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About this report

This is AddSecure's third sustainability report. The purpose of the report is to present how we create value and contribute to a safer and smarter world through our secure IoT solutions. Additionally, the report informs and reports on AddSecure's 2022 objectives and progress within our strategic focus areas. The report is inspired by global standards for sustainability reporting, including the European Sustainability Reporting Standards (ESRS) and the GRI Standards.

Contact

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LETTER FROM OUR CEO

Creating trust in the connected society

The faith in digital solutions is not what it used to be. In Sweden 66% believe that digitalization will lead to a better future, which is a decrease of 10%. Americans (61%) and Brits (58%) are even less convinced. Rather, 9 out of 10 believe that digitalization will increase disinformation. 67% believe that digitalization will cause more accidents and interruption of critical services.¹

These figures surely reflect the turbulent times we live in and a generally less positive outlook on where the world is heading. The growing threat of cybersecurity certainly also has something to do with it. As the world gets increasingly connected, the risk of cyberattacks is constantly evolving. In 2022, 90% of global organizations experienced some kind of cyberattack including for example ransomware, clickjacking, and theft of login credentials. A third were breached over seven times in the past year.² At the same time the attach surface is growing as organizations and society at large become even more digitalized.

At AddSecure, we firmly believe that digitalization is key to solving many of the challenges the world is facing. And with a background in alarm transmission monitoring going all back to the 1970's, we early on grasped the connected society's growing need for secure communications. In 2014, we set out on an extensive growth journey, adding solutions to our portfolio, and expanding our geographical reach with the purpose of helping customers optimize their operations through secure IoT solutions.

It all comes down to trust. Our customers need to be able to trust that their connected devices can transfer data from A to B, without interruption or third-party interference. They need to be able to trust that the insights we deliver are correct, and that the data is handled in a secure and ethical manner.

Cyber and information security is therefore our most important sustainability aspect as it directly affects our ability to deliver

solutions to our customers. Solutions that help customers improve their operations, lower emissions, create safer work and learning environments, optimize use of resources, make power grids future fit etc. It all comes down to trust. If customers cannot trust the connected society, we will never be able to deliver on its potential.

While secure communications is part of AddSecure's DNA and core business, it's an area that is quickly evolving. An important step made in 2022 was therefore the initiatives made towards the goal to have the whole product portfolio certified according to the information security standard ISO27001 by 2025. This will help us improve our offerings, and it will help us build trust among our customers.

Moving in to 2023, information security will continue to be on top of our minds. Apart from that, our sustainability program is

set on three main areas: quantify the net impact of our product portfolio, deliver on our climate targets, and get ready for upcoming EU reporting standards. Our 2022 sustainability report gives a snapshot of our work to create a smarter and safer world. It's about how we optimize our own operations. But more importantly, it's about how we can make an impact through smart and secure IoT solutions.

Imagination is our only limit.

Stockholm June 2023 Stefan Albertsson, CEO

- 1 Tomorrow Report, Nexus (2022)
- 2 Cyber Risk Index, Trend Micro (2022)

2022 highlights

Bronze medal in in the Swedish Championships in Employer Branding, the Magnet Awards

AddSecure carbon offset programme launched (compensating for all direct CO, emissions)

Recognized as a Great place to work for the third consecutive year by Swedish Nyckeltalsinstitutet

Received gold rating by Ecovadis

Top ranked and certified sustainability program







This is AddSecure

AddSecure is a leading European provider of secure IoT connectivity and end-to-end solutions. We help customers optimize their operations and drive business value. Our solutions are used within the areas of buildings, alarms, transportation, personal safety, elderly care, construction, power grids, and more.

We are a fast-growing company with an ambition to create a safer and smarter world. Sustainability guides us in our daily operations as well as in our innovation and growth strategies. Sustainability inspires us to create profitable smart business in new ways and by new means.



Headquarters in

Majority owned by Castik Capital since 2019



1,000+
Employees (end of 2022)

50,000 Customers

450,000

Connections

€**170**M

Annual revenue (2022)

Our journey

1970s

Originates from telecom operators in Sweden and Norway.

2016

New owners: Abry Partners. Investment in Smart Grids.

2018

Adding Smart Transport to the product portfolio.

2020

Continued expansion, 880 employees in 15 countries.

New market offering Smart Surveillance.

2022

Sustainability program rated as among top 5% of all global companies assessed by Ecovadis. 1,000+ employees.

2015

The AddSecure brand is founded, offering secure communications for fire, intruder and elevator alarms in Sweden and Norway.

2017

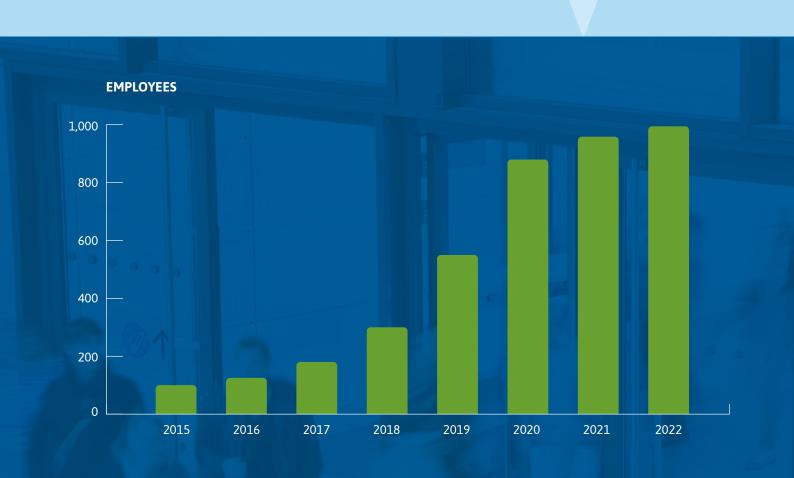
Adding Smart Rescue to the market offerings, entering 4 new markets.

2019

New owners: Castik Capital. New market offering Smart Care.

2021

2021 ISO 9001 and 14001 certificates extended to the whole group.



How we create value

Resources

One company, one culture and lots of talent

Our strategy recognizes our need for individuals with high levels of self-leadership and individual drive, with a joint vision and sense of purpose. Read more about our workforce on p. 29.

Assets and access to components

We run an asset-light business model and are centralizing supplier management and logistics to ensure resilient supply chains. See how we aim to make more value out of less product on p. 27, and how we manage supplier relations on p. 11.

Strong stakeholder relations and partnerships

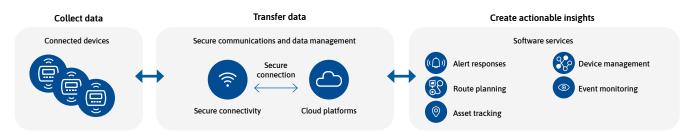
We rely on positive relationships with customers, suppliers, business partners, investors, industry peers and authorities. See how we engage with our stakeholders on p. 31.

Financial capital

Group finance has the overall responsibility to ensure access to efficient working capital and to entertain strong relationships with financing and capital markets.



Business model



Our secure IoT solutions provide customer value by solving complex needs, provide quick responses to events, and improve operational efficiency and productivity. By enabling data to be transmitted securely through our IoT connectivity platforms for the provision of software-enabled services, we can offer differentiated end-to-end solutions tailored to meet the needs of customers in various industries.

Our solutions are generally built on three different components: hardware (with integrated software), secure communications and data management, and software-enabled

services. The data or signals from the connected devices are transferred through a secure connection.

Our IoT solutions provide end-to-end security through a private cloud (VPN), routed through our back-end infrastructure and data centers, ensuring that the signals or data arrives to the correct recipient without any data leakage or interception. We provide a variety of services and solutions including IoT connectivity, alarms transmission, call-out services, local ARC, elderly care, school-, personal- and workplace safety, fleet and transport management, grid solutions, and video surveillance.



Value creation

Customers

By offering secure IoT connectivity and end-to-end solutions, we help our customers optimize operations, drive business and achieve efficiency gains.

Investors

Benefitting from the increasing adoption of IoT, driven by trends such as big data and analytics, cyber security concerns, as well as rapid development of commercial use cases of IoT applications, we continue to innovate and grow our value.

Co-workers

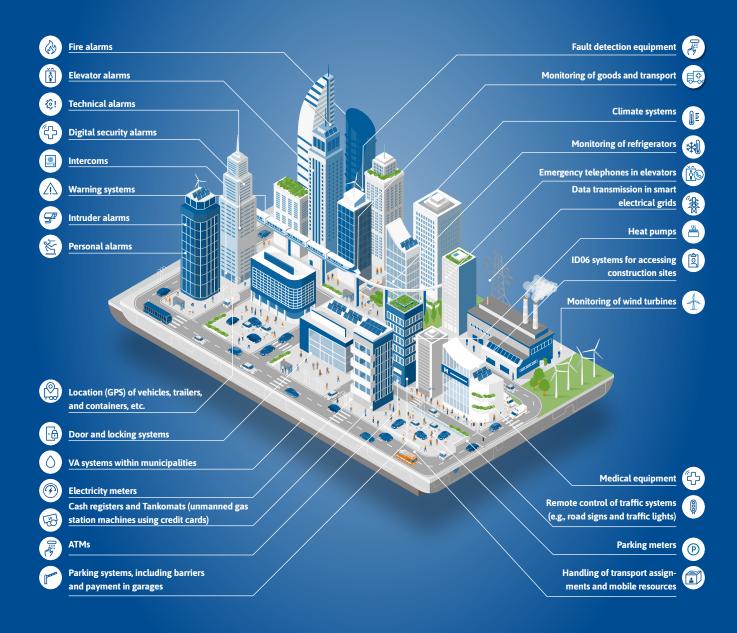
We offer our co-workers flexible work arrangements based on mutual values and the opportunity to make a difference in their daily work.

People and planet

IoT is a key enabler to solve many of the challenges the world and organizations are facing. Our knowledge about how to securely transfer data from A to B, for the provision of software-enabled services, is the very reason why AddSecure is well positioned to make a difference and contribute to society's sustainable transformation.

The connected society

In the connected society, more and more devices are connected to the Internet to collect and exchange data. The devices are equipped with sensors, software and network connectivity that allow them to communicate both with each other and with people with the aim to optimize operations and services.



Sustainability framework

Our sustainability program covers the whole AddSecure Group and is designed to manage and integrate sustainability throughout the organization, while also creating a structure to help us improve our ability to efficiently respond to changing stakeholder demands.

Sustainability is integrated in the corporate strategy and the overall vision of a safer and smarter world. AddSecure's focus areas (Secure IoT connectivity & data, Customer focused solutions & relations, Sustainable business & solutions, and Great place to work) essentially reflect our sustainability program and the ambition to improve company operations with the aim to create customer value and impact by applying secure IoT solutions end-to-end.



- Reduce our carbon footprint and drive resource-efficient operations
- Create a great place to work, based on diversity, equal rights, fair business and engagement
- Implement a shared commitment to sustainability with our supply chain



- Ensure solutions are based on secure connectivity and data
- Power our solutions with clean energy
- Propose circular products and business solutions



- Siliariei alia salei Worta
- Optimize customer operations
- · Lower customer emissions
- Enable sustainable power grids
- Create safer work and learning environments
- Better elderly care
- Improve well-being

GROWTH STRATEGY

Grow existing IoT verticals

- Organically
- M&As
- New services and value chain expansion
- Geographically (use local offices as bridge heads to expand to new geographies)

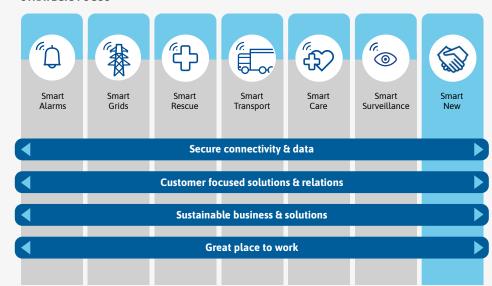
Add new IoT verticals

• Smart Industry, Smart Cities, Smart Infrastructure - Imagination is our only limit...

Glue it all together and enable synergies

- One company, one culture
- Optimize internal systems and processes
- Common hardware and platforms over time
- Use local offices as bridge heads to expand to new geographies

STRATEGIC FOCUS





Governance

Efficient management is crucial for reaching our long-term objectives. To stay close to customers and local markets, we run a partly decentralized organization. While the Board of Directors, the CEO, and the Corporate Management Team hold central functions, Business Unit Presidents are responsible for attaining objectives set within each business unit and manage customer facing processes, operations and R&D. Chief Officers are responsible for managing cross-vertical organizational support and development, set up and manage joint structures (processes, KPIs, business systems, joint services) throughout the group with the aim to achieve synergies and optimize operations.

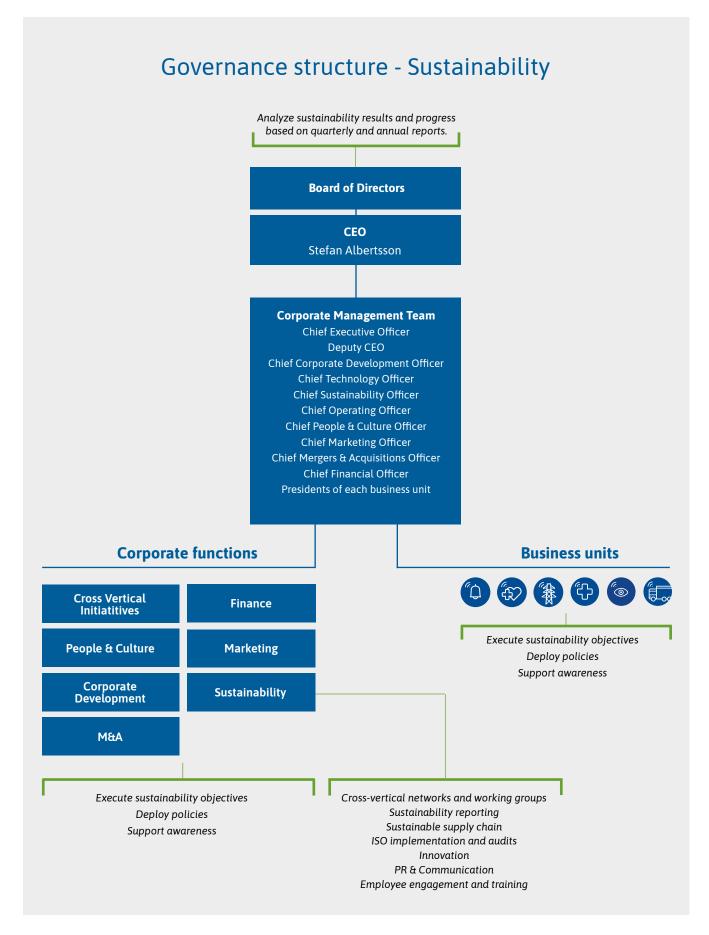
Anti-corruption and ethical standards

AddSecure operates a "zero tolerance" policy towards fraudulent, dishonest or deceptive behaviour, and condemns corruption in all its forms. Our Code of Conduct sets out guiding principles on how we do business, and what is expected of our employees. The Code applies to everyone working at AddSecure, whether as an employee, consultant, board member or part of the group management. All new employees are introduced to our business principles in connection with the onboarding process. All employees receive regular training in our fair business practices and anti-corruption guidelines. We offer a whistleblowing service, available for anyone who wishes to report misconduct, serious situations or incidents concerning AddSecure. The whistleblowing service is provided by an external partner to ensure anonymity.

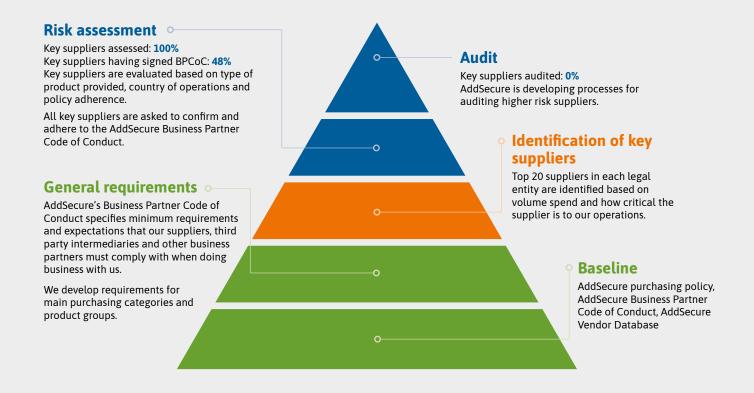
Guidelines and policies

Through the Group Policy Portfolio, AddSecure's core values and way of working are established. All Group Policies are approved by the Board of Directors.

- Code of Conduct
- Business Partner Code of Conduct
- Corporate Governance Policy, including Governing Documents Guideline and Risk Management Guideline
- Sustainability Policy
- Finance Policy
- IT Policy
- Information Security Policy
- Data Protection Policy
- People & Culture Policy
- Communication Policy
- Purchasing Policy



AddSecure's corporate governance structure. In italics the different functions' roles and responsibilities for overseeing sustainability processes.



Supply chain

AddSecure works with its supply chain to implement a shared commitment to sustainability. We use a riskbased process whereby key suppliers are identified based on volume spent and on how critical the supplier is to our operations (around 70% of the product supply is obtained through purchases from 10% of all suppliers). We perform a risk analysis of all our key suppliers, using criteria such as type of product provided, country of operations, and policy adherence. The AddSecure Business Partner Code of Conduct specifies minimum requirements and expectations that our suppliers and business partners must comply with when doing business with us. We include a clause on compliance with the AddSecure Business Partner Code of Conduct in supplier agreements. Moving forward, we are further developing our processes for audit and control, using on-line assessments and/or on-site visits.

Risk management and materiality assessment

In 2022, we restructured our risk assessment process. To comply with upcoming EU legislation on ESG reporting, we perform the risk analysis from a double materiality perspective. We also chose to move the timing of the analysis as to have it better feed in to the annual strategy review. The double materiality analysis involves the whole Corporate Management Team and the majority of our stakeholders and follows four main steps: identfication of relevant topics, assessment of material topics, stakeholder dialogoue, management and disclosure.

To identify relevant topics, we analyze macro and market trends in relation to the company's strategic direction. We



consult market and industry reports as well as reporting guidelines, benchmark against industry players and sustainability forerunners, and engage with our stakeholders. A topic is considered relevant to us if it:

- triggers financial effects on our financial performance and company value, and/or
- impacts our stakeholders, including people and the planet, and our contribution to sustainable development.

Identified topics' materiality are assessed from a financial as well as an impact perspective. A topic's financial materiality is assessed based on scale (potential impact on EBITDA) and probability (likeliness to occur). A topic's impact materiality is assessed based on scale, scope and remediability.

Following the Corporate Management Team's analysis we invite stakeholders to verify the selection of topics made and to give additional input. The result is summed up in the annual stakeholder analysis (see p. 31).

The assessed topics are documented in a risk register, mapped to AddSecure's main processes and assigned to an owner responsible for monitoring and mitigation of the topic/risk. The materiality analysis is presented annually to the Audit Committee and the Board of Directors.

2022 risk map and materiality analysis

The risk map presents assessed topics, plotted depending on their materiality from an impact and a financial perspective, and colored according to the effectiveness of management measures in place.

Operating within the area of IoT connectivity and end-to-end solutions, it comes as no surprise that cyber, data and information security within production is identified as a highly material topic, from an impact as well as a financial point of view. Data intrusion, downtime or loss of data related to production platforms, failed GDPR compliance, theft of digital assets, and lack of security in product design are all managed within the strategic area Secure connectivity & data (see page 24). The awareness of risks within the supply and value chain (see p. 11) has increased compared to previous years, impacted by the global shortage of components and its bearing on cash flow and the ability to deliver solutions. For a company offering solutions for customers' critical communications, the ability to manage incidents and service outages is assessed as highly material, not least from a

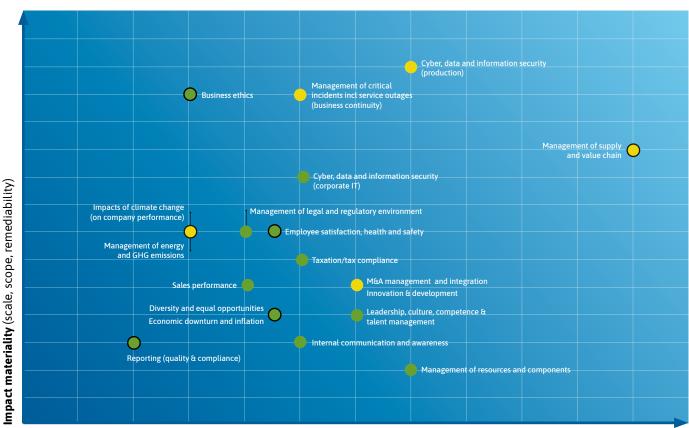
customer point of view (see p. 24 (Secure connectivity & data) and p. 31 (Stakeholder dialogue)).

All in all, topics identified as material and included in the annual assessment correspond well to AddSecure's strategic focus areas. More information about relavant policies, actions, targets and metrics are therefor to be found in the dedicated sections Secure connectivity & data (p. 24), Customer focus (p. 25), and Great place to work (p. 29). See also specific sections on Carbon management (p. 26) and Use of resources (p. 27).

Current measures in place to manage risks and opportunities are for most topics deemed efficient. Management measures related to supply chain, cyber security, critical incidents, climate change and GHG emissions, and innovation are deemed to be moderately effective. See each of these topics for more information.

By performing our risk analysis from a double materiality perspective, we recognize that:

- On the one hand, we are responsible for managing the financial risk factors, including socio-environmental factors, generate for our bottom line;
- On the other hand, we must manage and take responsibility for the actual and potential adverse impacts of our decisions on people, society and the environment.



Financial materiality (scale, probability)

- Encircled data point = disclosure standard/legally binding
- Effective measures in place
 Moderate measures in place
 Insufficient measures in place

Overview assessed topics, sub-topics and related management processes

	Sub-topic	Sub-sub-topic	Related processes	Description
GOVERNANCE	Internal communica- tion and awareness		Lead & control the business, Organize & develop employees	Develop, manage, and use information to support decision making and value creation.
	Risk management	Managing critical incidents incl. service outages (business continuity)	Operations of products & services	Identification, evaluation, and prioritization of risks followed by application of resources to minimize, monitor, and control the probability or impact of negative events or to maximize the realization of opportunities.
	Management of legal and regulatory environment	New legislation or regulation impacting business	Lead & control the business	Adherence to rules, policies and processes that regulate business practices.
		EU/global ESG regulations	Lead & control the business	
		Compliance data protection regulations	Lead & control the business	
	Management of sup-	ESG due diligence of suppliers	Manage suppliers & contracts	
	ply and value chain	Cost optimization and sourcing		
	Business ethics	Respect for human rights and labor rights	Lead & control the business	
		Anti-corruption and bribery, fair competition.	Lead & control the business	
	Cyber, data and infor- mation security	Cyber and information security	Operations of products & services	Cyber threats towards IT environment and production platforms, e.g. data intrusion, downtime, loss of data, unlawful/unethical handling of data etc.
		Data privacy (GDPR)	Lead & control the business	
ENVIRONMENT	Climate change	Management of energy and GHG emissions	Operations of products & services, Lead & control the business	A changing climate and more frequent severe weather events increase the risk for physical assets, including production platforms, and interrupted logistics/supply chains. Warmer temperatures may lead to safety and health risks impacting the workforce. Increasing regulations and stakeholder expectations on companies to manage and report GHG emissions and climate mitigation. The need for energy and resource efficient solutions likely to increase, as well as the need for solutions helping customers to manage their climate impact.
		Impacts of climate change (on company performance)	Lead & control the business	
	Management of resources and components	Access to components	Operations of products & services, Manage suppliers & contracts	Lack of components risk haltering delivery of solutions. Legal and financial responsibility for treatment and disposal of electronic equipment (WEEE), batteries and packaging. Legal responsibility (REACH, ROHs) for use of chemicals and hzardous materials. Circular economy part of upcoming EU legislations, incl. the taxonomy, influencing access to "sustainable" funding and reporting.
		Recycling and waste management (in connection to products and devices)	Operations of products & services, Manage suppliers & contracts	
		Management of water	Operations of products & services, Manage suppliers & contracts	
		Management of chemicals, hazardous materials and conflict minerals	Operations of products & services, Manage suppliers & contracts	
Ē	People & Culture	Employee satisfaction, health and safety	Organize & develop employees	
HUMAN CA		Diversity and equal opportunities	Organize & develop employees	Expected legislation on representation in BoDs. Diversity as key for competence and innovation.
CAPITAL		Leadership, culture, competence & talent management	Organize & develop employees	
BUS	Financial performance	Currency risk	Finance management	
BUSINESS MODEL & INNOVATION		Economic downturn and inflation	Finance management	Cost increases and price erosion driven by inflation; impact on customer investments and activity.
<u> </u>		Interest levels and hedging	Finance management	
18 1	Financial management	Taxation/tax compliance	Finance management	
NNOVA.		Reporting (quality & compliance)	Finance management	Financial and non-financial (e.g. CSRD and EU taxonomy) reporting guidelines keep evolving
Ö	Growth	M&A management and integration	Manage mergers & aquisitions	
		Sales performance	Sell products & services	
	Innovation & development	Legacy & migration	Operations of products & services	
	acvetopillellt	R&D projects delay	Product life cycle management	
		Customer focus & satisfaction	Support products & services	
		Business model resilience	Product life cycle management	
		Innovation for impact	Product life cycle management	
		Performance & quality	Product life cycle management	
		CAPEX spend	Finance management	

CASE

How to navigate the new eco-system for electromobility

Ulrika Allén is heading the Smart Transport product and technology teams at AddSecure. Here she shares her perspectives on the EV shift.

How do you see the shift to EVs is impacting the transport industry?

"The move to clean energy vehicles is driving significant innovation and opportunities for companies to pivot their traditional fossil fuel-reliant operations model. To effectively optimize an EV fleet, companies need to assess their tools, processes, and overall planning. Ultimately, the shift to electrical vehicles promise an exciting and clean future for an industry that for so long has been seen as a large emitter of greenhouse gases."

How can connected technology help support the shift to sustainable transport?

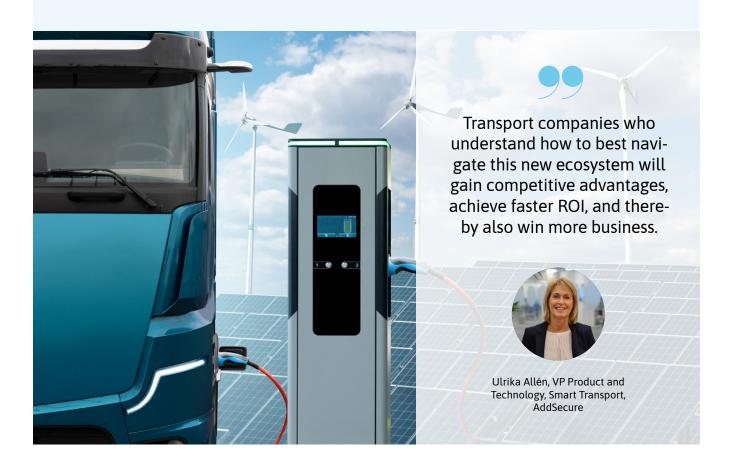
"Systems for fleet and transport management can enable fleet managers to track and manage their EV fleet effectively and provide timely and accurate data to optimize the usage of electric vehicles. For efficient management of transport orders, the dispatcher needs an updated view of the state of charge, expected charg-

ing times, and remaining range for the vehicles. With this kind of information available, the most optimal vehicles can be selected for the assignments. Eco-driving functionality will still be of importance for electrical vehicles, to ensure that the EV range is optimized. Unplanned stops at public charging points are both costly and inconvenient."

What is AddSecure doing to support its customers in the transformation of their fleets?

"Initially we are making relevant data from the vehicles available in our user portal to simplify the operation of mixed-fuel fleets. Next we will enhance our solutions with third-party services for route and range optimization, transport management and reports presenting which vehicles are suitable to replace with EVs."

"In the transition to EVs, transport companies will be part of a new ecosystem for electromobility that is different to the old landscape. Transport companies who understand how to best navigate this new ecosystem will gain competitive advantages, achieve faster ROI, and thereby also win more business."



Contributing to the world's sustainable transformation

According to the World Economic Forum, 70% of the UN Agenda 2030 and its 169 targets can be directly supported by technology applications, where IoT plays a role in 33% of the technological applications mapped.¹ Data will continue to have a transformational impact on economies and societies, seeing benefits in every single aspect of our lives, ranging from more conscious energy consumption and product, material, and food traceability, to healthier lives and better healthcare.

As sensor-based and internet-connected devices multiply, they will handle even more societal, life- and business-critical applications. This makes it more important than ever to handle data and communications in a secure way. Our secure IoT solutions used within public safety, rescue services, building security and automation, elderly care, transport and logistics, construction, utilities, smart cities, and more, are all contributing to the United Nations' Sustainable Development Goals (SDGs). By offering secure IoT solutions end-to-end, we help reshape the way we produce, consume and live in a connected world.















Smart Alarms

Smart Care

Smart Grids

Smart Rescue

Smart Surveillance

Smart Transport



Smart homecare, monitoring and wearables give access to health-care services that combine human care with reliable and safe technology. Right information to the right people at the right time helps provide safe, nonviolent, inclusive and effective learning environments for all.







IoT solutions for remote monitoring and configuration help secure water supply and guarantee water quality. Smart grid solutions help expand infrastructure and upgrade technology for modern and sustainable energy services for all.



8 DECENT WORK AND ECONOMIC GROWTH



Remote monitoring and management enable end-users to improve their resource efficiency and create safe working environments.

IoT enabled tracking devices help optimize transports of goods and lower emissions.



11 SUSTAINABLE CITIES AND COMMUNITIES



Connected sensor-based grid, building and mobility management systems help minimize pollution, emissions, and energy consumption.

IoT solutions help monitor and optimize logistics and distributions networks, optimizing use of resources and reducing emissions and waste.



13 CLIMATE ACTION



IoT solutions for remote monitoring and management of transports, buildings and grids help optimize use of energy and resources.

Using secure data and secure critical communications help prevent and respond to alarms, threats and emergencies.



AddSecure's secure IoT solutions actively contribute to the UN sustainable development goals.

CASE

Win-win when reusing connected devices in elderly care

Smart use of resources and a more inclusive workforce when recycling safety devices used in elderly care.

Waste of electrical and electronic devices is one of the world's fastest growing waste streams, while production of modern electronics requires the use of often scarce and expensive resources. To address the issue of component shortage and to minimize its environmental footprint, AddSecure has established a group wide strategy to optimize the company's use of resources. In Finland, where AddSecure offers tech enabled safety solutions within elderly care, the strategy has materialized into a partnership with the non-profit organization Väylä ry, that employ individuals with intellectual disabilities.

Väylä ry advocates for better employment opportunities and conditions for individuals with intellectual disabilities, providing them with professional roles tailored to their strengths. By partnering with businesses, Väylä ry promotes a more inclusive work environment while ensuring more effective use of resources.

Collaboration with Väylä ry

The collaboration will see to that approximately 90% of all of AddSecure's safety devices – such as phones and watches – are being recycled. The partnership also includes additional devices, such as door sensors and stove alarms, ensuring maximum reusability and minimal waste. The only non-recyclable component is the alarm button, due to its non-replaceable batteries. However, these buttons are used until their batteries deplete.



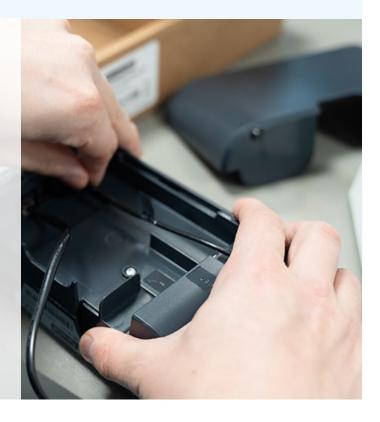
The safety devices have an average lifespan of seven years. Some devices, like watches, can undergo warranty repair or maintenance, while safety phones can also be repaired.

Recycling devices is essential for us as it benefits the environment and lowers costs. It's logical to use devices as long as they're functional. We're thrilled with Väylä ry employees who manage part of the process.



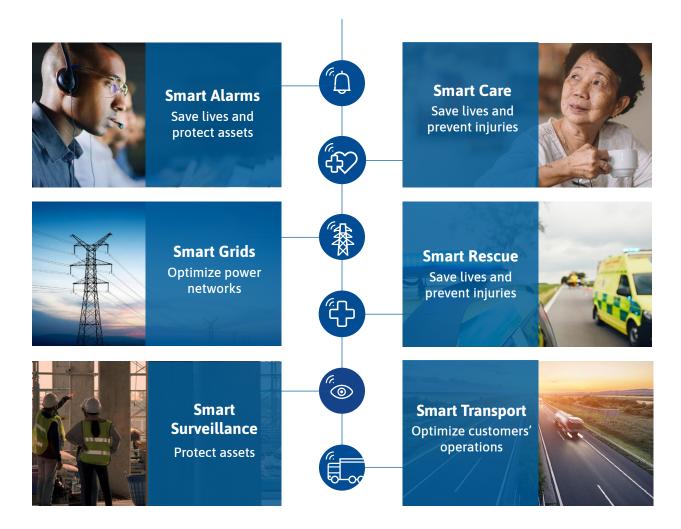
Kaj Ignatjew

VP Operations, Smart Alarms,
AddSecure Finland



Our solutions

The delivery of secure IoT end-to-end is the key common feature across AddSecure's solutions. Secure IoT connectivity solutions are vital for our customers' life- and business critical operations. They will help save lives, protect property and vital public services, and drive our customers' business operations.

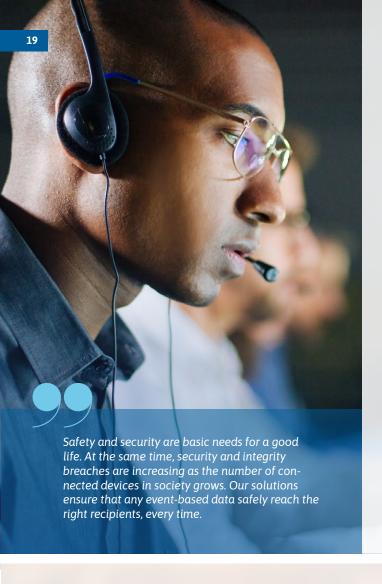


Our view on secure communications and data

The delivery of secure critical communications and secure data is the key common feature and the enabler for all AddSecure's offerings and vital for our customers' life- and business critical operations. This helps save lives, protect property and vital public services, and drives our customers' business operations.

We define critical communications as in two or more devices communicating information that is truly critical to either a business' operation, to people's lives or to vital societal functions. To us, secure critical communications means that this connection between the devices is reliable, accessible and that it cannot be intercepted or interfered with.

Data is the information itself. To us, secure data means that this information not only get from point A to point B without interception or interference, but also that it is reliable, only available to authorized parties, and that it is stored and used in an ethical manner with regards to privacy.





Smart Alarms

Ensure your alarm reaches the right recipients every time

The ever-changing complexity of the world calls for new, fast, and smart solutions that can transfer and respond to event-based data. Our reliable, secure and monitored alarms transmission solutions provide a clear communication path from incident to response.

Our smart alarms solutions are used in different types of facilities, proposing remote monitoring and system upgrades that enable greater resource efficiency and reduced emissions. Customers can move from reactive to proactive facility maintenance, bringing down costs and emissions by reducing unnecessary site visits.

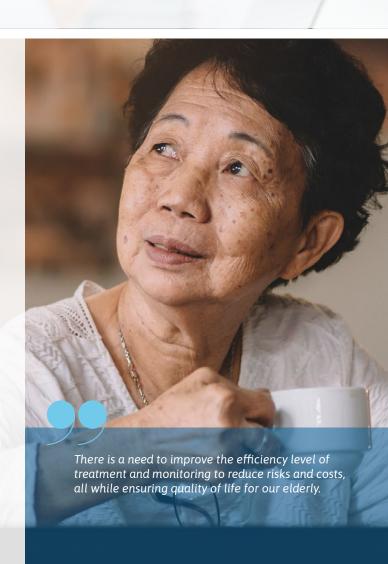


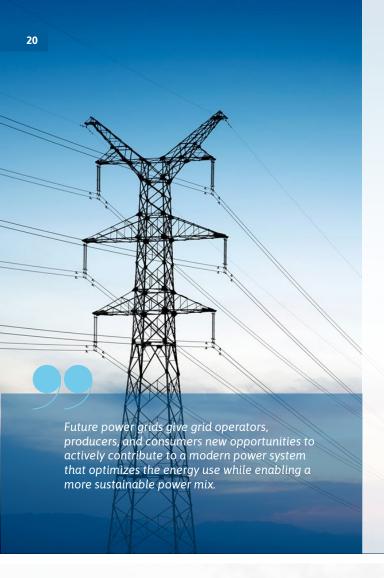
Smart Care

Peace of mind for both caretakers and caregivers

The elderly population is growing. The number of people aged 65 and older is projected to double and reach 1.5 billion by 2050. As many as 85% of people aged 65 and over claim that they want to live at home for as long as possible. In parallel, 20% find it difficult to live independently or accomplish daily tasks. Chronic diseases are rising, as well as the costs of care and nursing.

Our elderly care solutions combine human care with reliable and safe technology, helping elderly to live independently at home. Our digital solutions collect and transfer information to an alarm receiving center or care provider. This way, elderly, disabled, and people with medical conditions are cared for in real time while maintaining their autonomy at home. Our safety solutions make it possible for elderly to receive help whenever they need it.







Smart Grids

Smart, secure, and sustainable energy services

Next to the climate crisis, the Russian war in Ukraine has created an urgency in mastering the transformation of the energy system. Carbon-based energy carriers need to be replaced with renewable sources and energy efficiency needs to improve drastically, all while global demand for energy is expected to increase by almost 30% by 2040. This calls for intelligent and responsive grids that can anticipate imbalances in supply and make room for renewable energy production (including small scale).

Our smart grid solutions help expand infrastructure and upgrade technology for modern and sustainable energy services. We help grid operators by providing reliable real-time information from the network to optimize power utilization, increase power accessibility, and reduce operational costs.



Smart Rescue

When every second counts

In emergency response, every second counts. Whether it is for crisis teams, emergency services, schools or other workplaces. Incidents, including accidents and acts of violence, is a growing problem, creating challenges in health, wellness and productivity in schools and workplaces. Despite safety regulations and procedures, risk management remains a great challenge.

Our rescue solutions help organizations respond properly, act quickly and ultimately save lives. We offer solutions that are specifically designed for rescue teams and for employees who work alone and/or in environments prone to threats and violence. We propose tailored solutions using connected personal alarms and training to prevent incidents happening, and to ensure rapid emergency responses when needed. Monitored 24/7, our solutions are applied in industries, event arenas, hotels, schools, and other critical societal functions such as ambulances and rescue services.







Smart Surveillance

Keep an eye on your assets

With IoT comes new opportunities to secure assets and prevent value-depreciating incidents like breakins, theft, and vandalism.

We offer video surveillance as a fully integrated service offering combining market-leading hardware and software in easy-to-use, readily available solutions. The solutions consist of mobile surveillance towers, combined with AI-enabled video analytics and a 24/7 control center service as a subscription. We help customers keep an eye on assets in construction sites, logistics centers as well as in industrial and public facilities.

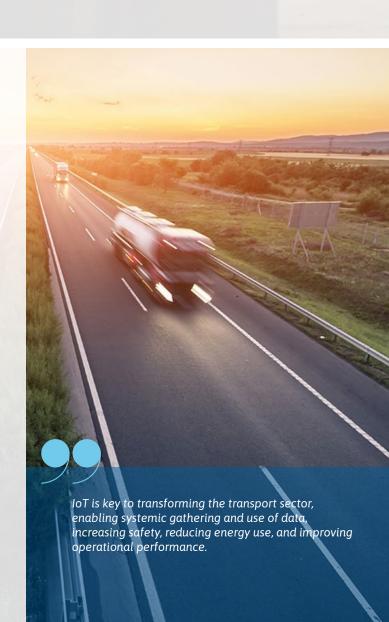


Smart Transport

Optimized fleet and transport management

Transport and logistics are becoming increasingly complex due to global supply chains, large increases in volume, new locations, products and markets. In parallel, logistic companies are pressured to improve working conditions and to lower emissions – transport currently represents close to 25% of Europe's greenhouse gas emissions.

Our fleet and transport managment solutions optimize distribution chains by maximizing precision, predictability,transparency, and delivery planning while minimizing costs, emission levels and contributing to safer routes. AddSecure offers a comprehensive suite of functionalities to support customers' transport and logistics operations such as time and salary management, order management, data analytics for the reduction of fuel consumption, real-time tracking, driver behaviour control as well as cutting-edge AI-powered video telematics. Our solutions enable data-driven improvements in profitability and full control of transport and logistics operations – across the entire order-to-cash process.



CASE

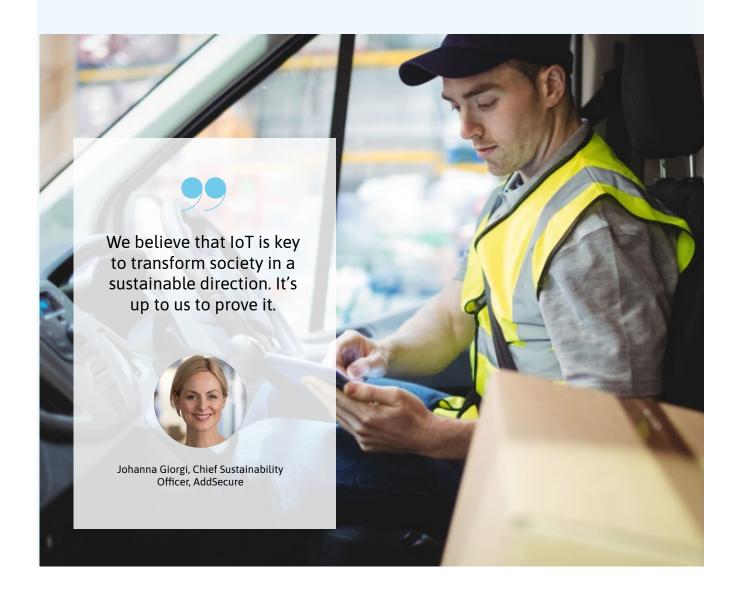
Showcasing the potential of digital solutions

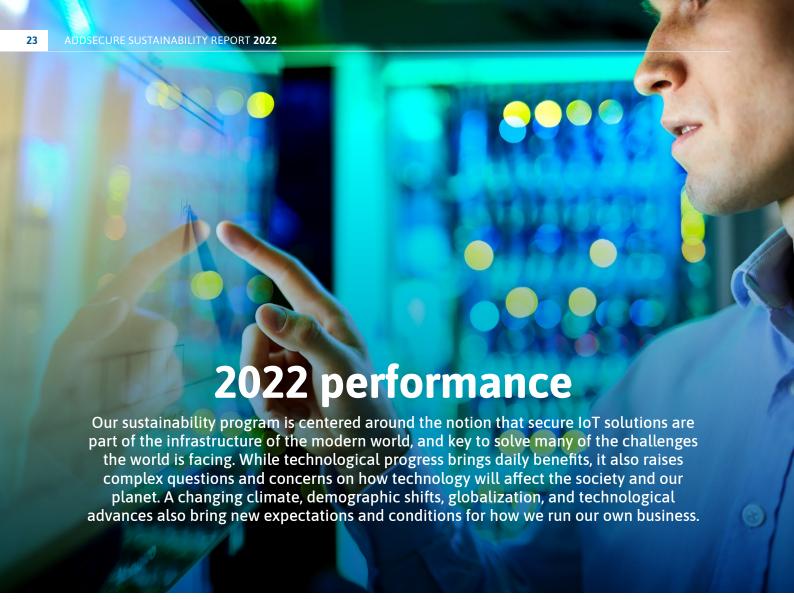
There's a need for a common framework for assessing the environmental benefits and net impacts of digitally enabled solutions. This to make for greater transparency and build trust within the industry and among users. In 2022, AddSecures transport management solution Logic TMS was among the case studies selected by the European Green Digital Coalition.

"We firmly believe that IoT is key to transform society in a sustainable direction. We're very happy to work with EGDC and its partners to estimate the environmental benefits of digitalization and push the industry to use transparent and science-based methods to calculate digital solutions' net impact"

commented Johanna Giorgi, Chief Sustainability Officer at AddSecure.

The EGDC is an initiative aiming to highlight the ICT sector as a key player in the fight against climate change. The EGDC pilot project provides science-based methods to estimate the net environmental impact of real-life digital solutions across sectors six priority sectors (Energy/power, Transport, Smart cities, Construction/Buildings, Manufacturing and Agriculture). Based on the developed methods, the EGDC pilot project will create recommendations for green digital transformation across sectors and promote a widespread take-up by industry players.





When presenting our sustainability performance we do this structured around AddSecure's four strategic focus areas Secure IoT connectivity & data, Customer focused solutions & relations, Sustainable solutions & operations and Great place to work. These areas have been defined as instrumental to reach AddSecure's corporate goals and to make as most impact as possible. The areas also correspond well to material topics as defined in the materiality analysis (see p. 11).

Important advances made in 2022:

- ✓ Improved our EcoVadis sustainability rating to gold, placing us in the top 5 percent of the more than 90,000 companies rated.
- Launched our emission offsetting program, compensating for all scope 1 and 2 emissions.
- Recognized for the third consecutive year as an "Excellent Employer" by Swedish Nyckeltalsinstitutet, placing AddSecure among the top 10 percent in the IT industry.
- Saw 131 teams with approximately 7,000 vehicles reduce 17,500 tons CO₂ in the AddSecure Eco-driving challenge.
- ✓ Included operational KPIs (incl workforce, resource efficiency, emissions, and customer satisfaction related metrics) in monthly reporting to the Board and Corporate Management Team.
- Updated our risk management process to align with double materiality guidelines and to better feed into the annual strategic review.

In 2023, much of our focus will be on:

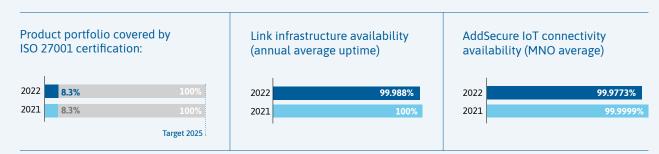
- Getting ready for new ESG reporting standards, making sure we're ready to issue a CSRD aligned report for FY2025.
- Showcasing the real potential of smart and secure IoT solutions by applying scientific methods to estimate net impact.
- Delivering on climate targets to lower direct emissions with 40 percent by 2030.

Secure IoT connectivity and data

Cyber threats seeking to damage data, steal digital assets, or disrupt digital life in general, are constantly evolving. The delivery of secure IoT end-to-end is the common feature across AddSecure's solutions.

To ensure that we deliver on this promise we've seen the need to develop and sustain capabilities group wide and to make sure that the level of awareness and readiness is on the same minimum level across the organization. In 2022, we introduced mandatory trainings for all employees and introduced systems to monitor installed software on all devices. We're working towards a companywide security certification, introducing a common way of working with information security across the organization.

Performance



During 2022, we experienced two incidents related to own managed infrastructure during the year. Mitigations were made and to further strengthen our delivery performance we launched an extra production site on top of the two already in operation. When it comes to connectivity we are relying on the Mobile Network Operators (MNOs) and their respective performance. The partners we use are all top tier operators with dedicated IoT-teams with strict SLA relationship. In the case downtime occur remedy is swift and made together with the Addsecure IoT technical team.

Powering our offerings with secure IoT connectivity

AddSecure's IoT connectivity platform, Link, is a solution for customers and application providers who need effective, secure, and robust communications between equipment and remote facilities, but who do not want to manage the complex technology behind.

Our IoT connectivity solutions provide a complete infrastructure for management of SIM cards, data traffic, and remote access and access control, through an interface, either web or app-based, to manage and monitor the connected devices. The user interface is intuitive and utilizes a high level of automation, limiting the risk of human errors. Communications are completely isolated from other internet traffic and closed off to unauthorized users and devices. Multiple private networks can be created and managed to cater for separation of various end-customers, traffic, and systems.

The IoT connectivity platform powers our different market offerings. IoT connectivity is also offered as a stand-alone solution to customers seeking to secure the communication of connected devices. By providing easy administration of virtual private networks, SIM cards, and access management for customers, we enable data to be securely transmitted between customer and end-user, or between customer and AddSecure for the provision of additional services.

Top 7 sectors for AddSecure's new IoT connectivity solution customers

- ✓ Vending machines
- Building monitoring
- Security
- Water and waste
- EC chargers
- Ambulances
- ✓ Telecommunication

Secure IoT connectivity is key to deliver on the potential of the connected society

Customer focused solutions and relations

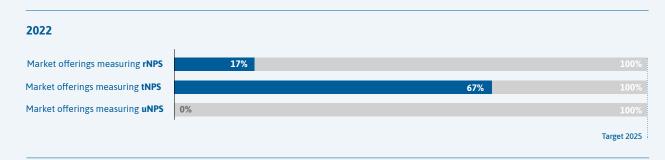
We serve over 50,000 customers globally with secure IoT solutions. Understanding our customers' experience of doing business with us is key for a long-standing relationship and helps us understand our customers' changing needs and expectations.

Innovation at AddSecure is managed on two different levels. Business units design and manage their own targeted product portfolios according to a defined PLM process. Meanwhile, the M&A process is aimed at expanding the business units' portfolios in terms of solutions, qualities, geographies or markets, or to add entirely new verticals to the AddSecure family of business applications.

We serve over 50,000 customers globally with secure IoT solutions. Our solutions address customers' challenges within often complex and regulated areas which require significant know-how and experience, often in a national context. Close customer relations and understanding of local markets is therefor of utter importance. This is why customer related processes, including product development, are managed by each business unit. Local teams in sales, delivery and support are connected via centralized platforms (e.g. CRM) to harmonize our way of working.



Performance



To allow for strong customer relations we aim to measure customer satisfaction (relational, transactional and use) in a unified way across all market offerings.

Sustainable business and solutions

Sustainability in relation to our solutions and operations is focused on two main areas: managing our carbon footprint and optimizing our use of recources.

Managing our carbon footprint: Climate neutral by 2025

As the world becomes increasingly digitalized, information and communications technologies, data centers and network services are emerging as an important source of energy demand. The current environmental footprint of the ICT sector is estimated to be between 5% to 9% of the world's total electricity use and more than 2% of all emissions.

The changing climate causes more frequent natural disasters and severe weather events, leading to risks for physical assets, interrupted logistics/supply chain, and increased cost. Warmer temperatures may also lead to safety risks and diseases impacting workforce health and/or ability to work. On the other hand, heightened risk of extreme weather is expected to increase the need for strong, resilient communications networks.

We've set the goal to lower our direct emissions with 40% by 2030 (compared to 2021), and to compensate for the emissions we haven't been able to avoid. Our car-

bon strategy stretches over our entire value chain and includes our own direct activities, upstream as well as downstream activities.

Our carbon strategy is based on three pillars.

Measure and disclose

We use dedicated reporting teams and software to gather, analyze and communicate all sustainability and ESG data, including carbon emissions. Our emission data is structured according to the GHG protocol.

Reduce

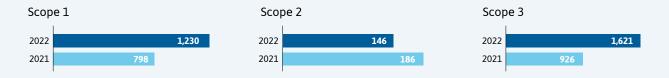
We aim to reduce our emissions by more efficient use of energy and resources and by increasing the share of fossil free energy.

Compensate

We compensate annually for unavoided emissions through Gold certified climate projects. All scope 1 and 2 emissions are included in the offsetting program. In 2022, emissions from business travel and employee commuting were also added to the program.

Performance

	2022*	2021**
Total emissions (tCO ₂ e)	2,997	1,910
GHG intensity***	0.000018	0.000011
Emissions per capita****	3.58	2.23
Total non-transport related kWh use (scope 1-2)	714,185	881,747
Share renewable electricity of total purchased electricity	77%	72%
Tonnes offset (tCO ₂ e) *****	1,741	935



^{*} market based (total location based emissions 2,946 tCO₂e)

^{** 2021} results updated to align with 2022 accounting methodology

^{***} total emissions /total revenue (tCO₂e/€)

^{****} total emissions/FTE (tCO₂e/FTE)

^{*****} including all scope 1 and 2 emissions as well as business travel and employee commuting

About the data

The 2022 CO₂ emissions have been accounted for using DEFRA Carbon Emissions Conversion Factors. Scope 1 and 2 emissions are complete. Scope 3 emissions are partially included, covering data storage, transport and logistics, leased premises out of operational control, business travel and employee commuting.

Progress and insights

In comparison to 2021, total 2022 emissions increased with 20%. This is mainly due to more scope 3 data being added to the carbon reporting, but also a result of activities and business travels picking up after the covid affected years 2020 and 2021. On the positive side, the total energy use (scope 1 and 2) decreased by 19% at the same time as the share of renewable electricity of total purchased electricity increased with 5%.

We're behind the target trajectory to lower direct (scope 1 and 2) emissions (target -40% by 2030 compared to 2021),

despite scope 2 emissions decreasing by 22%. With the use of company vehicles representing 66% of all scope 1 emissions, electrification of the car fleet is deemed key to achieve the target. During 2022, we saw the electrification taking off, with the number of kilomoters driven on electricity increase by 91.5% during the year (Q1 compared to Q4). At the end of the year, 8.1% of total distance travelled in company vehicles was on electricity, an increase of 7.6%.

Data quality remains an important challenge, espescially so concerning indirect (scope 3) emissions. By adding employee commuting, non-company owned transports and data storage to the carbon reporting we reached the goal set for 2022 to include at least three scope 3 categories to better account for indirect emissions. However, scope 3 data still suffers from important cavities, mainly due to incomplete data and uncertainties concerning methodologies. This makes year on year comparisons beyond scope 1 and 2 far from straight forward.

Creating more value out of less product

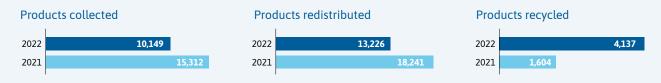
Service-based profit models are recognized as key for society's transition into circular economy and for businesses that must handle growing resource constraints and shifting consumer attitudes towards ownership and consumption. By keeping the ownership of physical products, companies are able to apply offerings where products are shared, rented, upgraded and reused, allowing for recurring revenue that's disconnected from the hardware life-cycle and that's subject to low customer churn.



We operate a subscription-based business model with a high share of recurring revenue (>70%) for predictable and stable revenue over time. Our business model is asset-light and instrumental to our ability to grow long-term customer relations and secure profitability and growth, even during last years' turmoil in terms of economic downturn and growing resource constraints. Examples of circular principles such as virtualization, sharing, and looping are already to be found within our offerings. "Creating more value out of less product" is set as a strategic focus and part of the overall business strategy and the M&A process. By working for a smarter use of resources we expect to lower our environmental impact while also cutting costs of produced goods and improve risk management in our supply chain.

During 2022, we've initiated a company-wide project to improve our ability to track and manage product streams and to fulfil our producer responsibility on markets we serve. We've continued to develop our strategy on group level, introducing joint KPIs in monthly management reports that connect to the business rationale and reflect our ability to make more value out of less product.

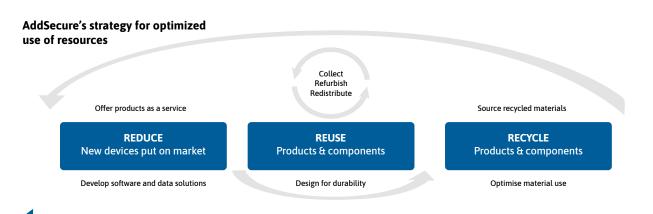
Performance 2022 2021 Non-material value creation (%)* 5.7 5.2 Recurring revenue (%) 77.3 77.3 Ratio redistributed/new products 0.13 0.18 Products put on market 101,497 99,853



^{*}total revenue/(non-recurring COGS + CAPEX customer equipment)

The 2022 results are going in two (what could be perceived as opposite) directions. While the non-material value creation (i.e. revenue as a share of the cost for purchased non-recurring customer equipment) has increased, the ratio of redistributed and new products has decreased. In other words, our ability to create value out of less product has improved, at the same time as our circular performance and ability to close the loop of materials has decreased. This is likely connected to a change in business model in the Smart Transport portfolio where a new leasing model was introduced during the year.

Moving forward we continue to work on increasing internal awareness and understanding of circular business performance and how this is supporting bottom line results. We also continue to set up and improve processes to ensure that producer responsibility is met within different geographies and legal entities.



Great place to work

Our people strategy recognizes our need for individuals with high levels of self-leadership and individual drive, with a joint vision and sense of purpose. As an international, fast-growing company we strive towards the vision "one company, one culture". What leads us is our core values: customer focus, simplicity, team spirit and cooperation. We actively look to increase the level of diversity in our workforce on all levels in terms of gender, age, and background, following up through a number of key indicators.

AddSecure grew its workforce by 5.7% in 2022. We continued to build our digital platform for all things employee related, including tools and support for recruitment, onboarding and training.

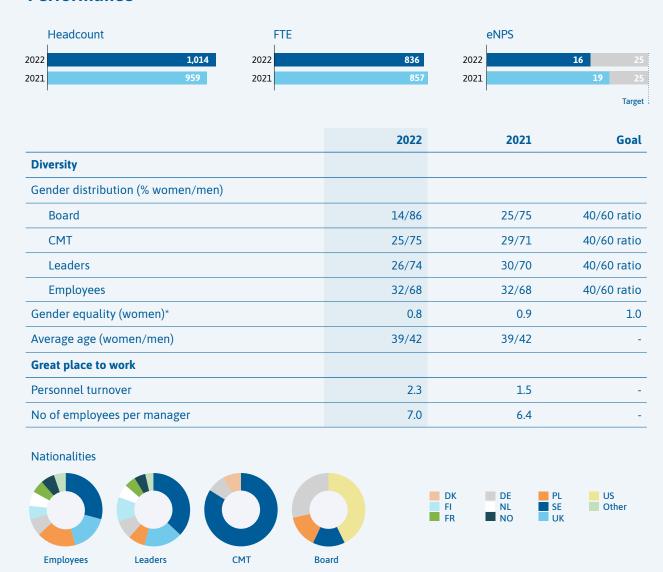


Recognized for the third consecutive year as an "Excellent Employer" by Swedish Nyckeltalsinstitutet



Bronze medal in in the Swedish Championships in Employer Branding, the Magnet Awards

Performance



^{*}Number of female/male managers in relation to number of female/male employees

CASE

Making it to the top five percent

After having obtained a silver rating in 2021, AddSecure improved its EcoVadis sustainability rating to gold 2022. This put AddSecure in the top 5 percent of the more than 90,000 companies rated by EcoVadis in over 160 countries.

EcoVadis is the world's largest provider of sustainability ratings. EcoVadis' methodology is built on international sustainability standards, covering 200+ spend categories and 160+ countries. Since the last assessment, AddSecure has improved its performance across all four rated themes: environment, labor and human rights, ethics, and sustainable procurement.

"This is a great recognition of the effort done by the whole AddSecure group to implement a joint sustainability program," comments Stefan Albertsson, CEO of AddSecure.

"The rating confirms that we have managed to build a solid foundation. From here we can continue to focus on the core of our business: helping customers optimize their operations through smart and secure IoT connectivity solutions."

EcoVadis rating criteria are based on international sustainability standards, including the Ten Principles of the UN Global Compact, the International Labour Organization (ILO) conventions and the Global Reporting Initiative (GRI) standards and the ISO 26000 standard. Founded in 2007, EcoVadis has assessed more than 90,000 companies across 200 industry categories in more than 160 countries.



About the report

The AddSecure external sustainability report presents how our secure IoT connectivity and end-to-end solutions contribute to a safer and smarter world, responding to many of the sustainability challenges the world faces. Additionally, the report informs and reports about AddSecure's 2022 progress within its strategic focus areas.

AddSecure aims to ensure that all information and data is relevant, transparent, consistent, accurate and complete and that it provides an objective picture of the company's operations. The reporting period is January 1, 2022, to December 31, 2022. The report is inspired by the global standards for sustainability reporting, GRI Standards. The 2022 sustainability report has not been assured by any third-party assurance provider.

Global commitments

By securing IoT connectivity and end-to-end solutions in a connected world, we recognize our opportunity, and responsibility, to contribute to society's sustainable transformation and the United Nations Sustainable Development Goals. Aiming to be climate neutral by 2025, we support the Paris Agreement. Our Code of Conduct and our Business Partner Code of Conduct are based on the core principles of the UN Global Compact and its underlying conventions and declarations within the areas of human rights, labor standards, environment, and anti-corruption.

Stakeholder engagement and dialogue

By considering impacts to external stakeholders and ecosystems in addition to those directly affecting the company we can better assess the systematic and longer-term risks that inevitably arise through these impacts.

In line with international guidelines, we invite our stakeholders to verify the selection of topics we have made and to give additional input. The matrix below showcases our main stakeholders, our means for engaging with these on a recurring basis, the stakeholders' expectations, and requirements on us as well as the topics that have been identified as most relevant for each stakeholder group.

In the 2022 materiality assessment, we used surveys to validate our analysis with co-workers and owners. We engaged in a dialogue with internal sales and support functions to better understand our customers' expectations. Frameworks, guidelines, regulations, and other external requests for information served us to understand expectations from policy makers, rating institutions and society in general. The stakeholder and materiality analysis is reviewed annually. For more information on risk management and materiality assessment, see p. 11.

Who	How we engage	Requirements	Expectations	Top 3 topics of specific interest and concern
Customers & end- users	Technical and customer support, sales, surveys, web, media (incl. social media)	Quality solutions and delivery on time	Simple and smooth ordering and installation process, available support when needed	Innovation and development of products and solutions; Management of critical incidents; Management of cyber, data and information security (production)
Current and future employees	GROW meetings, yearly performance review, team meetings, Company All- hands meetings, intranet, surveys, internal trainings	Renumeration, occupa- tional health and safety	Positive company values and culture, personal development, equal opportunities, compensation and benefits	Employee satisfaction, health & safety; Innovation and development of products and solutions; Internal communication and information sharing
Investors, sharehold- ers and lendors	Investor meetings, annual and monthly reports, budget and business strategy review	Transparent and adequate information sharing	Achievement of set targets	Sales performance; Employee satisfaction, health & safety; M&A management and integration
Business partners and suppliers, rankers and raters*	Joint initiatives, quality meetings, assessments, audits, reporting	Honoring contracts and agreements, legal compliance and adherence to relevant standards and guidelines	Professional and timely forecasting and ordering, clear requirements, pay- ment on time, responsible, transparent and fair business practices	Management of supply and value chain; Business ethics; Company reporting
Policymakers, com- munities, and general society	Industry association memberships, media (incl social media), external reports, CSR programs and initiatives	Legal compliance	Responsible, transparent and fair business practices	Business ethics; Management of legal and regulatory environment; Innovation and development of products and solutions



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