



Careium reports fourth quarter results 2023

The quarter in summary

- Net sales amounted to SEK 199.4 million (196.2), an increase of 1.7 percent. Service sales amounted to 154.1 million (145.1), an increase of 6.2 percent. Product sales amounted to 45.3 million (51.1), a decrease of 11.3 percent.
- Gross margin amounted to 40.2 percent (39.4).
- Operating profit (EBIT) amounted to SEK 16.7 million (13.2), corresponding to an operating margin of 8.4 percent (6.7). The EBIT last year was positively affected by SEK 3.9 million from non-recurring items.
- Free cash flow amounted to SEK 35.8 million (-53.4).
- Earnings per share amounted to SEK 0.27 (0.35).

January-December in summary

- Net sales amounted to SEK 824.6 million (725.1), an increase of 13.7 percent. Service sales amounted to 614.8 million (550.8), an increase of 11.6 percent. Product sales amounted to 209.8 million (174.3), an increase of 20.4 percent.
- Gross margin amounted to 41.3 percent (37.8).
- Operating profit (EBIT) amounted to SEK 59.4 million (-15.8), corresponding to an operating margin of 7.2 percent (-2.2). The EBIT last year was negatively affected by SEK 5.7 million from non-recurring items.
- Free cash flow amounted to SEK 61.9 million (-87.1).
- Earnings per share amounted to SEK 1.56 (-0.47).

CEO's commentary

Careium closes 2023 as a dynamic company ready for the future, having completed its turnaround. Highlights of the fourth quarter of 2023 include strong cash flow and solid profitability. The lower sales growth in the quarter is reflective of leaving less profitable contracts as well as of delayed UK product sales.

In Q4 2023, Careium generated net sales of SEK 199.4 million (196.2), an increase of 1.7 percent. We attained 6.2 percent organic growth across services sales while product sales decreased 11.3 percent, fully attributable to the UK and its decision to extend the runway until analogue infrastructure is closed. Gross margin improved to 40.2 percent (39.4) following contract exits and efficiencies. EBIT grew to SEK 16.7 million, compared to last year's SEK 9.3 million when adjusted for non-recurring items. Operating margin amounted to 8.4 percent (6.7) for the quarter. Free cash flow increased significantly to SEK 35.8 million (-53.4) in the fourth quarter.

In the quarter, sales in the Nordics amounted to SEK 102.1 million (93.2), growing 9.5 percent and reaching a gross margin of 37.8 percent (38.3) indicating continued good performance. UK and Ireland delivered sales of SEK 67.5 million (74.9), decreasing 9.9 percent due to the UK's decision to postpone the closedown of analogue infrastructure to a longer horizon, slowing down the urgency of customers to replace products. The time plan for the extension, driven by the UK Government alongside UK telecom companies, is yet unknown and Careium is a part of the industry board to influence the process. In addition, the UK saw technical issues related to connectivity infrastructure and the protocols that Careium products use, all resolved within the quarter, which affected product sales compared to Q4 2022. UK and Ireland delivered a gross margin of 38.2 percent (35.2), as a result of the ongoing work to increase efficiency.

Netherlands delivered sales of SEK 17.1 million (17.4), a decrease of 1.8 percent, with a gross margin of 57.0 percent (54.8) and an improved profitability during the quarter. Sales in Other markets (Germany and France) amounted to SEK 12.8 million (10.7), an increase of 19.3

percent, reflecting the increased focus on the untapped potential in the region, with a gross margin of 47.3 percent (53.4), due to the product mix and the focus on growth.

Concluding the full-year, Careium achieved sales of SEK 824.6 million (725.1) with 13.7% organic growth and EBIT of SEK 59.4 million (-15.8), an increase of 476.9 percent, corresponding to an EBIT margin of 7.2 percent (-2.2). Free cash flow amounted to SEK 61.9 million (-87.1). Net debt at the end of the year amounted to SEK 194.3 million (253.6), a decrease of 23.4%.

For the full year 2024, Careium expects an organic sales growth of 12 to 15 percent. Alongside the robust growth in sales, we expect EBIT to increase in 2024. We will build on the dynamic and the solid platform that Careium has now become. Drivers of the 2024 outlook include further integration for efficiency and getting closer to customers with a new commercial function. We continue investments into an expanded offering covering both hardware and software and new partnerships.

I want to thank all employees, customers, and shareholders for the confidence, dedication, and engagement in delivering a remarkable turnaround in 2023 and a bright outlook for 2024.

Christian Walén,

President and CEO

Webcast

Careium will publish the report for the fourth quarter of 2023 on Thursday 15 February 2024 at 8am (CET).

A live broadcast report presentation will be held the same day at 10.00 am (CET) when President and CEO Christian Walén will present the report. The webcast is accessed at

<http://youtube.com/live/3TLrTlbtBVQ?feature=share>.

The presentation material is available on Careium's financial website at <http://www.careium.com/en-gb/investors/financial-information/presentations2/>.

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This information is information that Careium AB is obliged to disclose in accordance with the EU Market Abuse Regulation. The information was submitted for publication by the contact persons above on Thursday 15 February 2024, at 8.00 (CET).

Careium is a leading player in technology enabled care in Europe. Careium's innovative solutions improve the safety, quality of life and independence of seniors both inside and outside the home. Careium provides its products and services to ~400,000 seniors in Sweden, Norway, the UK, the Netherlands, Germany and France. Most of the seniors are connected to one of Careium's alarm receiving centers in Sweden, Norway and the United Kingdom where approximately 25,000 alarms are handled every day by one of our 600 employees in the alarm receiving centres. FNCA Sweden AB is appointed certified adviser.