BRINKS HOME™

Shareholder Report

1st Quarter, 2021

PUBLIC

May 2021

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Forward Looking Statements

This presentation includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about business strategies, market potential and expansion, the success of new products and services, the launch of Brinks Home's consumer financing solution; the anticipated benefits of the Brinks Home's rebranding; customer retention; account creation and related cost; anticipated account generation; future financial performance; debt refinancing; recovery of insurance proceeds and other matters that are not historical facts. These forward-looking statements involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, possible changes in market acceptance of our services, technological innovations in the alarm monitoring industry, competitive issues, continued access to capital on terms acceptable to us, our ability to capitalize on acquisition opportunities, general market and economic conditions, including global economic concerns due to the COVID-19 outbreak, and changes in law and government regulations. These forward-looking statements speak only as of the date of this presentation, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Non-GAAP Measures

Adjusted EBITDA is a non-GAAP financial measure. See the Appendix of this presentation for related disclosures and calculations.

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Financial Statements

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Basis of Presentation

Monitronics International, Inc. and its subsidiaries (collectively, "Monitronics" or the "Company", doing business as "Brinks Home™") provides residential customers and commercial client accounts with monitored home and business security systems, as well as interactive and home automation services, in the United States, Canada and Puerto Rico. Monitronics customers are obtained through our direct-to-consumer sales channel (the "Direct to Consumer Channel"), which offers both Do-It-Yourself and professional installation security solutions and our exclusive authorized dealer network (the "Network Sales Channel"), which provides product and installation services, as well as support to customers. We also periodically acquire alarm monitoring accounts from the other alarm companies in bulk on a negotiated basis.

The unaudited interim financial information of the Company has been prepared in accordance with the Company's Articles of Incorporation. Accordingly, it does not include all of the information required by generally accepted accounting principles in the United States ("GAAP") for complete financial statements. The Company's unaudited condensed consolidated balance sheet as of March 31, 2021, and the unaudited condensed statements of operations and cash flows for the three months ended March 31, 2021 and March 31, 2010, include the results of Monitronics and all of its direct and indirect subsidiaries. The accompanying interim condensed consolidated financial statements are unaudited but, in the opinion of management, reflect all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the results for such periods. The results of operations for any interim period are not necessarily indicative of results for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with the Monitronics Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on March 19, 2021.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses for each reporting period. The significant estimates made in preparation of the Company's condensed consolidated financial statements primarily relate to valuation of subscriber accounts, deferred tax assets, goodwill and other indefinite-lived intangible assets. These estimates are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including consideration of the potential impacts of the COVID-19 pandemic, and adjusts them when facts and circumstances change. Given the severity and the duration the COVID-19 pandemic is unknown, the potential impacts of the pandemic on Management's estimates is uncertain. Furthermore, as the effects of any future events cannot be determined with any certainty, actual results could differ from the estimates upon which the carrying values were based.

The Company has reclassified certain prior period amounts on the condensed consolidated statement of cash flows to conform to current period presentation.

MONITRONICS INTERNATIONAL, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
Amounts in thousands, except share amounts
(unaudited)

	March 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 9,320	$ 6,123
Restricted cash	—	171
Trade receivables, net of allowance for doubtful accounts of $3,311 in 2021 and $3,096 in 2020	11,019	13,360
Inventories, net	9,724	7,612
Prepaid and other current assets	23,934	22,612
Total current assets	53,997	49,878
Property and equipment, net of accumulated depreciation of $21,622 in 2021 and $17,621 in 2020	42,397	41,943
Subscriber accounts and deferred contract acquisition costs, net of accumulated amortization of $303,252 in 2021 and $254,928 in 2020	1,066,398	1,102,977
Dealer network and other intangible assets, net of accumulated amortization of $38,060 in 2021 and $32,118 in 2020	107,081	113,010
Deferred income tax asset, net	584	584
Operating lease right-of-use asset	18,813	17,962
Other assets	22,388	20,309
Total assets	$ 1,311,658	$ 1,346,663
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 18,794	$ 20,728
Other accrued liabilities	54,815	58,721
Deferred revenue	13,890	13,300
Holdback liability	7,468	8,536
Current portion of long-term debt	8,225	8,225
Total current liabilities	103,192	109,510
Non-current liabilities:		
Long-term debt	980,938	970,994
Long-term holdback liability	1,301	1,223
Operating lease liabilities	15,911	15,305
Other liabilities	80,319	89,038
Total liabilities	1,181,661	1,186,070
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.01 par value. Authorized 5,000,000 shares; no shares issued	—	—
Common stock, $0.01 par value. Authorized 45,000,000 shares; issued and outstanding 22,500,000 shares at both March 31, 2021 and December 31, 2020	225	225
Additional paid-in capital	379,175	379,175
Accumulated deficit	(247,991)	(216,714)
Accumulated other comprehensive (loss) income, net	(1,412)	(2,093)
Total stockholders' equity	129,997	160,593
Total liabilities and stockholders' equity	$ 1,311,658	$ 1,346,663

MONITRONICS INTERNATIONAL, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
Amounts in thousands
(unaudited)

	Three Months Ended March 31,	
	2021	**2020**
Net revenue	$ 133,692	$ 122,575
Operating expenses:		
Cost of services	35,737	28,010
Selling, general and administrative, including stock-based and long-term incentive compensation	40,906	44,453
Radio conversion costs	8,971	4,824
Amortization of subscriber accounts, deferred contract acquisition costs and other intangible assets	54,334	53,281
Depreciation	4,001	3,109
Goodwill impairment	—	81,943
	143,949	215,620
Operating loss	(10,257)	(93,045)
Other expense:		
Interest expense	19,964	20,342
Refinancing expense	443	—
	20,407	20,342
Loss before income taxes	(30,664)	(113,387)
Income tax expense	613	618
Net loss	(31,277)	(114,005)
Other comprehensive loss:		
Unrealized gain (loss) on derivative contracts, net of tax	681	(1,813)
Total other comprehensive income (loss), net of tax	681	(1,813)
Comprehensive loss	$ (30,596)	$ (115,818)
Basic and diluted income per share:		
Net loss	$ (1.39)	$ (5.07)

MONITRONICS INTERNATIONAL, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
Amounts in thousands
(unaudited)

	Three Months Ended March 31,	
	2021	**2020**
Cash flows from operating activities:		
Net loss	$ (31,277)	$ (114,005)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization of subscriber accounts, deferred contract acquisition costs and other intangible assets	54,334	53,281
Depreciation	4,001	3,109
Stock-based and long-term incentive compensation	59	263
Refinancing expense	443	—
Trade bad debt expense	2,321	2,788
Goodwill impairment	—	81,943
Other non-cash activity, net	2,384	1,585
Changes in assets and liabilities:		
Trade receivables	20	(1,513)
Inventories	(2,201)	(993)
Prepaid expenses and other assets	(2,635)	(2,705)
Subscriber accounts - deferred contract acquisition costs	(590)	(702)
Payables and other liabilities	(6,066)	4,769
Net cash provided by operating activities	20,793	27,820
Cash flows from investing activities:		
Capital expenditures	(4,646)	(4,223)
Cost of subscriber accounts and other intangible assets acquired	(16,618)	(20,937)
Net cash used in investing activities	(21,264)	(25,160)
Cash flows from financing activities:		
Proceeds from long-term debt	15,000	65,000
Payments on long-term debt	(5,056)	(19,556)
Contingent bonus payments on dealer acquired accounts	(990)	(1,009)
Earnout Payments	(5,457)	—
Net cash provided by financing activities	3,497	44,435
Net increase in cash, cash equivalents and restricted cash	3,026	47,095
Cash, cash equivalents and restricted cash at beginning of period	6,294	15,001
Cash, cash equivalents and restricted cash at end of period	$ 9,320	$ 62,096
Supplemental cash flow information:		
State taxes paid, net	$ —	$ —
Interest paid	18,881	20,054
Accrued capital expenditures	381	1,201
Earnout Payments liability	106,841	—
Accrued subscriber accounts acquired	—	6,487

MONITRONICS INTERNATIONAL, INC. AND SUBSIDIARIES
Condensed Consolidated Statement of Stockholders' Equity
Amounts in thousands, except share amounts
(unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2020	22,500,000	$ 225	$ 379,175	$ (216,714)	$ (2,093)	$ 160,593
Net loss	—	—	—	(31,277)	—	(31,277)
Other comprehensive income	—	—	—	—	681	681
Balance at March 31, 2021	22,500,000	$ 225	$ 379,175	$ (247,991)	$ (1,412)	$ 129,997

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2019	22,500,000	$ 225	$ 379,175	$ (33,331)	$ 9	$ 346,078
Adoption of ASU 2016-13	—	—	—	(1,627)	—	(1,627)
Adjusted balance at January 1, 2020	22,500,000	$ 225	$ 379,175	$ (34,958)	$ 9	$ 344,451
Net loss	—	—	—	(114,005)	—	(114,005)
Other comprehensive loss	—	—	—	—	(1,813)	(1,813)
Balance at March 31, 2020	22,500,000	$ 225	$ 379,175	$ (148,963)	$ (1,804)	$ 228,633

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Management Discussion & Analysis

Accounts Acquired

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During the three months ended March 31, 2021 and 2020, the Company acquired 11,769 and 27,414 subscriber accounts, respectively, through our Network Sales Channel, Direct to Consumer Channel and bulk negotiated account acquisitions ("bulk buys"). The decrease in accounts acquired for the three months ended March 31, 2021 is due to a bulk buy of 10,960 accounts in March 2020 with no bulk buys being completed during the three months ended March 31, 2020. Additionally, there were decreases in the Network Sales Channel primarily due to decreased production from two dealers. Direct to Consumer accounts were also down year over year due to limited marketing spend and relying on organic leads after a reorganization of our insides sales operations in March of 2020 and discontinuing of Nest sales. The decrease in the Direct to Consumer Channel was partially offset by field sales initiatives which was launched late in 2020 and now operates in 6 markets.

RMR acquired during the three months ended March 31, 2021 and 2020 was $612,000 and $1,074,000, respectively.

Attrition

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The table below presents subscriber data for the twelve months ended March 31, 2021 and 2020:

	Twelve Months Ended March 31,	
	2021	2020
Beginning balance of accounts not subject to Earnout Payments	841,439	901,193
Accounts acquired	56,458	88,797
Accounts cancelled	(116,232)	(143,724)
Cancelled accounts guaranteed by dealer and other adjustments (a)	(3,626)	(4,827)
Ending balance of accounts of accounts not subject to Earnout Payments	778,039	841,439
Accounts subject to Earnout Payments	134,401	—
Ending balance of accounts	912,440	841,439
Attrition rate - Core Unit (c)	14.4 %	16.6 %
Attrition rate - Core RMR (b) (c)	14.8 %	17.8 %

(a) Includes cancelled accounts that are contractually guaranteed to be refunded from holdback.
(b) The RMR of cancelled accounts follows the same definition as subscriber unit attrition as noted above. RMR attrition is defined as the RMR of cancelled accounts in a given period, adjusted for the impact of price increases or decreases in that period, divided by the weighted average of RMR for that period.

- Consolidated core unit attrition at 14.4%, 220bps favorable to PY
  - Improvement from pool curve dynamics and benefit of "at risk" retention efforts
- RMR core attrition of 14.8%, 300bps favorable to PY
  - Improvements now following unit attrition as "at risk" program matures and rate adjustments implemented

Results of Operations – March 31, 2021 vs March 31, 2020

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	Three Months Ended March 31,	
	2021	2020
Net revenue	$ 133,692	$ 122,575
Cost of services	35,737	28,010
Selling, general and administrative, including stock-based and long-term incentive compensation	40,906	44,453
Net loss	(31,277)	(114,005)
Adjusted EBITDA (a)	$ 58,520	$ 58,741
Adjusted EBITDA as a percentage of Net revenue	43.8 %	47.9 %
Expensed Subscriber acquisition costs, net		
Gross subscriber acquisition costs	$ 5,673	$ 7,868
Revenue associated with subscriber acquisition costs	(1,296)	(1,860)
Expensed Subscriber acquisition costs, net	$ 4,377	$ 6,008

(a) See reconciliation of Net income (loss) to Adjusted EBITDA below.

Results of Operations – March 31, 2021 vs March 31, 2020

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- Consolidated Q1 Net Revenue of $133.7m, 9.1% or $11.1m above PY
  - Increase driven by impact of Protect America and Select bulks closed in 2020
- Consolidated Q1 Cost of Service of $35.7, 27.6% or $7.7m above PY
  - Increase attributed to $4.0 million in TSA costs related to the Select bulk and the impact from the Protect America bulk on cellular back up services and headcount costs.
- Consolidated Q1 SG&A of $40.9m, 8.0% or $3.5m below PY
  - Decrease driven by severance ($2.9m) and higher consultant spend ($5.6m) on transformation initiatives in Q1'20
  - Decrease offset by Select TSA costs of $3.5 million and higher headcount costs to server larger customer base and implementation of new departments to drive company strategic initiatives
- Consolidated Q1 Adj. EBITDA $58.5m, 0.4% or $0.2m below PY
  - Revenue increase offset by higher Adjusted opex, including $7.4 million of Select TSA costs
- Consolidated creation multiple, ex-bulk, at 35.3x versus 39.4x in PY
  - Indirect Channel at 34.9x versus 36.3x PY, due to decreasing multiples in new Dealer contracts
  - Inside Sales at 25.9x versus 58.2x PY, lower due to reliance on organic leads
  - New enterprise partner pilot and Field Sales multiples elevated as programs scale

Measures and Reconciliations

We evaluate the performance of our operations based on financial measures such as revenue and "Adjusted EBITDA." Adjusted EBITDA is a non-GAAP financial measure and is defined as net income (loss) before interest expense, (net of interest income), income taxes, depreciation, amortization (including the amortization of subscriber accounts, dealer network and other intangible assets), gain on restructuring, stock-based compensation, and other non-cash or non-recurring charges. We believe that Adjusted EBITDA is an important indicator of the operational strength and performance of our business. In addition, this measure is used by management to evaluate operating results and perform analytical comparisons and identify strategies to improve performance. Adjusted EBITDA is also a measure that is customarily used by financial analysts to evaluate the financial performance of companies in the security alarm monitoring industry and is one of the financial measures, subject to certain adjustments, by which our covenants are calculated under the agreements governing our debt obligations. Adjusted EBITDA does not represent cash flow from operations as defined by generally accepted accounting principles in the United States ("GAAP"), should not be construed as an alternative to net income or loss and is indicative neither of our results of operations nor of cash flows available to fund all of our cash needs. It is, however, a measurement that we believe is useful to investors in analyzing our operating performance. Accordingly, Adjusted EBITDA should be considered in addition to, but not as a substitute for, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. As companies often define non-GAAP financial measures differently, Adjusted EBITDA as calculated by Monitronics should not be compared to any similarly titled measures reported by other companies.

Adjusted EBITDA Reconciliations

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	Three Months Ended March 31,	
	2021	2020
Net loss	$ (31,277)	$ (114,005)
Amortization of subscriber accounts, deferred contract acquisition costs and other intangible assets	54,334	53,281
Depreciation	4,001	3,109
Radio conversion costs	8,971	4,824
Deferred revenue fair value adjustment	390	—
Long-term incentive compensation	128	163
Severance expense (a)	—	2,890
Integration / implementation of company initiatives	428	5,576
Select Security acquisition costs	—	—
Select Security integration costs	222	—
COVID-19 Costs	303	—
Goodwill impairment	—	81,943
Interest expense	19,964	20,342
Refinancing expense	443	—
Income tax expense	613	618
Adjusted EBITDA	$ 58,520	$ 58,741

(a) Severance expense related to transitioning executive leadership in 2020.

Liquidity Information – March 31, 2021

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Debt Balances *$ in millions*		*EOP Balance*	*EOP Int Rate*
Term Loan - Takeback Facility	$	810.2	7.75%
Term Loan - Exit Facility	$	150.0	6.50%
Revolver	$	29.0	8.50%
Total	**$**	**989.2**	

As of 3/31/2021 the Company was in compliance with all required covenants.

Earnout Payments Liability Balances - Undiscounted *$ in millions*		
Protect America	$	74.9
Select Security	$	39.4
Total Earnout Liability - Undiscounted	**$**	**114.3**

Liquidity *$ in millions*		
Total Availability Under Revolver	$	145.0
Revolver Balance	$	(29.0)
Letter of Credit	$	(0.6)
Remaining Availability Under Revolver	**$**	**115.4**
Cash And Cash Equivalents	$	9.3
Total Short Term Liquidity	**$**	**124.7**

Radio Conversion Program *$ in millions, except units*		
Total Cumulative Estimated Costs		$80.0 to $90.0
2021 YTD Costs Incurred	$	9.0
Cumulative Costs Incurred	$	34.6
2G/3G Accounts Remaining		275,170