

Remuneration report

2022



INTRODUCTION

This report describes how the applicable guidelines for remuneration to the individuals who are included in the Group Management of Securitas (the “senior management employees”) were implemented in 2022. The report also provides information on remuneration to the President and CEO, and a summary of the company’s outstanding share-related and share price-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes issued by the Swedish Securities Market Self-Regulation Committee.

Further information on remuneration to the senior management employees is available in note 9 of the Annual Report 2022. Information on the work of the remuneration committee in 2022 is set out in the corporate governance report available on pages 33–47 of the Annual Report 2022.

Remuneration to the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in note 9 of the Annual Report 2022.

The Annual General Meeting 2022 approved the Board’s remuneration report for 2021. No opinions were expressed on the remuneration report.

KEY DEVELOPMENTS 2022

The President and CEO summarizes Securitas’ overall performance in the CEO statement on pages 4–5 of the Annual Report 2022.

SECURITAS’ REMUNERATION GUIDELINES

A prerequisite for the successful implementation of Securitas’ business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company’s remuneration guidelines enable the company to offer executives a competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed basic salary, variable cash remuneration, pension benefits and other benefits. Variable cash remuneration shall be awarded based on the outcome of clearly measurable performance based targets that are set as close to the local business as possible and aim for long-term profitability of Securitas. The performance-based targets may for example relate to EBITA, EPS and/or cash flow within each senior management employee’s area of responsibility (group or division).

Furthermore, the performance-based targets are intended to contribute to Securitas’ business strategy and long-term interests, including its

sustainability, by, among other things, promoting the senior management employee’s long-term development within Securitas and reconciling the shareholders’ interests with the employee’s interests.

The guidelines are found in note 9 of the Annual Report 2022. During 2022, one deviation has been decided for a senior management employee with regards to other benefits, allowing the benefits to exceed 15 percent of the fixed basic salary. The additional benefits are relocation-related and a consequence of the management employee’s relocation to another country. The deviation is deemed necessary to serve Securitas’ long-term interests. Except for this, no deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor’s report regarding the company’s compliance with the guidelines is available on [securitas.com](https://www.securitas.com).

No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the annual general meetings of the company have resolved to implement long-term share-related incentive plans.

Total President and CEO remuneration in 2022 (kSEK)

Name and position	Base salary ¹	Other benefits ²	One-year variable ³	Multi-year variable ⁴	Extra-ordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration
Magnus Ahlqvist (President and CEO)	17 350	141	14 025	3 605	N/A	5 104	40 225	56/44

¹ Including holiday pay KSEK 350

² Including life insurance, medical insurance and company car

³ Variable compensation relating to 2021 paid out in 2022

⁴ Related to LTI 2019/2021 vesting in 2022 with 22 333 shares (excluding shares related to dividend compensation)

SHARE-BASED REMUNERATION

Outstanding share-related and share price-related incentive plans

Securitas has implemented long-term share-related incentive plans. Since 2019, the Annual General Meeting has resolved on long-term incentive programs (LTI 2019/2021, LTI 2020/2022, LTI 2021/2023 and LTI 2022/2024 together the "LTI Programs"). The LTI Programs include the CEO, other members of the Group Management and certain other key employees, approximately up to 90 employees within Securitas.

The outcome of the LTI Programs is based on the annual development of Securitas' earnings per share. The LTI Programs are conditional upon the participant's own investment and holding periods of several years. For every Securitas series B share purchased or nominated within the scope of the LTI Programs, the company will grant so called performance awards free of charge. The number of performance awards that will entitle participants to receive series B shares in the company depends on the annual development of Securitas's earnings per share, compared to minimum and maximum target levels as defined by the Board of Directors, during the measurement period (a three-year period, January 1 year 1–December 31 year 3, for each of the programs) where each year during the measurement period is compared

to the previous year. The outcome is calculated yearly, whereby one third of the performance awards is measured against the outcome for the first year, one third is measured against the outcome for the second year and one third is measured against the outcome for the third year. If the minimum level is not reached for the relevant year, each performance award pertaining to that year will entitle participants to receive zero series B shares, whereas if the maximum level is reached, each performance award pertaining to the relevant year will entitle participants to receive one series B share. If the outcome falls between the minimum level and the maximum level, participants' entitlement to series B shares will be calculated linearly between zero and one series B share per performance award.

The participants are divided in three categories and will be granted five (President and CEO), four (Group Management) or three (other participants) performance awards for each nominated share. The share-related incentive plans have been resolved by the general meeting and are therefore excluded from the remuneration guidelines.

More information on Securitas' incentive plans is available on Securitas' website [securitas.com](https://www.securitas.com), section Corporate Governance – Remuneration to Senior Management.

Under LTI 2020/2022, LTI 2021/2023 and LTI 2022/2024 the President and CEO has received so called performance awards corresponding to a maximum award of 113 974, 109 266 and 150 767 series B shares, respectively, subject to the above-mentioned annual development of Securitas's earnings per share.

Following the rights issue that was completed in October 2022, a recalculation of the maximum number of performance awards under the LTI Programs has been carried out in accordance with the terms and conditions of the LTI-programs. The below table sets out the number series B shares awarded/vested etc. as applicable, on the basis of the annual development of Securitas' earnings per share during 2019, 2020, 2021 and 2022.

APPLICATION OF PERFORMANCE CRITERIA

Short-term as well as long-term incentives for the President and CEO include clearly measurable performance-based targets that aim for long-term profitability of the Group. The performance targets that are required to achieve maximum bonus are based on development of real change in earnings per share adjusted for items affecting comparability.

Share award plans (CEO)

Main conditions						Information regarding the reported financial year ¹					
						Opening balance	During the year			Closing balance	
Name	Name of plan	Performance period	Share award date	Share vesting date	End of retention period ²	Shares held at beginning of year	Shares awarded 2022	Shares vested 2022	Subject to performance condition	Awarded and unvested at year-end	Subject to retention period
Magnus Ahlqvist (President and CEO)	LTI 2019/2021	2019	2020-02-06	2022-06-10	Vesting date	2 197	0	2 197	0	0	0
		2020	2021-02-03	2022-06-10	Vesting date	0	0	0	0	0	0
		2021	2022-02-07	2022-06-10	Vesting date	20 136	0	20 136	0	0	0
		2019–2021	Multiple	2022-06-10	Vesting date	22 333	0	22 333	0	0	0
	LTI 2020/2022 ³	2020	2021-02-03	2023-06-11	Vesting date	0	0	0	0	0	0
		2021	2022-02-07	2023-06-11	Vesting date	37 992	0	0	0	37 992	0
		2022	N/A ⁶	2023-06-11	Vesting date	0	29 690 ⁷	0	0	29 690	0
		2020–2022	Multiple	2023-06-11	Vesting date	37 992	29 690	0	0	67 682	0
	LTI 2021/2023 ⁴	2021	2021-02-03	2024-06-04	Vesting date	36 423	0	0	0	36 423	0
		2022	N/A ⁶	2024-06-04	Vesting date	0	28 464 ⁷	0	0	28 464	0
		2023	N/A ⁶	2024-06-04	Vesting date	0	0	0	36 423	0	0
		2021–2023	Multiple	2024-06-04	Vesting date	36 423	28 464	0	36 423	64 887	0
	LTI 2022/2024 ⁵	2022	2022-02-07	2025-06-04	Vesting date	0	39 275 ⁷	0	0	39 275	0
		2023	N/A ⁶	2025-06-04	Vesting date	0	0	0	50 256	0	0
		2024	N/A ⁶	2025-06-04	Vesting date	0	0	0	50 255	0	0
2022–2024		Multiple	2025-06-04	Vesting date	0	39 275	0	100 511	39 275	0	
TOTAL						96 748	97 429	22 333	136 934	171 844	0

¹ Personally invested shares, in which the President and CEO has invested to become eligible to participate in the plans, are not included in the table.

Shares that compensate for dividends on the awarded shares during the vesting period are also excluded.

² End of retention period coincides with vesting date.

³ Under LTI 2020/2022 the CEO has received so called performance awards corresponding to a maximum of 94 775 series B shares.

Following the Rights Issue a recalculation was carried out with a factor of 1.2025814 resulting in a maximum potential of 113 974 series B shares.

⁴ Under LTI 2021/2023 the CEO has received so called performance awards corresponding to a maximum of 90 860 series B shares.

Following the Rights Issue a recalculation was carried out with a factor of 1.2025814 resulting in a maximum potential of 109 266 series B shares.

⁵ Under LTI 2022/2024 the CEO has received so called performance awards corresponding to a maximum of 125 370 series B shares.

Following the Rights Issue a recalculation was carried out with a factor of 1.2025814 resulting in a maximum potential of 150 767 series B shares.

⁶ Share award date in February the year following the performance period to be determined.

⁷ Based on earnings per share adjusted for items affecting comparability in 2022. Value LTI 2020/2022 KSEK 2 930, LTI 2021/2023 KSEK 3 224 and LTI 2022/2024 KSEK 3 322.

Value is based on the closing price for series B shares on the award date for each program.

Share options issued by major shareholders (CEO)

In addition to the above outstanding share-related and share price-related incentive plans described above, the President and CEO holds 100 000 share options regarding acquisition of Securitas series B shares, issued at market price by Melker Schörling AB and Investment AB Latour.

Performance of the CEO in the reported financial year: variable cash compensation

Name	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	Measured performance	Actual award KSEK
Magnus Ahlqvist	Real change in Earnings Per Share adjusted for Items Affecting Comparability. Based on the contribution from the legacy Securitas business and the contribution from the acquired STANLEY Security business adjusted for the period of holding. Target 2–12% real change.	100%	100%	14 450

For the President and CEO Magnus Ahlqvist the variable short-term cash compensation relating to the 2022 performance amounted to KSEK 14 450.

Performance of the CEO in the reported financial year: share-based incentives

Name	Name of plan	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	Measured performance	Actual award KSEK ¹
Magnus Ahlqvist	LTI 2020/2022	Real change in Earnings Per Share adjusted for Items Affecting Comparability. Based on the contribution from the legacy Securitas business and the contribution from the acquired STANLEY Security business adjusted for the period of holding. Target 2–14% real change.	100%	78%	2 930
	LTI 2021/2023	Real change in Earnings Per Share adjusted for Items Affecting Comparability. Based on the contribution from the legacy Securitas business and the contribution from the acquired STANLEY Security business adjusted for the period of holding. Target 2–14% real change.	100%	78%	3 224
	LTI 2022/2024	Real change in Earnings Per Share adjusted for Items Affecting Comparability. Based on the contribution from the legacy Securitas business and the contribution from the acquired STANLEY Security business adjusted for the period of holding. Target 2–14% real change.	100%	78%	3 322

¹ Following the Rights Issue a recalculation was carried out with a factor of 1.2025814 for the maximum potential of series B shares that can be allocated. A corresponding reduction in the grant date value for each share leaves the cost for the company unchanged. Under LTI 2020/2022 the a maximum of 37 992 shares can be awarded per year 2020, 2021 and 2022 or in total 113 974 shares. The grant date value according to IFRS2 corresponds to SEK 98.70 per share. During 2022 the award was for 29 690 shares. Under LTI 2021/2023 the a maximum of 36 422 shares can be awarded per year 2021, 2022 and 2023 or in total 109 266 shares. The grant date value according to IFRS2 corresponds to SEK 113.26 per share. During 2022 the award was for 28 464 shares. Under LTI 2022/2024 the a maximum of 41 790 shares can be awarded per year 2022, 2023 and 2024 or in total 125 370 shares. The grant date value according to IFRS2 corresponds to SEK 84.57 per share. During 2022 the award was 39 275 shares.

Change of remuneration and company performance for the recent reported financial years (KSEK)

kSEK	2022	2021	2020	2019
Magnus Ahlqvist (President and CEO), KSEK	40 225 (+84%)	21 865 (–16%)	25 892 (+10%)	23 550 (N/A)
Group Operating result, real change %	22	28	–10	3
Group EPS, real change % - adjusted for rights issue (comparable number of shares 2022)	21	37	–23	6
Group EPS adjusted for IAC, real change % also adjusted for rights issue (comparable number of shares 2022)	17	37	–12	–1
Average remuneration full time equivalent basis for employees of the parent company, KSEK ¹	1 798	1 443	1 415	1 458
Year-over-year change	(+31%)	(+1%)	(–3%)	(N/A)

¹ Full time equivalents are adjusted for staff joining and staff leaving and retiring and is based on salary plus benefits, pension and variable salary. Members of Group Management employed by the parent company have been excluded. The change year-over-year as a percentage is based on the equivalent that is adjusted to be comparable in terms of the workforce composition for both the actual year and the comparative and will thus differ from the amount stated for the average remuneration in the table for the previous year in order to eliminate changes in the average remuneration that would otherwise result.

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