



SCUTUM

Shielding your future

ANNUAL REPORT

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FRANCK NAMY,
CHIEF EXECUTIVE OFFICER,
SCUTUM GROUP



CEO Foreword

We passed in 2023 a new threshold with the group's turnover now above the €327.1M mark, proforma of the acquisitions made, representing a growth of more than 20% compared to last year.

Congratulations to the teams who remained committed throughout the year, full of energy and leveraging their talent to accelerate the group's development in an increasingly competitive market. We were very pleased to welcome new team members, including some in new geographies, as we launched Scutum Iberica and Scutum Poland.

In 2024, we will strive to continue to develop our European platform and grow in North America.

Operating across 12 countries, Scutum offers in Europe a unique platform of security and safety services with a depth of offerings which allows it to address customer risks, whether these concern infrastructure, goods or employees. In Europe, Scutum ensures the safety/security of more than 100,000 companies and customer sites from more than 70 agencies and 10 central teleservice stations.

REVENUE EXCEEDS

€327.1m

EBITDA EXCEEDS

€49.5m

Scutum North America also continues its growth trajectory in three main regions (New York City/Florida/Illinois), covering, as a result, three of the largest American metropolises (New York, Chicago and Miami). In 2024 we will open an office in California to address the cities of San Francisco and Los Angeles. This incredible development means that Scutum North America has become Scutum's second country and will pass the \$100M revenue mark this year.

We will work on ensuring a structuring year 2024 for the group supported by local teams working towards customer excellence.

Once again, thank you and well done.

I wish to all an excellent 2024.

STEPHANE GAIDIER,
DEPUTY MANAGING
DIRECTOR, SCUTUM GROUP



TOWARDS GREATER STANDARDISATION

The group has evolved over the past few years and we now operate as One Scutum and not as an addition of separate entities.

Operating as "One-Scutum" requires a greater standardisation of our processes and tools. A number of initiatives have been launched in that respect. Some common tools are today finalised or currently under implementation. For example:

- A consolidation tool is now live and deployed across the group. This tool will ramp up and embed later more and more KPIs.
- Transversal governance rules like delegation of authorities, reporting/planning, or a cost control standardisation manual were disclosed across the group.
- Cash management coordination is live.
- A strong push in streamlining the IT landscape was done in 2023 and will keep on in 2024.
- A CRM that will support the group's global sales strategy was unfolded a few weeks ago.
- The Shared Cybersecurity policy ensures that all entities within the group are all protected against growing cyber threats.

The ultimate goal of all these is, without losing our agility, to increase the robustness of the group.

From a financial perspective as well, the group has never been stronger than today. In fact, consolidated revenues reached €327.1M in 2023 representing a growth of 21% without degrading our economic ratios which is a fantastic achievement.

As we operate as One Scutum globally, this enables to strengthen our relationship with partners and suppliers, and gives us better negotiating power but also better access to products and technologies.

In conclusion, I'm convinced that synergies and connections already in place and those to come, the greater homogeneity of our processes and the stronger relationship with our partners will enable us to better service our customers and to keep on accelerating our development over the next few years.

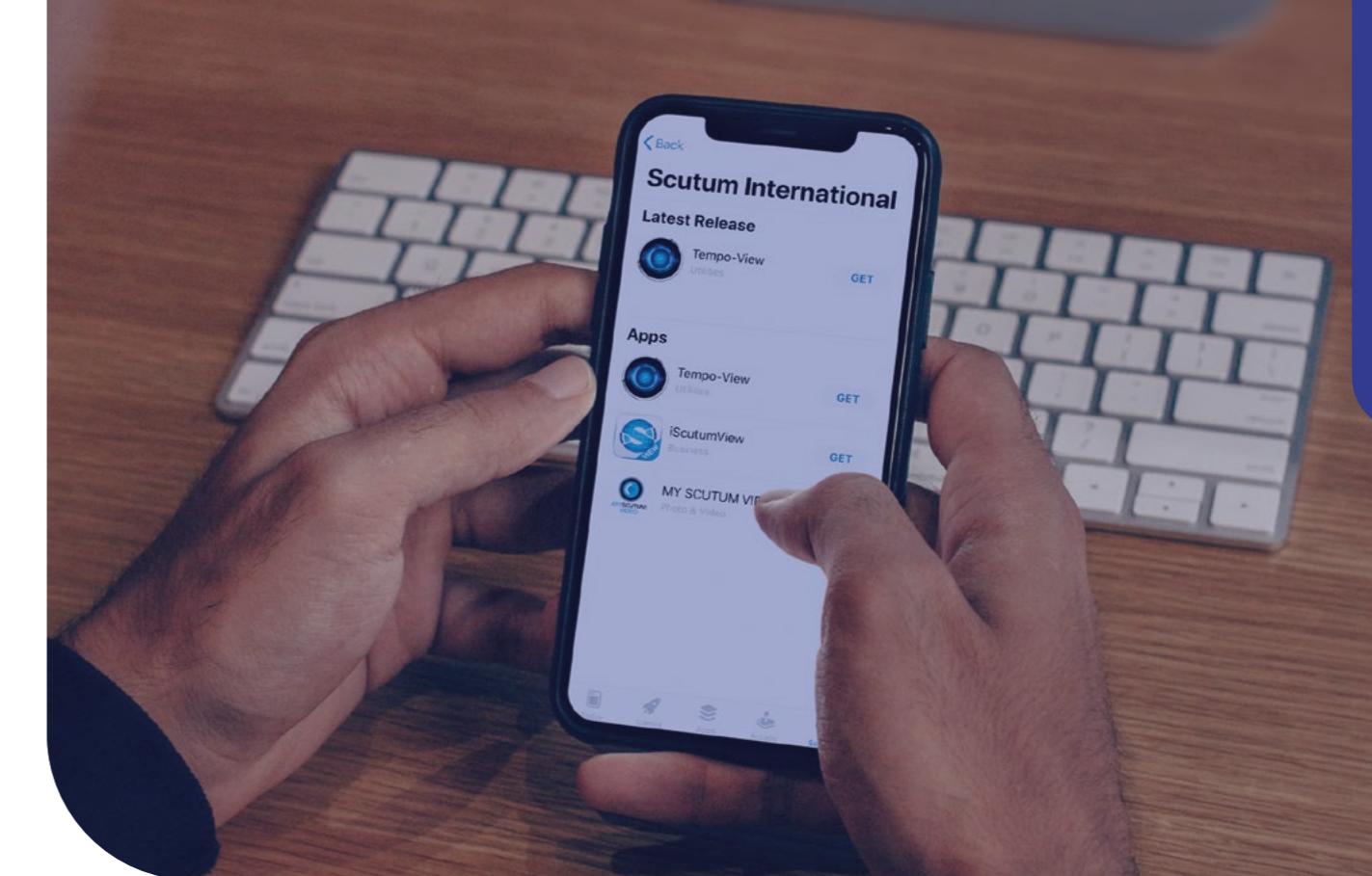


INTERNATIONAL PRESENCE, LOCALLY OPERATED SERVICE

By providing end-to-end solutions available across key markets in Europe and in the United States of America, Scutum has established itself as a key partner to major corporations. Its ability to manage multiple sites in different countries, its remote monitoring centre network and the assurance of quality services make Scutum a strategic and powerful partner for international multi-site companies who know they can count on Scutum's team of international experts to deliver ground-breaking safety and security solutions. Yet, being close to customers at a local level is also important and this is why Scutum continued to invest and strengthen its position in 2023 with acquisitions in France, the UK, Spain, Portugal, Poland and in the USA, while strengthening its reach in existing countries.

AI-BASED PLATFORM FOR A PREVENTIVE SECURITY

Scutum's forward-thinking approach made the group one of the first to understand the opportunities offered by Artificial Intelligence and machine learning. Integrating these technologies into the **Scutum Smart Security Platform** enables to optimally provide a broad range of services, relying on the group's expertise in intruder alarm, fire detection, access control and video surveillance. The critical data gathered by Scutum Smart Security Platform have become key assets to contextualise risks and protect customers at all times.



Scutum at a Glance

87
OFFICES

34
YEARS IN
MARKET

386k
SITES CONNECTED TO SCUTUM
SMART SECURITY PLATFORM

INDEPENDENT

Scutum is a family-owned business which was founded **34 years ago**. It is a leading global safety and security service provider. Scutum Group leverages technological solutions to deliver high quality services ensuring risk prevention for infrastructure, goods, people and data.

GLOBAL

The group serves a broad range of industries with operations in 11 European countries, as well as in the United States of America. It has dramatically increased its international presence over the past few years through organic growth and acquisitions.

DIGITAL

Scutum Smart Security Platform combines Artificial Intelligence-powered software with human vigilance for the optimal protection of our customers. Its cyber design is the assurance that our customers' data are secured throughout their security project, and at all times.

ELECTRONIC SECURITY



FIRE PROTECTION

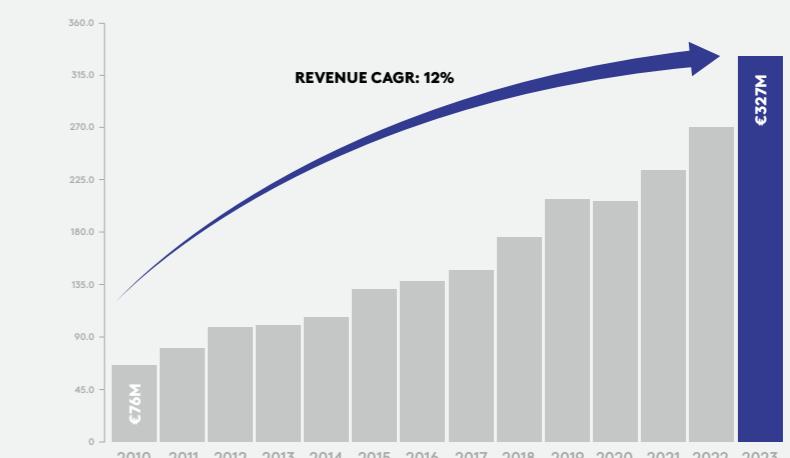


SAFETY & DEFENCE



GROWTH TREND

Average double digit growth



Criteria	2023	2022	2021
EBITDA return on sales %	15.1%	14.9%	14.5%
Service / Installation split	58% / 42%	60% / 40%	60% / 40%
YoY revenue Growth	21.40%	15.80%	13.80%

SCUTUM'S CSR STRATEGY



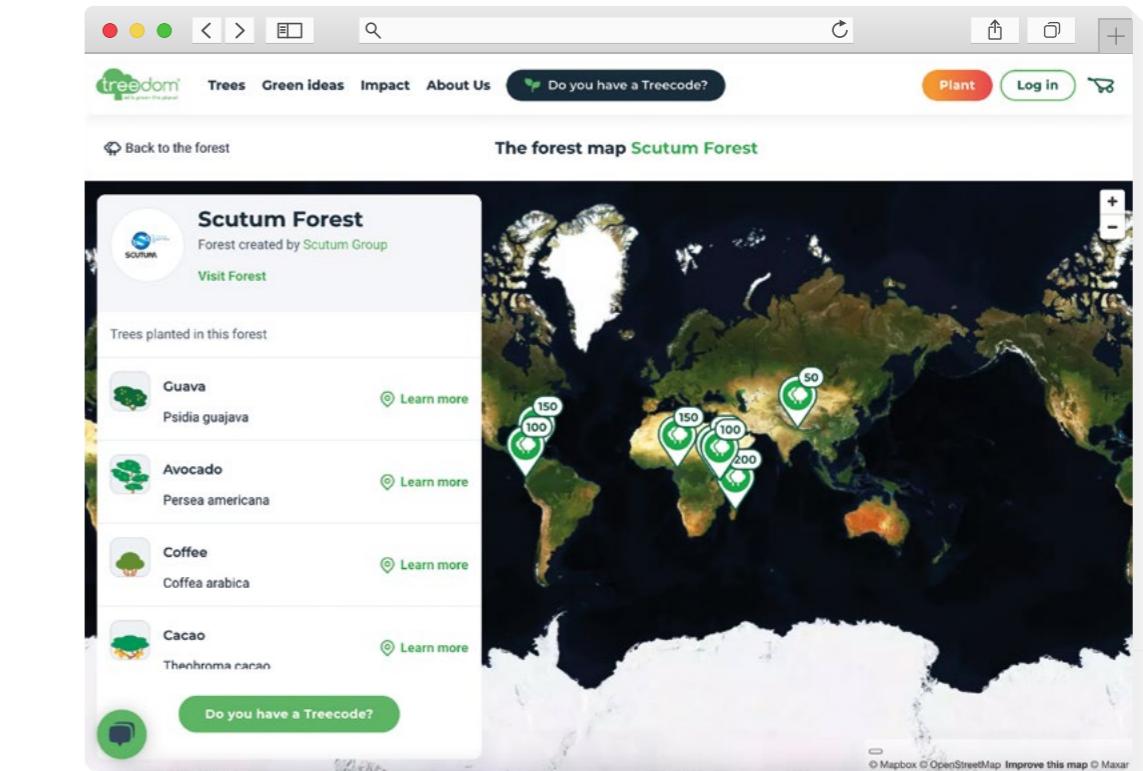
CHRISTOPHE POURCENOUX,
GROUP HUMAN RESOURCES
DIRECTOR, SCUTUM GROUP

SHIELDING THE FUTURE OF OUR CLIENTS, EMPLOYEES, COMMUNITIES AND THE PLANET

Conscious of societal challenges, Scutum, whose mission is to ensure the protection of people, assets and infrastructure, has moved towards a more sustainable growth structured around people, the community and the environment.

Fully integrated into the Group's overall strategy, our ESG (Environmental, Social, Governance) policy aims to include environmental and social considerations in the 11 countries where we now operate. As our teams work hard every day to put people at the heart of our services, preventing any risk of intrusion or fire, it is more than ever important to ensure that we pursue our development in a sustainable and responsible manner. This is why we accelerated in 2023 our initiatives based around our three fundamental pillars - our employees, the communities in which we operate and the planet.

This can only be achieved with the highest level of integrity and professionalism, as we strive to exceed client expectations with agile solutions.



PEOPLE BEST PLACE TO WORK.

Shielding the future of customers would not be possible without our team members, who, throughout the year, remained committed to making a security impact for our customers. As we continue to expand, the excellence we aim for will only be reached as one united team. Cohesion and solidarity help achieve our common goal of protecting assets and people, while the people-centred approach of our senior leadership ensures everyone contribute to the overall success of the group.

This goal cannot be achieved without ensuring the safety of our employees and we work towards a zero-accident objective. A strict monthly follow up of all accidents enables to assess the causes and identify risks. Communications and alerts are regularly sent to all employees, raising awareness on these potential accidents. More safety procedures will be made available via an online e-learning tool in 2024. Training is another crucial element to reach our safety objectives and we invest time in delivering in-house and external courses for optimal results.

Finally, our in-house training centre, Scutum Academy, enables to deliver courses to expand our employees' skills and professional competencies to allow them to perform always better in an evolving technological environment, as well as evolve in their career. The objective is to upgrade skills and find ways to solve challenges that may arise in today's security environment.

COMMUNITY SCUTUM GIVES BACK.

Over the past 30 years, Scutum has transformed from a regional operator into an international leader operating in 11 countries. This would not have been achieved without the support of the local communities that welcomed us and we believe that it is important to give back to them.

Our main objective is to ensure their safety and security, and we have developed strong relationships with local authorities, police fire departments to ensure a prompt response in case of an alert. The close to 120,000 calls made by our operators in 2023 to these departments highlight our commitment to a safe environment for our communities.

Scutum has also developed a solution designed to help elderly people to stay autonomous at home as long as possible. MyScutum Care combines technological advances and human expertise to ensure their safety.

Giving back to the community is also about supporting the future of its children. Our apprenticeship programmes are tailored to a wide range of students and skills. From engineering to human resources, these programmes are the opportunity for young people to work alongside experienced employees, while continuing their studies. The group welcomed in 2023 68 apprentices across France, the United Kingdom, Germany and the Netherlands.



Scutum has long supported local non-profit organisations working on the ground to help local communities. In 2023, Scutum supported Waltham Forest Gators Swimming Club, also known as 'Gators', a non-profit organisation based in East London. Scutum's support will help the club develop further and reach the coach's objective for the season 2023/2024 to have at least three swimmers qualify for the Swim England Nationals, as well as helping the younger swimmers compete fiercely and in numbers at a county and regional level.

ENVIRONMENT TOWARDS CARBON NEUTRAL.

Reducing our carbon footprint is not an option anymore. With 80+ offices, 11 datacentres, 1,000 cars and hundreds of business trips every year, we have acknowledged our CO2 emissions are not negligible.

The completion of our second carbon audit, across scopes 1, 2 and 3, in 2023 enabled us to identify three main high emitting areas: transport/travel, procurement and building, and to work on a trajectory to reduce our footprint. Initiatives have been launched for three high emitting areas, with the group accelerating its transition to green vehicles in all countries and a number of building audit in progress. Our objective is to reduce by 20% our emissions by 2028. The yearly carbon audits will enable us to monitor our emissions and their evolution. The group just completed its 2023 carbon audit. The group started also working on a study around the carbon impact of its services.



In parallel, we have set up offsetting actions such as the project with Treedom that plants trees mainly in Asia, Africa, South America. We have committed to buy 1,000 trees per year, which represents 250,000 Kg of CO2 absorbed every year.

2023 CARBON AUDIT OVERVIEW

Total emissions:	30,295t CO2
Scope 1:	8,309t CO2
Scope 2:	727t CO2
Scope 3:	21,258t CO2



STEPHANE GAIDIER,
DEPUTY MANAGING
DIRECTOR, SCUTUM GROUP



FINANCE STRATEGY & 2023 RESULTS

GENERAL COMMENTS

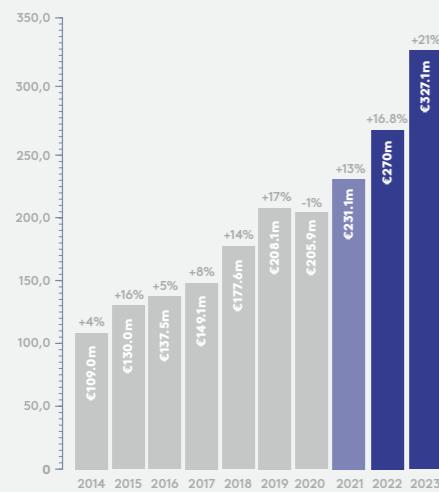
The Group continued focusing on its strategy towards increased recurring revenue, improvement in Gross Margin profit level and delivery in Cash performance. This year's twelve acquisitions in the UK, France, Germany, Spain and in the United States, combined with two asset deal in the US and France, led to a higher profit level, while enhancing the recurring model, increasing the Group's numbers of connections and strengthening our presence in North America.

In terms of activity, the Group reached its objective of a 58% services / 42% installation split in Revenue. More operational KPIs like "ARPU" (Average Revenue Per User) or "Net Change Rate" or "Price Increase" are now as important as the more traditional financial KPIs.

2023 was still impacted by inflation and the shortage of some products. The group organised dedicated weekly meetings with top suppliers to mitigate the shortage impact on our activities, while a price increase survey, followed by an action plan, was launched in order to offset cost increase linked to inflation.

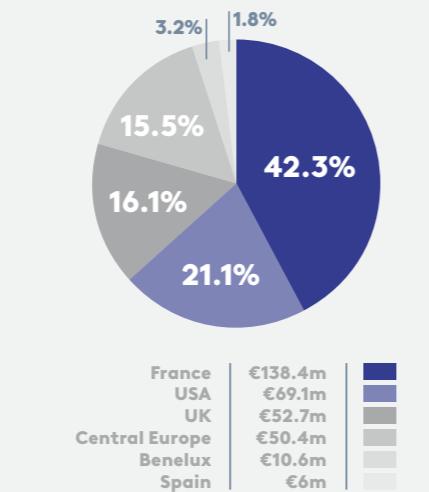
TOTAL REVENUE (2014-2023)

Sales in Millions € (2014-2023)
Consolidated Revenue 2023 Pro Forma



TOTAL PER COUNTRY (2023)

Sales in Millions € (2023)
Consolidated Revenue 2023 Pro Forma



2023 FIGURES' COMMENTS

P&L

In terms of Revenue (as per statutory consolidation), the Group registered a 13.0% increase Year on Year at €290.8 million vs. €257.1 million in 2022, benefiting from the acquisitions completed in 2022 (full year effect) and 2023, but also from organic growth. Proforma-wise, i.e., taking into account the 2023 acquisitions on a full year basis, revenue is at €327.1 million, showing an organic growth of +4.0%.

Group consolidated EBITDA is at €38.6 million, considering all IFRS16 restatements. Proforma restated EBITDA (including 2023 acquisitions, synergies and consolidation restatements) is at €49.5 million (15.1% return on Sales). The Gross Margin kept on increasing to reach 41% on sales. However, due to group structuring, our G&A increased, offsetting part of the Gross Margin impact at EBIT level.

In terms of consolidated accounts, the Operating Profit is at 7.7% of return on Sales from €21.7 million in 2022 to €22.5 million in 2023.

Net financial cost is increasing due to refinancing of the debt of the group which occurred in July 2022.

After IFRS 16 full restatements, Consolidated Net income is at €(0.8) million in 2023 vs. €1.8 million in 2022.

BALANCE SHEET

The main Year on Year evolutions of the Balance Sheet captions are the following ones:

- Goodwill / Intangible Assets : respective increase by €26.4 million after integration of the goodwill of the recent acquisitions (Vigilec and Scutum Premium Services (formerly Fichet Bauche Telesurveillance) in France, Alarm Maintenance Company in the UK, SECALL and TEB GmbH in Germany, TEB Polska in Poland, TEB Iberica and APT in Spain, and Thomson and AAMI in the US).
- Financial Debt increased by €56.3 million due to financing of M&A operations during the year.
- The Net Debt to EBITDA covenant ratio is at x4.24 for the 2023 financial year, thus fully compliant with the ratio threshold negotiated with the pool of banks in July 2022.

- Working Capital increased (cash consumption) by €1.5 million, mostly explained by i) Work In Progress in Germany, ii) small amount invoices in the US and Assets deals which increase working capital by approx. 2 months of revenue. For both topics an action plan is in place to catch up this working capital shortfall in 2024.

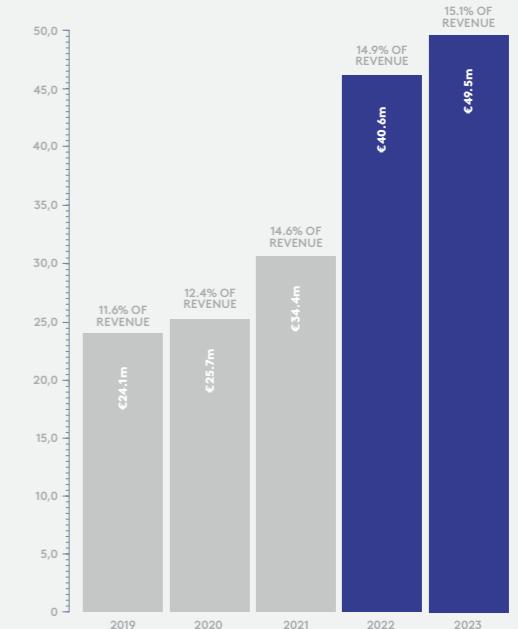
- Net cash from operating activities is strongly positive at €33.6m reflecting the group capacity to integrate acquisitions and generate positive organic cash flows.

- Cash showed a €11.5 million increase in 2023 mostly due to cash coming from operations but also from external acquisitions.

BUDGET 2024 AND PERSPECTIVES

Proforma restated, Budget 2024 Revenue is at €347 million (+6% organic growth) with an adjusted EBITDA of €50.4 million. Return on sales is decreasing from 15.1% to 14.5% in budget 2024 due to continuous effort to structure the group (ie more G&A). These figures are built on a bottom-up process and prioritising the recurring model through initiatives to increase our services portfolio. These figures are based on a like for like basis and without anticipating any acquisition in 2024.

EBITDA ADJUSTED PRO FORMA (2019-2023)



PASCAL ARTHUR TURCHI,
CHIEF OPERATING OFFICER,
SCUTUM GROUP



OPERATIONS AT A GLANCE

While the world was hoping to start turning the page on the Covid-19 pandemic, corporations around the world braced for another challenging year as they watched geopolitical developments in Ukraine unfold, followed by a galloping inflation.

Despite these challenges, anchoring the group's organic growth plan remained a key objective for Scutum leadership. The successful execution of the model by the teams has demonstrated our ability to develop organic growth faster than the market trend despite the market conditions and challenges.

Our model is structured around four service lines: Installation, Maintenance, Remote monitoring and Guarding. The main focus remains the development of recurring revenues with the highest margins.

For some regions, installation is a customer acquisition activity that generates recurring services and therefore higher margins. The North America model is probably the best example. For others, maintenance is a way of acquiring customers, with lower margins, and therefore generating installation activities with higher margins.

The key initiatives put in place were crucial in helping us reach the group's ambitious growth objective:

- Focus on growth margins enhancement**
As the most variable part of our business model is installation, this needs to be better supervised and forecasted. Even if the model is used for customer acquisition, the variation in margins from one country to another is to be managed carefully.

Maintenance visit volumes have increased considerably. While technicians are very productive at a rate of 5 to 6 visits per day, the number of technicians required would be very large and difficult to maintain considering the technician churn rate. We must therefore now evolve the model towards a click and digital model. Remote monitoring services continue to migrate

towards full IP and Video. If flat rate pricing models are very much in place, they accentuate the erosion of margins and do not promote quality of services. At the same time, our cost structure should not be correlated with portfolio growth. This is not the case when adopting a cloud model.

- Drive pricing initiative on SSP portfolio and installation activities**
A number of initiatives have been put in place to manage inflation and rising production costs in the various geographical areas. A customer price increase programme for SSP services has been designed to raise awareness among sales staff and customers of the need to raise prices, i.e. +€5M over 2023 and +€9M on a full-year basis. These price increases also concern hourly service rates and travel expenses.

- Establish procurement goals with key suppliers**
Scutum has organised diligent management of product supply shortages with key suppliers. This has led to the implementation of global contracts with associated discounts and faster delivery of goods. Setting sourcing targets and price reductions with major equipment suppliers are ongoing efforts for safety and fire equipment.

In 2023, the focus was more specifically on telecommunications suppliers, who are becoming essential in maintaining the operational readiness of solutions deployed at customer sites.

- Reduce churn rate**

All geographies put a particular focus on managing attrition and strengthening customer relationships. Geographies pursued the client programme whose initiatives aim to always enhance customer service, and ultimately reduce churn to below 10%. The growth of the Smart Security Platform (SSP) portfolios is better oriented with a net growth of 4% and churn rate below 10%

- Enhance governance**

The achievement of our growth objective was made possible with a strengthened governance that included additional touchpoints with the top management, animation of the Executive Committee, with a focus on the expected figures and on the transformation of the business. A more integrated model was also proposed for Scutum International Services (SIS) activities, with a more integrated leadership. A first step was the transition to the new name early 2022 to improve the coherence of the activities and support potential synergies.

LOOKING FORWARD INTO 2024

A strong focus will remain on strengthening gross margin improvement for all countries, while expanding our customer base – and strengthening our position of leader across all countries. Another priority will be to continue developing the SSP platform – a recurring source of revenues important to support the group's long-term development.

JOHN NAVARRO,
GROUP CHIEF COMMERCIAL
OFFICER, SCUTUM GROUP



EMPOWERING GROWTH AND INNOVATION

In the dynamic landscape of security solutions, Scutum Group continues to set the benchmark for excellence and innovation.

2023: A Year of Resilience and Growth:

In 2023, Scutum Group demonstrated remarkable resilience and agility, achieving final sales of €123.356 million. This achievement, representing a variance of +€11.070 million or +9.85% compared to the previous year, is a testament to our unwavering commitment to excellence and our ability to adapt to evolving market dynamics.

2024 Vision and Strategic Imperatives:

Looking ahead to 2024, Scutum Group is poised for even greater success, fuelled by our ambitious budget forecasting organic growth, including 2023 M&A, of +22%. Central to our vision are four pillars and two enablers, each designed to propel us towards our goal of becoming the industry's premier security solution provider globally.

MISSION AND METHOD

At the heart of our strategy lies a mission to spearhead the development of a cohesive Scutum sales culture, fostering organic growth across Small Medium Business, Large Accounts, and Alarm Receiving Centre services. This mission, supported by four pillars and two enablers, forms the blueprint for our success in 2024 and beyond.

1. One Scutum Sales Culture:

Establishing a unified culture across Scutum Group, we prioritise team building, brand assimilation, and global marketing and advertising. Our method involves common onboarding, global structure/rhythms, and rewards to drive alignment and cohesion.

2. Global Accounts/Vertical Account Strategy:

Leveraging our multi-country presence and strong customer base, we launch a unified global accounts strategy, promoting a complete portfolio of fire, security, and monitoring solutions. Our method includes launching a unified Global Accounts playbook, building a dedicated Scutum Global Accounts team, and targeting vertical markets within Datacentres and the Energy and Utility sectors.

3. Sales Synergies, Upsell & Cross-sell:

Maximising customer lifetime value, we concentrate on new service offerings and expanding into new business units. Our method focuses on KPIs driven by a global CRM powered by Hubspot, Business Unit champions/pulse/KPIs, and asset-centric strategies.

4. Normalise SMB Offerings & Structure:

Simplifying go-to-market strategies, we establish a common organisation and structure for our direct and indirect channels. Our method includes digital marketing/lead tools, uniform training and support, and a dealer programme focus.

Enablers:

- Standardise Products and Solutions: Through strategic partnerships and innovation, we enhance our competitive advantage and profitability. Our method involves launching a product committee, partner alliance programmes, and breakthrough innovation focus, spearheaded by dedicated teams working in harmony to align purchasing, technical, and commercial priorities.
- Driving Marketing Excellence: Enhancing collaboration and brand consistency, we create a global collaboration hub and implement a unified web presence enhancement strategy. Our method includes professionalising marketing materials through auditing and standardisation, driven by a marketing committee committed to refining our messaging and solidifying our market position.

CONCLUSION

As we embark on this journey of growth and transformation, Scutum Group is positioned for unparalleled success. Our strategic initiatives, guided by a clear mission and method, reinforce our commitment to excellence, innovation, and customer-centricity. With a unified vision and unwavering determination, we advance into a new era of success, poised to redefine the boundaries of excellence in the security solutions industry.

ADDITIONAL INFORMATION

As of 2024, Scutum Group operates in 12 countries with a dedicated team of 200 sales representatives, further solidifying our global presence and sales capabilities. Our CRM system, Constellation, is powered by HubSpot, enabling us to effectively manage and optimise our customer relationships.

Additionally, we are proud to announce the establishment of several committees aimed at enhancing our organisational capabilities and fostering collaboration. These initiatives, including the Marketing Committee, Product Committee, ARC Committee, and Global Accounts Committee, are driven by our collective commitment to excellence and innovation. Led by dedicated team members, these committees play a pivotal role in shaping our strategic direction and ensuring that Scutum Group remains at the forefront of the industry.

ACKNOWLEDGMENTS

We extend our heartfelt gratitude to our dedicated team members, loyal customers, and valued stakeholders for their unwavering support and commitment. Together, we will continue to push the boundaries of innovation and excellence, driving sustained growth and creating value for all.



PASCAL BRAY,
GROUP MERGERS &
ACQUISITIONS DIRECTOR



M&A STRATEGY & EXECUTION

The group significantly accelerated its external growth in 2023, with the completion of 12 acquisitions in Europe and the USA.

2023 in a few figures:

- 294 employees
- €47.4 M of revenues (2023's pro-forma), including 43% of recurring revenues
- €9M of normative EBITDA, 19% as of sales, before synergies
- 54,000 connected sites
- 2 new Alarms Receiving Centres in France and Germany
- A new Audio and Video offering for building security
- 3 new countries: Spain, Portugal and Poland

The 2023 strategy focused on:

- a) strengthening our USA position on the East coast and in the Great Lakes region
- b) offering a high-level quality in Fire detection and remote monitoring services
- c) enhancing our market share in all countries where we already operate and expand our footprint in Southern Europe.

Keeping in mind our objectives to increase the number of connected sites, cover new geographies, enhance our market share in the SMB segment and bring new offering to customers, while improving the group's profitability.

2023 Acquisitions

UNITED STATES:

- **Securall:** asset deal enabling us to provide services to 16,000 new clients from our Smart Security Platform in the State of New York, which now monitors more than 130,000 connected sites.
- **Thompson Electronics Company (TEC):** located in Peoria and Naperville, provides electronic systems expertise in audiovisual, healthcare and education communication, fire alarm, and security throughout Illinois. TEC's 2023 revenues reached USD 17M.
- **AAMI:** serves high-end residential, as well as Small and Medium Enterprise customers located on the gulf side of Florida, offering a full suite of solutions, including video surveillance, residential fire, security, and access control for a total revenue of \$6M in 2023. Headquartered in Naples, Florida, AAMI also has offices in Sarasota, Tampa and Summerfield.

FRANCE:

- **Fichet-Bauche Télésurveillance:** specialises in high-risk management with remote monitoring of property and people, and protection of isolated workers, operating from two APSAD P5-certified remote surveillance platforms in Vélizy Villacoublay and Saint Laurent du Var. With 14,800 sites connected, revenues reached €6.5M.
- **Vigilec:** The installation and maintenance business focuses on access control and intrusion control for banking customers mainly, in the Centre-Eastern part of France. Also joined the group three subsidiaries located in Spain, Poland and Germany, specialised in the installation and maintenance of video surveillance and intrusion for retail large accounts mainly. In total, the merger accounts for 10M€ of revenue in large accounts only.

- **Risk&Co:** Scutum International Services completed the integration of the activities of Risk&Co-Anticip's Operations division within Scutum Security First (SSF). Integration scope includes a Travel Risk Management tool, economic and strategic intelligence activities and country risk analyses, the establishment of Security Managers internationally and support in sensitive areas.

UNITED KINGDOM:

- **AMC:** after the acquisition of Electroguard in Dundee, AMC joined the group last year, consolidating our position in the North East of Scotland, in Aberdeen.

GERMANY:

- **Secall:** provides remote surveillance services to electronic security installers and direct end-user customers. Its integration adds over 7,000 connections with over 900 customers to our Scutum Security Platform, including 70 partner installers. This second Alarm Receiving Centre in Germany is important for the back-up of activities in Schorndorf.

INTEGRATION PLANS

Post-acquisition integration is a crucial step to add value to the group. In each country, the group shows its ability to set up synergies plans and achieve its costs savings and development plan targets. Scutum's 24-month integration blueprint consists of a synergies plan, a governance aligned with Scutum organisation blueprint, an integration of remote monitoring connections with our own ARC, an integration of reporting lines, budget and decision-making, a migration of ERP and IT systems, a rebrand and socialisation with all stakeholders.

What we did for the 2023 acquisitions:

- **Securall:** All 16.000 acquired connections were successfully transferred, in Q4 2023, to our alarm monitoring software to be more efficient and to redistribute the alarm traffic between our ARCs.
- **Alarmtec:** Scutum North America successfully optimised, in Q1 2024, the organisation of its central station by converging the remote monitoring software to one unique tool, then started to centralise the traffic to one platform.
- **AMC:** Scutum Group UK started to redistribute remote monitoring connections to their main platform in Plymouth. Also, the merger with Electroguard in Dundee strengthened Scutum's visibility required to accompany some large accounts in this area.
- **Risk&Co:** the team joined SSF offices, accelerating the sales synergies.

2024 OBJECTIVES

The group will continue to strengthen its position in the USA on the East Coast and is planning to start developing on the West Coast.

Moreover, Scutum will enhance its market share in the countries where we already operate, target to expand its footprint in Spain and enter Italy. Scutum M&A will have an opportunistic approach in France, UK and the DACH region.

Lastly, Scutum's acquisition choices will focus on recurring services. With video surveillance a growing business in electronic security, and more particularly artificial intelligence solutions, the M&A strategy will take into consideration additional skills and offering that we could provide clients through new mergers.

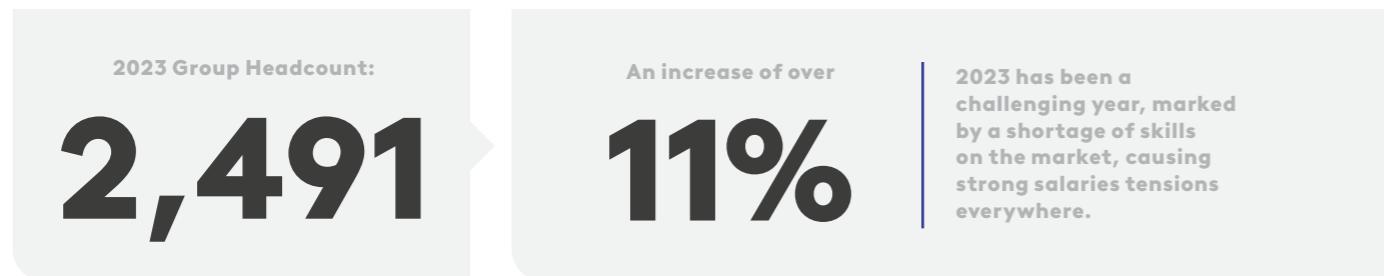


CHRISTOPHE POURCENOUX,
GROUP HUMAN RESOURCES
DIRECTOR

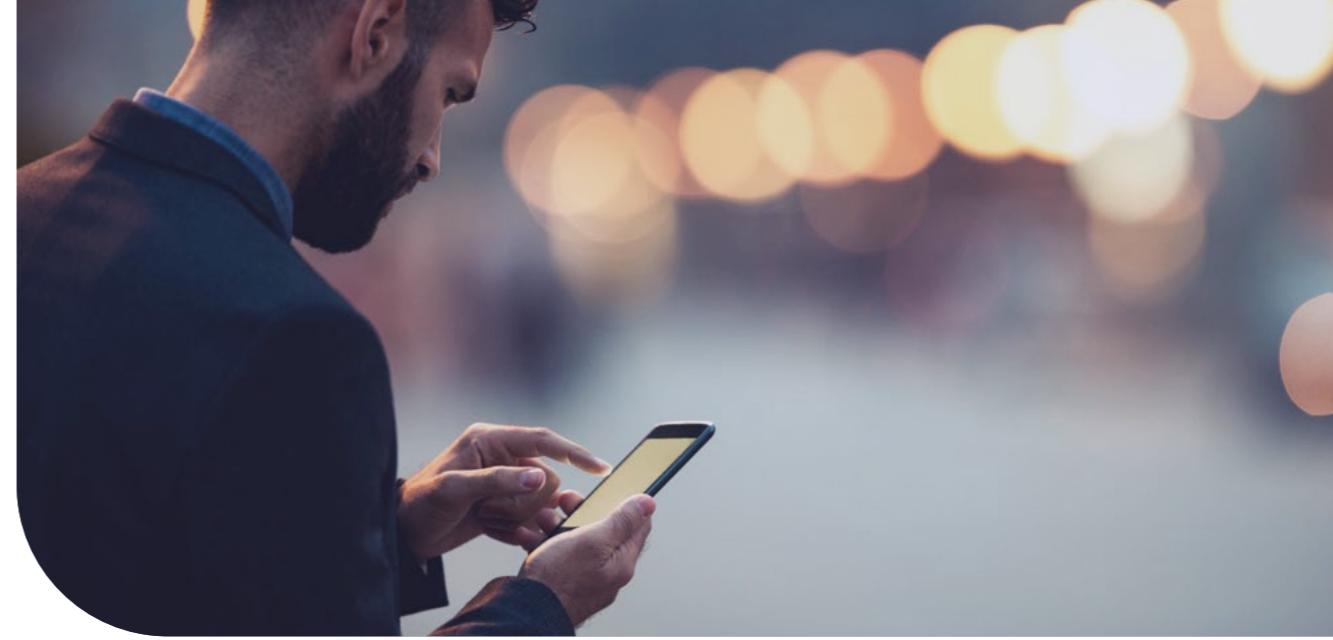


HUMAN RESOURCES

HEADCOUNT



FRANCE:	924
CENTRAL EUROPE:	522
BENELUX:	64
SIS:	184
UK:	408
NORTH AMERICA:	326
INTERNAT. PLATFORM:	13
IBERICA:	50



2023: AN EXCITING YEAR!

As we continued to grow and expand our footprint in countries and new geographies such as Spain, the number of Scutum employees increased from 2,245 in 2022 to 2,491 in 2023 (+11%). As we accelerate our growth and onboard new employees, we remain convinced of the importance to promote and root, everywhere, our values - the DNA of Scutum culture.

Integrity, agility, customer focus and especially ONE SCUTUM TEAM. With new acquisitions and new employees, we pay particular attention to encouraging this spirit and mindset. Enhanced productivity is key to be competitive and continue to lead the industry, but to be the best in class requires a management style based on proximity, cohesion and respect of work conditions (e.g. private life / professional life balance).

SOME PILLARS OF OUR HUMAN RESOURCES POLICY:

- **Attracting new talents:** As we pursue our growth, we are permanently working on strengthening our teams. Two new key positions were created in 2023: we strengthened the M&A team with a US-dedicated expert to align with our strong ambitions there and we appointed a Group Chief Commercial Officer to build one Scutum sales community, gathering our 200 sales representatives.
- **Giving back to the Community:** Our responsibility towards the community is an integral part of CSR policy. We had 68 apprentices in 2023 - a way to give back to the communities and an incubator of future talents for the group.

- **Scutum Academy development:** Continuing to develop Scutum Academy is key, especially to retain people and talents.

As part of Scutum Academy, our onboarding excellence programmes for sales representatives and engineers aim to integrate new talents in the best conditions. The key elements for a successful onboarding is a right balance, during the first few months, between coaching on the field, classroom trainings and a strong proximity with the direct managers.

Scutum Academy also enables to permanently update employees' skills, throughout their professional life at Scutum, in a sector which is increasingly more technological with the introduction of intelligent video, artificial intelligence and digitalisation.

SCUTUM TALENTS PROGRAMME

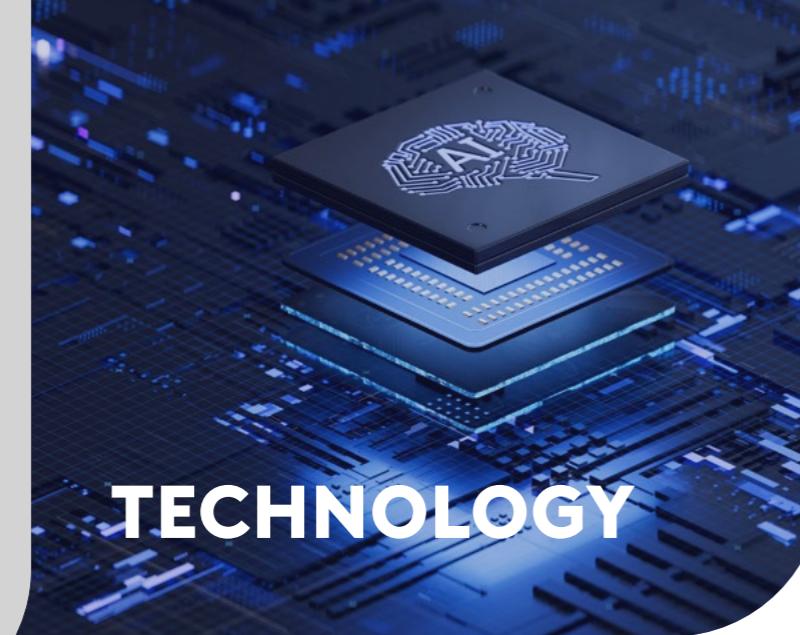
All employees do not have the same value and criticality for the group when they leave. This could lead to the loss of expertise, knowledge of vertical segments, strong customer relationship, as well as high potential and high performers, with some skills very difficult to find on the market.

This project has been launched with the objective to identify, in each country and department of the company, critical talents, by working closely with field and proximity managers.

This project will also enable, in a second phase, to protect our talents through targeted actions aiming at giving them perspective, skills development programmes and more responsibilities.

Our ambition is to build Scutum Group as the best place to work!

MIKAEL DAUTREY,
GROUP TECHNOLOGY DIRECTOR



In 2023, Scutum Group launched one new offering to meet our customers' cybersecurity needs. At the same time, the strengthening of links between Group entities worldwide has enabled us to initiate a process of sharing innovations, products and best practices. At the end of a rich and intense year, the extremely rapid development of generative AI opened up new fields of exploration, which will undoubtedly lead to profound changes in the working environment of Scutum Group managers and in our products.

Scutum Group offers a complete range of services, from property and goods protection to fire detection and suppression for our SME clients. Expanding this portfolio to meet their cybersecurity needs makes perfect sense. In 2023, the Scutum Group assembled a small team to design, build and market a new offering, Cyber by Scutum, our new cybersecurity offering for SMEs, which will be one of the major commercial launches in 2024, first in France and in other countries next.

In the environment of large accounts and complex site, cybersecurity has long been a limited concern for alarm monitoring systems, mainly because these systems were specific electronic devices confined to private networks. With growing cybersecurity regulations, our large-account clients definitely need specific offerings to align our alarm monitoring design with their cybersecurity certification and to benefit from new maintenance services, software patching, vulnerabilities management, and alert and incident management. We are adding new services to our portfolio for large accounts to address these critical needs.

2023 was an important year for team building and innovation within the Group. We launched two recurring steering committees, one for services and another one for products, with the objective to share ideas, best practices and innovations across entities. Every country has a unique technology footprint, with innovative products and know-how aimed at global accounts. Our SME clients will benefit from this with an enhanced, globally tested and shared portfolio of products, closer relationships with our suppliers, and generalisation of new services that are already mainstream in other geographical areas.

Generative Artificial Intelligence (AI) and the Large Language Model (LLM) hit the market in 2023. Scutum has already tested them on some basic and obvious use cases. Integrating these services into our alarm management platform will require some effort due to their inherent non-deterministic nature, but they will probably help the operator to optimise their work, by enriching the context of their interactions with automatic monitoring service. In the shorter term, they will streamline the work of managers, automating daily data analysis and report writing, and offering new tools for prospecting new ideas, brainstorming or evaluating business hypotheses. Perhaps tomorrow, that annual report will be fully automated thanks to generative AI.

RISK MANAGEMENT

In 2023, the establishment of the Risk Department within the Scutum Group made it possible to consolidate the efforts already undertaken to address the major risks to which our subsidiaries may be exposed.

Ensuring a cross-functional mission, the risk department has developed the implementation of an internal vulnerability management network in order to anticipate the emergence of any type of incident that could impact the normal course of our activity. Training in crisis management, carrying out situational tests and continuously updating procedures are imperatives to ensure the resilience of our entities in the face of emergencies. The mobilisation of all our employees on risk management remains a key success factor that the online training tools and the various thematic workshops make possible to support.

The creation of risk maps for each subsidiary, now updated every year, allows us to better understand the exposure of our entities in the short, medium and long term. It also makes it possible to identify major trends and weak signals. Finally, its construction process results in the description of concrete recommendations that form the basis of risk mitigation plans.

In a global context where the cyber threat occupies a major place in the various risk maps, the Risk Department has continued the efforts already undertaken in previous years by the Scutum Group to continuously strengthen its anticipation and reaction capabilities and thus enables the Group to position itself at the level of the standards expected of its global security activity.

The multiplication of networks and means of communication to which all the activities of a group such as Scutum are now subject, implies a very particular attention to the resilience and redundancy capacity of all its resources. The maintenance of a permanent monitoring system and appropriate resources are a priority in order to maintain a very high level of responsiveness in the face of this risk.

The updating and emergence of standards governing the conduct of our activities are also points of attention paid by the risk department. Compliance with these various rules (GDPR, SAPIN 2, etc.) is both an exercise and a permanent point of attention to enable the group to take its rightful place in a reliable ecosystem and be considered as a trusted partner by all its interlocutors. In this context, the anti-corruption code of conduct is regularly updated, distributed to each subsidiary. Accessible to all our employees, this code of conduct marks our commitment to comply with the rules common to all companies.

WILLIAM MARTIN,
GROUP RISK DIRECTOR



SARAH TSIRIGOTI,
HEAD OF COMMUNICATION



BRANDING & COMMUNICATIONS



Scutum has been protecting people, assets and infrastructure since 1989. From a small regional integrator, Scutum has transformed into a leading global service provider of safety and security services. We felt that the brand identity needed to change to reflect this evolution. The new logo conveys the message of globalisation with the globe underlining the group's international coverage, while the star in the logo highlights the constellation of services that we provide to shield organisations' and people's future. Shielding your future remains a key element of the logo, highlighting our mission. The logo deployment is in progress in all countries.

The harmonisation of the entities' logos will enable to strengthen our visibility, more particularly as the group develops its global sales strategy and harmonises its operating processes. Also, all entities become 'Powered by Scutum' sending a strong message to clients and partners on Scutum's capabilities and reach.



The harmonisation of logos and templates will also support the countries' marketing efforts that accelerated in 2023 with a digital marketing push, participation in trade events and creative initiatives such as the launch of a podcast.

2023 saw the launch of the Extended leadership group which gathers 100 top managers approximately across all countries. Regular meetings and communications have enabled to inform these managers of the group's developments and projects. As we continue our expansion and integrate new companies, it is crucial to deliver clear communication on the group's developments, as well as its objectives and vision.

The Football Scutum Cup gathered 80 players from France, the United Kingdom, Germany, Belgium, the United States and Scutum International Services. It was great to see so many players from all around the world. Congratulations to France who won the Cup. Such events are great to build the One Scutum team, crucial to the group's development.

Scutum was pleased to announce the sponsorship of Waltham Forest Gators Swimming Club. Also known as 'Gators', the club currently has 275 active members between 4 and 80 years old, including approximately 100 in the club's competitive pathway. Scutum's support will help the club develop further and reach its objective for the season 2023/2024 to have at least three swimmers qualify for the Swim England Nationals, as well as helping the younger swimmers compete fiercely and in numbers at a county and regional level. The club expects 35+ county level qualifiers and 15+ regional level qualifiers across the season. Several young swimmers have as long-term goals to reach the Olympics.





JEAN-CLAUDE GALLOIS,
SAFETY & DEFENCE BU (SATIF)

DOMINIQUE GERARD,
RISK MANAGEMENT & PREVENTION BU (SSF)

PHILIPPE GAURON,
IVOXE

SCUTUM INTERNATIONAL SERVICES

RISING UP TO THE GLOBALISATION CHALLENGE

Globalisation is an established part of the modern world, with information, technology, people and goods openly moving from countries to countries. While the benefits are numerous, including the transfer of expertise and accelerated innovation, it also brings some challenges. As companies start to grow and expand across borders, they need to adapt their business operations and processes to ensure that their skills, people and data are protected at all times, and anywhere in the world. Scutum International Services (SIS), an entity of Scutum Group, was launched to support the international development of large corporations with safety and security services. SIS services include travellers' security, business intelligence, safety operations and country risk analysis provided by Scutum Security First (SSF), and counsel and engineering with Satif.

PROTECTING COMPANIES' EXPATRIATES

Terrorist attacks, wars, natural disasters: risks to which expats and travellers are exposed are unfortunately multiple and very often unpredictable. Large corporations, CAC 40 customers, Small and Medium Businesses (SMBs) and major travel agencies trust Scutum Security First (SSF) for their innovative security solutions and daily security news updates covering 203 countries. The SSF Digital solutions respond to their growing needs with SSF Locator enabling to localise and alert travellers, while SSF Traveller's dedicated app lets traveller access prevention and information content and connect them within one click to the 24/7 operational centre. This year, SSF's development focused on three axes: digital, economic intelligence and operations across all continents with strong results.

The SSF team accompanies customers with an audit and gaps measurement (like ISO 31030 certification covering travel risk management). The SSF solutions, fully integrated in Scutum's highly secured infrastructure for enhanced reliability and total safety data protection, are optimal tools that help customers make informed decisions at an international level, with regards to their security requirements.

In 2023, SSF strengthened its position on strategic businesses (digital, economic intelligence, operations) with the acquisition of Risk&Co's Operations and Intelligence activities.

SSF also relied on OVHcloud services to increase its security and anticipate its future technical need. The infrastructure dedicated to SSF is used replication in their datacenters in France.

2024 objectives for SSF:

- continue to increase market share in strategic business with new business support
- sustain activity and organisation growth
- increase its resilience, further improve the security of its solutions and increase its performance.

PROTECTING COMPANIES' SKILLS

Satif Scutum has confirmed in 2023 its status as key partner to leading defence, maritime, aeronautical and complex systems (nuclear) groups who, this year again, trusted Satif for the engineering support of their overseas projects. SATIF succeeded in strategic partnership renewal in maritime activities.

Satif's reactivity and flexibility, combined with its international reach, are the reason why an increasing number of corporations turn to Satif for their engineering needs.

DEFENCE:
WHITE
COUNTRIES



Satif will continue in 2024 to develop new partnerships, reinforce long term agreements and will accelerate business development in France but also at international level.

CYBER SECURING OUR CUSTOMERS

The development of our service platform and our associated offerings (Smart Security Services Platform) is a major strategic focus and the Cybersecurity activity is at the heart of this ambition. As corporations get increasingly digital, the cybersecurity of information systems is a central concern.

Our ambition is based on two priority axes:

- Identify and develop cybersecurity offerings that meet the needs of the market, within the various countries of the Group. In order to accelerate this growth and depending on the opportunities, we will support this approach with also external growth operations in this sector.
- Optimising and securing our own security and audit tools / processes for all of our Group information systems, in all countries. The objective here is to obtain a map of cyber risks and to be able to implement the necessary preventive actions.

GEOLOCALISATION AND TELEGUARDING

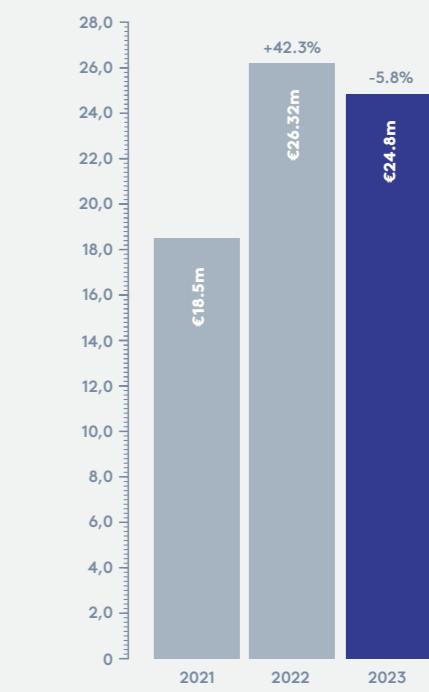
Scutum International Services started to provide a new service in 2022 following the acquisition of Ivoxe. France-based Ivoxe brings to the group an innovative security solution designed to respond to the transportation industry's specific needs and will help accelerate the group's presence on that growing market segment. Its APSAD P5-certified remote monitoring centre provides a large range of services across Europe, including transport video tracking, intercom and geolocation amongst others. Vehicles can also be slowed down remotely, if needed, via an accelerator control device.

In 2023, IVOXE development focused on new customers (transportation, luxury, retail), product innovation and continued high customer service.

2024 objectives is to develop IVOXE's services in the strategic French market and across Europe to continue to serve its client across all segments.

Scutum International Services had a great year in 2023. The growth mainly came from a buoyant market in the defence, aeronautical and maritime industries. SIS also increased its profitability ratio by +4pts

SAFETY & DEFENCE REVENUE



THIERRY BABULE,
CHIEF EXECUTIVE OFFICER,
SCUTUM FRANCE



2023 HIGHLIGHTS

2023 was a year of accelerated development with the various BUs positioning themselves on new markets – a great achievement for the group.

The integration of Vigilec in May has enabled us to expand our coverage of the Bourgogne Franche Comté Jura region where we had little presence, as well as strengthen our position in Rhône Alpes and Provence Alpes Côte d'Azur. Specialised in the banking environment, Vigilec has reinforced our position of leader on that segment.

We welcomed some significant new wins such as France Travail with its 1,100 sites now monitored by Scutum Digital, while our guarding activity exceeded its budget.

We should also highlight the excellent year for the Scutum and Kheops teams on the SMB market. Our stronger position on this competitive market is the result of the solid strategy built on a strong pricing policy, optimal products and the proximity of the teams.

The relaunch of the MyScutum Partner (business monitoring) activity made it possible to achieve an excellent second half of the year and to end the year with clear growth compared to the previous year.

Some structuring initiatives were also kicked off throughout the year.

The creation of the Regional Large Accounts BU in August aims to serve large local regional customers by relying on the Scutum Incendie customer base and associating it with the New Di BU to develop on a large scale our electronic fire detection activity. The team started its activity in January 2024.

HEADCOUNT:
924

REVENUE
€113.6m

**SCUTUM
FRANCE**

Some Human Resources initiatives were also launched as we work on reducing employee attrition. A range of measures, including training, local management, rebalancing of the payroll and implementation of attractive career plans, enabled us to reduce attrition during the last quarter.

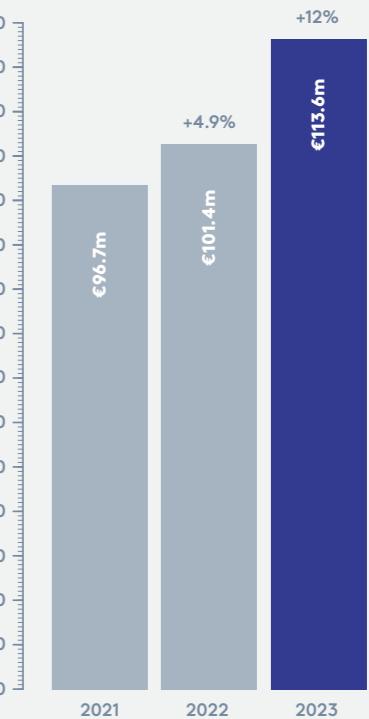
The creation of a training school also allows to build the future and gives us the opportunity to develop the careers of our employees with more discernment through personalised monitoring in line with the company's orientations. The accreditation of one of our experts will allow us to accelerate the recruitment of new operators by providing training internally. This school, the first of its kind within the industry, highlights how we continue to lead the way in France.



LOOKING FORWARD TO 2024

2023 was a good year that helped us set the foundations of 2024. The objective is to continue in 2024 the productivity and profitability initiatives launched with the creation of the "Customer First" programme in 2022 and that accelerated in 2023. We will also continue to strengthen relationships with key customers such as Total Energies.

SCUTUM FRANCE REVENUE



MICHAEL VITARELLI,
CO-CHIEF EXECUTIVE OFFICER



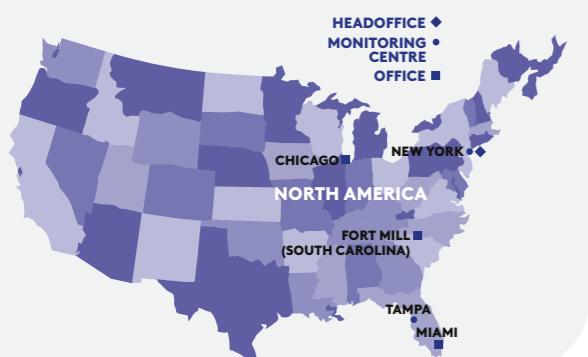
2023 has been a year of significant achievements, marked by strategic acquisitions, organic growth, and continued commitment to excellence in providing fire and security solutions.

Throughout the year, we have remained focused on our mission to safeguard communities, businesses, and homes through innovative fire, security and low voltage technologies as well as unparalleled service. The highlights of 2023 underscore our dedication to delivering value to our stakeholders while expanding our footprint in key markets.

2023 HIGHLIGHTS

Organic Growth

1. **Chicago Expansion:** Following the successful launch of our Chicago office, we have witnessed remarkable organic growth in the region. Through strategic investments and client-focused initiatives, we have strengthened our presence and solidified our position as a leading security solutions provider in the area.
2. **New York and Florida Expansion:** In addition to our growth in Chicago, we have experienced organic expansion in New York and Florida markets. Our commitment to delivering tailored fire and security solutions has resonated with clients in these regions, resulting in sustained growth and increased market share.



Mergers & Acquisitions

In 2023, Scutum North America executed strategic acquisitions that significantly enhanced our capabilities and expanded our market presence, reinforcing our position as a leading fire, security and low voltage solutions provider.

1. **Acquisition of Securall Central Station Assets:** We successfully completed the acquisition of Securall Central Station accounts, a pivotal move that has reinforced our standing in the central station monitoring space. By integrating Securall's assets into our network, we have expanded our reach and strengthened our capabilities. Notably, this acquisition has added approximately 16,000 accounts to our central station connections, enriching our client base and further solidifying our leadership in the industry.
2. **Acquisition of Affordable Alarm and Monitoring (AAMI):** Another significant milestone in 2023 was the acquisition of Affordable Alarm and Monitoring (AAMI), which marked our entry into the Gulf side of the Florida market. AAMI brings a robust portfolio of high-end residential and small/medium enterprise clients, with offices strategically located in Naples, Tampa, Sarasota, and Summerfield. This acquisition aligns seamlessly with our growth strategy, enabling us to broaden our service offerings and strengthen our foothold in the region.
3. **Acquisition of Thompson Electronics:** In a strategic move to expand our offerings and strengthen our presence in the Midwest, we acquired Thompson Electronics, headquartered in Peoria, Illinois, with a satellite office in Naperville, Illinois. Thompson Electronics specialises in audio-visual solutions, mass communication, security surveillance, fire alarm systems, and maintenance and service. This acquisition perfectly aligns with our portfolio and enhances our ability to provide integrated fire and security solutions to our clients.

These strategic acquisitions underscore our dedication to growth, innovation, and delivering unparalleled value to our stakeholders.



ROBERT AIELLO,
CO-CHIEF EXECUTIVE OFFICER



In addition, Scutum North America will maintain its focus on identifying and pursuing strategic M&A opportunities that align with our vision, target markets, and growth objectives in strategic regions. Through disciplined evaluation and selective acquisitions, we will continue to expand our presence, enhance our capabilities, and capture new opportunities in the evolving security industry landscape.

By staying true to our core values of innovation, excellence, and client satisfaction, we are confident in our ability to navigate challenges, capitalise on opportunities, and drive sustainable growth in the years ahead.

Operational Efficiency

Closure of Long Island Monitoring Site: In a strategic move to streamline operations and foster efficiencies, we closed our Long Island Monitoring site. Accounts previously monitored at this location have been seamlessly merged onto our cloud platform, allowing for centralised monitoring and management. The consolidation of monitoring activities to our Staten Island and Tampa facilities has resulted in synergies and improved operational effectiveness.

FINANCIAL PERFORMANCE

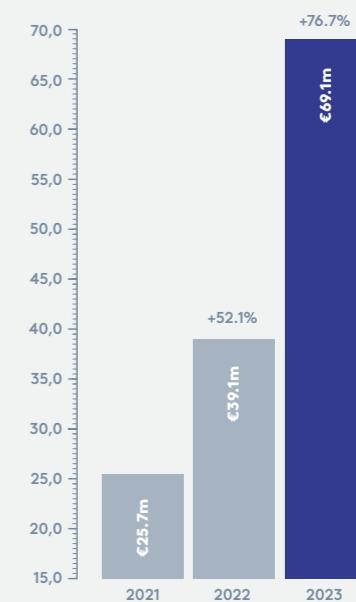
Despite the challenges posed by the global economic landscape, Scutum North America has delivered robust financial performance in 2023. Our revenue growth, profitability, and operational efficiency reflect the resilience and agility of our business model. Year over year, our revenue and EBIT grew by 77% and 56% respectively, including new acquisitions. Looking at our organic growth only, SNA's revenue grew by 22% while our EBIT experienced a 20% increase.

LOOKING AHEAD

As we move forward, Scutum North America is poised for continued growth and success. Our strategic vision includes a particular focus on unifying metrics, procedures, and structure within all subsidiaries.

Furthermore, we are committed to advancing our initiative to unify financial and operational systems. By integrating systems and leveraging technology, we seek to achieve greater transparency, accuracy, and agility in decision-making processes. This initiative will not only streamline operations but also facilitate better strategic planning and resource allocation.

SCUTUM NORTH AMERICA REVENUE



CHARLES BURBRIDGE,
UNITED KINGDOM BUSINESS
UNIT CEO



HEADCOUNT:
408

REVENUE
€52.7m

SCUTUM UK

2023 HIGHLIGHTS

2023 has been a year marked by positive transformation. In January we launched our strategy to simplify, automate and scale the business in order to provide greater coherency to the market and focus on top line growth. The plan required a comprehensive update of back office software systems and the implementation of new systems designed to optimise productivity, whilst simplifying management and operational structures to bring greater coherence. A great deal of progress has been achieved at pace and the results are starting to speak for themselves as we transition from a business with a national presence to a national business.

The work to create homogenous back office systems has been worth the effort. It has enabled information to flow more freely through the business and started the journey to optimise our ability to achieve customer expectation at increasing scale and complexity.

Additional investment in systems elsewhere across the business is improving productivity by enabling us to deploy resources with ever greater efficiency and transparency. These productivity improvements have also had a positive impact on associated fixed costs which have been reduced or had increases limited. In the near future we will be able to deploy resources swiftly with all the necessary support to provide our customer base with swift and reliable services.



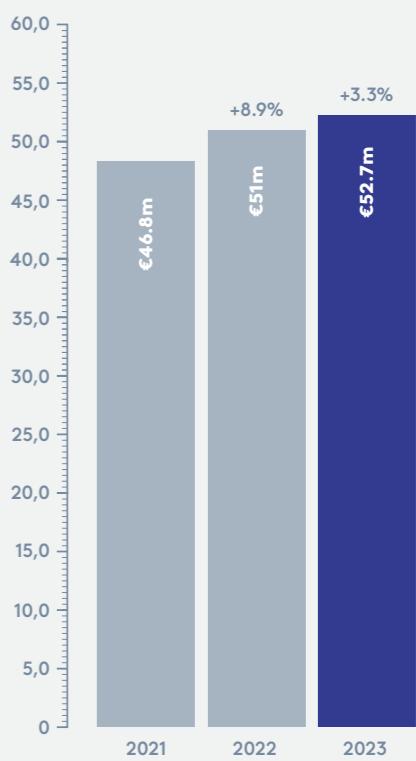
We have been bold and identified emerging technologies in partnership with key manufacturing partners and have embraced the opportunity to elevate our value proposition to access complex opportunities with greater certainty of success. Increasingly, customers who have complex demands are placing ever greater faith in us.

So, the business has begun to establish itself in the market as a provider of bespoke capabilities at scale and occupy a niche position in the market. It has required us to focus on select verticals which require specific skillsets and the business has experienced real success in data centres and the health sectors. We anticipate expanding into critical national infrastructure in the coming year and also to continue to capitalise on our international offering for UK Outbound customers.

Margins have proved to be resilient as we have maintained a strong position in the value chain, whilst top line performance is starting to respond positively the changes in 2023 and bodes well for further transformation in 2024.

2024 will be a year of accelerated transformation with key focus on enhancing the digital value proposition and concentrating our ability to pursue successfully larger more complex projects.

SCUTUM UK REVENUE



PASCAL ARTHUR TURCHI, ACTING
CHIEF EXECUTIVE OFFICER



HEADCOUNT:

522

REVENUE

€50.4m

Scutum Central Europe

Entering the Swiss market at the beginning of 2023 was another important strategic investment and consolidated our coverage in the DACH region. This expansion of our geographical presence has enabled us to serve our major international customers in Germany, Austria, Poland and Switzerland and strengthens our position as an international service provider.

The resumption of M&A activities in 2022 made it possible to finalise further acquisitions on the German market in 2023. These make a significant contribution to the strategic growth of the company as a whole, continuously strengthen and expand the regional coverage of our services and promote market penetration on the German and Polish markets in particular.

Inflation-related price increases from suppliers, a general reluctance to invest in the construction industry and rising personnel costs presented Scutum Group Central Europe with several challenges in 2023. These, combined with internal investments to expand the company and in the digitalisation of other processes have reduced the expected profit in 2023.

The Group's rapid growth requires adjustments to the corporate structure and processes, which were expanded and optimised in 2023. These enable a more efficient workflow to serve the needs of chain customers in particular.

The worsening shortage of skilled labour and the associated increase in personnel and recruiting costs posed challenges for Scutum Group Central Europe. However, improving employee benefits and expanding recruiting processes in 2023 has enabled us to respond to this challenge. To prevent an increase in staff turnover, investments are constantly being made in training, further education and coaching, and employee satisfaction is monitored through regular employee surveys.



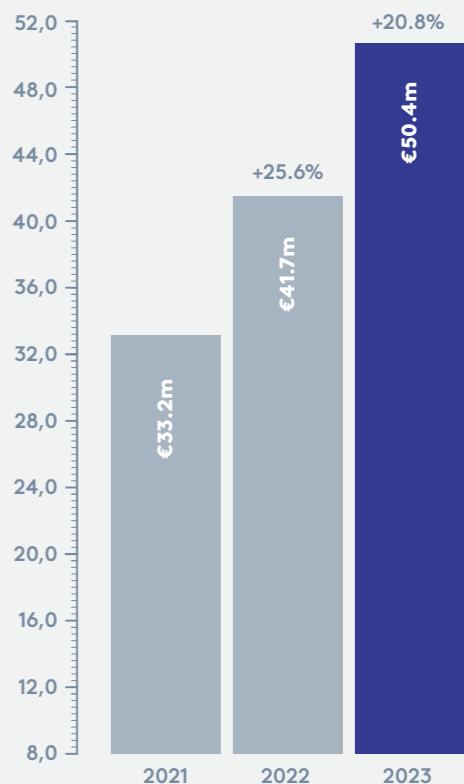
Investments in the digitalisation and automation of our processes, the optimisation of internal workflows and the expansion of our infrastructure are significant for the future integration of potential new acquisitions. They provide the basis for increasing our daily efficiency and enable the desired harmonisation and standardisation between the individual business units and locations. Further acquisitions will help to expand our geographical reach and/or increase our recurring revenue business.

TARGETS IN 2024

To support our growth strategy in the Central European market, we have set ourselves the following targets for 2024:

- Strengthen the Scutum Service Portfolio SSP, with a focus on expanding the maintenance and monitoring portfolio
- Invest in the expansion of digitalisation and automation
- Achieve the profit margin of 2022
- Expansion of the SMB business segment

SCUTUM CENTRAL EUROPE REVENUE



OLIVIER DEMOULIN, CHIEF
EXECUTIVE OFFICER, SCUTUM
BELGIUM



2023 HIGHLIGHTS

2023 was a transition year for Belgium as a separate geography with a dedicated team of experts. The new organisation's objective is to always be closer to customers for a reactive and optimal response. Located in Antwerp, Ghent and Brussels, our teams perfectly understand customers' needs and requirements.

We managed to overcome some challenges such as employee turnover and won some important contracts in the Key Account segment (LKQ, Air Liquide, IBM, LIDL, MAN Trucks).

A major project for the Belgian entities was the implementation of a new ERP that has optimised invoicing processes, as well as project management and intervention planning. This new tool, still being implemented is part of the group's IT strategy and enables us to structure our administrative and sales processes for an always more optimal customer service.

We achieved the rebranding of our three business units and succeeded at the end of the year in attracting some talent, including an experienced project manager.

An enhanced presence on social media, combined with digital marketing campaigns, has led Scutum Belgium to gain in visibility and is trusted by always more customers across the country.



MOVING FORWARDS

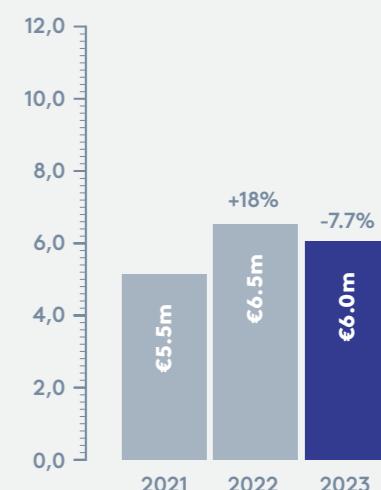
As we move forward, we are increasingly aware that skills and efficiency are essential to satisfying customers and growing the business.

We will therefore have to rely on a solid organisation and put in place a recruitment and retention plan.

2024 OBJECTIVES

- Budget focused on cost control and gradual reconstruction of an operational structure capable of ensuring company's sustainable growth and profitability in the long term.
- New organization based on sense of responsibility and team spirit.
- Sales strategy prioritising upselling, B2B and Key account and service growth.
- Standardisation of product ranges by market segment (Low End, Retail and Key Account) and introduction of innovative technical solutions.
- Acquisition of a business unit in the French-speaking part of the country.
- Improving our notoriety via social networks and digital marketing.
- Finalisation of the ERP deployment.

SCUTUM BELGIUM REVENUE



JOHN LEMMERS, SCUTUM
NETHERLANDS CEO



ANTONIO VENTAS,
CO-CEO

PEDRO CUADRADO,
CO-CEO

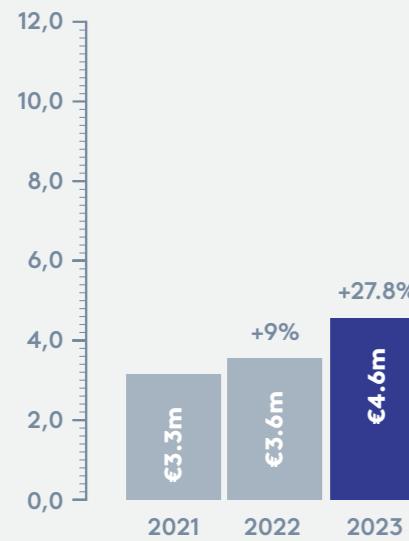


2023 HIGHLIGHTS

2023 was an outstanding year for Netherlands with 28% revenue growth vs. 2022 and an increase of its profitability by +133%. The company boosted its sales in new markets such as retail and distribution.

Our pricing strategy has been successfully implemented.

SCUTUM NETHERLANDS REVENUE



2024 OBJECTIVES

List of initiatives for 2024 in line with our 2024 financial and strategy business plan:

- Succeed in Netherlands Management team change
- Strengthen our position in new markets (Retail/ Distribution/Real Estate) via Large and SMB accounts
- Review our strategy about our local presence through our M&A process to strengthen the presence of Scutum in Netherlands
- Reinforce our technical advantage regarding competitors (products/solutions)

2023 HIGHLIGHTS

2023 marked a major milestone for Scutum as the group entered Spain and Portugal, with the integration of TEB Iberica, and then of APT Instalaciones. Both companies joined Scutum Iberica, part of Scutum Group.

TEB Iberica, part of the TEB group also present in France with Vigilec and in Poland with TEB Polska, brings more than 30 years of expertise in Spain and in Portugal, while APT Instalaciones, founded in 1997, is a leader in the installation and maintenance of fire alarms and security in Spain. Both entities are trusted by large Spanish and international corporations around Spain.

APT Instalaciones' and TEB Iberica's renowned expertise in security and fire services provides a great platform to accelerate Scutum's development in the new strategic region for the group that is Spain. Known for their high-quality services and their perfect understanding of customers' need, the teams will leverage synergies and strengthen our position in the region.

The integration of these two entities enables to offer services to a larger number of customers across Madrid. Scutum Iberica is expected to pursue its growth, both organically with additional resources in 2024, and externally in the fields of electronic security, fire detection and alarms receiving centres.

HEADOFFICE ◆
OFFICE ■



Financials

CONSOLIDATED INCOME STATEMENT

In k EUR	31.12.2023	31.12.2022
Net Sales	289,989	256,208
Other Revenues	791	863
Total Revenues	290,781	257,072
Cost of goods sold	(49,722)	(42,705)
External expenses	(73,704)	(62,524)
Staff expenses	(128,320)	(116,042)
Taxes	(1,998)	(2,002)
Depreciation, Amortization and impairment losses	(16,136)	(13,354)
Other operating income and expenses, net	1,562	1,291
Operating Profit	22,462	21,735
Financial income	74	0
Financial liabilities costs	(14,639)	(9,890)
Financial result	(14,565)	(9,890)
Other financial income and expenses, net	482	(877)
Profit before taxes, badwill & PPA	8,379	10,967
Badwill & PPA depreciation	(7,981)	(6,607)
Income taxes	(1,198)	(2,611)
Net Profit	(800)	1,749
Attributable to non-controlling interests	120	113
Attributable to shareholders of the Parent Company	(920)	1,636

OTHER COMPREHENSIVE INCOME

In K EUR	31.12.2023	31.12.2022
Net Profit	(800)	1,749
Translation differences in foreign operations	(556)	(1,148)
Subtotal	(556)	(1,148)
Remeasurements (actuarial gains & losses)	(58)	252
Deferred Taxes	15	(63)
Subtotal	(43)	189
Total comprehensive income	(1,399)	790
Attributable to: Shareholders of the Parent Company	(1,482)	603
Non-controlling interests	82	187

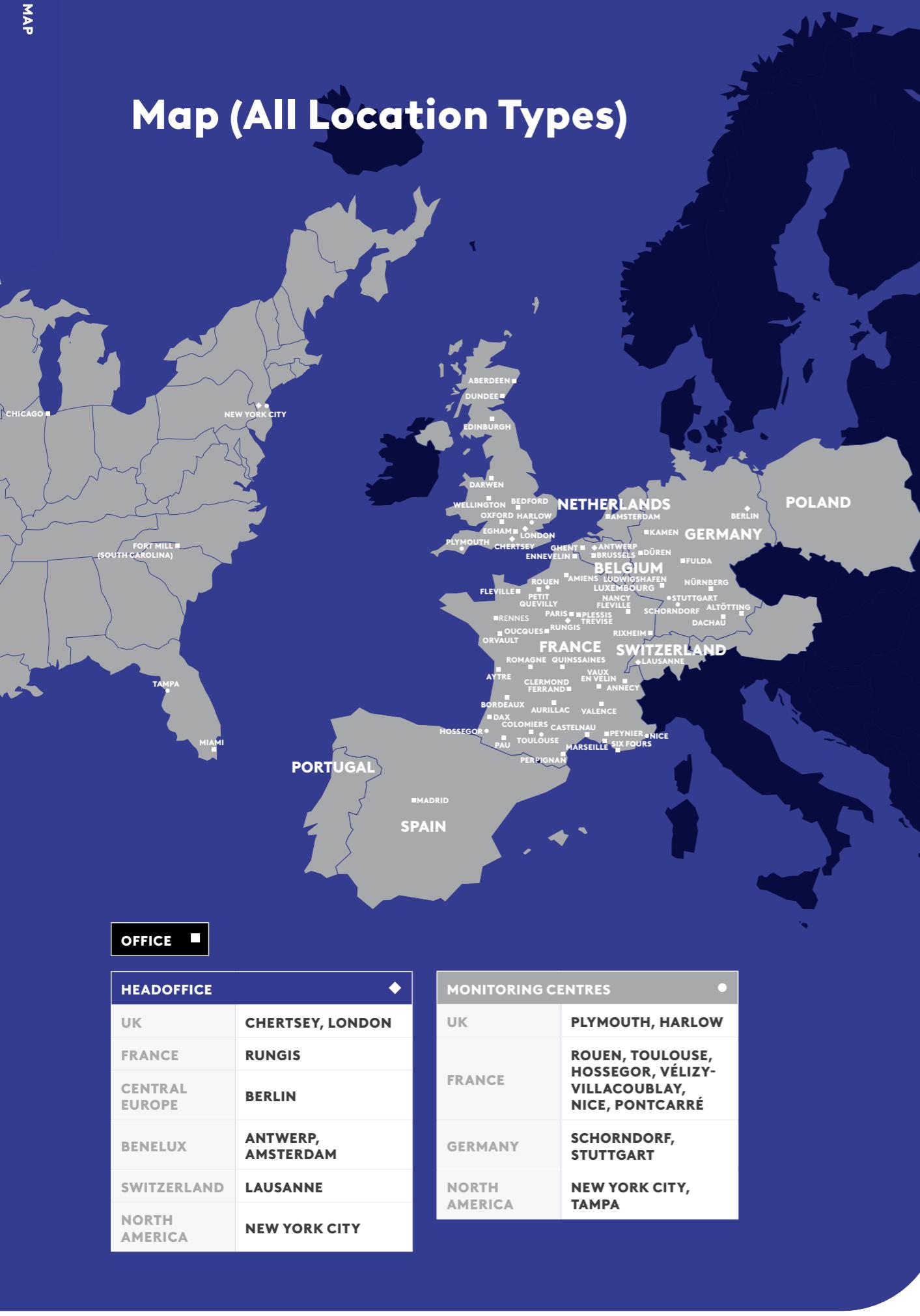
CONSOLIDATED BALANCE SHEET

In k EUR	31.12.2023	31.12.2022
Non-current assets		
Goodwill	171,536	145,133
Intangible assets	80,311	71,959
Property, plant & equipment	13,944	10,796
Right of use assets (IFRS 16 restatement)	31,503	28,011
Financial assets	1,454	982
Derivative financial instruments - assets	2,936	1,920
Deferred tax assets	8,222	8,547
	309,906	267,348
Current assets		
Inventories	15,711	13,651
Accounts receivable	78,399	65,587
Current tax receivables	1,732	1,653
Other short-term assets	15,162	20,929
Cash & cash equivalents	50,833	39,309
	161,837	141,126
TOTAL ASSETS	471,743	408,477
Equities attributable to shareholders of Parent Company	85,319	88,460
Equities attributable to non-controlling interests	480	400
Total equity	85,799	88,860
Non-current liabilities		
Long-term financial liabilities	211,682	159,472
Long-term Lease liabilities (IFRS 16 restatement)	24,242	22,287
Derivative financial instruments	0	29
Long-term provisions	2,019	1,672
Provisions for post-employment benefits	3,191	2,737
Other long-term liabilities	266	333
Deferred tax provisions	9,507	9,819
	250,907	196,349
Current liabilities		
Short-term financial liabilities	7,973	3,799
Short-term Lease liabilities (IFRS 16 restatement)	8,667	6,948
Short-term provisions	425	887
Accounts payable	29,803	24,625
Current tax liabilities	2,312	1,922
Other short-term liabilities	85,856	85,087
	135,036	123,268
TOTAL EQUITY & LIABILITIES	471,743	408,477

CONSOLIDATED CASH FLOW STATEMENT

In k EUR	31.12.2023	31.12.2022
Consolidated Net Income	(800)	1,749
Depreciation & amortisation	22,352	18,732
Gains / Losses revaluation at fair value	(477)	(4,670)
Other restatements with no cash flow impact	(842)	0
Disposal sales and dilution gains & losses	(13)	(166)
Subtotal	20,221	15,642
Tax expense (income)	1,198	2,611
Interests & other financial	14,565	9,890
Subtotal	35,984	28,143
Change in Working Capital	206	1,517
Inventories	1,263	(4,190)
Accounts Receivable	2,907	(7,450)
Accounts Payable	(3,694)	13,157
Income taxes paid	(2,579)	(1,571)
Net cash flow from operating activities	33,612	28,089
Group acquisitions (change on scope)	(41,362)	(5,568)
Capital expenditure for intangible assets and property, plant & equipment	(10,040)	(16,189)
Other investment	0	(88)
Loans and advances variances	6	(252)
Sales of intangible assets and property, plant & equipment	443	300
Net cash flow from investing activities	(50,953)	(21,797)
Increase / Refund of Equity	0	0
Proceeds from loans	55,284	143,401
Repayments of loans	(6,475)	(149,979)
Repayments of lease liabilities (IFRS 16 restatement)	(8,815)	(7,838)
Complementary acquisitions and sales between shareholders	0	(1,461)
Net paid financial interests	(12,367)	(8,422)
Dividends to shareholders of the Parent company	(505)	(2,000)
Other financing items	1,611	2,119
Net cash flow from financing activities	28,732	(24,180)
Translation differences	55	209
Net cash flow	11,446	(17,679)
Cash & cash equivalents at the beginning of the year	39,293	56,972
Cash & cash equivalents at the end of the year	50,739	39,293
Net cash flow	11,446	(17,679)

Map (All Location Types)



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