	–	**(231,170)**
Total non–derivatives	**(901,841)**	**(7,311,181)**	**(1,447,874)**	**(9,660,896)**
Derivatives				
Interest rate derivatives				
Derivative contracts – inflow	21,840	77,667	–	**99,507**
Derivative contracts – outflow	(30,684)	(109,116)	–	**(139,799)**
Foreign exchange derivatives				
Derivative contracts – inflow	142,908	–	–	**142,908**
Derivative contracts – outflow	(148,084)	–	–	**(148,084)**
Total derivatives	**(14,019)**	**(31,449)**	**–**	**(45,468)**

Interest rate risk

Interest rate risk is the exposure of a company to adverse movements in interest rates. Borrowings raised at variable interest rates expose the Group to interest rate risk. Borrowings raised at fixed interest rates expose the Group to fair value interest rate risk. During 2024, 2023 and 2022, the Group's borrowings at variable interest rates were denominated in euro and Swedish krona. To reduce the interest rate risk exposure, the Group enters interest rate swap contracts to economically hedge cash flows arising from the Groups' long-term debt contracts. The Group seeks to operate on a 50–75% fixed rate range, including derivatives. At present, all interest rate swaps are used to exchange future interest payments from floating to fixed. Excluding derivatives in place, approximately 61% of our borrowings, excluding factoring financing are fixed. Including derivatives in place, approximately 75% of our borrowings, excluding factoring financing, are fixed. In addition, currency swaps are used to actively manage our cash and minimise interest expenses charged by banks in our cash pool structures. Refer to note 25 Borrowings for more information. As of 31 December 2024, with current financing terms and existing derivatives in place, an increase of EURIBOR/ STIBOR fixings of 100 basis points would impact the Group's total interest expenses by a negative EUR 20 million.

Foreign currency risk

Transaction risk

The Group's foreign currency risk is mainly generated by commitments to pay material purchases in USD. The Group's exposure is mainly in EUR/USD and SEK/USD and is continuously monitored and partly hedged through foreign exchange forwards. The Group's approach is to hedge between 25% and 75% of forecasted USD material purchases on a 12-month rolling basis. In 2024, the Group had maturities of foreign exchange forwards that accounted for approximately 45% of material purchases to USD conducted in the year. If relevant criteria are met, hedge accounting is applied to these contracts. As of 31 December 2024, the total exposure to USD in trade payables for the Group was USD 48.8 million (52.9 in 2023, 60.3 in 2022), whereof USD 43.7 million (49.3 in 2023, 57.9 in 2022) is recalculated in EUR and USD 5.1 million (3.6 in 2023, 2.7 in 2022) is recalculated in SEK.

The Group has SEK denominated loans. As of year-end 2024, SEK denominated loans totalled SEK 1,500 million. The exchange of borrowings from non-EUR currencies into EUR impacts the Group's consolidated income statement. To reduce risk exposure, the Group uses foreign exchange instruments (cross currency swaps) to economically hedge the risk.

Sensitivity analysis

The Group is mainly exposed to SEK/USD and EUR/USD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US dollar-denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

Sensitivity analysis per risk

	2024		2023		2022	
	Effect		Effect		Effect	
EUR thousand	Impact on post-tax profit	Impact on other components of equity	Impact on post-tax profit	Impact on other components of equity	Impact on post-tax profit	Impact on other components of equity
Interest rate risk						
Interest rate +1 percentage point	**(20.1)**	**(20.1)**	(21.3)	(21.3)	(23.7)	(23.7)
Interest rate –1 percentage point	**20.1**	**20.1**	21.3	21.3	(8.3)	(8.3)
Transaction risk						
Currency rate SEK/USD +10 percentage point	**(0.5)**	**–**	(0.3)	–	0.3	0.3
Currency rate SEK/USD –10 percentage point	**0.5**	**–**	0.3	–	(0.3)	(0.5)
Currency rate EUR/USD +10 percentage point	**(4.2)**	**0.8**	(4.5)	(0.2)	5.5	6.5
Currency rate EUR/USD –10 percentage point	**4.2**	**(0.8)**	4.5	0.2	(5.5)	(6.5)

Capital structure

Asset management is aimed at ensuring that the Group's financial resources are used in an optimal way to guarantee future operations, provide security for lenders, and generate a beneficial return for shareholders. Asset management additionally aims to ensure that the Group has sufficient funds to finance necessary investments for continued growth. This growth can be organic or via acquisition which means financial flexibility is required.

The credit facility includes covenants that must be fulfilled for the duration of the loans. The Group has complied with all covenants during the reporting period. The existing financial maintenance covenant applies only when drawings under the Revolving Credit Facility exceed 40% (EUR 280 million). When this occurs, Portfolio Net Leverage Ratio (defined as total net debt / Portfolio services adjusted EBITDA) during the last two quarters annualised cannot exceed 8.9x. As of year-end 2024 this ratio was 3.5x.

Note 23 Inventories

EUR thousand	2024	2023	2022
Materials and consumables	**316,233**	296,443	342,732

Impairment for provision in inventories at year end totalled EUR 13,744 thousand (6,876 in 2023, 6,970 in 2022). The cost of materials recognised as an expense and included in "cost of sales" was EUR 75,565 thousand as of 31 December 2024 (73,146 in 2023, 91,822 in 2022).

Note 24 Trade receivables

Non-current

EUR thousand	2024	2023	2022
Trade receivables before allowance for expected credit losses	**152,565**	206,397	125,560
Allowance for expected credit losses	**(34,434)**	(52,642)	(32,724)
Total	**118,131**	**153,755**	**92,836**

Current

EUR thousand	2024	2023	2022
Trade receivables before allowance for expected credit losses	**386,058**	324,561	330,380
Allowance for expected credit losses	**(69,718)**	(99,367)	(83,466)
Total	**316,340**	**225,194**	**246,914**

Allowance for expected credit losses

EUR thousand	2024	2023	2022
Balance at beginning of year	**152,010**	116,191	110,790
Allowance for expected credit losses	**45,983**	47,481	31,885
Receivables written off during the year as uncollectible[1)]	**(87,277)**	(9,182)	(27,179)
Unused amounts reversed	**(2,540)**	(2,742)	(1,044)
Translation differences	**(4,025)**	263	1,738
Balance at end of year	**104,152**	**152,010**	**116,191**

1) The increase in receivables written off as uncollectible is due to a clean up of old receivables. The clean up has not had any impact on the consolidated income statement.

Customer credit losses recognised in the consolidated income statement totalled to EUR 45.4 million as of 31 December 2024 (44.2 in 2023, 34.2 in 2022). For further information about expected credit losses, see note 22 Financial Risk Management.

Due dates for past due trade receivables

EUR thousand	2024	2023	2022
Past due 0–3 months	**46,672**	44,471	39,339
Past due 3–6 months	**16,364**	14,466	12,467
Past due 6–9 months	**14,634**	12,818	10,599
Past due 9–12 months	**13,185**	12,115	8,875
Past due >12 months	**43,692**	97,176	74,091
Total	**134,547**	**181,046**	**145,371**

Factoring

The carrying amounts of trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement the Group has transferred its rights to receive cash flows from the relevant receivables to a financing partner in exchange for cash. As the Group has substantially retained all of the risks and rewards of ownership the full receivable amount is recognised in the statement of financial position, amounting to EUR 148,230 thousand (126,743 in 2023, 90,712 in 2022) as total trade receivables related to those under factoring agreement. The liability related to the customer default risk amount under the factoring agreement is presented as a financial liability under borrowings, amounting to EUR 289,449 thousand (307,865 in 2023, 204,765 in 2022).

Note 25 Borrowings

	2024			2023			2022		
EUR thousand	Principal amount	Adjustment amortised costs	Carrying amount	Principal amount	Adjustment amortised costs	Carrying amount	Principal amount	Adjustment amortised costs	Carrying amount
Non-current liabilities									
Secured									
Senior Secured Notes	**3,325,000**	**(18,816)**	**3,306,184**	2,900,000	(20,384)	**2,879,616**	2,650,000	(22,999)	**2,627,001**
Term Loan B[1)]	**2,525,000**	**(19,657)**	**2,505,343**	2,800,000	(33,092)	**2,766,908**	2,800,000	(42,447)	**2,757,553**
Revolving Credit Facility	**200,030**	**(5,923)**	**194,108**	199,499	(7,914)	**191,585**	454,499	(9,863)	**444,636**
Unsecured									
Senior Unsecured Notes	**1,305,901**	**(9,404)**	**1,296,497**	1,310,184	(11,361)	**1,298,823**	1,309,870	(13,215)	**1,296,655**
Liabilities to other creditors	**143,587**	**–**	**143,587**	165,481	–	**165,481**	86,800	–	**86,800**
Lease liabilities	**134,255**	**–**	**134,255**	111,793	–	**111,793**	114,257	–	**114,257**
Long-term borrowings	**7,633,774**	**(53,800)**	**7,579,974**	**7,486,957**	**(72,752)**	**7,414,205**	**7,415,426**	**(88,525)**	**7,326,901**
Current liabilities									
Accrued interest expenses	**84,234**	**–**	**84,234**	87,800	–	**87,800**	81,416	–	**81,416**
Other liabilities	**216,559**	**–**	**216,559**	199,356	–	**199,356**	169,248	–	**169,248**
Lease liabilities	**56,724**	**–**	**56,724**	50,540	–	**50,540**	46,378	–	**46,378**
Short-term borrowings	**357,517**	**–**	**357,517**	**337,695**	**–**	**337,695**	**297,043**	**–**	**297,043**
Total	**7,991,290**	**(53,800)**	**7,937,491**	**7,824,652**	**(72,752)**	**7,751,900**	**7,712,468**	**(88,525)**	**7,623,944**

1) Included in adjustment amortised cost as of 31 December is a non-cash adjustment of EUR (9,568) thousand and EUR (13,103) for the years 2023 and 2022 respectively, derived from the modification of loan terms during the loans contract period, calculated according to IFRS 9. As a consequence of the refinancing conducted in the second quarter 2024 no such adjustment exists at 31 December 2024.

The Group's secured borrowings are jointly and severally guaranteed by some of the Group's direct and indirect subsidiaries and secured by liens on substantially all of their assets. An analysis of the security given is presented in note 28 Pledged assets and contingent liabilities.

Refer to note 10 Leases and note 17 Right-of-use assets for more information regarding leasing.

Borrowings, currency and interest rate profile

The currency and interest rate profile of outstanding principal amount of the borrowings, excluding factoring financing and after taking into account the effect of the Group's currency and interest rate hedging activities, was as follows.

	Floating interest rate		Fixed interest rate			
2024	EUR thousand	Weighted average interest rate %	EUR thousand	Weighted average interest rate %	Weighted average period of which rate is fixed, years	Total EUR thousand
EUR	**1,450,073**	**7.8%**	**5,500,000**	**4.7%**	**3.0**	**6,950,073**
SEK	**405,901**	**7.1%**	**–**	**–**	**–**	**405,901**
Total	**1,855,975**	**–**	**5,500,000**	**–**	**–**	**7,355,975**

	Floating interest rate		Fixed interest rate			
2023	EUR thousand	Weighted average interest rate %	EUR thousand	Weighted average interest rate %	Weighted average period of which rate is fixed, years	Total EUR thousand
EUR	1,725,000	8.8%	5,075,000	4.7%	4.0	**6,800,000**
SEK	409,606	8.7%	–	–	–	**409,606**
Total	**2,134,606**	**–**	**5,075,000**	**–**	**–**	**7,209,606**

	Floating interest rate		Fixed interest rate			
2022	EUR thousand	Weighted average interest rate %	EUR thousand	Weighted average interest rate %	Weighted average period of which rate is fixed, years	Total EUR thousand
EUR	2,179,500	7.2%	4,625,000	4.5%	4.7	**6,804,505**
SEK	409,529	7.3%	–	–	–	**409,529**
Total	**2,589,029**	**–**	**4,625,000**	**–**	**–**	**7,214,029**

Cash flows related to borrowings

			Non-Cash changes 2024				
EUR thousand	Carrying amount 1 January 2024	Cash flows	Change in adjustment amortised cost	New leases	Foreign exchange movement	New accrued interest	Carrying amount 31 December 2024
Long-term borrowings	**7,302,412**	**128,638**	**18,952**	**–**	**(4,284)**	**–**	**7,445,719**
Short-term borrowings	**199,356**	**17,203**	**–**	**–**	**–**	**–**	**216,559**
Accrued interest	**87,800**	**(87,800)**	**–**	**–**	**–**	**84,234**	**84,234**
Lease liabilities	**162,332**	**(60,950)**	**–**	**90,427**	**(832)**	**–**	**190,978**
Total borrowings	**7,751,900**	**(2,909)**	**18,952**	**90,427**	**(5,116)**	**84,234**	**7,937,491**
Cash and cash equivalents	**(21,403)**	**(9,834)**	**–**	**–**	**1,101**	**–**	**(30,136)**
Total	**7,730,497**	**(12,743)**	**18,952**	**90,427**	**(4,015)**	**84,234**	**7,907,355**

			Non-Cash changes 2023				
EUR thousand	Carrying amount 1 January 2023	Cash flows	Change in adjustment amortised cost	New leases	Foreign exchange movement	New accrued interest	Carrying amount 31 December 2023
Long-term borrowings	7,212,644	73,682	15,773	–	314	–	**7,302,412**
Short-term borrowings	169,248	30,108	–	–	–	–	**199,356**
Accrued interest	81,416	(81,416)	–	–	–	87,800	**87,800**
Lease liabilities	160,636	(54,422)	–	56,644	(526)	–	**162,332**
Total borrowing	**7,623,944**	**(32,048)**	**15,773**	**56,644**	**(212)**	**87,800**	**7,751,900**
Cash and cash equivalents	(43,726)	21,163	–	–	1,160	–	**(21,403)**
Total	**7,580,218**	**(10,884)**	**15,773**	**56,644**	**948**	**87,800**	**7,730,497**

EUR thousand	Carrying amount 1 January 2022	Cash flows	Non-Cash changes 2022				Carrying amount 31 December 2022
			Change in adjustment amortised cost	New leases	Foreign exchange movement	New accrued interest	
Long-term borrowings	6,969,292	243,706	11,113	–	(11,467)	–	**7,212,644**
Short-term borrowings	86,755	82,493	–	–	–	–	**169,248**
Accrued interest	62,882	(62,882)	–	–	–	81,416	**81,416**
Lease liabilities	150,151	(49,154)	–	61,238	(1,600)	–	**160,636**
Total borrowing	**7,269,080**	**214,163**	**11,113**	**61,238**	**(13,067)**	**81,416**	**7,623,944**
Cash and cash equivalents	(24,360)	(19,482)	–	–	116	–	**(43,726)**
Total	**7,244,720**	**194,681**	**11,113**	**61,238**	**(12,951)**	**81,416**	**7,580,218**

Note 26 Other provisions

EUR thousand	2024	2023	2022
Balance at beginning of year	**34,780**	16,815	22,437
Additional provisions	**18,845**	19,197	5,977
Utilised provisions	**(11,526)**	(1,232)	(11,599)
Balance at end of year	**42,100**	**34,780**	**16,815**

Breakdown

EUR thousand	2024	2023	2022
Staff-related provisions	**3,502**	2,719	1,303
Service related provisions	**892**	1,489	1,825
Provisions for risk reserves	**36,996**	26,937	11,904
Other provisions	**710**	3,635	1,783
Total	**42,100**	**34,780**	**16,815**

Other provisions include various long-term items, including provisions related to risk reserves and litigations. The timing of utilisation of these provisions is uncertain and therefore have been included in non-current liabilities.

Note 27 Accrued expenses and deferred income

EUR thousand	2024	2023	2022
Prepaid income	**208,631**	200,961	172,859
Staff-related costs	**184,400**	173,324	163,005
Marketing-related costs	**22,710**	24,363	30,235
Goods received	**13,479**	8,154	16,187
Assurance and other services	**1,669**	1,558	1,651
Risk reserves	**15,425**	15,508	12,854
External services	**38,944**	38,859	37,877
Other items	**91,496**	83,949	82,239
Total	**576,754**	**546,676**	**516,907**

Unsatisfied long-term customer contracts

Aggregate amount of the revenue from customer contracts allocated to long-term contracts that are partially or fully unsatisfied as of 31 December, 2024, amounts to EUR 823,748 thousand (712,580 in 2023, 752,489 in 2022). These amounts include all future revenue from these customer contracts, no matter if the payment have been received in advance or not.

Management expects that 63.5% of the transaction price allocated to the partly unsatisfied contracts as of 31 December 2024 will be recognised as revenue during the year 2025, 28.5% is expected to be recognised during 2026 and 8.0% during 2027 or later. The Group does not include committed revenue with an outstanding contract period of 12 months or less. Since the Group does not include all contracts and has cancellable subscriptions, the amount of the outstanding unsatisfied performance obligations does not amount to expected revenue for future periods.

Liabilities related to contracts with customers

When the Group receives payment but has not yet delivered the promised service, a contract liability arises which consists of deferred income for prepaid installation and services. A contract liability is accounted for until the performance obligation is performed or falls due for the customer to use and is then reported as revenue.

Customer contract liabilities comprise the Group's obligation to fulfill performance obligations to its customers for which it has received consideration in advance. This includes unearned revenue relating to prepaid services, installation revenue not considered to be a separate performance obligation, and other contract liabilities.

When a customer pays consideration in advance before the transfer of services, the amount received is recognised under prepayments in contract liabilities. The prepayments mainly include accrued subscriptions and repayment according to contracts. The Group has recognised the following liabilities related to contracts with customers.

EUR thousand	2024	2023	2022
Balance at beginning of year	**315,030**	238,992	221,767
Prepayments taken as revenue	**(275,352)**	(225,058)	(183,625)
New prepayments	**294,150**	304,333	200,160
Translation differences	**(2,680)**	(3,237)	690
Balance at end of year	**331,149**	**315,030**	**238,992**

Balance as of 31 December, consist of (and where this is reported in the consolidated statement of financial position):

EUR thousand	2024	2023	2022
Non-current assets, included in Trade and other receivables	**338**	–	–
Current assets, included in Prepayments and accrued income	**8,135**	6,520	–
Total assets related to contracts with customers	**8,473**	**6,520**	**–**
Non-current liabilities, included in Other non-current liabilities	**130,990**	120,590	66,134
Current liabilities, included in Accrued expenses and deferred income	**208,632**	200,960	172,859
Total liabilities related to contracts with customers	**339,622**	**321,550**	**238,992**

Note 28 Pledged assets and contingent liabilities

Pledged assets

EUR thousand	2024	2023	2022
Shares in subsidiaries	**14,309,451**	14,317,573	13,878,549
Bank accounts	**6,229**	6,367	29,867
Accounts receivables	**363,398**	165,460	189,245
Inventories	**1,073**	941	645
Other operating assets	**65,795**	64,208	65,434
Trademark	**34,766**	45,482	56,206
Endowment insurance	**500**	537	567

Contingent liabilities

EUR thousand	2024	2023	2022
Guarantees	**41,280**	41,504	37,431

The Group has pledged shares in subsidiaries, certain bank accounts, trade receivables, IP rights, certain inventory assets, intra-group loans, intra-group equity certificates, rights under insurance contracts, rights under acquisition agreements regarding the purchase of the Group and rights under reports in relation to the acquisition of the Group as collateral for bank borrowings, as disclosed in note 25 Borrowings. Guarantees relate mainly to warranties provided to suppliers.

Note 29 Events after the reporting period

On 1 March 2025, Graeme Pitkethly joined the Board of Directors of our parent company (Verisure Group Topholding AB) to serve as director and independent chair of our Audit Committee. Graeme brings very significant experience to our company at this important stage of our development. He had a highly successful 22-year career at Unilever. Graeme was Group CFO for over 8 years, and prior to his appointment as CFO, he was responsible for their UK and Ireland business. Graeme served on the Unilever board until December 2023.

On 17 June 2025, Verisure announced the acquisition of all shares and voting rights of ADT Mexico from Johnson Controls. Mexico is a large and attractive geography for professionally monitored security services, presenting significant growth potential. ADT Mexico holds a leading position in Mexico, serving more than 125,000 residential and small business customers. With the acquisition, Verisure accelerates the planned entrance to the Mexican market and reinforces the commitment to bring innovative security services to more customers. Verisure plans to finance the acquisition through cash on hand and available funds under its existing credit facilities. The transaction is subject to customary closing conditions and receipt of regulatory approvals and is expected to close in the fourth quarter of 2025.

On 4 July 2025, Sara Öhrvall joined the main Board of our current parent company (Verisure Group Topholding AB). Sara Öhrvall has held several senior leadership roles, including Chief Operating Officer and Senior Adviser at Axel Johnson Group AB, Chief Digital Officer at SEB where she led digital and sustainability initiatives and Senior Vice President of R&D at Bonnier AB where she spearheaded digital innovation. Sara currently serves as a non-executive board member at Investor AB, Axfood, and Bonnier Books. She is also the Vice-Chair of A. Ahlström supervisory board and the Chair of SSE Ventures.

On 12 September 2025, we received commitments for a New Revolving Credit Facility, in an aggregate principal amount of EUR 950.0 million to be established pursuant to an Additional Facility Notice (as defined in the Senior Facilities Agreement) under the Senior Facilities Agreement.

On 12 September 2025, we also received commitments for a TLA Facility, in an aggregate principal amount of EUR 1,065 million to be established pursuant to an Additional Facility Notice (as defined in the Senior Facilities Agreement) under the Senior Facilities Agreement.

As part of the Reorganisation of the Group, a new parent company, Verisure plc, was established in connection with the listing on Nasdaq Stockholm and will form the basis for future consolidated financial statements reporting for the Group.

Independent auditor's report

To the Board of Directors of Verisure Group Topholding AB, corporate identity number 559336-2071

Report on the consolidated accounts

Opinions

We have audited the consolidated accounts of Verisure Group Topholding AB for the period of three years ended 31 December 2024, 31 December 2023 and 31 December 2022. The consolidated accounts of the company are included on pages F13-F51 in this document.

In our opinion, the consolidated accounts have been prepared in accordance with IFRS Accounting Standards, as adopted by the EU, and present fairly, in all material respects, the financial position of the group as of the 31 December 2024, 31 December 2023 and 31 December 2022 and their financial performance and cash flow for each of the three financial years ending the 31 December of 2024, 31 December 2023 and 31 December 2022 in accordance with IFRS Accounting Standards, as adopted by the EU.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the consolidated accounts and that they give a fair presentation in accordance with IFRS Accounting Standards, as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts

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

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control.
- Obtain an understanding of the group's internal control relevant to our 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on 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 consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Stockholm, 29 September 2025

Öhrlings PricewaterhouseCoopers AB

Johan Rippe
Authorized Public Accountant

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