

Remuneration report

2023



INTRODUCTION

This report describes how the applicable guidelines for remuneration to the members of Securitas' Group Management were implemented in 2023. 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 Stock Market Self-Regulation Committee.

Further information on remuneration to the members of Group Management is available in note 9 of the Annual Report 2023. Information on the work of the remuneration committee in 2023 is set out in the corporate governance report available on pages 32–46 of the Annual Report 2023.

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 the Corporate Governance Report. The expensed remuneration is disclosed in note 9 of the Annual Report 2023.

The Annual General Meeting 2023 approved the Board's remuneration

report for 2022. No opinions were expressed on the remuneration report.

KEY DEVELOPMENTS 2023

The President and CEO summarizes Securitas' overall performance in the CEO statement on pages 4–5 of the Annual Report 2023.

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 member of Group Management'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.

The guidelines are found in note 9 of the Annual Report 2023. During 2023, one deviation has been decided for a member of Group Management 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/en/.

No remuneration has been reclaimed.

In addition to remuneration covered by the remuneration guidelines, the Annual General Meeting of the company have resolved to implement long-term share-related incentive plans.

Total President and CEO remuneration in 2023 (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)	18 359	160	14 450	6 680	n/a	5 426	45 075	53/47

¹ Including holiday pay KSEK 359.

² Including life insurance, medical insurance and company car.

³ Variable compensation relating to 2022 paid out in 2023.

⁴ Related to LTI 2020/2022 vesting in 2023 with 67 682 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 (of relevance to this report LTI 2020/2022, LTI 2021/2023, LTI 2022/2024 and LTI 2023/2025, together the "LTI Programs"). The LTI Programs include the President and CEO, other members of the Group Management and certain other key employees, approximately up to 90 employees within Securitas.

The outcome of LTI 2020/2022, LTI 2021/2023, and LTI 2022/2024 is based on the annual development of Securitas' earnings per share, while the outcome of the LTI 2023/2025 is based on the development of Securitas' operating margin. 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 fulfilment of the performance conditions in each LTI Program, 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). The outcome of LTI 2020/2022,

LTI 2021/2023, and LTI 2022/2024 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. The outcome of LTI 2023/2025 is based on the development of Securitas' operating margin during a three-year period, with the target of reaching 8 percent by the end of 2025. If the minimum level is not reached for each performance condition, each performance award will entitle participants to receive zero series B shares, whereas if the maximum level is reached, each performance award 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 LTI Programs 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, section Corporate Governance – Remuneration to Group Management.

Under LTI 2021/2023 and LTI 2022/2024 the President and CEO has received so called performance awards corresponding to a maximum award of 109 266 and 150 767 series B shares, respectively, subject to the above-mentioned annual development of Securitas's earnings per share. Under LTI 2023/2025, the President and CEO has received performance awards corresponding to a maximum award of 156 975 series B shares, subject to the development of Securitas' operating margin.

Following the rights issue that was completed in October 2022, a recalculation of the maximum number of performance awards under LTI 2021/2023 and LTI 2022/2024 has been carried out in accordance with the terms and conditions of the LTI Programs. The below tables set out the number series B shares awarded/ vested etc. as applicable, on the basis of the fulfilment of the performance conditions.

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 (President and CEO): yearly performance measurement

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 2023	Shares vested 2023	Subject to performance condition	Awarded and unvested at year-end	Subject to retention period	
Magnus Ahlqvist (President and CEO)	LTI 2020/2022	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	37 992	0	0	0	
		2022	2023-02-07	2023-06-11	Vesting date	29 690	0	29 690	0	0	0	
		2020–2022	Multiple	2023-06-11	Vesting date	67 682	0	67 682	0	0	0	
	LTI 2021/2023 ³	2021	2022-02-07	2024-06-04	2024-06-04	Vesting date	36 423	0	0	0	36 423	0
		2022	2023-02-07	2024-06-04	2024-06-04	Vesting date	28 464	0	0	0	28 464	0
		2023	2024-02-06	2024-06-04	2024-06-04	Vesting date	0	18 393 ⁶	0	0	18 393	0
		2021–2023	Multiple	2024-06-04	Vesting date	64 887	18 393	0	0	83 280	0	
	LTI 2022/2024 ⁴	2022	2023-02-07	2025-06-04	2025-06-04	Vesting date	39 275	0	0	0	39 275	0
		2023	2024-02-06	2025-06-04	2025-06-04	Vesting date	0	25 379 ⁶	0	0	25 379	0
2024		n/a ⁵	2025-06-04	2025-06-04	Vesting date	0	0	0	50 255	0	0	
2022–2024		Multiple	2025-06-04	Vesting date	39 275	25 379	0	50 255	64 654	0		
TOTAL						171 844	43 772	67 682	50 255	147 934	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 excluded.

² End of retention period coincides with vesting date.

³ Under LTI 2021/2023 the President and CEO has received so called performance awards corresponding to a maximum of 90 860 series B shares, subject to performance conditions.

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.

⁴ Under LTI 2022/2024 the President and CEO has received so called performance awards corresponding to a maximum of 125 370 series B shares, subject to performance conditions.

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.

⁵ Share award date in February the year following the performance period to be determined.

⁶ Based on earnings per share adjusted for items affecting comparability in 2023. Fair value according to IFRS 2 LTI 2021/2023 KSEK 2 083 and LTI 2022/2024 KSEK 2 146, based on the closing price for series B shares on May 19, 2021 and May 10, 2022 respectively.

Share award plans (President and CEO): multiple-year performance measurement

Main conditions						Information regarding the reported financial year ¹					
						Opening balance	During the year			Closing balance	
Name	Name of plan	Performance period	Award date	Share vesting date	End of retention period ²	Share awards held at beginning of year	Awarded 2023	Vested 2023	Subject to performance condition	Awarded and unvested at year-end	Shares subject to retention period
Magnus Ahlqvist (President and CEO)	LTI 2023/2025 ³	2023–2025	2023-06-08	2026-06-08	Vesting date	0	156 975 ⁴	0	156 975	156 975	0
TOTAL						0	156 975	0	156 975	156 975	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 excluded.

² End of retention period coincides with vesting date.

³ Under LTI 2023/2025 the President and CEO has received so called performance awards corresponding to a maximum of 156 975 series B shares, subject to performance conditions.

⁴ Fair value according to IFRS 2 KSEK 13 500, based on the closing price for series B shares on May 5, 2023.

Performance of the President and 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. Adjusted also for the impact of the Spanish tax audit and the divestiture of Securitas Argentina. Target 2–15% real change.	100%	51%	7 727

For the President and CEO Magnus Ahlqvist the variable short-term cash compensation relating to the 2023 performance amounted to KSEK 7 727.

Performance of the President and 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 ^{1,2}
Magnus Ahlqvist	LTI 2021/2023	Real change in Earnings Per Share adjusted for Items Affecting Comparability. Adjusted also for the impact of the Spanish tax audit and the divestiture of Securitas Argentina. Target 2–15% real change.	100%	51%	2 083
	LTI 2022/2024	Real change in Earnings Per Share adjusted for Items Affecting Comparability. Adjusted also for the impact of the Spanish tax audit and the divestiture of Securitas Argentina. Target 2–15% real change.	100%	51%	2 146
	LTI 2023/2025	Operating margin (operating income before amortization as percent of total sales), with target of reaching 8 percent by the end of 2025 (expressed as the average on a full-year basis for 2025).	100%	To be determined at year-end 2025	To be determined at year-end 2025

¹ Following the Rights Issue a recalculation was carried out with a factor of 1.2025814 for the maximum potential of 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 2021/2023 a maximum of 36 422 shares can be awarded per year 2021, 2022 and 2023 or in total 109 266 shares. The fair value according to IFRS 2 was determined on May 19, 2021, at SEK 113.26 per share. During 2023 the award was for 18 393 shares. Under LTI 2022/2024 a maximum of 50 256 shares can be awarded per year 2022, 2023 and 2024 or in total 150 767 shares. The fair value according to IFRS 2 was determined on May 10, 2022, at SEK 84.57 per share. During 2023 the award was for 25 379 shares.

² LTI 2023/2025 has a three-year measurement period (2023–2025) with a maximum of 156 975 shares that can be awarded with a fair value according to IFRS 2 determined on May 5, 2023, at SEK 86.00 per share.

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

KSEK	2023	2022	2021	2020	2019
Magnus Ahlqvist (President and CEO), KSEK	45 075 (+12%)	40 225 (+84%)	21 865 (–16%)	25 892 (+10%)	23 550
Group Operating income, real change %	24	22	28	–10	3
Group Operating Margin, %	6.5	6.0	5.6	4.5	5.2
Group EPS, real change % – adjusted for rights issue (comparable number of shares)	–74	21	37	–23	6
Group EPS adjusted for IAC, real change % also adjusted for rights issue (comparable number of shares)	5	17	37	–12	–1
Average remuneration full time equivalent basis for employees of the parent company, KSEK ¹	1 782 (+6%)	1 798 (+31%)	1 443 (+1%)	1 415 (–3%)	1 458

¹ Full time equivalents disclosed for each year 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 a 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 give eliminate changes in the average remuneration that would otherwise result.

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