Securitas

Invitation to subscribe for shares in Securitas AB (publ)

Please note that the subscription rights are expected to have an economic value.

In order to not lose the value of the subscription rights, holders must either:

- Exercise the subscription rights received and subscribe for new shares no later than October 11, 2022; or
- Sell the subscription rights received, but not exercised, no later than October 6, 2022.

Please note that shareholders with nominee-registered shareholdings subscribe for new shares through their custodian/nominee.

The distribution of this prospectus and the subscription for new shares are subject to restrictions in certain jurisdictions (see "*Selling and transfer restrictions*").

Joint Global Coordinators och Joint Bookrunners

SEB citi

Co-Bookrunner

Carnegie

Important information

For certain definitions used in this prospectus, see "*Certain definitions*" on the next page.

A Swedish version of this prospectus has been approved and registered by the Swedish Financial Supervisory Authority (the "**SFSA**") as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "**Prospectus Regulation**").

The prospectus and the offering hereunder are governed by Swedish law. Disputes arising in connection with this prospectus, the offering and related legal matters shall be settled exclusively by Swedish courts. The prospectus has been prepared in both Swedish and English language versions. In the event of any conflict between the versions, the Swedish version shall prevail.

Securitas has not taken, and will not take any actions to allow a public offering in any jurisdiction other than Sweden, Denmark, Finland and Norway. The offering is not being made to persons resident in the United States, Canada, Japan, India, South Africa, Hong Kong, Singapore or any other jurisdiction where participation would require additional prospectuses, registration or measures besides those required by Swedish law. Consequently, the prospectus may not be distributed in or into the mentioned countries or any other country or jurisdiction in which distribution or the offering in accordance with this prospectus require such measures or otherwise would be in conflict with applicable securities laws regulations. Subscription of shares and other acquisitions of securities in violation of the restrictions described above may be void. Recipients of this prospectus are required to inform themselves about, and comply with, such restrictions. Any failure to comply with the restrictions described may result in a violation of applicable securities regulations. For further information, see "*Selling and transfer restrictions*".

Investing in shares is associated with risk (see "*Risk factors*"). When an investor makes an investment decision, he or she must rely on his or her own analysis of Securitas and the offering in accordance with this prospectus, including applicable facts and risks. Potential investors should, before making an investment decision, engage their own professional advisers and carefully evaluate and consider their investment decision. Investors may only rely on the information in this prospectus and any possible supplements to this prospectus. No person is authorised to provide any information or make any statements other than those made in this prospectus. Should such information or statement nevertheless be provided or be made, it should not be considered to have been approved by Securitas, and Securitas is not responsible for such information or statements. Neither the publication of this prospectus nor any transaction made in respect of it shall be deemed to imply that the information in this prospectus is accurate or applicable at any time other than on the date of the publication of this prospectus or that there have been no changes in Securitas' business since this date. If significant changes relating to the information contained in this prospectus occur, such changes will be announced in accordance with the provisions on prospectus supplements under the Prospectus Regulation.

As a condition for subscription of shares under the offering in this prospectus, each person applying for subscription of shares shall be deemed to have made or, in some cases, be required to make, certain representations and warranties that will be relied upon by Securitas and its advisors (see "*Selling and transfer restrictions*"). Securitas reserves the right to declare null and void any subscription of shares that Securitas and its advisors believe may give rise to a breach or violation of any law, rule or regulation in any jurisdiction.

Information to investors in the United States

None of the subscription rights, paid subscription shares (*betalda tecknade aktier* – "**BTA**") or new shares in Securitas (collectively, the "**Securities**") have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered, subscribed for, exercised, pledged, sold, resold, granted, delivered or otherwise transferred, directly or indirectly, within or to the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities legislation in any state or other jurisdiction of the United States. The Securities are being offered outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. No public offering of the Securities will be made in the United States. Any offering of the Securities made in the United States will only be made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, to a limited number of investors that (i) are qualified institutional buyers as defined in Rule 144A under the Securities Act ("**QIBS**"); (ii) are existing shareholders in Securitas on the date hereof and on the date of subscription; and (iii) have executed and delivered an *investor letter* in form and substance acceptable to Securitas. Persons receiving the prospectus are hereby notified that Securitas may be relying on an exemption from the registration requirements of Section 5 of the Securities Act. For a description of these and certain further restrictions regarding the Securities and the distribution of this prospectus, see "*Selling and transfer restrictions*".

The Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission (SEC), any state regulatory authority in the United States or any other U.S. regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of the offering or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offense in the United States.

Up until 40 days after commencement of the offering, an offer or a transfer of Securities within the United States made by a securities broker (regardless of whether such securities broker participates in the offering) may constitute a breach of the registration requirements of the Securities Act.

Information to investors in the EEA and the EU

Within the European Economic Area ("**EEA**") and the United Kingdom, no public offering of Securities is made in other countries than Sweden, Denmark, Finland and Norway. In other member states of the European Union ("**EU**"), such an offering may only be made in accordance with the Prospectus Regulation. In other member states of the EEA which have implemented the Prospectus Regulation in their national legislation, any offer of Securities may only be made in accordance with an applicable exemption in the Prospectus Regulation and/or in accordance with an applicable exemption under a relevant national implementation measure. In other member states of the EEA which have not implemented the Prospectus Regulation in their national legislation, any offer of Securities may only be made in accordance with an applicable exemption under national law. For additional information, see "*Selling and transfer restrictions*".

Information to investors in Australia

Neither this prospectus (or the documents which accompany it) or the offering constitute an offer, or an invitation to purchase or subscribe for the new shares offered by this prospectus except to the extent that such an offer or invitation would be permitted under Chapter 6D or Part 7.9 of the Australian Corporations Act 2001 (Cth) ("**Corporations Act**") without the need for a disclosure document to be lodged with the Australian Securities and Investments Commission ("**ASIC**"). The provision of, and information in, this prospectus (or the documents which accompany it) do not constitute an offer or an invitation to purchase or subscribe for the new shares to any person to whom such offer or invitation would be unlawful. Neither this prospectus (or the documents which accompany it) is a prospectus or product disclosure statement or otherwise a disclosure document for the purposes of Chapter 6D or Part 7.9 of the Corporations Act and is not required to, and does not contain all the information which would be required in a disclosure document under the Corporations Act. This prospectus (and the documents which accompany it) will not be lodged with ASIC.

The persons referred to in this prospectus may not hold Australian financial services licences and may not be licensed to provide financial product advice in relation to the shares. No "cooling-off" regime will apply to an acquisition of the shares pursuant to the offering. This prospectus (and the documents which accompany it) do not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to this offering, you should assess whether the acquisition of the shares is appropriate in light of your own financial circumstances or seek professional advice.

Forward-looking statements

The prospectus contains certain forward-looking statements that reflect Securitas' present view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "believe", "estimate" and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking statements. Forward-looking statements are inherently associated with both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements are not a guarantee of future results or development, and actual outcomes may differ materially from those set out in the forward-looking statements. Securitas does not undertake any obligation to publicly announce any update or change in forward-looking statements as a result of new information, future events or similar circumstances other than as required by applicable laws and regulations.

Factors that may cause Securitas' future results and development to differ from the forward-looking statements include, but are not limited to, those described in "*Risk factors*". The forward-looking statements contained in this prospectus apply only as at the date of this prospectus.

Presentation of financial information

Certain figures in this prospectus, including financial data, have been rounded to facilitate understanding of the information. Accordingly, figures shown in totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them. Unless otherwise stated, no information in this prospectus has been audited or reviewed by an auditor. See "*Presentation of financial and other information*".

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THE RIGHTS ISSUE IN BRIEF

Preferential rights
Each existing share of class A in Securitas entitles to four (4) subscription rights of class A and each existing share of class B entitles four (4) subscription rights of class B. Seven (7) subscription rights of class A and class B, respectively, entitles to subscription for one (1) new share of the corresponding class (primary preferential rights). Shares not subscribed for with primary preferential shall first of all be offered to all shareholders (subsidiary preferential right) and thereafter to other investors for subscription.

Subscription price
SEK 46 per share

Record date for participation in the rights issue
September 20 2022

Subscription period
September 22–October 11 2022

Trading in subscription rights of class B
September 22–October 6, 2022

Trading in BTA of class B
September 22–October 21, 2022

Subscription and payment by exercise of subscription rights
Subscription by exercise of subscription rights is made during the subscription period through simultaneous cash payment.

Subscription and payment without subscription rights
Application for subscription without subscription rights shall be made to SEB no later than 5:00 p.m. CEST on October 11, 2022 on a separate application form that can be obtained from Securitas' website, www.securitas.com, from any SEB office in Sweden or from SEB's website for prospectuses, www.sebgroup.com/prospectuses. Payment for allotted shares shall be made in accordance with instructions on the notice of allotment. Custody account holders shall instead apply with, and in accordance with instructions from, the custodian.

Other information

Ticker:	SECU B
ISIN code shares of class :	SE0000163594
ISIN code subscription rights of class B:	SE0018689226
ISIN code BTA of class B:	SE0018689234
LEI code:	635400TTYKE8EIWDS617

Financial calendar
Trading update July–August 2022:
On or around September 23, 2022
Interim report January–September 2022:
November 8, 2022
Full year report January–December 2022:
February 7, 2023

CERTAIN DEFINITIONS

The following definitions are used in this prospectus:

"**Securitas**", the "**Company**" or the "**Group**" mean, depending on the context, Securitas AB (publ) (corporate ID No. 556302-7241) or the group in which Securitas AB (publ) is the parent company.
"**STANLEY Security**" refers to the Electronic Security Solutions business acquired by Securitas from Stanley Black & Decker Inc. on July 22, 2022.
"**SEB**" refers to Skandinaviska Enskilda Banken AB (publ).
"**Carnegie**" refers to Carnegie Investment Bank AB (publ).
"**Citi**" refers to Citigroup Global Markets Europe AG.
"**Euroclear Sweden**" means Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden.
"**Nasdaq Stockholm**" means, depending on the context, the regulated market Nasdaq Stockholm or Nasdaq Stockholm AB.
"**SEK**", "**EUR**" and "**USD**" refer to Swedish kronor, Euro and U.S. dollars, respectively.
M indicates millions.

Summary

INTRODUCTION AND WARNING

Introduction and warning

This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. An investor could lose all or part of the invested capital. Where a claim relating to the information in this prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability may only attach to those persons who have tabled the summary, including any translation thereof, only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus, or where it does not provide, together with other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

Information about the issuer

Securitas AB (publ) (corporate ID No. 556302-7241) is a Swedish public limited liability company. The address of the Company's head offices is Lindhagensplan 70, SE-102 28 Stockholm, Sweden. The ISIN code of the shares of class A and class B are SE0000163578 and SE0000163594, respectively. Securitas' LEI code is 635400TTYKE8EIWDS617.

Competent authority

This prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*, the "**SFSA**"), which is the regulatory authority responsible for approving the prospectus in accordance with the Prospectus Regulation in Sweden.

Contact information for the Swedish Financial Supervisory Authority is P.O. Box 7821, SE-103 97 Stockholm, Sweden, telephone number +46 (0)8 408 980 00, and website www.fi.se.

The prospectus was approved by the SFSA on September 16, 2022.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Securitas AB (publ) (corporate ID No. 556302-7241) is the issuer of the securities under this prospectus. The Board of Directors of Securitas has its statutory seat (Sw. *säte*) in the municipality of Stockholm, Sweden. The Company is a public limited liability company (Sw. *publikt aktiebolag*) incorporated in Sweden on August 19, 1987. The Company conducts operations in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). Securitas' LEI code is 635400TTYKE8EIWDS617.

Principal activities

During the past decades, Securitas has evolved from being a security services provider with guarding capabilities, to a security services provider with capabilities in tech-enabled security solutions. The main service offerings of Securitas are on-site, mobile and remote guarding, technology, fire and safety and corporate risk management. In addition, the security solutions offering comprises various combinations of security services and offers a holistic and data-driven approach to meet client-specific security needs.

Securitas is a global company with most of its business originating from North America and Europe. The Group is also represented in Latin America, Africa, the Middle East, Asia and Australia. The Company is headquartered in Stockholm, Sweden. In 2021, the Group's 345,000 employees served approximately 153,000 clients in 47 markets and in various types of industries and client categories. Client categories served ranges from governments, airports, logistics, offices and real estate companies, banks, shopping centers, hotels, manufacturing industries, mining industries, hospitals and residential areas to tech and IT companies. The size of the clients varies from small local to large global firms.

Major shareholders

The below table shows Securitas' shareholders with a direct or indirect holding in the Company corresponding to 5 percent or more of the shares or votes in the Company as of August 31, 2022 (with known changes thereafter).

Shareholder[1]	Shares of class A	Shares of class B	Total number of shares	Shares, %	Votes, %
Investment AB Latour and subsidiaries	12,642,600	27,190,000[2]	39,832,600	10.9	29.6
Melker Schörling AB	4,500,000	11,806,839	16,306,839	4.5	10.9
Other shareholders	0	308,444,458	308,444,458	84.5	59.5
Treasury shares held by Securitas[3]		475,000	475,000	0.13	–
Total	**17,142,600**	**347,916,297**	**365,058,897**	**100.0**	**100.0**

1) The information about shareholders is based on information from Euroclear Sweden and Modular Finance, which may result in nominees being included and that the actual owners are therefore not stated.
2) Including holdings of closely related persons and affiliated companies.
3) May not be represented at general meetings and do not entitle to participation in the rights issue.

Securitas' largest shareholders, Investment AB Latour (in which the Douglas family and companies hold approximately 76 percent of the shares and 79 percent of the votes) and subsidiaries and Melker Schörling AB (together the "**Principal Shareholders**"), together hold shares equivalent to approximately 15.4 percent of the shares and 40.5 percent of votes in the Company. The Principal Shareholders can thus exercise significant influence over the Company in matters where the shareholders have a voting right, including the election of the Company's Board of Directors, amendments to the Company's Articles of Association and dividends. Due to their joint shareholding, the Principal Shareholders may put through several proposals at a general meeting, even if other shareholders do not agree with the proposal. The control is, however, limited in accordance with the rules set out in the Swedish Companies Act (2005:551) on minority protection. As a consequence of the fulfilment of the Principal Shareholders' subscription and guarantee undertakings in connection with the rights issue, the Principal Shareholders' joint ownership could increase to a maximum total of approximately 28.2 percent of the shares and 53.4 percent of the votes in the Company.

Group Management

The table below sets forth the members of the Group Management, as of the date of this prospectus.

Name	Position
Magnus Ahlqvist	President and CEO
Andreas Lindback	Chief Financial Officer
Martin Althén	President, Securitas Digital
Hillevi Agranius	Chief Information Officer
Greg Anderson	Divisional President, Security Services North America
Helena Andreas	Senior Vice President, Group Communications & People
Tony Byerly	Global President, Securitas Technology
José Castejon	Chief Operating Officer, North American Guarding, Security Services North America
Jorge Couto	Divisional President, Security Services Ibero-America
Peter Karlströmer	Divisional President, Security Services Europe
Jan Lindström	Senior Vice President, Finance
Brian Riis Nielsen	Senior Vice President, Global Clients and leader of Global Clients & Vertical Markets
Axel Sundén	Divisional President, AMEA
Frida Rosenholm	Senior Vice President, General Counsel
Henrik Zetterberg	Chief Operating Officer, Security Services Europe

Auditor

Ernst & Young AB (Hamngatan 26, SE-111 47 Stockholm, Sweden) is the Group's auditor, with the authorized public accountant Rickard Andersson as auditor-in-charge.

What is the key financial information regarding the issuer?

The selected historical financial information presented below as of and for the financial years 2021, 2020 and 2019 (other than non-IFRS measures) have been derived from Securitas' consolidated financial statements for each respective financial year, which have been prepared in accordance with International Financial Reporting Standards as endorsed by the EU ("**IFRS**"), the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*) and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups. Securitas' consolidated financial statements for the financial year 2021 have been audited by the Company's auditor Ernst & Young AB and Securitas' consolidated financial statements for the financial years 2020 and 2019 have been audited by the Company's previous auditor PricewaterhouseCoopers AB. The selected historical financial information presented below as of and for the first half of 2021 and 2022, respectively, (other than non-IFRS measures) have been derived from the Company's unaudited consolidated financial statements for the first half of 2022 (with comparative figures for the corresponding period 2021), which have been reviewed by Ernst & Young AB. Securitas' interim report for the second quarter 2022 has been prepared in accordance with IAS 34 – Interim Financial Reporting and the Swedish Annual Accounts Act.

Condensed consolidated statement of income

MSEK (unless otherwise stated)	2021	2020	2019	Jan–Jun 2022	Jan–Jun 2021
Total sales	107,700	107,954	110,899	59,133	52,313
Operating income before amortization*)	5,978	4,892	5,738	3,212	2,727
Operating income after amortization*)	4,695	3,829	5,196	2,705	2,162
Net income for the period	3,134	2,416	3,362	1,861	1,443
Organic sales growth, %*)	4	0	4	5	4
Operating margin, %*)	5.6	4.5	5.2	5.4	5.2
Operating margin after amortization, %*)	4.4	3.5	4.7	4.6	4.1
Earnings per share before and after dilution (SEK)	8.59	6.63	9.20	5.09	3.95

*) Alternative performance measure (non-IFRS measure).

Condensed consolidated balance sheet

MSEK	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Jun 30, 2022	Jun 30, 2021
Total assets	63,363	59,127	62,190	70,105	61,093
Total shareholders' equity	20,800	17,707	19,599	23,652	18,100
Net debt*)	-14,551	-14,335	-17,541	-18,409	-15,618

*) Alternative performance measure (non-IFRS measure).

Condensed consolidated statement of cash flow

MSEK	2021	2020	2019	Jan–Jun 2022	Jan–Jun 2021
Cash flow from operations	5,980	8,072	5,747	791	1,961
Cash flow from investing activities	-3,029	-3,438	-2,534	-1,041	-1,048
Cash flow from financing activities	-2,855	-3,658	-2,521	-1,330	-1,478
Cash flow for the period	96	976	692	-1,580	-565

Pro forma financial information

On December 8, 2021, Securitas announced that the Company had entered into an agreement to acquire STANLEY Security from Stanley Black & Decker Inc. The acquisition was completed on July 22, 2022. The purpose of the pro forma financial information in this prospectus is to present the hypothetical impact that the acquisition of STANLEY Security could have had on the Group's consolidated statement of income for 2021 and for the period January 1, 2022–June 30, 2022, as if the acquisition was completed on January 1, 2021, and on the Group's consolidated balance sheet as of June 30, 2022, as if the acquisition was completed as of that date.

Condensed consolidated pro forma statement of income January 1, 2021–December 31, 2021

MSEK	Securitas AB 2021 Audited IFRS[1]	STANLEY Security 2021 Unaudited U.S. GAAP[2]	Acquisition-related adjustments Unaudited	Effects from the debt financing of the transaction Unaudited	Effects from rights issue Unaudited	Securitas AB Pro forma Unaudited
Total sales	107,700	14,140	0	0	0	121,840
Operating income before amortization*)	5,978	1,079	16	0	0	7,073
Operating income after amortization*)	4,695	902	-207	0	0	5,390
Net income for the period	3,134	649	-143	-142	0	3,498

*) Alternative performance measure (non-IFRS measure).

1) Securitas' condensed statement of income based on the audited statement of income.

2) As a basis for the pro forma financial statements, STANLEY Security has prepared consolidated financial information in the form of an income statement and a balance sheet including the entities included in the acquisition. The information prepared is unaudited. STANLEY Security's statement of income has been translated from USD to SEK at the rate of 8.603 SEK per USD.

Condensed consolidated pro forma statement of income January 1, 2022–June 30, 2022

MSEK	Securitas AB 2022 Unaudited IFRS[1]	STANLEY Security 2022 Unaudited U.S. GAAP[2]	Acquisition-related adjustments Unaudited	Effects from the debt financing of the transaction Unaudited	Effects from rights issue Unaudited	Securitas AB Pro forma Unaudited
Total sales	59,133	7,786	0	0	0	66,919
Operating income before amortization*)	3,212	809	10	0	0	4,031
Operating income after amortization*)	2,705	657	-80	0	0	3,282
Net income for the period	1,861	472	-45	-109	0	2,179

*) Alternative performance measure (non-IFRS measure).

1) Securitas' condensed statement of income based on the reviewed statement of income.

2) As a basis for the pro forma financial statements, STANLEY Security has prepared consolidated financial information in the form of an income statement and a balance sheet including the entities included in the acquisition. The information prepared is unaudited. STANLEY Security's statement of income has been translated from USD to SEK at the rate of 9.673 SEK per USD.

Condensed consolidated pro forma balance sheet June 30, 2022

MSEK	Securitas AB 2022 Unaudited IFRS	STANLEY Security 2022 Unaudited U.S. GAAP[1]	Acquisition-related adjustments Unaudited	Effects from the debt financing of the transaction Unaudited	Effects from rights issue Unaudited	Securitas AB Pro forma Unaudited
Total assets	70,105	30,326	-24,218	32,483	-72	108,624
Total shareholders' equity	23,652	25,821	-25,821	-10	9,235	32,877

1) As a basis for the pro forma financial statements, STANLEY Security has prepared consolidated financial information in the form of an income statement and a balance sheet including the entities included in the acquisition. STANLEY Security's balance sheet has been translated from USD to SEK at the rate of 10.155 SEK per USD.

What are the key risks that are specific to the issuer?

Securitas is exposed to risks relating to macroeconomic factors and geopolitical conditions

Securitas is a global provider of security services and serves a wide range of clients of all sizes in a variety of industries and client segments. The demand for Securitas' services depends on the general economic climate within the security services industry, which in turn is affected by macroeconomic factors in the countries and regions as well as client segments for which Securitas conducts operations. Significant negative economic developments, political uncertainty or geopolitical deteriorations in the markets in which Securitas operates could trigger a significant industry-wide decline in sales. As a result of the ongoing war in Ukraine and associated increased geopolitical tensions, the United States, the EU and other jurisdictions have imposed sanctions on certain Russian and Belarusian persons and entities and have imposed restrictions on exports of various items to Russia, and may impose increasingly stringent sanctions going forward. Any sanctions imposed and other ramifications of geopolitical escalations or other events could restrict Securitas' ability to perform its services and affect the security services industry as well as global economic and key economic factors, such as GDP growth rates, employment levels, interest rates and inflation in a negative manner. The Group is also exposed to risks related to inflation, for example inflation of salary and pension levels. Inflation is expected to remain elevated during upcoming years, driven by, among other things, commodity price increases induced by the war in Ukraine and increased price pressure. Consequently, there is a risk that the costs of inflation on salaries and pensions may exceed the rate of price increases for Securitas' services, which would have a negative effect on the Group's profit margins.

Securitas is exposed to risks relating to market developments

The market for Securitas' services is characterized by technical developments, changes in industry standards, changes in regulatory frameworks, and rapid changes of the requirements of clients. There is a risk that the Group will lose clients and market shares if its products, services or software fail to meet the clients' expectations in terms of cost, quality, reliability or function. In order to compete effectively, the Group must continue to ongoingly invest in and implement new technology. Furthermore, the Group must regularly adapt and update its products, services and software as well as business models and strategies to prevailing technological and digital conditions and trends. If the Group does not act swiftly and efficiently with regard to changing technology and fails to implement updated strategies and improve its existing services and products as well as to develop and introduce new services and products that are in line with technical advances and new industry standards, there is a risk that the Group may not be able to compete effectively and will lose clients and market shares, in turn negatively affecting the Group's sales and results.

Securitas is dependent on attracting and retaining key personnel and highly qualified employees

The security services that the Group offers its clients require qualified security officers and technicians and staff with key skills with respect to, among other things, business development, marketing, sales, technical support and legal, risk management, financial, tax, treasury, HR, communication and IT/IS development and support. The competition for qualified staff within all of these areas mentioned above, especially with the relevant technical key skills, is tough, and there is therefore a risk that the Group will not be able to hire appropriate staff to achieve Securitas' goals, a risk that will be enhanced due to the increasing number of employees within the Group following the acquisition and integration of STANLEY Security. If the Group fails to attract and retain qualified staff, this could negatively impact the Group's business by impairing its ability to successfully develop prospective solutions, identify new business opportunities and execute the Company's strategy successfully. Furthermore, the Group's success is in large part dependent on its ability to attract, train and retain qualified security officers within all geographic regions in which the Group operates. To attract and retain appropriate staff, Securitas may also need to increase its overall levels of remuneration, which could adversely affect the Group's results of operations.

Securitas is exposed to risks relating to its international operations

Securitas operates in 47 markets and a major part of the Group's sales is carried out in markets outside Sweden. The international sales of the Group are affected by costs and risks related to business on international markets. Adverse changes in regulatory requirements, economic and political instability, foreign exchange fluctuations, trade barriers and price or exchange controls would limit the Group's profitability in the countries concerned. In addition, terrorist attacks, geopolitical tensions, armed conflicts and acts of war, natural disasters, governmental actions as well as epidemics and pandemics that affect Securitas' domestic and international operations in a significant way and impair its ability to perform its services present a significant risk for the Group. The degree to which risks relating to international operations may affect Securitas is uncertain and presents a significant risk to the Group's growth and profitability.

Securitas is exposed to risks relating to criminal actions and insider threats

By offering protective services solutions, including on-site, mobile and remote guarding, Securitas' business is inherently conducted within sectors that have an increased exposure to criminal actions. If essential infrastructures and facilities where services of the Group are being rendered are subject to terrorist attacks, it could have severe and adverse consequences for a lot of people. It may also significantly reduce the market's confidence in the Group and thereby seriously damage Securitas' reputation. Likewise, to the extent not covered by adequate insurance or exceeding the insured amounts, singular criminal events could result in the Group being liable for compensation and costs, which would have an adverse effect on the Group's results. In addition, there is a risk that individuals may use employment at the Group to prepare, and perform, terrorism or similar activities. For example, the Group's employees may have access to highly sensitive information, including confidential or classified information, which may be exploited in terrorism or other criminal activities. If this risk were to materialize, it would have a significant negative impact on the Group's brand, reputation, business and results.

Securitas is exposed to information technology, cyber security and information security risks

For its day-to-day operations, Securitas is dependent on well-functioning key business processes and its supporting processes to ensure business continuity. If the Group's IT infrastructure is outdated or deficient, or if the Group is unable to manage disruptions to its IT infrastructure or the migration to new IT infrastructure, Securitas may be exposed to IT system failures and increased vulnerability to cyber security incidents, which could cause disruption to the continuity of the Group's services. As Securitas is responsible for its clients' security and is operating within areas involving the handling of sensitive, confidential or classified information (for example, provisions of guarding services of data centers, defense facilities, nuclear power plants as well as security services at airports), the Group is vulnerable to cyber security incidents such as data breaches, intrusions, espionage and data privacy infringements and leakage. If such cyber security incidents would occur and are not handled in an efficient manner, there is thus a risk that it would have a material adverse effect on the Group's business and operations.

Securitas is exposed to risks associated with mergers, acquisitions and divestments

Part of Securitas' strategy is to grow through acquisitions and during the last few years the Group has completed a number of acquisitions of companies within the technology market. However, there is a risk that Securitas may not be able to carry out all its desired acquisitions or investments in the future, due to, for example, competition from other potential industrial or private equity sponsored buyers, merger control issues or increased indebtedness or other circumstances beyond the Group's control. Securitas may also decide to divest business areas or operations in certain countries based on strategic, financial or other reasons. There is a risk that such divestments cannot be carried out in a timely manner or on terms that are favorable for Securitas, or that they are prevented or impeded due to requirements of regulatory approval or due to contractual obligations in, for example, financing agreements. Furthermore, there is a risk that the integration of acquired companies or the separation of divested operations may result in unforeseen commercial, operational and administrative difficulties and costs. Acquisitions of technology companies are by their nature considered to entail different risks compared to traditional guarding acquisitions. In particular, when acquiring technology companies, there may be a higher dependency on key personnel with certain technology experience or skills. As a result, the Group's current strategy to focus on acquisitions of companies within the technology market increases Securitas' acquisition-related risks.

Securitas is exposed to risks relating to the acquisition and integration of STANLEY Security
After closing of the acquisition of STANLEY Security in July 2022, the carve-out process was accelerated and the process of integrating STANLEY Security into Securitas was initiated. The carve-out and integration processes involves certain risks and uncertainties, and there can be no assurance that the carve-out and integration of STANLEY Security can be accomplished in the manner or within the timeframe currently anticipated. In addition, there can be no assurance that Securitas will achieve any of the anticipated benefits or synergies of the acquisition of STANLEY Security. With the acquisition of STANLEY Security, the Group will also expand its operations in certain market segments such as healthcare and the provisioning of certain security hardware and software, involving a greater element of product manufacturing and cross border transactions than previously conducted by Securitas. The Group's expansion is subject to risks related to, for example, difficulties in recruiting and retaining the right skills, establishing and maintaining client relationships in new segments, additional regulatory requirements and achieving growth and profitability targets.

Securitas is exposed to risks relating to its clients, contracts and assignment execution
In 2021, Securitas had approximately 153,000 clients across a large number of jurisdictions, and with the acquisition of STANLEY Security, the number of clients of the Group will increase significantly. Given the large number of clients, the number of various jurisdictions involved and the strong competition in general, there is a risk that unfavorable obligations and risks are undertaken in client contracts, resulting in unbalanced terms for the type of assignment in question. If client contracts contain such unfavorable terms, there is a risk that it may affect the Group's margins and profitability and therefore have a negative effect on the Group's business and results. As a result of the services performed or deficiencies in such services, there is a risk that Securitas may become liable for damage caused either to the client or to third parties. If such liability is not or cannot be sufficiently covered by adequate insurances, this could have a material adverse effect on the Group's reputation, business and financial standing.

Securitas is exposed to compliance-related risks
Securitas operates in a global environment, and its activities straddle multiple jurisdictions and complex regulatory frameworks. The threat of corruption, bribery, financial fraud and other illicit activities is omnipresent in several of the jurisdictions in which Securitas operates, particularly insofar as it includes public procurement. The Group's compliance processes and policies may thereby fail to prevent breaches of law and governance standard at Securitas and there is a risk that there will be acts of corruption and other illegal acts involving employees in Securitas. Furthermore, there is a risk that the measures previously taken by Securitas prove not to have been sufficient to prevent the Group's employees and operatives from engaging in unlawful or illicit activities or otherwise behaving in an unethical manner, and such activities or behaviors may not yet have been revealed or uncovered. If the Group is unable to successfully update or implement compliance policies and control procedures in the future, or if Securitas were to experience incidents of local, country or regional managers not complying with all requirements in the jurisdictions in which it operates, this could have a significant negative impact on the Group's brand, reputation, business and results.

Securitas is exposed to risks relating to financing and liquidity
The Group's short-term liquidity is secured by the maintaining of a liquidity reserve (cash and bank deposits, short-term investments and the unutilized portion of committed credit facilities), which according to the Group's policy should correspond to a minimum of 5 percent of consolidated annual sales. Unforeseen cost increases and/or unforeseen income reductions may result in the Group's liquidity reserve being insufficient, which could have significant consequences for the Group's operations and results. The Group's long-term financing risk is managed by ensuring that the level of long-term financing (shareholders' equity, long-term committed loan facilities and long-term bond loans) at least matches the Group's capital employed. If, due to adverse conditions on the financial markets, there are insufficient or only very expensive financial resources available, there is a risk that the Group will not be able to implement its strategy, or acquisitions and other investments, which could have a negative effect on its growth and profitability.

Securitas is exposed to risks relating to the financing of the acquisition of STANLEY Security
The Group's indebtedness increased significantly in 2022 due to the acquisition of STANLEY Security. Securitas financed the cash purchase price of STANLEY Security of MUSD 3,200 (equivalent to MSEK 32,496[1]) by new bridge facilities provided by a syndicate of international banks, intended to be refinanced by a mix of equity and long-term debt. If the rights issue is not fully subscribed for or is delayed, there is a risk that additional financing costs will be incurred to maintain the bridge facilities. Further, there is a risk that financing through issuance in the bond markets and/or through other sources of debt financing cannot be secured, or can only be secured on terms that are unfavorable for Securitas.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

This prospectus relates to a rights issue in Securitas of not more than 9,795,711 shares of class A (ISIN code SE0000163578) and not more than 198,537,884[2] shares of class B (ISIN code SE0000163594), with preferential rights for Securitas' shareholders. The shares of class A and class B have been issued in accordance with Swedish law, are fully paid and denominated in SEK.

As of the date of this prospectus, there are 365,058,897 shares in Securitas, of which 17,142,600 shares of class A and 347,916,297 shares of class B (each with a quota value of SEK 1 per share). The share capital amounts to SEK 365,058,897.

1 Based on a USD/SEK exchange rate of SEK 10.155 per USD.
2 Securitas holds 475,000 treasury shares, which do not entitle to participation in the forthcoming rights issue, whereby the total number of shares of class B amounts to not more than 198,537,884.

Rights attached to the shares

Each share of class B in the Company entitles the holder to one (1) vote and each share of class A entitles the holder to ten (10) votes at a General Meeting. To be entitled to participate in a General Meeting, the shareholder must be registered in the share register six banking days prior to the meeting (while voting registrations made by nominees not later than four banking days prior to the General Meeting will be taken into account), and notify the Company of the participation not later than the day specified in the notice convening the meeting.

Should the Company decide to issue new class A and class B shares by way of a cash issue or a set-off issue, the holders of class A and class B shares, respectively, shall have priority right to subscribe to new shares of the same class in proportion to their existing shareholdings. Shares not subscribed to by primary right of priority shall be offered to all shareholders. Should the Company decide to issue shares of only one class by way of a cash issue or a set-off issue, all shareholders, irrespective of class of shares owned, shall have priority right to subscribe to new shares in proportion to their existing shareholdings.

Should the Company decide to issue warrants or convertible bonds by way of a cash issue or a set-off issue, the shareholders shall have the priority right to subscribe to such warrants as if the shares to which the warrants entitle were issued and the priority right to subscribe to such convertible bonds as if the shares for which the convertible bonds may be exchanged were issued, respectively.

Dividend policy

With a balanced growth strategy comprising both organic and acquisition driven growth and continued investments in technology and security solutions, Securitas should be able to sustain a dividend in the range of 50–60 percent of annual net income.

Where will the securities be traded?

The Company's shares of class B are traded on Nasdaq Stockholm under the ticker SECU B. Shares of class B that are issued in the forthcoming rights issue will also be admitted to trading on Nasdaq Stockholm.

What are the key risks that are specific to the securities?

The share price can be volatile and the share price development is affected by several factors

Since an investment in shares may decrease in value, there is a risk that investors will not recover their invested capital. The performance of a share depends on multiple factors, some of which are specific to Securitas whilst others are related to the stock market in general. The share price may, for example, be affected by supply and demand, fluctuations in actual or projected results, changes in earnings forecasts, failure to meet stock analysts' earnings expectations, changes in general economic conditions, changes in perceived reputation, changes in regulatory conditions and other factors. This presents a significant risk for a single investor.

Securitas' ability to pay future dividends depends on several factors

Payment of dividends may only take place if there are payable funds held by Securitas and as long as the requirements of future dividends, and the size, scope and risks of any such dividends, are met. Such requirements depend on Securitas' equity, consolidation needs, liquidity and position in general for a certain financial year. Furthermore, future dividends, and the size of any such dividends, depend on the Group's future results, financial position, cash flows, working capital requirements and other factors. Due to the relative size of the acquisition of STANLEY Security, and the required integration activity, there is a risk that STANLEY Security's and such integration activity's impact on the Group will negatively affect future dividends. There is a risk that payable dividends will be lower or will not be available in any financial year.

Trading in subscription rights and paid subscription shares (BTA) may be limited

Those who are registered as shareholders in Securitas on the record date receive subscription rights in proportion to their existing shareholdings. Both subscription rights of class B and paid subscription shares (*betalda tecknade aktier* – "**BTA**") of class B which, after payment, are booked into the securities accounts of those who subscribed for new shares, will be subject to trading on Nasdaq Stockholm for a limited period of time. Trading in these instruments may be limited, which may cause problems to individual holders in selling their subscription rights and/or BTA of class B and thereby mean that the holders will not be able to compensate themselves for the economic dilution effect that the rights issue carries. Such circumstances would constitute a significant risk for single investors.

KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC

Under which conditions and timetable can I invest in this security?

The Board of Directors of Securitas resolved on September 12, 2022, in accordance with the Annual General Meeting's authorization on May 5, 2022, to increase the Company' share capital through the issue of shares of class A and class B with preferential rights for Securitas' shareholders to subscribe for the new shares.

The rights issue resolution entails that the Company's share capital will increase by not more than SEK 208,333,655, from the current SEK 365,058,897 to SEK 573,392,552, through the issuance of not more than 208,333,655 new shares, of which not more than 9,795,771 shares of class A and not more than 198,537,884[3] shares of class B. After the rights issue, the number of shares in Securitas will amount to not more than 573,392,552 shares, of which not more than 26,938,371 shares of class A and not more than 546,454,181 shares of class B. The Company's shareholders have preferential rights to subscribe for new shares in relation to the number of Securitas shares previously held. The record date to receive subscription rights in the rights issue is on September 20, 2022.

3 Securitas holds 475,000 treasury shares, which do not entitle to participation in the forthcoming rights issue, whereby the total number of shares of class B amounts to not more than 198,537,884.

Individuals registered on the record date as shareholders in Securitas will receive four (4) subscription rights for each share held on the record date. Seven (7) subscription rights of each class entitle to subscription of one (1) new share of the corresponding class (primary preferential right). Shares not subscribed for with primary preferential right shall be offered to all shareholders for subscription (subsidiary preferential right). Upon the transfer of subscription rights (primary preferential right), the subsidiary preferential right will also be transferred to the new holder of the subscription right. Any shares not subscribed for with primary or subsidiary preferential right shall be granted those who have applied for subscription of shares without preferential right. Subscription will take place during the period from and including September 22, 2022, up to and including October 11, 2022, or such later date as decided by the Board of Directors.

The subscription price has been set at SEK 46 per share. Provided that the rights issue is fully subscribed, Securitas will consequently raise in total MSEK 9,583 before issue costs. Shareholders who elect not to participate in the rights issue will have their holdings diluted by up to 36,3 percent (36,4 percent excluding treasury shares held by Securitas).

Why is this prospectus being produced?
On December 8, 2021, Securitas announced that the Company had entered into an agreement to acquire the Electronic Security Solutions business from Stanley Black & Decker Inc. ("**STANLEY Security**"). The acquisition was completed on July 22, 2022, after the Company had received approvals from relevant regulatory authorities and other conditions had been satisfied. The total purchase price amounted to MUSD 3,200 on a debt and cash free basis.

Through the acquisition of STANLEY Security, Securitas transforms the dynamics of the security industry by combining global presence, connected technology and intelligent use of data. Securitas' strategy is to deliver comprehensive, scalable, and innovative security solutions to meet its clients' increasingly complex security needs. Securitas believes that STANLEY Security's complementary offering of technology-enabled security, together with a complementary geographical coverage, is in complete alignment with this strategy. The combination of Securitas and STANLEY Security aims to create a stronger player to develop the offering of security solutions and to enable accelerated innovation.

The rights issue will amount to not more than MSEK 9,583 (before deduction of issue costs estimated to amount to approximately MSEK 72). The acquisition of STANLEY Security was financed with bridge facilities provided by a syndicate of international banks, totaling MUSD 3,300 (equivalent to MSEK 33,702[4]). The net proceeds from the rights issue of approximately MSEK 9,511 will be used to repay a corresponding amount of the bridge facilities. The remaining approximately MSEK 24,191 will be refinanced through issuance of bonds and/or the raising of other debt financing.

Investment AB Latour and subsidiaries, Melker Schörling AB and EQT, together holding shares representing 18.4 percent of the outstanding share capital and 42.6 percent of the votes in the Company[5], have committed to exercise their preferential rights in the share issue and thereby subscribe for new shares corresponding to their respective holding in the Company, i.e. totaling 18.4 percent of the rights issue. In addition to the subscription undertakings, Investment AB Latour and subsidiaries, Melker Schörling AB and EQT have entered into guarantee commitments to subscribe for additional shares corresponding to 21.9 percent of the rights issue, equivalent to an aggregate amount of MSEK 2,099. Altogether, said shareholders have provided subscription and guarantee undertakings to subscribe for in total 40.3 percent of the rights issue. The subscription and guarantee undertakings, respectively, are not secured through, for example, bank guarantees.

SEB and Citi are Joint Global Coordinators and Joint Bookrunners and Carnegie is Co-Bookrunner in relation to the rights issue. From time to time, SEB, Citi and Carnegie (and their affiliates) have in the ordinary course of business provided, and may in the future provide, various banking, financial, investment, commercial and other services to Securitas for which they have received, and may receive, compensation. Furthermore, SEB and Citi (and their affiliates) are lenders of loans granted to Securitas.

4 The bridge facility consists of two facilities which were utilized in connection with the closing of the acquisition on July 22, 2022. Facility A was utilized in USD and EUR and amounts, based on a USD/SEK exchange rate of SEK 10.2514 per USD and a EUR/SEK exchange rate of SEK 10.4149 per EUR on July 22, 2022, to MSEK 9,341. Facility B was utilized in USD, EUR, Canadian dollars (CAD), Norwegian (NOK) and SEK and amounts, based on a USD/SEK exchange rate of SEK 10.2514 per USD, a EUR/SEK exchange rate of SEK 10.4149 per EUR, a CAD/SEK exchange rate of SEK 7.9597 per CAD and a NOK/SEK exchange rate of SEK 1.0256 per NOK on July 22, 2022, to MSEK 24,361.

5 Excluding treasury shares. As of August 31, 2022, Securitas held 475,000 treasury shares of class B, which do not entitle to participation in the rights issue.

Risk factors

An investment in securities is associated with risk. Prior to any investment decision, it is important to carefully analyse the risk factors considered to be of importance in relation to Securitas and the future performance of the shares, for example risks related to Securitas' operations and industry, legal risks, financial risks, and risks related to the rights issue. The risk factors currently deemed material to Securitas and the shares are described below. The risk factors' materiality has been assessed based on the probability of their occurrence and the expected magnitude of their negative outcome. In each subsection, the risk factors currently deemed most material are presented first, but otherwise the risk factors are not ranked in any specific order of importance. The description of the risk factors below is based on information available and estimates made on the date of this prospectus.

RISKS RELATED TO SECURITAS

Risks related to Securitas' operations and industry

Securitas is exposed to risks relating to macroeconomic factors and geopolitical conditions

Securitas is a global provider of security services and serves a wide range of clients of all sizes in a variety of industries and client segments, such as aviation, construction, critical infrastructure, maritime, healthcare, public sector, technology, retail, public transportation, industry/manufacturing, logistics and residential. The demand for Securitas' services depends on the general economic climate within the security services industry, which in turn is affected by macroeconomic factors in the countries and regions as well as client segments for which Securitas conducts operations. The macroeconomic factors include, among other things, the rate of growth in the global economy, employment levels, political conditions and levels of public spending for security services, currency rate fluctuations, customs duty and inflation. Significant negative economic developments, political uncertainty or geopolitical deteriorations in the markets in which Securitas operates could trigger a significant industry-wide decline in sales. For example, while Securitas does not operate directly either in Russia or in Ukraine, the Russian invasion of Ukraine in February 2022 and the ongoing war in Ukraine could lead to unforeseeable consequences also outside the two directly implicated countries. As a result of the ongoing war in Ukraine and thereto associated increased geopolitical tensions, the United States, the EU and other jurisdictions have imposed sanctions on certain Russian and Belarusian persons and entities and have imposed restrictions on exports of various items to Russia, and may impose increasingly stringent sanctions going forward. Against the backdrop of the changed security policy situation following Russia's invasion of Ukraine in February 2022, the Swedish government decided on May 16, 2022 that Sweden should apply for membership in the NATO defense alliance and on May 18, 2022, the application was submitted. This is deemed by the Swedish government to involve a risk of Russian counter-reactions, including an increased risk of provocations and cyberattacks on Swedish interests and entities (see also "*Securitas is exposed to information technology, cyber security and information security risks*"). Any such cyberattacks could, for example, affect Swedish energy supply, payment and communication systems, and consequently have a significant negative impact on Securitas' ability to conduct its operations. Any sanctions imposed and other ramifications of geopolitical escalation or other events could restrict Securitas' ability to perform its services and affect the security services industry as well as global economic and key economic factors, such as GDP growth rates, employment levels, interest rates and inflation in a negative manner. Economic damage from the war in Ukraine is expected to contribute to a slowdown in global growth in 2022, particularly in Europe. The war has intensified supply disruptions, adding to inflationary pressure. Even before Russia invaded Ukraine, broad price pressures led central banks to tighten monetary policy. As a result, interest rates have risen and asset price volatility had increased since the start of 2022, negatively affecting corporate balance sheets and investments. Continued or intensified military action and geopolitical tensions, as well as sanctions, could have an adverse effect on the Group's business, financial condition and results of operations to the extent these have an impact on the macro-economic context in which Securitas operates.

In addition, the COVID-19 pandemic may continue to affect the general economic development, both globally and regionally as well as within specific client segments, and negatively impact demand from the Group's end markets (see further "*Securitas is subject to risks related to the COVID-19 pandemic*" below). In 2021, 43 percent, 43 percent and 11 percent of Securitas' sales were derived from North America, Europe and Ibero-America, respectively (which are the Group's reportable segments). Hence, a significant negative economic development or sustained political uncertainties in any of those markets would thus materially adversely affect the Group's sales and results. Such events could also lead to longer payment cycles, difficulties in securing payment of accounts receivable, and thereby an increased risk of credit losses (see "Securitas is exposed to credit and counterparty risks" below), thus adversely affecting the Group's cash flows and liquidity. In addition, such events may also affect the supply chains of Securitas and its clients, potentially affecting the supply and demand of Securitas' services. Securitas' ability to conduct its operations is highly dependent on the availability and timely delivery of certain products, for example uniforms and technologic equipment.

The Group is also exposed to risks related to inflation, for example inflation of salary and pension levels. Since salaries and social benefits for the Group's approximately 345,000 employees accounted for 81 percent of the Group's total operating expenses in 2021, as of December 31, 2021, a salary increase by 1 percent would increase the Group's expenses for salaries and social benefits by approximately MSEK 800. In 2021, consumer price inflation averaged 3.1 percent in advanced economies and 5.9 percent in emerging market and developing economies. Inflation is expected to remain elevated during upcoming years, driven by, among other things, commodity price increases induced by the war in Ukraine and broadening price pressures. For 2022, consumer price inflation is projected at 6.6 percent in advanced economies and 9.5 percent in emerging market and developing economies.[6] Consequently, there is a risk that the costs of inflation on salaries and pensions may exceed the rate of price increases for Securitas' services, which would have a negative effect on the Group's profit margins. Furthermore, the global economy and certain regions may be impacted by trade disputes and other specific conditions, such as political instability, deterioration in diplomatic relations, terrorism, protectionism as well as regional and/or cross-border conflicts.

Securitas is exposed to risks relating to market developments
The market for Securitas' services is characterized by technical developments, changes in industry standards, changes in regulatory frameworks, and rapid changes of the requirements of clients. Some of the current market trends include digital transformation, economic globalization, increasing urbanization and industrialization, economic and political development, an increased use of technology, customized and cost-effective services, as well as a greater focus on risk management. In order to compete in the current market, Securitas must be able to adapt its business and strategies to these market trends, which may require expansion or repositioning of the Company's offering. For example, in 2020, Securitas introduced various safety and solutions related to the COVID-19 pandemic, such as access control screening and facial recognition with fever detection, to address the new market demand. However, the introduction of products and services utilizing new technology in the market and the emergence of new industry standards and practices may take market shares from the Group's existing services. There is a risk that the Group will lose clients and market shares if its products, services or software fail to meet the clients' expectations in terms of cost, quality, reliability or function. In order to compete effectively, the Group must continue to ongoingly invest in and implement new technology. Furthermore, the Group must regularly adapt and update its products, services and software as well as business models and strategies to prevailing technological and digital conditions and trends. In connection with the acquisition of STANLEY Security, the Group will implement an accelerated strategy. However, the changes and implementation of the Group's accelerated strategy may not be successful (see also "*Securitas is exposed to risks relating to the acquisition and integration of STANLEY Security*" below). If the Group does not act swiftly and efficiently with regard to changing technology and fails to implement updated strategies and improve its existing services and products as well as to develop and introduce new services and products that are in line with technical advances and new industry standards, there is a risk that the Group may not be able to compete effectively and will lose clients and market shares, in turn negatively affecting the Group's sales and results.

Securitas is dependent on attracting and retaining key personnel and highly qualified employees
The security services that the Group offers its clients require qualified security officers and technicians and staff with key skills with respect to, among other things, business development, marketing, sales, technical support and legal, risk management, financial, tax, treasury, HR, communication and IT/IS development and support. Consequently, Securitas' success depends on its ability to attract, train and retain qualified security officers and technicians and personnel within all of these areas. For example, one of the current market trends that has a great impact on the Group's business is digital transformation of the security services market. To stay competitive, the Group is dependent on its employees having the relevant key skills to enable the Group's business to continue to adapt to the digital transformation. The competition for qualified staff within all of these areas mentioned above, especially with the relevant technical key skills, is tough, and there is therefore a risk that the Group will not be able to hire appropriate staff to achieve Securitas' goals, a risk that will be enhanced due to the increasing number of employees within the Group following the acquisition and integration of STANLEY Security (see also "*Securitas is exposed to risks relating to the acquisition and integration of STANLEY Security*" below). In addition, high employee turnover within the security services industry may limit Securitas' ability to maintain appropriate levels of know-how and experience. If the Group fails to attract and retain qualified staff, this could negatively impact the Group's business by impairing its ability to successfully develop prospective solutions, identify new business opportunities and execute the Company's strategy successfully. Furthermore, the Group's success is in large part dependent on its ability to attract, train and retain qualified security officers within all geographic regions in which the Group operates. Security officers represent the largest employment category within the Group, and several factors, such as requirements in respect of minimum levels of training and security officer licenses in various countries as well as increasing levels of regulation may limit the Group's ability to recruit qualified security officers and replace leaving security officers effectively. Accordingly, if Securitas fails to attract and retain qualified staff, it could have an adverse effect on the development of the Group, its growth and profitability. Additionally, there is risk of Securitas not having a diversified workforce which could result in reduced innovation, efficiency, financial results and competitiveness, loss of clients or investors that require diversity, increased business ethics risks, loss of existing and potential employees, risk of losing or not utilizing competence efficiently and missing important perspectives, as well as lower ESG ratings.

To attract and retain appropriate staff, Securitas may also need to increase its levels of remuneration, which could adversely affect the Group's results of operations. In 2021, salaries and social benefits amounted to MSEK 68,726 and MSEK 14,906, respectively, and together accounted for 81 percent of the Group's total operating expenses. There is a risk that the Group may not be able to increase the prices of its services to compensate for increases in salaries and costs related thereto. Moreover, nominal salary growth could accelerate to catch up with elevated consumer price

6 International Monetary Fund (IMF), World Economic Outlook, July 2022.

inflation as employees seek higher salaries to account for increased living costs. Conversely, if the Group were to offer lower remuneration levels, it may lead to employees choosing to terminate their employment, which could result in a lack of resources and competence and would adversely affect the Group's current and future operations. In addition, if the Group were to hire unsuitable staff in permanent or temporary positions, or recruit such personnel as subcontractors, there is an increased risk of mistakes or incidents which could result in claims and/or a risk that this could damage the Group's reputation and have an adverse effect on the growth and profitability of the Group.

In addition, Securitas is subject to collective bargaining agreements with certain trade unions, for example in countries such as France, Belgium and Sweden, with different durations. The Group periodically negotiates with certain of the trade unions representing their employees, mostly within the scope of trade associations. However, there is a risk that the Group will not be able to renew collective bargaining agreements on desired terms. If the Group is forced to raise its employees' salaries more than expected as a result of renegotiations of collective bargaining agreements with trade unions, it would have an adverse effect on the Group's profitability. Such renegotiations may also cause disruptions to the operations and increase the risk of conflict measures. Accordingly, within its own business or within the business of third parties, Securitas is exposed to risks related to strikes or other conflict measures, which, if they last for a long period or encompass a substantial part of the workforce in a major or important part of the business, would create disruptions and delays in the Group's operations.

Securitas is exposed to risks relating to its international operations

Securitas operates in 47 markets and a major part of the Group's sales is carried out in markets outside Sweden. In 2021, the sales outside Sweden represented 95 percent of the Group's total sales. The international sales of the Group are affected by costs and risks related to business on international markets and as a result of its international operations, Securitas must adapt its business, and is exposed, to a variety of complex laws, regulations and controls, and various non-binding treaties and guidelines, such as those related to labor law and exchange controls. Adverse changes in regulatory requirements, economic and political instability, foreign exchange fluctuations, trade barriers and price or exchange controls would limit the Group's profitability in the countries concerned. In addition, terrorist attacks, geopolitical tensions, armed conflicts and acts of war, natural disasters, governmental actions as well as epidemics and pandemics that affect Securitas' domestic and international operations in a significant way and impair its ability to perform its services present a significant risk for the Group.

Securitas' international operations also expose the Group to other risks, including risks related to different and varying requirements and cultural factors of the jurisdictions in which the Group operates or may operate in the future. Other risks that the Company's is exposed to are difficulties in supporting, managing, training and recruiting staff, adverse economic or political changes or disturbances in the regions where the Group operates, unforeseen legislative changes, inconsistent application of existing laws and regulations, challenging regulatory systems and tax systems, business integrity issues as well as different methods and routines for conducting business operations. The international operations in certain regions, such as certain countries in Southern Europe and Latin America, also expose Securitas to potentially longer payment cycles, difficulties in obtaining payment of accounts receivable, difficulties in repatriating cash funds from certain countries, as well as increased risks of client losses. Further, the Group also operates in a number of new markets. Such new markets include the Middle East, Asia and Africa, and the risk of regulatory, political, economic and/or military instability is deemed higher in some of the markets in these regions. The consequences of such instability are hard to predict, and is something that could further affect the business and the results of the Group in a negative manner. For example, there is a risk that non-compliance and business integrity issues within one jurisdiction could also affect risks for non-compliance with established requirements for corporate compliance programs required by other jurisdictions. The Group expects its international operations to continue to represent an increasing portion of its total operations going forward. The degree to which risks relating to international operations may affect Securitas is uncertain and presents a significant risk to the Group's growth and profitability.

Securitas is exposed to risks relating to criminal actions and insider threats

By offering protective services solutions, including on-site, mobile and remote guarding, Securitas' business is inherently conducted within sectors that have an increased exposure to criminal actions. Thus, an operational risk in Securitas' business is linked to external or internal threats in the form of criminal actions of various types, for example in connection with guarding and storing of valuable property, and also destruction and damage to life and property. Some of the Group's services and operations may be carried out in locations which are more exposed to terrorist attacks (such as airports and other sensitive infrastructures). Securitas has a responsibility for the assets and facilities stored or guarded under an assignment from its clients. For many years, there has been an heightened risk of terrorism and similar activities around the world. If essential infrastructures and facilities where services of the Group are being rendered are subject to terrorist attacks, it could have severe and adverse consequences for a lot of people. It may also significantly reduce the market's confidence in the Group and thereby seriously damage Securitas' reputation (see also "*Securitas is dependent on maintaining its reputation*" below). Criminal actions may also pose a risk for Securitas' employees (see further "*Securitas is exposed to risks relating to the health and safety of its employees*" below). Furthermore, if the proportion of the value of assets that are lost or otherwise damaged through criminal actions increases, the costs of Securitas' insurance may increase. Likewise, to the extent not covered by adequate insurance or exceeding the insured amounts, singular criminal events could result in the Group being liable for compensation and costs, which would have an adverse effect on the Group's results (see also "*Securitas is exposed to insurance-related risks*" below).

Due to the nature of the Group's business, there is a risk that individuals may use employment at the Group to prepare, and perform, terrorism or similar activities. For example, the Group's employees may have access to highly sensitive information, including confidential or classified information, which may be exploited in terrorism or other criminal activities. If an employee with access to such sensitive information would exploit the information in terrorism or other criminal activities, it could have adverse consequences, as well as cause disruption to the Group's operations and expose Securitas to risks of litigation and liability. If this risk were to materialize, it would have a significant negative impact on the Group's brand, reputation, business and results.

Securitas is exposed to information technology, cyber security and information security risks

For its day-to-day operations, Securitas is dependent on well-functioning key business processes and its supporting processes to ensure business continuity. Securitas offers security services and its key business processes primarily relate to IT infrastructure, protection of company assets and recruitment, staff scheduling, payroll, invoicing and collection. If these processes do not function efficiently (for example, if the monitoring centers do not receive relevant information timely), it could have an adverse effect on the Group's overall business. Accordingly, Securitas is exposed to risks related to outages and disruptions in its key business processes, which may be caused by, among other things, data viruses, power outages, human or technical errors, security breaches, malicious acts by third parties (including, for example, Distributed Denial-of-Service (DDoS), malware, ransomware and hacker attacks), sabotage, weather and nature-related events, pandemic-related disruptions or problems due to deficient care, misconfiguration, maintenance and upgrade errors. One of the key business processes the Group is dependent on is a well-functioning IT infrastructure, which is necessary in order to sell and perform the Group's services. The requirement of a well-functioning IT infrastructure has become more important in the last few years following the trend of increased digitalization of the business. As such, the Group is dependent on its ability to maintain a modern and well-functioning IT infrastructure to ensure business continuity and improve the effectiveness of its operations. If the Group's IT infrastructure is outdated or deficient, or if the Group is unable to manage disruptions to its IT infrastructure or the migration to new IT infrastructure, Securitas may be exposed to IT system failures and increased vulnerability to cyber security incidents, which could cause disruption to the continuity of the Group's services. For example, Securitas' operations are highly dependent on the business processes for the Securitas Operations Centers, recruitment, staff scheduling, payroll processes and invoicing. An IT failure could result in Securitas being unable to pay salaries on time, deliver services according to contractual obligations and invoice and collect payments. Accordingly, IT attacks, errors and damage to IT systems, operational disruptions or defective or incorrect deliveries of IT services from the Group's IT providers that lead to extensive disruptions to its services or result in breaches of regulations such as the GDPR[7] would adversely affect the Group's business and results (see also "*Securitas is exposed to risks relating to privacy and personal data*" below).

Certain of the Group's IT systems are so-called legacy systems. There is a risk that the Group's employees may not be able to efficiently utilize such IT systems due to a lack of relevant software competence, which may have a negative impact on the Group's operations. To manage the risks with IT systems, parts of the Group's IT infrastructure is outsourced to third party IT service providers. For example, Securitas has outsourced certain payroll, accounting, planning, invoicing software and services and data storage and network services to third parties. However, there is a risk that outsourced IT infrastructure services prove to be deficient or incompatible with the business that Securitas conducts. If the Group's IT service providers fail to meet their obligations, or if the outsourced IT infrastructure services otherwise do not work satisfactorily, it would have an adverse effect on the Group's operations.

Further, as Securitas is responsible for its clients' security and is operating within areas involving the handling of sensitive, confidential or classified information (for example, provisions of guarding services of data centers, defense facilities, nuclear power plants as well as security services at airports), the Group is vulnerable to cyber security incidents such as data breaches, intrusions, espionage and data privacy infringements and leakage. There is a risk that Securitas' cyber security protection measures are insufficient or inappropriate to detect or prevent all attempts to compromise its IT systems. Any information security breach involving the misappropriation, loss or other unauthorized disclosure of sensitive, confidential or classified information, whether by Securitas, its employees or its third-party service providers, or attacks and incidents on the Group's and its clients' IT systems, could have material adverse consequences as it could cause significant damage to Securitas' clients (including loss of property and damage to property or person), breach of contracts as well as severely hurt the Group's reputation and future prospects, and lead to regulatory penalties and legal proceedings. If such cyber security incidents would occur and are not handled in an efficient manner, there is thus a risk that it would have a material adverse effect on the Group's business and operations.

Securitas is exposed to risks associated with mergers, acquisitions and divestments

Part of Securitas' strategy is to grow through acquisitions and during the last few years the Group has completed a number of acquisitions of companies within the technology market. For example, the Group's cash flow from investing activities, acquisitions, and divestitures totaled MSEK -1,682 in 2020 and MSEK -1,244 in 2021. Securitas acquired STANLEY Security in July 2022 for MUSD 3,200 (see also "*Securitas is exposed to risks relating to the acquisition and integration of STANLEY Security*" below). However, there is a risk that Securitas may not be able to carry out all its desired acquisitions or investments in the future, due to, for example, competition from other potential industrial or private equity sponsored buyers, merger control issues or increased indebtedness or other circumstances beyond

7 Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

the Group's control. For example, Securitas is currently involved in a dispute relating to its possible acquisition of a guarding company in Brazil, Estrela Azul, in 2005 (see "*Securitas is exposed to risks related to legal disputes and administrative proceedings*" below). The limited number of companies within the segments that fulfill Securitas' strategical requirements may also be an impeding factor. If Securitas fails to carry out acquisitions in accordance with its strategic goals, there is a risk that the Group's expansion and growth may be adversely affected. Securitas may also decide to divest business areas or operations in certain countries based on strategic, financial or other reasons. There is a risk that such divestments cannot be carried out in a timely manner or on terms that are favorable for Securitas, or that they are prevented or impeded due to requirements of regulatory approval (for example for competitive reasons) or due to contractual obligations in, for example, financing agreements, which may ultimately have a negative effect on the Group's results and financial position.

In addition, when acquiring other companies, there is a risk that the due diligence review performed by the Group does not include all the information that is required in order to make an optimal decision from, for example, a financial and cultural perspective or that certain risks or the extent of such risks are not discovered in the due diligence. There is also a risk that the acquisition agreement is not correctly designed for managing the risks discovered or for managing the risks which are not discovered in the review. The same applies in relation to completed and future divestments of operations where Securitas may be exposed to risks arising from, among other things, the contractual terms for the transfer of the operation concerned, such as warranties, indemnities and representations in favor of the purchaser in respect of the divested operation.

Furthermore, there is a risk that the integration of acquired companies or the separation of divested operations may result in unforeseen commercial, operational and administrative difficulties and costs. The process of integrating an acquired company or separating a divested operation may be disruptive to the Group's operations due to, for example, unforeseen legal issues, difficulties in realizing operational synergies, unforeseen divestment costs or failures to maintain the quality of the services historically provided, and thus affecting the Group's reputation.

In addition, integration costs may arise from acquisitions, including re-branding of the acquired company, personnel costs such as training, recruitment, relocation and travel, client related costs and other incremental costs of transforming the acquired business into Securitas' business model. Apart from more mature markets in Europe and North America, Securitas is also making acquisitions in other markets and that, to a higher extent than previously, relate to security companies that are active within the technology segment, all of which could be challenging to integrate due to, for example, organizational, cultural and other differences (see "*Securitas is exposed to risks relating to its international operations*" above) and/or differences in market dynamics. Additional risks associated with acquisitions includes an increased risk of non-compliance and business integrity issues. Also, acquisitions of technology companies are by their nature considered to entail different risks compared to traditional guarding acquisitions. By way of example, the technology used by the acquired company might become obsolete or may no longer be competitive. In particular, when acquiring technology companies, there may be a higher dependency on key personnel with certain technology experience or skills (see also "*Securitas is dependent on attracting and retaining key personnel and highly qualified employees*" above). As such, an integration related risk is that dissatisfaction arise among the personnel of the acquired business and Securitas' personnel, ultimately leading to key employees choosing to terminate their employment. If the Company is unable to retain key employees in connection with acquisitions, the integration of an acquired company could take longer time than expected and the Group would thereby risk losing valuable knowledge of the acquired company's culture, products and the markets in which the acquired company operates. As a result, the Group's current strategy to focus on acquisitions of companies within the technology market increases Securitas' acquisition-related risks. There is also risk that when integrating the acquired company, the administrative processes such as planning, payroll, invoicing and accounting get disturbed, resulting in delayed or not reliable data. Such events could, for example, result in delayed operating cash-flows or not reliable or delayed financial reporting, causing further harm to the financial control of the acquired business. Failing to successfully integrate acquired businesses within the Group, from an operational, commercial, financial as well as a business integrity perspective, or to retain key personnel in acquired businesses, may have a significant negative effect on the Group's operations, results and financial position.

There is also a risk that Securitas may not be able to realize the expected benefits and synergies from a certain acquisition and that the profitability of the acquired company is lower than expected. In addition, there is a risk that Securitas may not be able to satisfy the expectations from existing clients resulting in loss of important parts of the acquired business. For example, Securitas has in the past experienced loss of clients and contracts of acquired companies or businesses in connection with certain acquisitions. Future acquisitions may also lead to incurrence of liabilities and contingent liabilities, as well as depreciation costs related to intangible assets. Moreover, Securitas may be required to take on additional indebtedness or issue equity in order to finance acquisitions, and these financing options may not be available on favorable terms at the required times. If the above risks were to materialize, it could result in a significant adverse effect on the Group's results and financial position.

Securitas is exposed to risks relating to the acquisition and integration of STANLEY Security

On December 8, 2021, Securitas announced that the Company had entered into an agreement to acquire STANLEY Security from Stanley Black & Decker Inc. (the "**Seller**") for MUSD 3,200 (equivalent to MSEK 32,496[8]) on a debt and cash free basis. After the acquisition was announced, the process of carving-out STANLEY Security from the Seller was initiated. After closing of the acquisition in July 2022, the carve-out process was accelerated and the process of integrating STANLEY Security into Securitas was initiated. The carve-out and integration processes

8 Based on a USD/SEK exchange rate of SEK 10.155 per USD.

involves certain risks and uncertainties, and there can be no assurance that the carve-out and integration of STANLEY Security can be accomplished in the manner or within the timeframe currently anticipated. Moreover, the integration process may divert the attention of the Company's management away from Securitas' daily operations. There is also a risk that certain risks, or the extent of other risks, have not been identified in the due diligence review prior to the acquisition of STANLEY Security, which could result in unforeseen costs and/or disturbances in the integration process. Such risks include, for example, compliance issues related to licensing, issues related to business ethics and privacy-related issues. There is a risk that Securitas is unable to obtain adequate insurances to cover all costs related to such unidentified risks (see also "*Securitas is exposed to insurance-related risks*" below). Further, there is a risk that when integrating STANLEY Security within Securitas, the administrative processes such as planning, payroll, invoicing and accounting get disturbed, resulting in delayed or not reliable data. See also "*Securitas is exposed to risks associated with mergers, acquisitions and divestments*" above.

Securitas anticipates that the acquisition of STANLEY Security and the integration of STANLEY Security into Securitas will generate certain benefits and synergies, including in respect of Securitas' competitive position in commercial technology globally, client value, as well as growth and other commercial opportunities. However, there can be no assurance that Securitas will achieve any of the anticipated benefits or synergies of the acquisition of STANLEY Security, including strategic benefits, business growth opportunities, commercial synergies, and any other benefits described elsewhere in this prospectus. The benefits expected to arise from the acquisition of STANLEY Security and the integration of STANLEY Security into Securitas are based on several assumptions made in reliance on the information available to Securitas and assessments made by the Company's management based on such information, including information relating to the business operations, financial condition and operating result of STANLEY Security. The underlying assumptions for the benefits expected to arise from the acquisition of STANLEY Security are inherently uncertain and are subject to various business, economic, and competitive factors, risks and uncertainties that could cause the actual results to differ materially from the anticipated results. The extent to which risks related to the acquisition and integration of STANLEY Security may affect the Group is uncertain.

The risks related to the integration of STANLEY Security may be particularly significant due to the relative size of the acquisition. As per August 31, 2022, Securitas market value on Nasdaq Stockholm amounted to approximately MSEK 32,564 and, by way of comparison, the purchase price of STANLEY Security amounted to MUSD 3,200 (equivalent to MSEK 32,496[9]). As such, the acquisition of STANLEY Security is substantial in relation to Securitas' market value. Accordingly, any negative effects may be significant if the Group is unable to realize the anticipated benefits or synergies of the acquisition of STANLEY Security in the manner or within the timeframe currently anticipated, or if the integration of STANLEY Security is otherwise unsuccessful.

For example, STANLEY Security has a significant number of clients and employees and Securitas must be able to transition such clients and employees into the Group's operations in a satisfactorily manner, in order for the acquisition and the subsequent integration of STANLEY Security to be successful. If Securitas fails to integrate STANLEY Security within the Group, from an operational, commercial, administrative, IT/IS, financial as well as a business integrity perspective, it may therefore have a significant negative effect on the Group's operations, results and financial position.

With the acquisition of STANLEY Security, the Group will also expand its operations in certain market segments such as healthcare and the provisioning of certain security hardware and software, involving a greater element of product manufacturing and cross border transactions than previously conducted by Securitas. The Group's expansion is subject to risks related to, for example, difficulties in recruiting and retaining the right skills, establishing and maintaining client relationships in new segments, additional regulatory requirements and achieving growth and profitability targets. In connection with such expansion, the Group can also incur carve-out and integration costs and other establishment costs before sales covering the costs (including acquisition and restructuring costs) are generated. Accordingly, the expansion in certain segments is associated with significant risks which, if materialized, could have an adverse effect on Securitas' business and profitability. In addition, the acquisition of STANLEY Security includes a number of patents and other intellectual property rights. The Group's ability to adequately maintain, enforce and protect such intellectual property, including patents, trademarks, domain names and other intellectual property owned by STANLEY Security and exclusively used or held for use in the operations, which may also include copyrights, rights in social media handles and accounts trade secrets and other similar or equivalent intellectual property rights is a significant part of the integration of STANLEY Security and thus a valuable part of the Group's future operations. Accordingly, Securitas is exposed to risks related to the protection of intellectual property. Failure to obtain, renew or maintain protection for the Group's intellectual property rights could have a negative effect on the Group's competitiveness and its ability to conduct operations.

In connection with the closing of the acquisition, Securitas and the Seller entered into a transitional services agreement under which Securitas and the Seller will exchange services within certain areas during a transitional period. Most of the transitional services have a term lasting up to twelve months after the effective date of the agreement, with the option to extend such terms for up to six additional months. Shortcomings in Securitas' or the Seller's fulfilment of its commitments in relation to each other, disagreements regarding the interpretation of agreement, or other disruptions in the relationship between the parties, could have an adverse impact on Securitas' operations. After the transitional period, Securitas intends to either develop internal capacity or enter into agreements with third parties to replace the services currently provided by the Seller. If Securitas fails at developing the functions internally or fails to enter into agreements with third parties on commercially

9 Based on a USD/SEK exchange rate of SEK 10.155 per USD.

acceptable terms, or if the transition to internal or third-party services is otherwise disrupted or delayed, Securitas' operations, financial position and results of operations could be adversely affected.

Securitas is exposed to risks relating to its clients, contracts and assignment execution

In 2021, Securitas had approximately 153,000 clients[10] across a large number of jurisdictions, and with the acquisition of STANLEY Security, the number of clients of the Group will increase significantly. Given the large number of clients, the number of various jurisdictions involved and the strong competition in general, there is a risk that unfavorable obligations and risks are undertaken in client contracts, resulting in unbalanced terms for the assignment in question. Examples of such terms are excessive liabilities, unrealistic levels of service or unfavorable pricing mechanisms. If client contracts contain such unfavorable terms, there is a risk that it may affect the Group's margins and profitability and therefore have a negative effect on the Group's business and results. As a result of the services performed or deficiencies in such services, there is a risk that Securitas may become liable for damage caused either to the client or to third parties. In some of Securitas' client contracts, for example certain contracts relating to aviation security, Securitas' liability for any damage caused is unlimited. Due to the nature of the operations covered by those contracts, such liability can be severe (see also "*Securitas is exposed to risks relating to criminal actions and insider threats*" above). If such liability is not or cannot be sufficiently covered by adequate insurances, this could have a material adverse effect on the Group's reputation, business and financial standing. In addition, many contracts entered into with clients are long term commitments, and require Securitas to make judgements on likely future demand and economics. Likewise, fixed-price contracts lasting several years require the Group to take risk on future costs, such as wages and inflation of salary and pension levels (see also "*Securitas is exposed to risks relating to macroeconomic factors and geopolitical conditions*" above). Failure to successfully assess future demand and economics may have a negative effect on the Group's margins.

When the Group performs its assignments and services, there is a risk that agreed contractual terms are not fulfilled, which could have a negative effect on the contract portfolio's terminations and reductions, growth, client relations and the Group's reputation. If, for example, the services do not correspond to contractual obligations, the result may be a financial loss, a loss of property or damage to property or person, which in turn could lead to compensation claims against the Group. If the Group's services do not correspond to contractual obligations, it could result in breach of contracts, and thus have an adverse effect on the Group's reputation, growth and ability to retain client contracts.

In 2021, the Group had a client retention rate of 90 percent. However, should contractual terms not be met by the Group, there is a risk that the client retention rate will decline, which could have a negative effect on the Group's business and results. In addition, Securitas is dependent on retaining its largest clients. Although Securitas is not dependent on any single client, a simultaneous loss of several of its largest clients would have an adverse impact on the Group's financial condition and results of operations. For example, a major security contract within the healthcare client segment, with a portfolio value of approximately MSEK 1,300 on an annual basis, was terminated as of December 2, 2021. If the Group does not fulfil operational requirements in relation to its clients, there is a risk that this would lead to compensation liabilities and also affect the Group's reputation, growth and ability to retain contracts, which may have an adverse effect on the Group's business and results.

In addition, Securitas' business and results are dependent on its clients having sufficient resources to purchase services from the Group. Securitas' clients may face financial difficulties, insolvency or bankruptcy, or due to geopolitical factors, catastrophic events or other external factors, fail in their sales efforts. For example, the ongoing COVID-19 pandemic may continue to negatively impact Securitas' clients (see also "*Securitas is exposed to risks relating to the COVID-19 pandemic*" below), which ultimately could have a significant adverse impact on the Group's business and sales.

Securitas is exposed to risks relating to the COVID-19 pandemic

The impact and duration of the COVID-19 pandemic have had, and may continue to have, sustained repercussions on people, societies, businesses and financial markets across the world, including in all of Securitas' core markets (North America, Europe, Ibero-America, Africa, the Middle East, Asia and Australia ("**AMEA**")) and some of Securitas' segments, especially such as airport security and events. In particular, the COVID-19 pandemic had a negative impact on the Group's profitability during the first three quarters of 2020. The Group's business segment Security Services Europe, which in 2020 accounted for 42 percent of the Group's total sales, was most affected during the year 2020, mainly driven by a rapid decline in activity in the aviation business.

The COVID-19 pandemic could, depending on national responses, any resulting economic downturn, the shape of any potential recovery as well as effects from the omicron and other variants of the virus, adversely impact Securitas' ability to successfully operate in the future. Factors that may affect the Group's ability to operate include lockdowns and imposed restrictions in certain regions resulting in delays and disruptions to Securitas' supply chains, clients having a decreasing need for solutions and disruptions caused by Securitas' workforce, personnel and management not being able to fully conduct work. In particular, Securitas is highly dependent on its employees being able to physically conduct work, as remote working is not an option for the major part of the Group's employees. The spread of new variants of the virus and new restrictions imposed by governments and businesses may therefore cause disruptions to the Group's operations if a substantial number of its employees are infected by the virus or otherwise self-isolate at the same time. If this risk would materialize, it will have a negative impact on the Group's ability to meet its clients' demands. In addition, the COVID-19

10 Excluding monitoring-only clients.

pandemic has caused disruptions to supply chains globally, resulting in increasing lead times and component shortages. Securitas' ability to conduct its operations is highly dependent on the availability and timely delivery of certain products. For example, due to such disruptions, the Group has experienced difficulties related to shortages of materials necessary for the technology operation, including cameras and alarm detectors. Consequently, if the Group's suppliers interrupt production or deliveries, or otherwise fail to meet their obligations, Securitas may be unable to obtain necessary products or supplies for a certain period of time, which could have an adverse effect on the Group's ability to perform its obligations to its clients. If these risks would materialize, it could result in breach of contracts and thus lead to claims, legal proceedings and damage to the Group's reputation.

The spread of COVID-19 continues to be unpredictable and characterized by dispersion across regions, with uncertainty regarding its ultimate length and trajectory. The Group's results, cash-flows and debt positions may be directly impacted from the decisions of various governments regarding the availability of COVID-19 related relief measures and the criteria that are required to benefit from any such measures. For example, in 2021, the Group's operating income was supported by COVID-19 related government grants and support measures amounting to MSEK 550. If such COVID-19 related government grants and support measures are not available to Securitas in the future, either to the same extent or at all, there could be an increased negative impact on the Group's profitability from COVID-19. The Group's business and results are also dependent on its clients, both in the public and the private sector, having sufficient resources to purchase services from the Group. There is a risk that some of Securitas' clients may experience payment difficulties when the support measures and monetary aid from governments related to the COVID-19 pandemic ceases due to the financial recovery from and the reduced spread of COVID-19. This could result in Securitas' clients experiencing financial distress and not being able to make payments as they fall due, which could have an effect on Securitas' margins and financial condition. Securitas' clients may in the future reduce their purchases of the Group's services due to, among other things, difficulties in obtaining credits, financial insecurity, budget deficits, concerns for the stability of the market in general, or overall changed global economic conditions, all of which may reduce or delay the purchase of the Group's services. The constantly evolving nature of the COVID-19 pandemic makes it difficult to predict its ultimate adverse impact on Securitas. Consequently, the COVID-19 pandemic continues to present high uncertainty and significant risk and could have material adverse effects on Securitas' sales, cash flows, financial condition and results of operations.

Securitas is subject to risks related to market competition and price pressure

The security services industry in which Securitas operates consists of markets that are highly exposed to competition. The market for guarding services is particularly fragmented in certain countries, with low financial barriers of entry for new entrants, entailing in Securitas competing with a large number of companies of varying sizes. Securitas' main global competitors are Allied Universal (including G4S), Prosegur, Tyco (part of Johnson Controls) and Chubb (part of APi Group), but in several of the markets in which Securitas operates, the main competitors are regional and local companies. Among other things, Securitas' competitiveness depends on the prices of its services. In some markets, Securitas' competitors may be willing to accept low margins, enabling them to outcompete Securitas in terms of price for its services. As a result, the Group may have to make investments, restructurings and/or price reductions in order to adapt to a changed competitive situation, which could lead to a lowered margin for the Group's business and thereby have a material adverse effect on the Group's business and profitability. In addition, Securitas operates in an open market, where the prices of various products and services constantly fluctuates. There is also a risk of lower margins if Securitas is not able to manage increases in prices/salaries in a desirable manner, which could be the case, for example, if wage increases are not appropriately reflected in client contracts causing the Group's costs to increase at a faster pace than its sales. Since salaries and social benefits for the Group's approximately 345,000 employees accounted for 81 percent of the Group's total operating expenses in 2021, if this risk was to materialize, it would have a material adverse effect on the Group's margins.

There is also a risk that the Group will not be able to successfully counteract the effects of competition, especially since the Group is competing with a large number of companies of varying sizes. If the Group is unable to successfully compete in terms of prices for its services, or if competitors find better and more cost-efficient ways of providing security services than the Group, this may have an adverse effect on the Group's business, margins and profitability.

Securitas is subject to risks relating to its strategy and the implementation thereof

An important part of Securitas' strategy is to focus on profitability and to differentiate itself from its competitors mainly through technology and through solutions. With the acquisition of STANLEY Security, Securitas will accelerate this strategy. For example, in 2019, as part of the Company's previous strategy, Securitas launched a transformation program regarding information security and information technology ("**IS/IT**") with the target to modernize the Group's global IS/IT foundation, as well as a business transformation program in North America with the target of improving the Group's operating margin by up to 0.5 percentage points by 2022. A similar business transformation program was launched in Europe and Ibero-America in 2021.

However, in order to successfully implement the Company's strategy, Securitas may have to employ more staff, and there is a risk that Securitas is not able to retain and recruit appropriate staff (see also "*Securitas is dependent on attracting and retaining key personnel and highly qualified employees*" above). The successful implementation of Securitas' strategy could also be affected by a number of factors beyond Securitas' control. For example, there is a risk that Securitas' investments are not successful or that Securitas will not be able to adhere to its established strategy, due to, for example, unexpected external factors, such as a changed regulatory environment or a strained business or geopolitical climate in a particular country or region, which would imply that Securitas is not able to increase profitability or reach its strategic targets. Should this risk materialize, it would entail a negative effect on the Group's operating margin and results.

Securitas is exposed to risks relating to privacy and personal data

In its operations, Securitas processes personal data about, for example, individuals, clients, employees and suppliers. Accordingly, the Group is subject to data protection laws, rules and regulations in several jurisdictions, such as the GDPR. In addition, the nature of the Group's operations entail that the Group collects, processes and retains sensitive, confidential or classified information relating to its clients, which is necessary for Securitas' ability to conduct its services securely and efficiently. Any non-compliance by the Group of applicable laws, regulations and rules regarding data protection, for example by developing products or services with inappropriate processing of personal data (i.e. without legal grounds), could lead to negative publicity and seriously damage the Group's reputation and lead to loss of clients and sales. It may also lead to fines and injunctions from authorities to address the deficiency as well as damage claims from individuals. Failure to comply with the GDPR may result in administrative fines up to the higher amount of MEUR 20, or 4.0 percent of the Group's total annual sales. Non-compliance with the data protection laws, rules and regulations applicable in the markets in which the Group operates may thus have an adverse negative effect on the Group's reputation, operations and results.

In addition, Securitas must maintain a sound IT infrastructure to protect the personal data that the Company possess. Any disruption to Securitas' IT systems could result in personal data not being sufficiently protected, and could ultimately lead to unauthorized disclosure or access of such information (see also "*Securitas is exposed to information technology, cyber security and information security risks*" above). Any disruption to Securitas' IT systems which leads to a loss of data could constitute a personal data breach, and may thus result in administrative fines from authorities and damage claims from individuals.

Securitas is exposed to risks relating to partners and third parties

Securitas operates in 47 markets throughout the world. In some jurisdictions, for example in India, the security services that Securitas offers may not be conducted by a foreign company or an entity which is controlled by a foreign company. Securitas therefore cooperates with and is thus dependent on partners and other third parties to be able to conduct its business in such jurisdictions. For example, Securitas conducts its operations through joint ventures in India and Vietnam. There is a risk that the agreements with such business partners do not function according to plans. This could result in a risk that agreed contractual requirements with end clients are not met, which in turn could adversely impact Securitas' contract portfolio churn rate, growth, client relations and reputation. In addition, Securitas may be under contractual obligation to make capital contributions to the joint venture or partnership, over which Securitas cannot exercise the same degree of control as if the operations were conducted through a wholly owned subsidiary.

Further, Securitas cooperates with a large number of suppliers, subcontractors and other third parties. In its operations, the Company relies on third parties for the provisioning of, for example, banking and insurance services, audit, consulting and legal services, provisioning of cars, uniforms, personal protective and communication equipment, hardware software and network services, and technology equipment. As such, the Group is dependent on the performance by suppliers, subcontractors, partners, and other third parties of their contractual obligations in terms of, for example, quality and delivery time, and compliance with the Group's policies and guidelines, such as Securitas' Business Partner Code of Conduct, and other industry standards as regards the environment, work environment, anti-corruption, human rights and business ethics (see also "*Securitas is exposed to compliance-related risks*" below). There is, however, a risk that such partners or other third parties fail to deliver on time or in accordance with the cost structure or quality requirements that they have undertaken, or that they fail to comply with Group's policies and guidelines. If the Group is unsuccessful in its assessment and monitoring of such third parties and it proves that they are, to a significant extent, unable to maintain the level of quality expected by Securitas, fail to comply with applicable laws, regulations, guidelines, policies and standards, for example by not having appropriate sustainability, anti-corruption and human rights practices in place, or that there are no collective agreements in place between such parties and their employees in markets where such agreements are common practice, this risks to have a material adverse effect on the Group's reputation and business. If Securitas is forced to replace such parties and turn to new suppliers, subcontractors or partners, this could also lead to significant costs and work in evaluating and approving the third party. It may also be difficult for Securitas to acquire corresponding products or services within a reasonable time, at an acceptable cost or otherwise on terms that are favorable for the Group. If these risks related to suppliers, subcontractors, partners or other third parties were to materialize, it would have an adverse effect on Securitas' business, expenses and results of operations.

Securitas is dependent on maintaining its reputation

Securitas' brands and trademarks, including Securitas and Pinkerton, have worldwide recognition, and the Group's success depends on its ability to maintain and enhance its reputation and brand image. Securitas would be adversely affected if it fails to achieve these objectives or if, whether or not justified, the reputation or perception of any of its brands is materially tarnished or receives extensive negative publicity. Given the nature of the Group's operations and the high number of employees, Securitas is under constant scrutiny and therefore from time to time subject to negative publicity. Certain actions of employees during or even outside their duties could harm the reputation of the Company. In addition, extensive adverse publicity about regulatory or legal actions against Securitas would also damage its reputation and brand image, undermine its clients' confidence in the Group and reduce long-term demand for its products and services, even if the regulatory or legal action is unfounded or not material to the Group's operations. Moreover, Securitas is occasionally a licensor of intellectual property, for example the licensing of the Securitas trademark to the Portuguese company NOS. Consequently, Securitas may not be able to exercise the same degree of control over the use of its trademark as within the Group, which pose an increased reputational risk for Securitas. The degree to which a harmed reputation may affect Securitas is uncertain and presents a significant risk to the demand for the Group's products and services.

In addition, Securitas' success in maintaining, extending and expanding its brand image depends on the Group's ability to adapt to a rapidly changing media environment, including its increasing reliance on social media and online dissemination of advertising campaigns. Negative posts or comments about Securitas on social medias and other websites that spread rapidly through such forums could seriously damage the Group's reputation and brand image.

Securitas is exposed to risks relating to climate change, natural disasters, acts of war, epidemics and other external events
Securitas' business could be materially and adversely affected by natural disasters, earthquakes, tsunamis, fires, floods, hail, windstorms, severe winter weather (including snowstorms, freezing water, ice storms and blizzards), the outbreak of a widespread health epidemic or pandemic, power loss, communications and other infrastructure failures, explosions or other events, such as wars, acts of terrorism, environmental accidents, power shortage or infrastructure interruptions.

Certain natural disasters, such as earthquakes and hurricanes, may disrupt Securitas' ability to perform services to its clients and otherwise carry out its operations. The occurrence of events such as flooding and hurricanes could increase as a consequence of climate change, which could also result in longer-term shifts, such as rise of sea levels, all affecting Securitas' ability to operate its business. In addition, the nature of the operations and Securitas' global presence increase the potential threat of war or terrorist attacks affecting the Group, which may cause uncertainty and cause the business to suffer in ways that the Group cannot predict (see also "*Securitas is exposed to risks relating to criminal actions and insider threats*" above).

In addition to the ongoing COVID-19 pandemic (see "*Securitas is exposed to risks relating to the COVID-19 pandemic*" above), there has historically been substantial publicity regarding other potent influenza viruses and disease epidemics. Ebola, Zika virus, Severe Acute Respiratory Syndrome (SARS), Middle East Respiratory Syndrome (MERS), avian flu and swine flu are a few examples of past outbreaks. Any future outbreak of a disease, as well as actions by states to fight such disease, such as lockdowns and quarantine rules, would also affect Securitas' operations and presents a significant risk to the Company. Accordingly, future outbreaks of diseases that adversely affect Securitas' operations would also have a material adverse effect on the Company's revenues and financial condition.

The occurrence of any of the aforementioned events in Europe, North America, Ibero-America or in any other region where the Group operates could materially disrupt Securitas' operations. In addition, Securitas' revenue and profitability could be materially reduced to the extent that a natural disaster, health epidemic or other event harms the global economy in general.

Legal, regulatory and governance risks

Securitas is exposed to compliance-related risks
Securitas operates in a global environment, and its activities straddle multiple jurisdictions and complex regulatory frameworks at a time of increased enforcement activity worldwide in areas such as competition law, anti-bribery and anti-corruption. The threat of corruption, bribery, financial fraud and other illicit activities is omnipresent in several of the jurisdictions in which Securitas operates, particularly insofar as it includes public procurement. Certain markets in which the Group conducts operations are more challenging in this regard, such as countries with a low score in Transparency International's Corruption Perceptions Index. Such operations may thus result in a heightened risk of corrupt or otherwise illicit practices. Securitas faces the risk of corruption, financial fraud and other illegal acts by its employees as well as violations at subsidiaries and other companies in which Securitas has an interest. The Group's compliance processes and policies may thereby fail to prevent breaches of laws and governance standards at Securitas, and there is a risk that there will be acts of corruption and other illegal acts involving employees in Securitas. Violations of anti-corruption legislation that lead to extensive fines and other criminal, civil or administrative sanctions or lead to Securitas being excluded from participating in public tenders would have a material adverse effect on Securitas' reputation, business, results of operations and financial position.

Securitas has a decentralized organizational model that promotes entrepreneurship and focuses on the approximately 1,700 branch managers who run the Group's daily operations in 47 markets. The Group's international operations are subject to world-wide relevant regulations, such as anti-corruption laws, as well as national and local regulations in many different markets where laws, regulations, environmental requirements and social conditions may differ. The decentralized organizational model entails that the branch managers do not necessarily involve group or central functions in all decisions. In addition, it is complex and time-consuming for the Company to monitor and control that the entire organization is complying with applicable laws and regulations, internal policies and codes of conduct, including in relation to accounting and financial reporting regulations. As an example, there is a risk that Securitas may not be able to sufficiently monitor and hinder the occurrence of any anti-competitive, fraudulent or corrupt practices on local or regional level. If such practices were to occur within the Group, and particularly if they involve any U.S. person or if there is an established link to the United States, the Group could be subject to significant fines. The decentralized organizational structure therefore requires a solid governance and management, systems, routines and procedures for monitoring targets, compliance, internal control and risk management. Despite the Group's implementation of such measures there is a risk that local, country or regional managers are not complying with all requirements, such as internal policies, regulations and environmental requirements.

Moreover, Securitas has implemented internal controls to ensure that it does not conduct business with clients or other business partners who are the target of sanctions or located in certain sanctioned countries. However, the Group has a substantial number of clients and other business partners, some of which have global operations, and there is a risk that Securitas' internal controls, regardless of implemented policies and routines, will not successfully identify clients or business partners who are target of sanctions or who are located in certain sanctioned countries in an efficient manner or at all. Sanctions laws are complex, and their applicability to a given circumstance can often be subject to interpretation and be difficult to determine with certainty. Sanction regimes are also subject to frequent changes, such as the sanctions imposed as a result of the Russian invasion of Ukraine in February 2022, which could require Securitas to cease or limit its involvement in affected markets or countries. If Securitas does not successfully identify clients or other business partners who are the target of sanctions or located in certain sanctioned countries, or otherwise pays remuneration, directly or indirectly, to such business partners, there is a risk that Securitas will be subject to regulatory penalties, fines and reputational damage, which could have a material adverse effect on the Company's results of operations, reputation, business and prospects.

In particular, Securitas is exposed to risks relating to anti-trust violations. The security services industry in which Securitas operates consists of markets that are highly exposed to competition, and the Group is subject to competition laws and regulations in several markets globally. Given the size and nature of Securitas' operations, the Group is dependent on its operatives and employees complying with applicable competition laws and regulations. For example, Securitas has been fined MEUR 10 as a result of the Portuguese competition authority concluding that several Portuguese security companies, among them Securitas, have violated regulations for public tenders. Securitas has carefully assessed the information and has appealed the Portuguese competition authority's decision. Furthermore, Securitas is aware that competition authorities are currently conducting investigations into the security sector in Belgium. Any anti-trust violations could have severe consequences for the Group, including significant administrative fines imposed by competition or regulatory authorities, as well as claims for damages being made by clients or third parties. Any regulatory actions taken may also limit Securitas' possibilities to conduct and expand its operations in certain countries, and thus presents a significant risk to the Group's growth opportunities.

The Group has implemented a Values and Ethics Code and a Business Partner Code of Conduct, which stipulates the principles that Securitas expects its employees, directors and officers, as well as business partners, including joint venture partners, suppliers and sub-contractors, to follow at all times. As a complement to the Values and Ethics Code and Business Partner Code of Conduct, the Group has also adopted several policies, including anti-bribery and anti-corruption policies. However, there is a risk that employees, business partners or other parties with which Securitas is involved might not comply with the Company's Values and Ethics Code, Business Partner Code of Conduct or the Group's other policies, or otherwise operates or behaves in an unethical manner. In addition, there is also a risk that the measures taken by Securitas are not sufficient to reduce the risks that the nature of the Group's operations entail. For example, following internal whistleblowing the Group a few years ago conducted an investigation in Argentina into potentially improper conduct through specialized external parties. The findings revealed that certain individuals had engaged in local business practices in violation of the Group's Values and Ethics Code. The investigation indicated compliance issues, including conflicts of interest and irregular supplier and other business relationships. Disciplinary measures against these individuals, including terminations where appropriate, were taken. Furthermore, there is a risk that the measures previously taken by Securitas prove not to have been sufficient to prevent the Group's employees and operatives from engaging in unlawful or illicit activities or otherwise behaving in an unethical manner, and such activities or behaviors may not yet have been revealed or uncovered. Unlawful or illicit actions or otherwise unethical behavior by the Group's operatives and employees in the past may thus pose a risk to Securitas also in the future. If the Group is unable to successfully update or implement compliance policies and control procedures in the future, or if Securitas were to experience incidents of local, country or regional managers not complying with all requirements in the jurisdictions in which it operates, this could have a significant negative impact on the Group's brand, reputation, business and results.

Securitas is exposed to risks relating to laws and regulations applicable to its industry

Securitas operates in 47 markets, which means that Securitas must comply with a large number of regional, national and international laws and regulations as well as special requirements from authorities and other entities, such as insurance companies and industry organizations. Such special requirements include obtaining and renewing licenses to operate as a security company and requirements to use certain protective equipment. In addition, certain parts of the Group's business are subject to licensing or security clearance requirements. For example, Securitas is regularly subject to licensing on a contractual level, i.e. that client contracts require Securitas to hold certain licenses, and the Group's employees, in particular security officers, are subject to various licensing requirements in certain jurisdictions in which Securitas operates. There is a risk that legislation, regulations and requirements issued by authorities and other applicable entities may change, and that the number and extent of legal and regulatory requirements will increase significantly in the future, which would result in an increase of compliance costs and could ultimately also change the conditions for the Group's business. New directives from the authorities may be issued with regards to requirements for specific practices, solutions, and training and certification of staff. There is a risk that the Group does not manage to fulfil changed criteria for issuance of permits and authorizations. Such changed criteria may also lead to increased costs for the Group during a possible adjustment period to retain the required permissions, which could have a negative effect on the Group's business and results. In addition, any non-compliance or violations of governmental regulations could damage the Group's reputation and could result in criminal and civil penalties, including significant monetary fines, third party claims for loss or injury, loss of relevant licenses, lost income or the imposition of requirements that Securitas shall implement costly corrective actions. There is also a risk that the Group may not be able to obtain required and adequate insurances for its operations, or that the cost of these insurances increase (see "*Securitas is exposed to insurance-related risks*" below).

Furthermore, there is also a risk that regulatory changes may result in significant differences in industry regulations in different regions, which may lead to difficulties to perform business within certain industries.

Any alleged or actual non-compliance with currently applicable regulations, the adoption of new regional, national and international regulations, or the revision of existing regulations or the imposition of additional administrative charges or costs may result in significant additional profitability-reducing expenses and the need to divert managerial efforts and attention away from operational matters, which could have a material adverse effect on Securitas' business, financial condition, results of operations and future prospects.

Securitas is exposed to risks related to legal disputes and administrative proceedings

In the ordinary course of business Securitas is involved in disputes and may, due to the Group's global operations, be subject to a number of different disputes and regulatory investigations in a number of various jurisdictions. Disputes may be based on claims from clients that the Group fails to deliver the level of quality, security and reliability that the client has expected. There is also a risk that the Group faces disputes with third parties following delivery of its services, especially if the Group' has failed to deliver the general level of quality, security and reliability expected. Further, the Group has approximately 345,000 employees and as such from time to time faces labor-related disputes with potential, current or former employees in relation to various matters. For example, the Group is occasionally subject to labor-related disputes with trade unions, or class action lawsuits related to employment law, in various jurisdictions in which Securitas operates. Disputes may also arise in connection with mergers and acquisitions. For example, Securitas entered into an agreement in 2005 with respect to the possible acquisition of a guarding company in Brazil, Estrela Azul. The governmental approvals took much longer than anticipated to obtain and during such period the financial condition of the target group substantially deteriorated. Given the decline in the financial condition of the group, Securitas exercised its right to withdraw from the acquisition process in December 2006. The bankruptcy estate of Estrela Azul has asserted claims against Securitas in the bankruptcy court trying to extend liability to Securitas for the bankruptcy and the claims in the bankruptcy. Disputes and investigations may prove costly, be time consuming and disrupt normal operations. Since the Group's business is subject to a number of laws and regulations (see also "*Securitas is exposed to risks relating to laws and regulations applicable to its industry*" above), the Company is also subject to regulatory oversight which may lead to regulatory investigations. There is a risk that the outcome of one or more disputes and/or regulatory investigations may be unfavorable for the Group and have a negative effect on the Group in terms of liability for damages, fines and/or deteriorated reputation, which in turn may adversely affect the business and results of the Group.

The financial, reputational and legal outcomes of material disputes are uncertain and presents a significant risk to Securitas, since a disadvantageous outcome of such disputes or investigations could have a material adverse effect on the Group's business, results of operations or financial position.

Securitas is exposed to sustainability-related risks

Securitas is active in 47 markets throughout the world and is subject to a variety of sustainability risks, including, among other things, risks related to working conditions, occupational health and safety (see "*Securitas is exposed to risks relating to employment-law related risks, including health and safety requirements*" below), ethical business standards, security practices, environment and risks related to not meeting the clients' sustainability requirements. Among other things, the Group has implemented a Values and Ethics Code to guide the performance of its employees in all countries in ethical behavior. However, there is a risk that the measures taken are not sufficient to reduce these risks. For example, should the Group not comply with applicable labor practices and human rights and non-discrimination regulations, this could lead to the Group losing licenses to conduct security operations, and there is a risk that this would result in loss of business, a negative financial impact and brand damage as well as difficulties in recruiting and retaining employees. Furthermore, the greatest direct impact on the environment from Securitas' operations is attributable to the Company's vehicle fleet. The vehicles discharge pollutants such as nitric oxides, particulates and carbon dioxides, which contribute to air pollution. During 2021, Securitas had 15,948 vehicles (including both owned and leased), which had an average CO_2 emission of 144 gram/km. If the Group fails to comply with environmental requirements in the jurisdictions in which it operates, this could lead to brand damage, loss of clients and difficulties in recruiting and retaining employees.

The degree to which sustainability risks may affect the Group is uncertain and there is a risk that the Group may be subject to, among other things, penalties, fines, loss of operating licenses, lost revenues, reputational harm and difficulties in recruiting employees. Any of these consequences could in turn have a material adverse effect on the Group's operations and results.

Securitas is exposed to risks relating to employment-law related risks, including health and safety requirements

In 2021, Securitas had approximately 345,000 employees in 47 markets. The Group is thus required to comply with several employment-related laws and regulations with various levels of employee protection, for example laws and regulations relating to the health and safety of the Group's employees, minimum wage legislation, and restrictions on the number of hours employees can work, all of which can affect the Group's ability to control labor-related costs. In addition, as a result of employment-related laws and regulations in various jurisdictions in which Securitas operates, the Group may experience difficulties in managing employee redundancies. Accordingly, if such laws and regulations were to be amended in a way that reduces the employer's flexibility or imposes additional administrative or financial burden on the employer, it would have a negative effect on Securitas' business.

One of Securitas' key priorities is to protect the health, safety and well-being of those who work for or with the Group as well as those who come into contact with Securitas' operations. For example, as a consequence of the COVID-19 pandemic, Securitas had to put processes in place to help its employees to stay healthy, both physically and mentally. Nevertheless, many of Securitas' employees, especially frontline personnel, were infected by COVID-19 in 2020 and 2021. In many cases, it was difficult to determine whether an employee was contaminated at work. In addition to other risks, the Group's employees, subcontractors and other parties working with Securitas may face exposure to high-risk scenarios, including guarding assets or facilities which could be targeted (such as airports and other critical infrastructures which are more exposed to terrorist attacks) and other high-risk related activities. Securitas also operates a large vehicle fleet in a number of countries with very intensive traffic flows or poor road infrastructures which increases the risk of road traffic accidents. If the Group's health and safety procedures (including relevant training, instructions and equipment) are inadequate, or not adhered to, there is a risk of employees being injured or falling ill as well as a risk of fatalities. In 2021, the Group's actual number of work-related injuries was 5,434 (corresponding to an injury rate of 8.2 per 1,000,000 hours) and the actual number of work-related fatalities was four (of which the majority were caused by traffic accidents). If there is a serious breach of health and safety procedures or obligations, an incident which requires the Group to respond to a health and safety situation or an incident which requires Securitas to investigate whether health and safety controls or obligations were appropriately followed, it could disrupt the Group's business, have a negative impact on its reputation and lead to financial and regulatory costs. Failure to prevent or respond effectively to such breaches could result in fines or penalties and have a material adverse effect on the Group's financial condition. It could also lead to injured personnel demanding compensation from Securitas.

Securitas is exposed to insurance-related risks

Due to the nature of the Group's operations, Securitas is from time to time subject to liability claims from clients and other parties. If such liability claims are not or cannot be sufficiently covered by adequate insurances, this could have a material adverse effect on the Group's reputation, business and financial position. The Group's external insurance premiums are partly determined by the historic loss record, and an unfavorable loss record would contribute to higher premiums and a higher cost of risk. Consequently, there is a risk that the Group, wholly or partially, will not be able to maintain its insurance coverage on favorable terms in the future. There is also a risk that Securitas incurs extensive losses that are not covered by insurance. If these risks materialize, the Group's business, results of operations or financial position would be materially adversely affected.

In addition, a significant portion of Securitas' operations are conducted in the United States (in 2021, 43 percent of Securitas' sales were derived from North America), thereby exposing Securitas to an increased risk of litigation as a result of the U.S. legal system. To the extent that such operations in the United States are insured, this could increase the future insurance costs or the risk that adequate insurances cannot be obtained going forward, which would have a negative effect on Securitas' business and results of operations.

Securitas is subject to tax law-related risks

As of 31 December 2021, the Group consisted of 355 legal entities and the Group was subject to taxation in 59 jurisdictions. Accordingly, the Company is subject to taxation in Sweden as well as in other jurisdictions. In 2021, 2020 and 2019, Securitas' tax expense (as included in income for the period) totaled MSEK -1,197, MSEK -913 and MSEK -1,256, respectively, and its effective tax rate amounted to 27.6, 27.4 and 27.2 percent, respectively. There is a risk that Securitas' understanding and interpretation of tax rules, tax treaties and other provisions is not correct in all respects. There is also a risk that tax authorities in the relevant jurisdictions make assessments and decisions that differ from Securitas' understanding and interpretation of the aforementioned rules, tax treaties and other provisions, which risks to negatively impact the Group's tax expenses and effective tax rate. For example, the Group is currently subject to tax audits in Sweden for the years 2018-2019, and in Germany for the years 2012-2015 and 2016-2018. Accordingly, there is a risk that amended laws, tax treaties or other provisions, which may apply retroactively, could have a material adverse effect on Securitas' results and financial position.

Financial risks

Securitas is exposed to risks relating to financing and liquidity

The Group's short-term liquidity is secured by the maintaining of a liquidity reserve (cash and bank deposits, short-term investments and the unutilized portion of committed credit facilities), which according to the Group's policy should correspond to a minimum of 5 percent of consolidated annual sales. As of December 31, 2021, the short-term liquidity reserve corresponded to 11 percent of the Group's annual sales. Unforeseen cost increases and/or unforeseen income reductions may result in the Group's liquidity reserve being insufficient, which could have significant consequences for the Group's operations and results.

The Group's long-term financing risk is managed by ensuring that the level of long-term financing (shareholders' equity, long-term committed loan facilities and long-term bond loans) at least matches the Group's capital employed. As of December 31, 2021, long-term financing corresponded to 129 percent of the Group's capital employed. If, due to adverse conditions on the financial markets, there are insufficient or only very expensive financial resources available, there is a risk that the Group will not be able to implement its strategy, or acquisitions and other investments, which could have a negative effect on its growth and profitability. This includes, inter alia, possible bankruptcy of banks, adverse foreign exchange rate fluctuations, lack of financing options through banks, bonds or other sources of financing, and downgrading of the Group's credit rating. For example, on July 26, 2022, Securitas was rated BBB- with stable outlook by S&P Global Ratings following the completion of the acquisition of STANLEY Security. There is a risk that potential future revisions of the Group's credit rating could negatively impact the Group's ability to secure financing on favorable terms, which would have a material negative effect on the Group's financial position and results.

Securitas is exposed to risks relating to the financing of the acquisition of STANLEY Security

The Group's indebtedness increased significantly in 2022 due to the acquisition of STANLEY Security. Securitas financed the cash purchase price of STANLEY Security of MUSD 3,200 (equivalent to MSEK 32,496[11]) by new bridge facilities provided by a syndicate of international banks,

11 Based on a USD/SEK exchange rate of SEK 10.155 per USD.

intended to be refinanced by a mix of equity and long-term debt. The equity refinancing will consist of the net proceeds of the forthcoming rights issue amounting to approximately MSEK 9,511. After completion of the rights issue, Securitas will commence the refinancing of the remaining part of the bridge facilities amounting to approximately MSEK 24,191, through issuance of bonds and/or the raising of other debt financing.

Securitas intends to use the expected proceeds from the rights issue, the issuance in the bond markets and/or the raising of other debt financing of debt financing to repay the bridge facilities. If the rights issue is not fully subscribed for or is delayed, there is a risk that additional financing costs will be incurred to maintain the bridge facilities. Further, there is a risk that financing through issuance in the bond markets and/or through other sources of debt financing cannot be secured, or can only be secured on terms that are unfavorable for Securitas. If Securitas in the above situation is unable to obtain the necessary financing on terms that are favorable for Securitas, or at all, it could have an adverse effect on Securitas' operating results and financial position (see further "*Non-secured subscription and guarantee undertakings*" below).

Securitas is exposed to credit and counterparty risks
A large part of the Group's sales is based on contracts with medium-sized and large clients, where the relationship is established and long-term. Disruptions to these relationships may negatively impact the stability of the payment flows that the Group is dependent on. Various deficiencies in the assessment of the creditworthiness of new clients may lead to services being rendered and products sold without any payment to the Group, if the client experiences problems with payments or withholds payments. The Group is also subject to credit exposure in relation to financial institutions, where the Group's largest total exposure for all instrument types to any one institution amounted to MSEK 1,327 as of December 31, 2021. Disruptions and deficiencies as described above, or any counterparty's failure to fulfil its payment obligations in relation to the Group, may have an adverse effect on the Group's operations, financial position and results.

Securitas is exposed to interest rate risks
There is a risk that the Group's net income, as well as the Company's assessment of the impact that the acquisition of STANLEY Security is expected to have on financial measures, is affected as a result of changes in the general interest rate level. The Group has obtained loan financing in mainly USD, EUR and SEK, with both fixed and floating interest rates. Other external financing requirements may occasionally arise, for example in connection with acquisitions (see also "*Securitas is exposed to risks relating to the financing of the acquisition of STANLEY Security*" above). Interest rates are sensitive to numerous factors beyond Securitas' control, including government and central bank monetary policy and inflation in the jurisdictions in which Securitas operates. In response to surging inflation during the first half of 2022, central banks across the globe have increased interest rates, with further rises predicted through 2022. For example, the U.S. Federal Reserve's federal funds rate was raised by 0.25 percent in March 2022, by 0.50 percent in May 2022 and by 0.75 percent in June 2022. On July 27, 2022, the U.S. Federal Reserve raised the federal funds rate by another 0.75 percent and additional rate hikes are expected in 2022. Moreover, the Swedish Riksbank's policy rate was raised from zero to 0.25 percent in May 2022, and by another 0.5 percent in June 2022, with the forecast that the policy rate will be raised further going forward and be close to 2 percent in the beginning of 2023. As of December 31, 2021, a change of +/- 1 percentage point in the market interest rates for USD, EUR, GBP, SEK and the other currencies in which the Group's liabilities are denominated would, prior to the acquisition of STANLEY Security, result in a net impact of MSEK -73 and MSEK 80, respectively, on the Group's income statement. However, the debt financing of the acquisition of STANLEY Security increases the impact of changes in market interest rates on the Group's income statement. Hence, there is a risk that changes in market interest rates will have a negative effect on the Group's assessments, financial position and results. In addition, changes in inflation rates may cause interest rates to change and consequently change the Group's interest liabilities.

Securitas is exposed to currency risks
As a result of the Group having operations in different countries, with different currencies, the Group is exposed to currency risks. The Group is also exposed to transaction risk, being the risk that the Group's net income will be affected by changes in the value of commercial flows in foreign currencies due to fluctuating exchange rates. The Group is also exposed to translation risk, being the risk that the SEK value of foreign currency equity will fluctuate due to changes in foreign exchange rates.

The Group's capital employed as of December 31, 2021, was MSEK 35,351. Capital employed is financed by loans in local currency and shareholders' equity. This means that the Group, from a Group perspective, has shareholders' equity in foreign currency that is exposed to changes in exchange rates. This exposure gives rise to a translation risk and consequently unfavorable changes in exchange rates could have a negative effect on the Group's foreign net assets when translated into SEK. As of December 31, 2021, a change in the SEK exchange rate of +/-10 percentage points would have entailed a total capital employed of MSEK 38,815 and MSEK 31,887, respectively.

Securitas is exposed to risks relating to impairment testing
As of December 31, 2021, Securitas reported goodwill of MSEK 23,373, other acquisition-related intangible assets of MSEK 1,732 and shares in associated companies of MSEK 338, corresponding to approximately 40 percent of the Group's balance sheet assets. Goodwill, other acquisition-related intangible assets and shares in associated companies are evaluated for impairment yearly or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In connection with the impairment testing of goodwill, other acquisition-related intangible assets and shares in associated companies, the book value is compared to the recoverable value. The recoverable value is determined by the higher of an asset's net realizable value and its value in use. Since under normal circumstances no quoted market

prices are available to assess an asset's net realizable value, the book value is normally compared to the value in use. The calculation of the value in use is based on assumptions and judgments. This means that the valuation of goodwill, other acquisition-related intangible assets and shares in associated companies are subject to critical estimates and judgments. Due to the acquisition of STANLEY Security, the balance sheet item goodwill will increase in the Group's balance sheet. The difference between the purchase price and the acquired net assets including acquisition-related intangible assets will be accounted for as goodwill. A preliminary allocation of the purchase price results in goodwill of approximately USD 2.3 billion (SEK 23.2 billion) and acquisition-related intangible assets of approximately USD 0.5 billion, the main part of which is subject to amortization between eight and 15 years. The annual amortization is approximately MUSD 35 on a full-year basis. If there are significant differences in the estimation of expected future results and the discount rates used, there is a risk that it would result in different asset valuations. Such significant differences and major inventory or asset related impairments or write-downs of goodwill, other acquisition-related intangible assets and shares in associated companies would have a material adverse effect on the Group's business, results of operations or financial position.

Securitas is exposed to risks relating to its pension commitments, other post-employment employee benefits and similar long-term employee benefits

Securitas operates or participates in a number of defined benefit and defined contribution pension plans and other long-term employee benefit plans for its employees in the countries in which the Company operates. The pension provisions vary depending on legislation and local agreements. The largest funded pension plans are found in Switzerland, Canada, the United States and France. The key risks associated with Securitas' pension obligations relate to interest rate fluctuations, capital market volatility and changes in life expectancy. Since the duration of the liabilities differs from the duration of the interest-bearing assets, Securitas is exposed to interest rate fluctuations. In addition, the Group is exposed to risks related to inflation of pension levels, which could have a significant effect on Securitas' pension obligations. Further, calculating pension and similar obligations require management to make assumptions on discount rates, expected return on plan assets and rate of compensation increase, which may not match actual outcomes. If Securitas' pension liabilities would exceed its assets, this may have a material adverse effect on the Group's financial condition.

RISKS RELATED TO THE SHARES AND THE RIGHTS ISSUE

Risks related to the shares in Securitas

The share price can be volatile and the share price development is affected by several factors

Since an investment in shares may decrease in value, there is a risk that investors will not recover their invested capital. Securitas' shares of class B are listed on Nasdaq Stockholm and traded on other trading venues such as BATS Chi-X Europe. During the period January 1, 2022–August 31, 2022, the minimum share price at Nasdaq Stockholm was SEK 85.58 and the maximum share price was SEK 127.25. Accordingly, the share price may be volatile.

The performance of a share depends on multiple factors, some of which are specific to Securitas whilst others are related to the stock market in general. The share price may, for example, be affected by supply and demand, fluctuations in actual or projected results, changes in earnings forecasts, failure to meet stock analysts' earnings expectations, changes in general economic conditions, changes in perceived reputation, changes in regulatory conditions and other factors. The price of Securitas' share is furthermore in some cases affected by competitors' activities and market positions. Due to the relative size of the acquisition of STANLEY Security, there is also a risk that the market considers that Securitas' shares are associated with increased risks and uncertainties following the acquisition and before anticipated benefits or synergies of the acquisition are realized. There is a risk that there will not always be an active and liquid market for trading in Securitas' shares, which would affect investors' possibilities to sell shares at a point in time and at a price considered desirable and consequently to recover their invested capital. This presents a significant risk for a single investor. Since it is impossible for a single company to control all factors which may affect the share price, every investment decision should be preceded by careful analysis.

Securitas' ability to pay future dividends depends on several factors

Payment of dividends may only take place if there are payable funds held by Securitas and as long as the requirements of future dividends, and the size, scope and risks of any such dividends, are met. Such requirements depend on Securitas' equity, consolidation needs, liquidity and position in general for a certain financial year. Furthermore, future dividends, and the size of any such dividends, depend on the Group's future results, financial position, cash flows, working capital requirements and other factors. Due to the relative size of the acquisition of STANLEY Security, and the required integration activity, there is a risk that STANLEY Security's and such integration activity's impact on the Group will negatively affect future dividends.

The newly issued shares confer the right to dividends from, and including, the first record date after the rights issue has been registered with the Swedish Companies Registration Office. For the financial year 2021, SEK 4.40 per share was paid in dividend, which was an increase compared to 2020 when SEK 4.00 per share was paid in dividend. There is a risk that payable dividends will be lower or will not be available in any financial year.

Shareholders in the United States and other jurisdictions are subject to specific share-related risks

Securitas' shares are only listed in SEK, and any dividends will be paid in SEK. This means that shareholders outside of Sweden may experience a negative impact on the value of their holdings and dividends at conversion to other currencies if SEK declines in value against the relevant currency. Furthermore, tax legislation in both Sweden and the shareholder's home country may affect the income from any dividend.

In certain jurisdictions, there are restrictions in national securities laws that mean that shareholders in such jurisdictions do not have the possibility to participate in new share issues and other offerings if securities are offered to the general public. Securitas has shareholders located in, for example, the United States, Australia, Hong Kong, Canada, and Singapore where securities laws impose such limitations. If Securitas issues new shares with preferential rights for the Company's shareholders in the future, shareholders in some jurisdictions, including the aforementioned jurisdictions, may be subject to corresponding restrictions as apply in relation to the forthcoming rights issue, which, for example, means that they are unable to participate in such new share issues or that their participation is otherwise prevented or limited. Such limitations present a significant risk to shareholders located in the United States and in other jurisdictions where such limitations apply.

Risks related to the rights issue

Trading in subscription rights and paid subscription shares (BTA) may be limited

Those who are registered as shareholders in Securitas on the record date receive subscription rights in proportion to their existing shareholdings. The subscription rights are expected to have an economic value that can only benefit the holder if he or she either exercises them to subscribe for new shares no later than October 11, 2022 or sells them no later than October 6, 2022. After October 11, 2022, unexercised subscription rights will be removed, without prior notification, from the holder's securities account and the holder will thus be deprived of the expected economic value of the subscription rights. Both subscription rights of class B and paid subscription shares (*betalda tecknade aktier* – "**BTA**") of class B which, after payment, are booked into the securities accounts of those who subscribed for new shares, will be subject to trading on Nasdaq Stockholm for a limited period of time. Trading in these instruments may be limited, which may cause problems to individual holders in selling their subscription rights and/or BTA of class B and thereby mean that the holders will not be able to compensate themselves for the economic dilution effect that the rights issue carries (see "*Shareholders not participating in the rights issue will be affected by dilution*" below) as well as during the period when trading in BTA is expected to take place on Nasdaq Stockholm (from and including September 22, 2022 up to and including October 21, 2022). Investors also thereby risk to be unable to realize the value of their BTA. Such circumstances would constitute a significant risk for single investors. Limited liquidity could also enhance fluctuations in the market price of subscription rights and/or BTA of class B. Consequently, pricing of these instruments risks to be incorrect or misleading.

Shareholders not participating in the rights issue will be affected by dilution

The subscription rights will expire and become useless without entitlement to compensation for the shareholder if the shareholder chooses not to exercise or sell its subscription rights in the rights issue as set out in this prospectus. Consequently, such shareholders' proportional ownership and voting rights in Securitas will decrease. Shareholders who decline to subscribe for shares in the rights issue will have their ownership diluted by up to approximately 36.3 percent (36.4 percent excluding treasury shares held by Securitas) through the issuance of not more than 198,537,884 new shares of class B (corresponding to an increase of the number of shares of class B of approximately 57.1 percent). Furthermore, such shareholders are not compensated for the dilution of the earnings per Securitas share of not more than 36.3 percent (36.4 percent excluding treasury shares held by Securitas) that the rights issue carries, and their relative share of Securitas' equity will also be reduced. There is a risk that the compensation the shareholder receives for the subscription rights on the market does not correspond to the economic dilution of the shareholder's ownership in Securitas following the rights issue, if a shareholder chooses to sell his or her unutilized subscription rights or if these subscription rights are sold on behalf of the shareholder.

Non-secured subscription and guarantee undertakings

Investment AB Latour and subsidiaries, Melker Schörling AB and EQT, together holding shares representing 18.4 percent of the total number of shares in Securitas, have committed to exercise their preferential rights in the rights issue and thereby subscribe for new shares corresponding to their respective holding in the Company. In addition, Investment AB Latour and subsidiaries, Melker Schörling AB and EQT have entered into guarantee commitments to subscribe for an additional 45,625,070 shares in total, corresponding to 21.9 percent of the rights issue, equivalent to an aggregate amount of MSEK 2,099. The above-mentioned shareholders have in total provided commitments and guarantees to subscribe for 40.3 percent of the rights issue. However, the subscription and guarantee undertakings are not secured through, for example, bank guarantees. Consequently, there is a risk that one or more of said parties will not be able to fulfil their undertakings in whole or in part. If the aforementioned undertakings are not fulfilled, it would have an adverse effect on Securitas' possibility to successfully implement the rights issue. In addition, since the provided commitments and guarantees to subscribe for shares in the rights issue only amounts to 40.3 percent of the rights issue, there is a risk that the rights issue is not fully subscribed. If the rights issue is not fully subscribed, Securitas may be forced to seek additional financing (see further "*Securitas is exposed to risks relating to the financing of the acquisition of STANLEY Security*" above).

Presentation of financial and other information

INFORMATION ABOUT THE PROSPECTUS

This prospectus has been approved by the SFSA (Sw. *Finansinspektionen*) as competent authority under the Prospectus Regulation (EU) 2017/1129. The SFSA has only approved the prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer or of the quality of the securities that are the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The prospectus is valid for a maximum of twelve (12) months after the date of the approval of the prospectus provided that it is complemented by any supplement required pursuant to Article 23 of Regulation (EU) 2017/1129. Any supplements will be published on Securitas' website. Investors who in such case have already applied for subscription for shares could under certain circumstances have a right to withdraw its subscription. The obligation to supplement the prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply once the subscription period has ended and once trading has commenced in the newly issued shares of class B on Nasdaq Stockholm.

FINANCIAL INFORMATION

This prospectus contains the following financial information:

- Securitas' audited consolidated financial statements as of and for the financial years 2021, 2020 and 2019, which have been prepared in accordance with International Financial Reporting Standards as endorsed by the EU ("**IFRS**"), the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*) and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups.
- Securitas' unaudited consolidated financial statements as of and for the first half of 2022, which have been prepared in accordance with IAS 34 – Interim Financial Reporting and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*), with comparative information as of and for the corresponding period 2021, have been incorporated by reference in this prospectus.

The consolidated financial statements as of and for the financial year 2021 have been audited, and the financial statements as of and for the first half of 2022 have been reviewed, by the Company's auditor Ernst & Young AB. The consolidated financial statements as of and for the financial years 2020 and 2019 have been audited by the Company's previous auditor PricewaterhouseCoopers AB. Please also refer to "*Legal considerations and supplementary information–Incorporation by reference, etc.*".

The Group presents its financial statements in SEK. Amounts included in Securitas' financial statements that were not originally denominated in SEK have been translated into SEK using the average exchange rate for the financial period with respect to the income statement and the period-end exchange rate with respect to balance sheet items.

Pro forma financial information

This prospectus contains pro forma financial information, prepared to illustrate the hypothetical impact that the acquisition of STANLEY Security could have had on the Group's consolidated statement of income for 2021 and for the period January 1, 2021–June 30, 2022, as if the acquisition was completed on January 1, 2021, and on the Group's consolidated balance sheet as of June 30, 2022, as if the acquisition was completed as of that date. The pro forma financial information has been reviewed by Ernst & Young AB, as set forth in the auditor's report included elsewhere in this prospectus. For additional information, please refer to "*Pro forma financial information and certain supplementary information*" below.

Audit and auditor review of the information in the prospectus

Except as set out above, no information herein has been audited or reviewed by the Company's current or previous auditor.

Segment reporting and geographical information

The Group's operations are divided into three reportable segments: Security Services North America, Security Services Europe and Security Services Ibero-America. A combination of factors has been used in order to identify the Group's segments. Most important is the characteristic of the services provided and the geographical split. Geographical information related to sales and non-current assets is disclosed for Sweden (which is Securitas' country of domicile) and for all individual countries where the sales or non-current assets exceed 10 percent of the total amount for the Group. The geographical split of sales is based on the location of the sales. The location of the sales corresponds in all material aspects to the location of the clients.

Alternative performance measures (non-IFRS measures)

In this prospectus, Securitas presents certain key ratios and financial measures that are not defined in IFRS, so-called Alternative Performance Measures (APMs). These APMs are used in order to facilitate the analysis of the Group's development made by Securitas' Group Management and other interested parties. Securitas' definitions of APMs may be different from the definitions of similar measures presented by other companies. Consequently, APMs have limitations as analytical tools and should not be considered in isolation of or as a substitute for related financial measures prepared in accordance with IFRS. The components included in the calculations of the APMs have been derived from Securitas' financial statements and Securitas' internal reporting system. The non-IFRS measures have not been audited or reviewed by the Company's auditor.

For definitions and an explanation of why Group Management finds the APMs included herein useful, please refer to "*Selected historical financial information–Key performance indicators–Definitions of alternative performance measures*".

ROUNDING

Certain numerical information and other amounts and percentages presented in this prospectus may not sum due to rounding. In addition, certain figures in this document have been rounded to the nearest whole number.

CURRENCY

In this prospectus, all references to: (i) "**SEK**" are to Swedish krona, the lawful currency of Sweden; (ii) "**EUR**" are to euro, the single currency of the member states of the EU participating in the European Monetary Union having adopted the euro as its lawful currency; (iii) "**USD**" are to U.S. dollars, the lawful currency of the United States; and (iv) "**GBP**" are to the British pound sterling, the lawful currency of the United Kingdom.

INDUSTRY AND MARKET DATA

This prospectus contains certain information from third parties in the form of industry and market data as well as statistics and calculations derived from industry reports and studies, market research reports, publicly available information and commercial publications. Such information is based on several sources, including The Freedonia Group's industry study Global Security Services from April 2022 , Azoth Analytics' market study Global Security Services Market from October 2021, the study The Unprecedented Expansion of the Global Middle Class from The Brookings Institution in February 2017 and Omdia's market reports Security Systems Integration Report – Analysis 2022 from December 2021 and Commercial Remote Monitoring Services Report 2020 from June 2020, respectively. The information provided has been accurately reproduced, and, as far as Securitas is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. In some places in the prospectus, Securitas' market position is described. This information is based on Securitas' sales in 2021 and security services related income in 2021 from other large global providers in relation to the estimated size of the global market for security services in 2021. As regards the market for guarding services, the market size is based on The Freedonia Group's industry study Global Security Services from April 2022 regarding guarding services related income globally in 2021. As regards the market for tech-enabled security, the market size is based on Omdia's market reports Security Systems Integration Report – Analysis 2022 from December 2021 and Commercial Remote Monitoring Services Report 2020 from June 2020, regarding income related to tech-enabled security services globally in 2021.

Industry publications and reports generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Securitas has not independently verified and cannot give any assurance as to the accuracy of market data contained in this prospectus that was extracted or derived from such industry publications or reports. Market data and statistics are inherently unpredictable and subject to uncertainty and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of services and products as well as transactions should be included in the relevant market.

This prospectus also contains estimates of market data and information derived therefrom that cannot be gathered from publications by market research institutions or any other independent sources. Such information is prepared by Securitas based on third-party sources, including The Freedonia Group's industry study Global Security Services from April 2022, and Securitas' internal estimates. Securitas believes that the estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry in which Securitas operates as well as Securitas' position within the industry. Although Securitas believes that its internal market observations are reliable, Securitas' estimates have not been reviewed or verified by any external sources. Market data and similar information involves risks and uncertainties and is subject to change based on various factors, including hose described in the section "*Risk factors*". Please also refer to "*Important information–Forward-looking statements*" on the inside of the cover page of the prospectus.

Invitation to subscribe for shares

The Board of Directors of Securitas resolved on September 12, 2022, in accordance with the Annual General Meeting's authorization on May 5, 2022, to increase the Company' share capital through the issue of shares of class A and class B with preferential rights for Securitas' shareholders to subscribe for the new shares.

The rights issue resolution entails that the Company's share capital will increase by not more than SEK 208,333,655, from the current SEK 365,058,897 to SEK 573,392,552, through the issuance of not more than 208,333,655 new shares, of which not more than 9,795,771 shares of class A and not more than 198,537,884[12] shares of class B. After the rights issue, the number of shares in Securitas will amount to not more than 573,392,552 shares, of which not more than 26,938,371 shares of class A and not more than 546,454,181 shares of class B. The Company's shareholders have preferential rights to subscribe for new shares in relation to the number of Securitas shares previously held. The record date to receive subscription rights in the rights issue is on September 20, 2022.

Individuals registered on the record date as shareholders in Securitas will receive four (4) subscription rights for each share held on the record date. Seven (7) subscription rights of each class entitle to subscription of one (1) new share of the corresponding class (primary preferential right). Shares not subscribed for with primary preferential right shall be offered to all shareholders for subscription (subsidiary preferential right). Upon the transfer of subscription rights (primary preferential right), the subsidiary preferential right will also be transferred to the new holder of the subscription right. Any shares not subscribed for with primary or subsidiary preferential right shall be granted those who have applied for subscription of shares without preferential right as specified in "*Terms and conditions*". Subscription will take place during the period from and including September 22, 2022, up to and including October 11, 2022, or such later date as decided by the Board of Directors and is in accordance with "*Terms and conditions*".

The subscription price has been set at SEK 46 per share. Provided that the rights issue is fully subscribed, Securitas will consequently raise in total MSEK 9,583 before issue costs.[13]

Shareholders who elect not to participate in the rights issue will have their holdings diluted by up to 36.3 percent (36.4 percent excluding treasury shares held by Securitas) but have the possibility to compensate themselves financially for the dilution by selling their subscription rights.

SUBSCRIPTION AND GUARANTEE UNDERTAKINGS, ETC.[14]

Investment AB Latour and subsidiaries, Melker Schörling AB and EQT, together holding shares representing 18.4 percent of the outstanding share capital and 42.6 percent of the votes in the Company[15], have committed to exercise their preferential rights in the share issue and thereby subscribe for new shares corresponding to their respective holding in the Company, i.e. totaling 18.4 percent of the rights issue. In addition to the subscription undertakings, Investment AB Latour and subsidiaries, Melker Schörling AB and EQT have undertaken to guarantee the subscription of a total of 45,625,070 additional shares, corresponding to 21.9 percent of the rights issue, corresponding to a total amount of MSEK 2,099. Altogether, said shareholders have provided subscription and guarantee undertakings to subscribe for in total 40.3 percent of the rights issue.[16]

Didner & Gerge Fonder, Carnegie Fonder, Länsförsäkringar Fondförvaltning and Odin Fonder, together holding shares representing 6.6 percent of the outstanding share capital and 4.6 percent of the votes in Company[17], have declared their intention to subscribe for new shares corresponding to their respective holding in the rights issue.

The shareholders of Securitas are hereby invited to subscribe for new shares in Securitas with preferential rights in accordance with the terms and conditions of this prospectus.

Stockholm, September 16, 2022
Securitas AB (publ)
The Board of Directors

12 Securitas holds 475,000 treasury shares, which do not entitle to participation in the forthcoming rights issue, whereby the total number of shares of class B amounts to not more than 198,537,884.
13 From the rights issue proceeds of not more than MSEK 9,583, issue costs estimated at approximately MSEK 72 will be deducted. Net of issue costs, the rights issue is estimated to provide Securitas with approximately MSEK 9,511.
14 Please also refer to "*Legal considerations and supplementary information–Subscription and guarantee undertakings, etc.*".
15 Excluding Securitas' holdings of treasury shares. As of August 31, 2022, Securitas held 475,000 treasury shares of class B.
16 The subscription and guarantee undertakings are not secured, see "*Risk factors–Non-secured subscription and guarantee undertakings*".
17 Excluding Securitas' holdings of treasury shares. As of August 31, 2022, Securitas held 475,000 treasury shares of class B.

Background and reasons

On December 8, 2021, Securitas announced that the Company had entered into an agreement to acquire the Electronic Security Solutions business from Stanley Black & Decker Inc. ("**STANLEY Security**"). The acquisition was completed on July 22, 2022, after the Company had received approvals from relevant regulatory authorities and other conditions had been satisfied. The total purchase price amounted to MUSD 3,200 on a debt and cash free basis.

Through the acquisition of STANLEY Security, Securitas transforms the dynamics of the security industry by combining global presence, connected technology and intelligent use of data. Securitas' strategy is to deliver comprehensive, scalable, and innovative security solutions to meet its clients' increasingly complex security needs. Securitas believes that STANLEY Security's complementary offering of technology-enabled security, together with a complementary geographical coverage, is in complete alignment with this strategy. The combination of Securitas and STANLEY Security aims to create a stronger player to develop the offering of security solutions and to enable accelerated innovation.

Together, Securitas and STANLEY Security are expected to benefit from a strong competitive position in technology-enabled security globally, creating more value for clients and unlocking growth as well as commercial opportunities from add-on sales and innovation. Securitas believes that the acquisition has significant commercial synergies and creates compelling cost synergies of approximately MUSD 50 which are expected to be fully realized within three years from the completion of the acquisition.

Headquartered in Indianapolis, the U.S., STANLEY Security has an inspiring 30-year history of protecting clients worldwide through a portfolio of tech-enabled security services, ranging from alarm monitoring to systems integration, as well as a specialized healthcare offering. The part of STANLEY Security being acquired includes commercial tech-enabled security and healthcare solutions, where STANLEY Security has deep expertise and an extensive innovation pipeline. Today, STANLEY Security is a highly recognized tech-enabled security provider globally, with approximately 8,000 employees operating through approximately 200 locations and 16 monitoring centers in the United States, Canada, Mexico, United Kingdom, France, Sweden, Belgium, the Netherlands, Denmark, Finland, Norway and Ireland.

In 2021, the entities included in STANLEY Security together recorded total sales of SEK 14.1 billion[18], of which approximately 40 percent was recurring revenue. STANLEY Security is expected to have an attractive near to medium term growth rate that benefits from the structural growth of the technology security industry. STANLEY Security's adjusted EBITDA margin amounted to 11.1 percent in 2021.[19]

USE OF PROCEEDS

The rights issue will raise not more than MSEK 9,583 (before deduction of issue costs estimated to amount to approximately MSEK 72).[20] The acquisition of STANLEY Security was financed by bridge facilities provided by a syndicate of international banks, totaling MUSD 3,300 (equivalent to MSEK 33,702[21]). The net proceeds from the rights issue of approximately MSEK 9,511 will be used to repay a corresponding amount of the bridge facilities. The remaining approximately MSEK 24,191 will be refinanced through issuance of bonds and/or the raising of other debt financing.

The Board of Directors of the Company is responsible for the content of this prospectus. To the best of the Board of Directors' knowledge, the information contained in the prospectus is in accordance with the facts and the prospectus makes no omission likely to affect its import.

Stockholm, September 16, 2022
Securitas AB (publ)
The Board of Directors

18 See "*Pro forma financial information and certain supplementary information*" below.
19 See "*Pro forma financial information and certain supplementary information–Adjusted EBITA and EBITDA for STANLEY Security*" below.
20 The issue costs also include fees to the guarantors of MUSD 2 (MSEK 18), which was paid in 2021. See also "*Legal considerations and supplementary information–Costs relating to the rights issue*".
21 The bridge facility consists of two facilities which were utilized in connection with the closing of the acquisition on July 22, 2022. Facility A was utilized in USD and EUR and amounts, based on a USD/SEK exchange rate of SEK 10.2514 per USD and a EUR/SEK exchange rate of SEK 10.4149 per EUR on July 22, 2022, to MSEK 9,341. Facility B was utilized in USD, EUR, Canadian dollars (CAD), Norwegian (NOK) and SEK and amounts, based on a USD/SEK exchange rate of SEK 10.2514 per USD, a EUR/SEK exchange rate of SEK 10.4149 per EUR, a CAD/SEK exchange rate of SEK 7.9597 per CAD and a NOK/SEK exchange rate of SEK 1.0256 per NOK on July 22, 2022, to MSEK 24,361.

Terms and conditions

PREFERENTIAL RIGHTS AND SUBSCRIPTION RIGHTS

The rights issue comprises not more than 208,333,655 new shares, of which 9,795,771 shares of class A and 198,537,884[22] shares of class B. Those who on the record date of September 20, 2022, are registered as shareholders in Securitas have preferential rights to subscribe for new shares in the rights issue.

Those who on the record date are registered as shareholders in Securitas and are eligible to participate in the rights issue will receive four (4) subscription rights for each existing share of class A and/or B, respectively. Seven (7) subscription rights entitle to subscription of one (1) new share of class A and/or B, respectively. Shareholders who choose not to participate in the rights issue will be diluted by up to 36.3 percent (36.4 percent excluding treasury shares held by Securitas), but have the opportunity to be compensated for the economic dilution effect through the sale of their subscription rights.

Application can also be made to subscribe for shares not subscribed for with subscription rights, see further the section "*Subscription for new shares without subscription rights*" below.

SUBSCRIPTION PRICE

The new shares are issued at a subscription price of SEK 46 per new share. Brokerage commission will not be charged.

RECORD DATE

The record date at Euroclear Sweden to determine which persons are entitled to receive subscription rights in the rights issue is September 20, 2022. The last day of trading in Securitas' shares inclusive of the right to participate in the rights issue was September 16, 2022. The shares in Securitas are traded exclusive of the right to participate in the rights issue since September 19, 2022.

SUBSCRIPTION PERIOD

Subscription for the new shares will take place during the period from and including September 22, 2022, up to and including October 11, 2022. The Board of Directors of Securitas is entitled to extend the subscription period, which – in such case – will be announced through a press release as soon as such decision has been taken.

ISSUE STATEMENTS

Directly registered shareholdings

A pre-printed issue statement with attached pre-printed payment forms will be sent to directly registered shareholders and representatives of shareholders that on the record date are registered in the share register maintained by Euroclear Sweden on behalf of Securitas, except for such shareholders who reside in certain unauthorized jurisdictions. The issue statements will state, among other things, the number of subscription rights received and the number of new shares that may be subscribed for by virtue of the subscription rights. No securities notification (Sw. *VP-avi*) will be sent out regarding the registration of subscription rights on securities accounts. Shareholders who are included in the special list of pledge holders and trustees that is maintained in connection with the share register will not receive any issue statement but will be informed separately.

Nominee-registered shareholdings

Shareholders whose holdings are nominee-registered at a bank or other nominee will not receive any issue statement. Subscription and payment for new shares subscribed for with primary as well as subsidiary preferential right should instead be made to the respective nominee and in accordance with instructions from the respective nominee.

Shareholders resident in certain unauthorized jurisdictions

The allotment of subscription rights and the issue of new shares to persons who are resident in countries other than Sweden may be affected by securities legislation in such countries, please refer to the section "*Important information*". Consequently, subject to certain exceptions, shareholders whose existing shares in Securitas are directly registered in a securities account with registered address in the United States, Australia, Canada, Japan, India, South Africa, Hong Kong, or Singapore will not receive any subscription rights or be allowed to subscribe for new shares. The subscription rights that otherwise would have been delivered to such shareholders will be sold on their behalf and the sales proceeds, less a deduction for costs, will be paid to such shareholders. Amounts of less than SEK 100 will not be paid out.

TRADING IN SUBSCRIPTION RIGHTS

The subscription rights of class B will be traded on Nasdaq Stockholm during the period from and including September 22, 2022, up to and including October 6, 2022, with the ticker SECU TR B. SEB and other securities institutions with required licenses will provide brokerage services in connection with the sale and purchase of subscription rights. The primary as well as the subsidiary pre-emptive right will be transferred to the acquirer upon sale of the subscription right. The ISIN code for the subscription rights of class B is SE0018689226. Subscription rights of class A will not be traded.

SUBSCRIPTION FOR NEW SHARES WITH SUBSCRIPTION RIGHTS

Subscription for new shares with subscription rights (primary preferential right) will take place during the subscription period, no later than October 11, 2022. Upon expiry of the subscription period, unexercised subscription rights will lapse and become worthless. After October 11, 2022, unexercised subscription rights will be deleted from the holder's securities account without any notice from Euroclear Sweden.

In order not to lose the value of the subscription rights, the holder must either:

- exercise the subscription rights to subscribe for new shares no later than October 11, 2022, or in accordance with instructions from the holder's nominee, or
- sell the subscription rights that will not be exercised no later than October 6, 2022.

22 Securitas holds 475,000 treasury shares, which do not entitle to participation in the forthcoming rights issue, whereby the total number of shares of class B amounts to not more than 198,537,884.

Subscription by directly registered shareholders

Subscription for new shares with subscription rights by directly registered shareholders will be made through payment in cash together with a notification, either by use of the pre-printed payment form or a special application form in accordance with one of the following options:

- If all subscription rights pursuant to the issue statement from Euroclear Sweden are to be exercised, the pre-printed attached payment form shall be used. No additions or amendment may be made on the payment form.
- If subscription rights have been purchased, sold or transferred from another securities account, or if, for some other reason, the number of subscription rights to be exercised for subscription differs from the number set out in the pre-printed issue statement, the application form named "Subscription for shares with subscription rights" shall be used. When the duly filled out subscription form is submitted to SEB at the address below, payment shall be made for the subscribed new shares in accordance with the payment instruction on the application form. Subscription forms in accordance with the above can be ordered from SEB during office hours on telephone: +46 (0)8 639 27 50. The subscription form can be sent to SEB, Emissioner ABO3, SE-106 40 Stockholm, Sweden or be handed in at any SEB office in Sweden. Subscription forms shall be received by SEB Emissioner no later than 5:00 p.m. CEST on October 11, 2022.

Directly registered shareholders not resident in Sweden eligible for subscription of new shares with subscription rights

Directly registered shareholders who are not resident in Sweden and who are eligible for subscription for new shares with subscription rights (i.e., who are not subject to the restrictions described under "*Shareholders resident in certain unauthorized jurisdictions*" above) and who cannot use the pre-printed payment form, can pay in SEK through a foreign bank in accordance with the instructions below:

SEB
Emissioner ABO3
SE-106 40 Stockholm, Sweden
IBAN number: SE8250000000058651007760
Bank account number: 5865-10 076 55
SWIFT/BIC: ESSESESS

Upon payment, the subscriber's name, address, securities account number, and the payment identity stated on the issue statement must be quoted. Last day for payment is October 11, 2022. If the number of subscription rights to be exercised for subscription differs from the number on the pre-printed issue statement, the application form "Subscription for shares with subscription rights" shall be used, which can be ordered from SEB during office hours on telephone: +46 (0)8 639 27 50. Payment shall be made in accordance with the instructions above; however, the payment identity from the subscription form shall be quoted. The subscription form must be received by SEB Emissioner at the address above no later than 5:00 p.m. CEST on October 11, 2022.

Subscription by nominee-registered shareholders

Shareholders whose holdings are nominee-registered and who wish to subscribe for new shares with subscription rights shall apply for subscription in accordance with instructions from their nominee or nominees.

PAID SUBSCRIBED SHARES (BTAs)

After payment and subscription, Euroclear Sweden will distribute a securities notification confirming the registration of the paid and subscribed shares (Sw. *betalda tecknade aktier*, "**BTAs**") on the securities account. The newly subscribed shares are entered as BTAs on the securities account until the new shares have been registered by the Swedish Companies Registration Office (Sw. *Bolagsverket*) and the BTAs have been re-classified as regular shares. Registration of the new shares that are subscribed for with subscription rights at the Swedish Companies Registration Office is expected to take place on or around October 18, 2022. Delivery of the new shares is expected on October 27, 2022. No securities notification will be issued in connection with such re-classification. Trading in BTAs of class B is expected to take place on Nasdaq Stockholm during the period from and including September 22, 2022, up to and including October 21, 2022. SEB and other securities institutions with required licenses will provide brokerage services in connection with the purchase and sale of BTAs of class B. The ISIN-code for the BTAs of class B is SE0018689234. Trading in BTAs of class A will not take place.

SUBSCRIPTION FOR NEW SHARES WITHOUT SUBSCRIPTION RIGHTS

Subscription of new shares can also be made without subscription rights (subsidiary preferential right and without preferential right).

Directly registered shareholders and others

Application for subscription of new shares without subscription rights must be made on a special application form named "Subscription for shares without subscription rights". More than one application form may be submitted, however, only the most recently dated form will be considered. Subscription forms can be obtained on SEB's website www.sebgroup.com/prospectuses as well as on Securitas' website www.securitas.com. The subscription form can be sent to SEB, Emissioner ABO3, SE-106 40 Stockholm, Sweden, or handed in at one of SEB's branch offices in Sweden. The subscription form must be received by SEB Emissioner no later than 5:00 p.m. CEST on October 11, 2022.

Nominee-registered shareholdings

Subscription for new shares without subscription rights shall be made to the respective nominee and in accordance with instructions from the nominee, or if the holding is registered with several nominees, from each of these.

Allotment of new shares subscribed for without subscription rights

If all new shares are not subscribed for with subscription rights (primary subscription right), new shares will be allotted by the Board within the framework of the maximum amount of the rights issue in the following order (except for such shareholders who reside in certain unauthorized jurisdictions):

1. In the first place, new shares shall be allotted to those who have subscribed for new shares with subscription rights (subsidiary preferential right), regardless of whether they were shareholders on the record date or not. In the event that allotment cannot be fully awarded, allocation must be made in proportion to the number of subscription rights each exercised for subscription and, if that is not possible, by lottery.
2. Secondly, allotment will be made to those who have notified interest in subscribing for shares without subscription right, whereby – in the event of oversubscription – allotment must be made in relation to the amount in their interest notification and, if that cannot be done, by lottery.
3. Finally, any remaining shares will be allotted to those who have entered into guarantee commitments to subscribe for additional shares up to guaranteed amounts and, in the event that allotment to these cannot be fully awarded, allocation must be made pro rata in relation to the amount that each have guaranteed for subscription.

As confirmation of the allocation of new shares subscribed for without subscription rights, settlement notes are sent to directly registered shareholders and others with VP account. The subscribed and allotted new shares shall be paid in cash in accordance with the instructions on the settlement note, but no later than three banking days from the date of issue of the settlement note.

Nominee-registered shareholders receive a notification of allocation in accordance with the respective trustee's routines. No notice will be sent to those who have not been allotted new shares. The subscription for new shares is binding. If payment is not made in time, the new shares will be transferred to another. In case the selling price is lower than the issue price, the first receiver of the new shares is liable for payment for all or part of the difference.

The new shares will be delivered after the required registration with the Swedish Companies Registration Office expected to take place on or around October 24, 2022. Such delivery is expected to take place on October 27, 2022. As confirmation that new shares have been posted on the VP account, a securities notification is sent to registered shareholders or nominees.

RIGHT TO DIVIDEND

The new shares carry right to dividends commencing from the first record date for dividends that occurs following the registration of the new shares in the Company's share register.

ANNOUNCEMENT OF THE OUTCOME OF THE RIGHTS ISSUE

The preliminary outcome of the rights issue is expected to be announced on or around October 13, 2022, through a press release from Securitas. The final outcome is expected to be announced through a press release on or around October 14, 2022.

TRADING IN NEW SHARES

Securitas' shares of class B are traded on Nasdaq Stockholm. Following registration of the new shares with the Swedish Companies Registration Office, the shares of class B issued in the rights issue will also be traded on Nasdaq Stockholm. Such trading is expected to commence on or around October 25, 2022. Securitas' shares of class A are not subject to organized trading.

IRREVOCABLE SUBSCRIPTION

Securitas is not entitled to revoke the rights issue. Subscription of new shares, with or without subscription rights, is irrevocable and the subscriber cannot withdraw or change the subscription of the new shares, unless otherwise stated in this prospectus or in accordance with applicable law.

OTHER INFORMATION

In the event that a larger amount than necessary has been paid by a subscriber for new shares, Securitas will arrange for the excess amount to be refunded. No interest will be paid for such excess amount.

Incomplete or incorrect subscription forms may be rejected. Furthermore, if the subscription payment is made late, is insufficient or incomplete, the subscription application may be rejected, or the subscription may be deemed to have occurred at a lower amount. The unutilized part of the subscription payment will be refunded in such a case. No interest will be paid on such an amount. Questions regarding the rights issue will be answered by Securitas' shareholder service on telephone number:
+46 (0) 8 46 00 73 89.

TAXATION

For more information regarding taxation, please refer to "*Tax considerations–Tax considerations in Sweden*".

QUESTIONS CONCERNING THE OFFERING

For any questions regarding the offering in connection with the rights issue, please contact Securitas' shareholder service on telephone number +46 (0) 8 46 00 73 89. Information is also available on SEB's website for prospectuses and offering documents (www.sebgroup.com/prospectuses) and on Securitas' website (www.securitas.com).

TIMETABLE

Record date for participation in the rights issue	September 20, 2022
Subscription period commences	September 22, 2022
Trading in subscription right commences	September 22, 2022
Trading in BTAs commences	September 22, 2022
Trading in subscription rights concluded	October 6, 2022
Subscription period concluded	October 11, 2022
Primary outcome of the rights issue is announced	October 13, 2022
Final outcome of the rights issue is announced	October 14, 2022
Trading in BTAs is concluded	October 21, 2022
Trading in new shares commences	October 25, 2022
Delivery of new shares	October 27, 2022

How to proceed

Terms	Those who on the record date are registered as shareholders in Securitas and are eligible to participate in the rights issue will receive four (4) subscription rights for each existing share of class A and/or B, respectively. Seven (7) subscription rights entitle to subscription for one (1) new share of class A and/or B, respectively.
Subscription price	SEK 46 per share
Record date for participation in the Rights Issue	September 20, 2022
Subscription period	September 22–October 11, 2022
Trading in subscription rights	September 22–October 6, 2022

SUBSCRIPTION OF SHARES UNDER SUBSCRIPTION RIGHTS

1. You will be allotted subscription rights

For each existing share in Securitas that you hold on September 20, 2022, you will receive four (4) subscription rights	1 share in Securitas	→	4 subscription rights

2. How to exercise your subscription rights

Seven (7) subscription rights + SEK 46 yields one (1) new share in Securitas	7 subscription rights	+ SEK 46 →	1 new share in Securitas

3. Are you a directly registered shareholder or are your shares nominee-registered?

You have a securities account (i.e. directly registered shares) and are resident in Sweden	→	If you exercise all subscription rights, use only the pre-printed bank giro slip from Euroclear Sweden.
	→	If you have purchased, sold or transferred subscription rights to/from your securities account, use the application form which is sent out together with the issue statement. The application form is available at www.sebgroup.com/prospectuses and www.securitas.com. Payment is to be made in accordance with the instructions on the application form.
You have a securities account (i.e. directly registered shares) and are not resident in Sweden[23]	→	See "*Directly registered shareholders not resident in Sweden eligible for subscription of new shares with subscription rights*" provided in the section "*Terms and conditions*".
You have a custody account (i.e. have a nominee)	→	If your shares in Securitas are held in one or more custody accounts at a bank or other securities institution, your nominee(s) will inform you of the number of subscription rights that you have received. **Follow the instructions you receive from your nominee(s).**

SUBSCRIPTION FOR SHARES WITHOUT SUBSCRIPTION RIGHTS[24]

You have a securities account	→	Use the application form which is available at www.sebgroup.com/prospectuses and www.securitas.com.
You have a custody account (i.e. have a nominee)	→	Subscription and payment should be made to the respective nominee. **Follow the instructions you receive from your nominee(s).**

Please note that certain nominees may have a shorter application period. Check the instructions from each nominee.

23 Note that special rules apply to shareholders resident in the USA and certain other jurisdictions. See "*Shareholders resident in certain unauthorized jurisdictions*" provided in the section "*Terms and conditions*".
24 Any allotment will take place in accordance with the provisions set out in the section "*Allotment of new shares subscribed for without subscription rights*" provided in the section "*Terms and conditions*". Note that special rules apply to shareholders resident in the USA and certain other jurisdictions. See "*Terms and conditions*"–"*Shareholders resident in certain unauthorized jurisdictions*".

Market overview

This prospectus contains certain market and industry information sourced from third parties. Although the information has been accurately reproduced and Securitas finds the sources reliable, Securitas has not independently verified the information and therefore the accuracy and completeness cannot be guaranteed. As far as Securitas is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. For additional information, please refer to "Presentation of financial and other information–Industry and market data".

OVERVIEW OF SECURITAS' MARKETS

Securitas is a global provider of security services, with an offering ranging from on-site, mobile and remote guarding to technology (previously referred to as electronic security), fire and safety services and corporate risk management. Collectively, this offering is referred to as Securitas' six protective services. On December 8, 2021, Securitas announced that the Company had entered into an agreement to acquire the Electronic Security Solutions business from Stanley Black & Decker Inc. ("**STANLEY Security**"). Securitas' acquisition of STANLEY Security significantly increases the Group's exposure to the global technology security market and is expected to accelerate the execution of the Company's strategy.

To meet client-specific needs in the market, Securitas offers security solutions, which comprise various combinations of its six protective services, with technology representing a key part of the offering. Security solutions bring several benefits to both Securitas and its clients and are further enabled by increased technology capabilities. For example, Securitas believes that security solutions create stronger client relationships, improved margins and higher client retention. Securitas also expects that security solutions will benefit clients through standardized and comprehensive contracts, increased access to data-generated insights and improved proactiveness towards clients' security needs

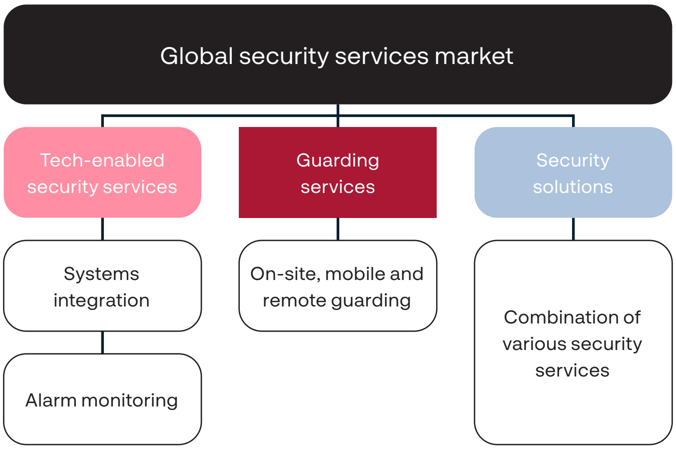
Securitas believes that the global market for security services shows a stable historical growt, both in guarding and tech-enabled security services. Securitas conducts most of its operations in North America and Europe. However, the Company also operates in Latin America, Africa, the Middle East, Asia and Australia. Several trends, such as urbanization, technological advancement and an increased emphasis on corporate risk management, are expected to impact the industry favorably.[25]

Securitas' operations are organized into three business segments: Security Services North America, Security Services Europe, and Security Services Ibero-America. The Company also has operations in Africa, the Middle East, Asia and Australia, which collectively form the AMEA division, but is not reported separately.[26] In 2021, Securitas generated total sales of SEK 107.7 billion, of which the Security Services North America, Europe and Ibero-America business segments represented 43 percent, 43 percent and 11 percent, respectively. The segment Other, including AMEA, and eliminations, represented 3 percent of the total sales. From a service perspective, 75 percent of the total sales was generated from guarding services, 22 percent from security solutions and technology[27], and 3 percent from other security services[28] in 2021.[29]

The global security services market

From a simplified perspective, Securitas' key markets can be categorized under *tech-enabled security services, guarding services* and *security solutions*.

Simplified overview of Securitas view of the global security services market[30]



According to Securitas, the global security services market is an attractive market that is characterized by predictable growth. The Company believes there are certain emerging areas of the industry, such as security solutions, that are in early commercialization stages and are expected to experience significantly higher growth rates compared to more stable areas such as guarding services. The global security services market is significant in terms of size, both with regards to the number of people employed as well as the revenues generated by the sizeable number of security services providers across the world.

In 2021, the global market for tech-enabled security services[31] is estimated to have amounted to USD 63.8 billion[32], while the market for guarding services amounted to USD 128.1 billion[33]. The combined global market for guarding and tech-enabled security services (herein referred to as the addressable global security services market) is thus estimated by Securitas to have amounted to USD 191.9 billion in 2021.

25 The Freedonia Group, Global Security Services, April 2022.
26 AMEA is reported under the heading Other in the segment reporting.
27 Previously denoted security solutions and electronic security in the segment reporting.
28 Other security services mainly comprise corporate risk management services that are either recognized over time or at a point in time as well as other ancillary business.
29 Not including STANLEY Security.
30 Security solutions are not included or recognized as a separate part of the global security services market in The Freedonia Group's industry study. Fire and safety and corporate risk management, according to Securitas' definitions, are not separately reported in The Freedonia Group's industry study.
31 Excluding the residential market.
32 Omdia, Security Systems Integration – 2022 Analysis, December 2021 and Omdia, Commercial Remote Monitoring Services Report 2020, June 2020.
33 The Freedonia Group, Global Security Services, April 2022.

In 2022, the global market for tech-enabled security services[34] is estimated to amount to USD 69.3 billion[35], while the market for guarding services is estimated to amount to USD 134.5 billion[36]. The addressable global security services market is thus estimated by Securitas to amount to USD 203.8 billion in 2022.

While there are only a limited number of truly global full-service providers on the market, such as Securitas, there are a very large number of smaller regional and local security services providers. Securitas believes that there is a general demand for its services, in almost all industries, both in the public and private sectors, which indicates that the Company's total market is well-diversified both from a geographical and an industrial perspective.

Securitas targets the respective markets of tech-enabled security (for example, systems integration and alarm monitoring), guarding services (including on-site, mobile and remote guarding), fire and safety services and corporate risk management. Moreover, Securitas is active in security solutions, which is an emerging concept that has been adopted by relatively few security service providers besides Securitas. The Company estimates that the security solutions market will display higher growth than the overall market in the near and medium term given the increasing demand for such solutions.

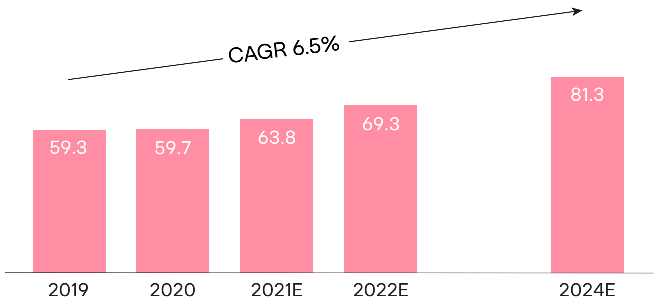
Tech-enabled security services market

Tech-enabled security services include both systems integration (design, sales, installation and project management of integrated systems) and alarm monitoring (constant monitoring by a certified monitoring center and other security services). Technology security systems are often based on physical products and components, such as access controls (entry and exit management), video surveillance, fire detection, intrusion detection, alarm systems (perimeter detection and interactive monitoring) and other security systems. The segment also includes maintenance services and technical installations. Technology security systems form an essential part of any modern security solution. Tech-enabled security services enable the collection and analyzes of data, which in turn provides an improved client offering.

The value chain for tech-enabled security services is more complex compared to guarding services. As technology security services usually include physical products and components, such as video cameras and access controls, several companies may be involved in the value chain. Examples of these include equipment manufacturers, installation companies, maintenance providers, system integrators, distributors and designers. Securitas' tech-enabled security offering has a product-agnostic approach and is therefore able to interact with any systems or products. The installed equipment is usually connected to a remote monitoring center, which is also part of the value chain. Providers of corporate risk management services typically engage directly with the client, without any intermediaries.

The commercial tech-enabled security services market has experienced significant growth over the past decade and is expected to represent 34 percent of the addressable global security services market in 2022. In 2022, the commercial market for tech-enabled security services, including design and consultation, installation, service and maintenance and surveillance, is estimated to amount to USD 69.3 billion. This market is expected to grow to USD 81.3 billion by 2024. Compared to the market size in 2019, which amounted to USD 59.3 billion, this corresponds to a compound annual growth rate ("**CAGR**") of 6.5 percent for the period between 2019 and 2024.[37] However, Securitas estimates that the CAGR for the Company's addressable market in tech-enabled security services for the corresponding period to be approximately 5 percent.

Sales growth for the tech-enabled security service market



Source: Omdia, Security Systems Integration Report – Analysis 2022, December 2021 and Omdia, Commercial Remote Monitoring Services Report 2020, June 2020.

Guarding services market

The total guarding services market can be divided into in-house guarding and outsourced guarding. Inhouse guarding comprises services such as manned guarding and on-site monitoring, performed by guards directly employed and paid for by the company in question and is thus not part of Securitas' addressable market. Due to changing market dynamics and an increased focus on quality assurance, Securitas believes that outsourced guarding has distinct advantages over in-house guarding. Outsourced guarding services, herein only referred to as guarding services, are typically provided on an hourly basis to clients on behalf of a security services provider, such as Securitas.

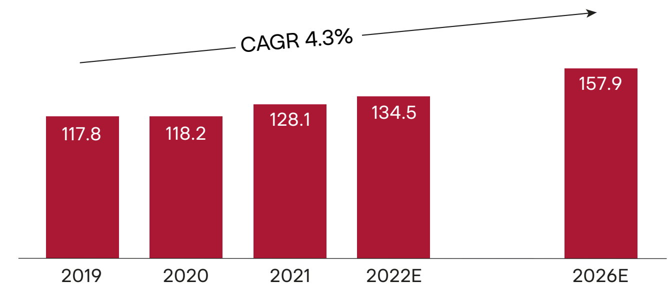
Guarding services can be provided in several different ways, such as on-site, mobile and remote. The main difference between these types of guarding services is the format by which they are delivered, on-site being stationary, mobile being delivered during certain hours of the day and remote being fully digital through surveillance cameras. Due to security services providers' ability to leverage a vast network of available and trained guards across several locations and sites to meet clients' security needs, Securitas has identified continued growth for in-house guarding services.

The value chain for guarding services enables direct contact between the guarding company and clients. In some cases, there may be intermediaries, such as facility management companies or property owners, which are responsible for security services procurement.

34 Excluding the market for private residences.
35 Omdia, Security Systems Integration – 2022 Analysis, December 2021 and Omdia, Commercial Remote Monitoring Services Report 2020, June 2020.
36 The Freedonia Group, Global Security Services, April 2022.
37 Omdia, Security Systems Integration Report – Analysis 2022, December 2021 and Omdia, Commercial Remote Monitoring Services Report 2020, June 2020.

The market for guarding services is expected to constitute the largest share of the global security services market with 66 percent in 2022. In 2022, the global market for guarding services is expected to amount to USD 134.5 billion. This market is expected to grow to USD 157.9 billion by 2026. Compared to the market size in 2019, which amounted to USD 117.8 billion, this corresponds to a CAGR of 4.3 percent for the period between 2019 and 2026.[38]

Sales growth for the guarding services market



Source: The Freedonia Group, Global Security Services, April 2022.

Security solutions market

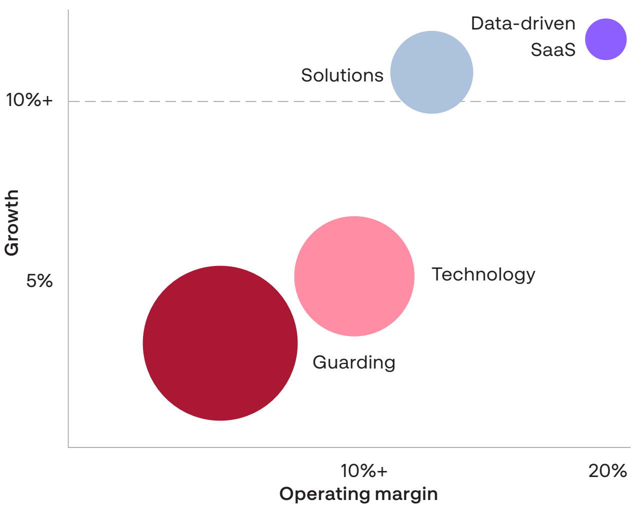
The combination of various services, such as Securitas' six protective services, provides opportunities for comprehensive consultation, design and installation of security systems. Security solutions in combination with technology creates an opportunity to meet the complex demands of global clients and increase client retention. In addition, security solutions are provided in a more proactive manner, which Securitas believes strengthens the relationship between the provider and the client, and creates long and lasting partnerships.

Security solutions can also be packaged and sold as standardized offerings to clients with less complex needs, which streamlines and reduces the length of the sales process. Securitas finds an increased market emphasis on cost savings whereby clients are reducing the number of security services suppliers, which further strengthens the logic of packaging different security services into one solution. Securitas believes that security solutions will display high growth in the foreseeable future and become an increasingly important part of the market. Clients' increasingly complex security needs are also driving the acceleration of new and innovative security solutions, further highlighting the importance of having the right technology and data capabilities as a security services provider.

Security solutions benefits

The ongoing technological development within the security services industry is leading to increased demand for replacement and upgrades of technology, including software updates, which Securitas believes may have a positive effect on market growth. Furthermore, technology may reduce the need for personnel and total costs in markets with high wage levels, such as Sweden, the United States and the United Kingdom, thereby positively affecting operating margins. For a typical security service contract, providers may offer either a price based on the so-called cost plus model (the cost of providing a product or services as well as a surcharge for profit margin) or a monthly subscription price. In the case of guarding, the most common practice is to price the contract by adding a mark-up to the hourly wage paid to the security officer. For security solutions, clients often instead pay a monthly subscription price for the services provided to them. Securitas can also offer investments into client sites as a part of the security solution contract to many clients. Client site investments typically comprise the installation of technology security products, for example, cameras and access control. For such a solution, Securitas would cover the investment costs while receiving monthly compensation as part of the subscription contract. For emerging products and services, such as data-driven SaaS (Security-as-a-Service), the most common practice would be to charge a monthly fee for a standardized set of services. SaaS can, for example, include packaged security solutions whereby the security provider installs, operates, maintains and oversees alarms, access controls and camera surveillance through a cloud-enabled monitoring portal that functions across country, client and service segments.

Illustrative growth and profitability profile of various security services[39]



Source: Securitas' assessment and The Freedonia Group, Global Security Services, April 2022.

According to the Company, security solutions offer several benefits to both clients and security providers, such as Securitas. For clients, these benefits include having one contract and contact for all security needs, as well as opportunities for data-generated insights. For security services providers, security solutions provide an opportunity to build stronger client relationships and simplify the sales process, with increased opportunities for cross-selling.

Securitas' assessment of potential benefits of security solutions from a client and security services provider perspective

Benefits to the clients	Benefits to security services providers
+ One contract for all security needs	+ Stronger client relationships
+ Access to data and data generated insights	+ Improved margin potential
+ Digital client interface	+ Longer contracts and higher client retention
+ Improved security proactiveness	+ Simplified sales process and more efficient cross-selling

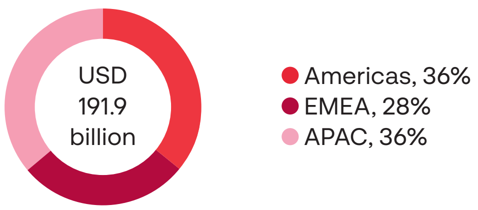
38 Omdia, Security Systems Integration Report – Analysis 2022, December 2021 and Omdia, Commercial Remote Monitoring Services Report 2020, June 2020.
39 Security solutions and data-driven SaaS are not included or recognized as a separate part of the global security services market in The Freedonia Group's industry study.

Securitas assesses that security solutions form an attractive client offering based on client needs, which enables client satisfaction and long-term security partnerships.

Geographical overview

The global market for tech-enabled security and guarding services can further be divided into the following regional areas: North America and Central and South America ("**Americas**"); Europe, the Middle East and Africa ("**EMEA**"); and Asia-Pacific ("**APAC**"). Of the estimated addressable global security services market of USD 191.9 billion in 2021[40], America accounted for 36 percent, EMEA for 28 percent and APAC for 36 percent. This corresponds to USD 69.5 billion, USD 54.4 billion and USD 68.0 billion, respectively.[41]

Geographical market split (2021E)



The global market for tech-enabled security services – Revenue by geography

Tech-enabled security services (USD billion)	2019A	2021E	2024E	CAGR 2019A-24E
Americas	23.2	24.3	30.1	5.4 %
EMEA	15.1	16.1	20.1	5.9 %
APAC	21.0	23.4	31.0	8.1 %
Total	**59.3**	**63.8**	**81.3**	**6.5 %**

The global market for guarding services – Revenue by geography

Guarding services (USD billion)	2016A	2021A	2026E	CAGR 2016A-26E
Americas	39.7	45.2	52.7	2.9 %
EMEA	34.4	38.2	45.4	2.8 %
APAC	29.1	44.6	59.8	7.5 %
Total	**103.2**	**128.1**	**157.9**	**4.3 %**

Americas

Americas comprises the sub-markets North America and Central and South America. In the Americas, the tech-enabled security services market is expected to grow at a CAGR of 5.4 percent over the period 2019 to 2024.[42] The guarding services market is expected to grow at a CAGR of 2.9 percent in the Americas between 2016 and 2026.[43]

North America

The North American security services market is characterized by urbanization and technological development. The total revenue of the region is mainly derived from the US, which is by far the largest national market worldwide. The United States and Canada are prominent countries contributing to the technological development of the global security services market. Moreover, companies within the region are investing heavily in smart security measures, such as smart lock controls and security systems integration, to deliver safer buildings.[44]

Central and South America

Within Central and South America, outsourced guarding services comprise most of the security services delivered. The region is characterized by high crime rates due to several factors, such as high urbanization rates in dense cities, economic inequality and organized crime. The rising concerns about high crime rates and property damages have incited the widespread demand for security services among the high-net-worth individuals in the region. As a result, private security services are valued in the region.[45]

Europe, the Middle East and Africa

EMEA comprises the sub-markets Europe, the Middle East and Africa. In EMEA, the tech-enabled security services market is expected to grow at a CAGR of 5.9 percent between 2019 and 2024.[46] The guarding services market is expected to grow at a CAGR of 2.8 percent in EMEA between 2016 and 2026.[47]

Europe

Europe is considered a stable security services market by Securitas. Across Europe, guarding services accounts for the largest share of the market. However, high labor costs in the region have contributed to investments in technology security equipment. For example, Europe is one of the major global markets in terms of the adoption of video surveillance. Moreover, in the German market, there has been a strong interest in the Internet of Things ("**IoT**") and constantly high investment levels in security technology and innovation in the past decades.[48]

The Middle East and Africa

In the Middle East and Africa, guarding services comprise most of the security services provided. More comprehensive regulations for security guards and investigators, particularly in Sub-Saharan Africa, have improved the professionalism of the industry, in turn boosting public trust and driving additional growth. Lack of funds to purchase reliable technology security equipment and strong competition from low-cost guarding services hampers growth within tech-enabled security. The region also has several areas with high security needs, such as oil fields, and an increasing number of new large cities, which positively impacts the demand for tech-enabled security solutions. Public investments in, for example, modernization of airports also drive business opportunities in the region.[49]

Asia-Pacific

In APAC, the tech-enabled security services market is expected to grow at a CAGR of 8.1 percent between 2019 and 2024.[50] The guarding services market is expected to grow at a CAGR of 7.5 percent in APAC between 2016 and 2026.[51]

40 See "*The global security services market*" above.
41 Securitas' assessment based on market studies from The Freedonia Group and Omdia.
42 Omdia, Security Systems Integration Report – Analysis 2022, December 2021 and Omdia, Commercial Remote Monitoring Services Report 2020, June 2020.
43 The Freedonia Group, Global Security Services, April 2022.
44 The Freedonia Group, Global Security Services, April 2022.
45 The Freedonia Group, Global Security Services, April 2022.
46 Omdia, Security Systems Integration Report – Analysis 2022, December 2021 and Omdia, Commercial Remote Monitoring Services Report 2020, June 2020.
47 The Freedonia Group, Global Security Services, April 2022.
48 The Freedonia Group, Global Security Services, April 2022.
49 The Freedonia Group, Global Security Services, April 2022.

The Asia-Pacific region is generally characterized by high technological advancement, which has enabled the use of tech-enabled security solutions, such as video surveillance, at reduced costs. Countries such as China and India, hold significant business opportunities for security services providers as the governments in these countries are investing heavily in the modernization of airports, ports, highways, tourism and retail sectors. Nations within the Asia-Pacific region also tend to have highly populous cities and high levels of income inequality, which may contribute to increased crime levels and a heightened need for security services.[52]

Global market trends

There are several long-term trends which are expected to affect the security services industry. Securitas believes that the most important trends in the security services market include an increased use of technology, urbanization and industrialization, economic and political development, customized and cost-effective services, as well as a greater focus on corporate risk management.

Increased use of technology

The increasingly complex security needs of clients are creating demand for complementary solutions, such as technology-enabled predictive security services, emphasizing the importance of having the right technology, data and cloud capabilities as a security services provider. The increasing use of technology allows security services companies to offer clients more efficient security solutions with an even higher quality. The higher the labor costs in a country, the more attractive it becomes to increase the application of technology. However, countries with low labor costs are also showing greater interest in using more technology in security solutions. For instance, in 2021, the number of globally installed security cameras exceeded one billion units, corresponding to an increase of over 50 percent compared to 2018.[53]

The Company believes that integrated, SaaS solutions are becoming increasingly important to clients. The physical and digital worlds are becoming more intertwined, driving the development of more advanced security systems, mainly in mature markets. As these systems are integrated with technologies, such as big data, Artificial Intelligence (”**AI**”) through smart devices and IoT, the need for skilled and highly trained security officers and employees increases. With more devices, sensors and other security equipment being sold on the market, the equipment costs are decreasing. Also, as data networks evolve and larger, faster network systems are becoming more connected and data storage costs decrease. Due to technological improvements, there is more data available than ever, which can be transferred both faster and at lower costs. In combination with the computing power and storage available, there are large amounts of historical data analyzed to study preventive security. This implies that guards increasingly only need to act responsively or by predictable patterns instead of monitoring and deterring, which have constituted traditional guarding activities. The increased development of technological solutions also results in a higher level of acquisition activity in the market, as companies are looking to expand their expertise in emerging segments.

In recent decades, the security services industry has witnessed significant growth in the use of technology as a core complementary offering to traditional guarding services. Security services and solutions may be further complemented with hosted and managed services, cloud services, AI, biometrics, the IoT and other remote services. As a result of the increasing use of technology security installations, new data and business opportunities are created. Data analysis contributes to the improvement of both services and technological equipment. For example, data gathered may detect access control anomalies or increase alarm accuracy through video analytics. This information can subsequently be used to design and integrate products and services to further enhance client value. Data may also contribute to the creation of entirely new opportunities such as SaaS tools, where security software products are provided on a subscription basis.

Urbanization, industrialization, and critical infrastructure

Urbanization and industrialization continue as people continue to move into cities. The global urban population is growing by more than 1.5 million people every week and the high population density could in turn lead to concerns about crime. The residential security market is also expected to grow rapidly in most developed countries as technological monitoring equipment becomes more common.[54] Continued industrialization and increased global industrial production leads to investments in production facilities, offices and other workplaces, each with specific security needs.

Securitas has experienced a growing awareness of the need to secure sensitive infrastructure from various disruptions. Manufacturing industries, airports, data centers, ports and public transportation are examples of operations that all rely on a well-functioning infrastructure and whereby disruptions can result in high costs and increased vulnerability.

Economic and political development

Economic growth and continued global investments in new constructions are driving the demand for security services. The middle class in maturing and developing markets is expected to grow at a CAGR of 3.7 percent from 2020 through 2030.[55] As global disposable income and net worth rise, there is more to protect and more clients that can afford to do so, which Securitas believes fuels the demand for security services. Infrastructure investments in, for example, real estate, public transport and public logistic hubs create a need to safeguard these assets and associated flows, which increases the demand for security services. Increased privatization by the outsourcing of public security services to private security service providers is a way to control or reduce public spending or, to open the market for competition.

50 Omdia, Security Systems Integration Report – Analysis 2022, December 2021 and Omdia, Commercial Remote Monitoring Services Report 2020, June 2020.
51 The Freedonia Group, Global Security Services, April 2022.
52 The Freedonia Group, Global Security Services, April 2022.
53 Azoth Analytics, Global Security Services Market (2021 Edition), October 2021.
54 Azoth Analytics, Global Security Services Market (2021 Edition), October 2021.
55 The Brookings Institution, The Unprecedented Expansion of the Global Middle Class, February 2017.

Customized, holistic, and cost-effective security services
Each industry, company and operation have specific needs and requirements in terms of security. Clients expect suppliers to identify and respond to their specific challenges, providing specialist know-how and dedicated resources. In Securitas' experience, if security providers can meet these challenges, companies will assign them greater security responsibility. Clients are generally prepared to pay more for a service with more comprehensive content, higher quality and relevant specialist skills. Securitas assesses that there is also a willingness in certain markets to pay a premium price to have one contact person in charge of the entire security solution, thus gaining a more effective and better control over price changes, supply chain and sustainability issues. Furthermore, Securitas believes that there is a general trend towards outsourcing security capabilities, especially in guarding and fire safety. Clients are seeking customized and comprehensive security solutions from a single security services provider, to enable more cost-efficient and reliable security services management.

Greater focus on corporate risk management
Companies and other organizations are now devoting greater attention to security issues, and senior executives are investing more time in discussing and making decisions concerning security issues, than in the past. Factors that Securitas has identified as contributors to the greater attention include a higher level of insecurity in society, increased cost of disruptions to business and greater security demands by clients and insurance companies. Companies usually opt to outsource security when enhancing it, since security activities are often not considered part of their core business. Companies are also using security consulting services more often, enabling their management teams to proactively identify risks and put appropriate mitigating actions in place.

Impact of COVID-19 on the global security services market
It is Securitas' experience that the security industry traditionally has been resilient to recessions, primarily due to the perceived association between recessions and increased crime. COVID-19 has affected the global market for security services negatively. For example, the cessation of large public gatherings, such as concerts, conferences and sporting events has decreased the demand for guarding-services. Additionally, the aviation industry and guarding services for airport security were impacted negatively by COVID-19.

Virtual working environments and a changing demand for facility usage are creating needs for new security solutions and services. An increase in e-commerce has also fueled the need for tech-enabled security solutions at distribution centers and similar buildings. The shift to e-commerce has spurred the demand for IT and cyber security, which fundamentally changes the perception of security. Lastly, Securitas has witnessed that COVID-19 has resulted in an increased demand for security services in key functions such as essential retail and healthcare during the lockdown periods, as well as in guarding and tech-enabled security services including contact tracing and crowd monitoring to support the reopening of societies.

Competitive landscape

The competitive landscape for global security services is fragmented according to Securitas. Securitas has witnessed that small local companies are diminishing due to limited capabilities to manage multiple facilities as clients demand full-service security solutions across sites nationally, and sometimes internationally. The competitive landscape also differs between the various kinds of security services.

Competitors
Following the acquisition of STANLEY Security in July 2022, key global and regional competitors within the technology security market include, for example, Tyco (part of Johnson Controls), Chubb (part of APi Group), ADT, Convergint and Siemens. The Company believes that an important differentiating factor between Securitas and certain other companies is that Securitas focuses on systems integration and design of third-party security equipment in combination with guarding services, whereas other providers are narrower in their service offerings and mainly focus on equipment manufacturing. Moreover, some companies, such as ADT, have a different business mix with significant exposure to the residential and consumer market, with different market characteristics, whereas Securitas focuses on business clients. Allied Universal (which acquired G4S in 2021), Prosegur, ICTS, Secom and GardaWorld represent key global and regional guarding services competitors to the Company.

In addition to tech-enabled security, guarding and security solutions competitors, Securitas has various global and regional competitors within corporate risk management and fire and safety, for example, Control Risk and Chubb. There are also numerous other local and regional competitors across the different markets in which Securitas operates.

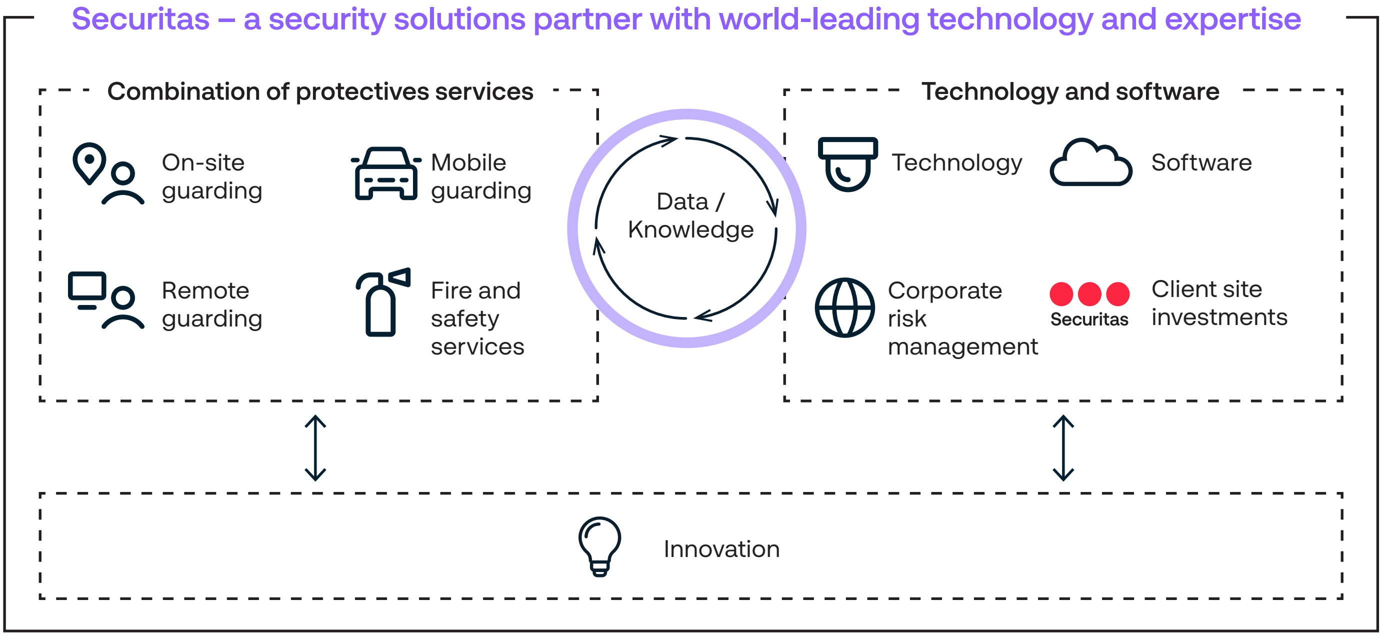
In 2021, Securitas' revenue amounted to USD 12.5 billion[56], in comparison to an estimated addressable global security services market of USD 191.9 billion in 2021.[57] In the fragmented market for security services and compared to the security-related revenues of other global security services companies, Securitas estimates that this makes the Company the second largest security services provider in the world.

Market positioning
Securitas believes that its increasing technological capabilities and focus on corporate risk management are important parts of expanding its security solutions offering. Securitas expects that the acquisition of STANLEY Security will contribute significantly to the Group's technology security capabilities and form a differentiated and improved client offering with data and innovation as key components. The combination of Securitas' six protective services, as well as the Company's ability to generate data and invest in security technology at client sites is expected to further improve the service offering, thereby helping Securitas to become a security solutions partner with world-leading technology and expertise.

56 SEK 107.7 billion converted to USD based on the average SEK/USD exchange rate in 2021 (8.603), which is also used in the section "*Pro forma financial information and certain supplementary information*" below.
57 See "*The global security services market*" above.

Securitas' vast number of employees across the world and its corporate presence adds significantly to the Group's knowledge of local markets. Securitas considers the Company to be one of the few security service providers offering services in both guarding and tech-enabled security on a global scale. The Company considers Securitas to be one of the few security service providers offering services in both guarding services and tech-enabled security on a global scale. The Company can thereby set high standards for the industry regarding sustainability and compliance, which the Company demonstrates through rigorous training of personnel, licensing and a strong commitment to minimize other negative externalities, such as carbon dioxide emissions. Moreover, Securitas believes that the Group

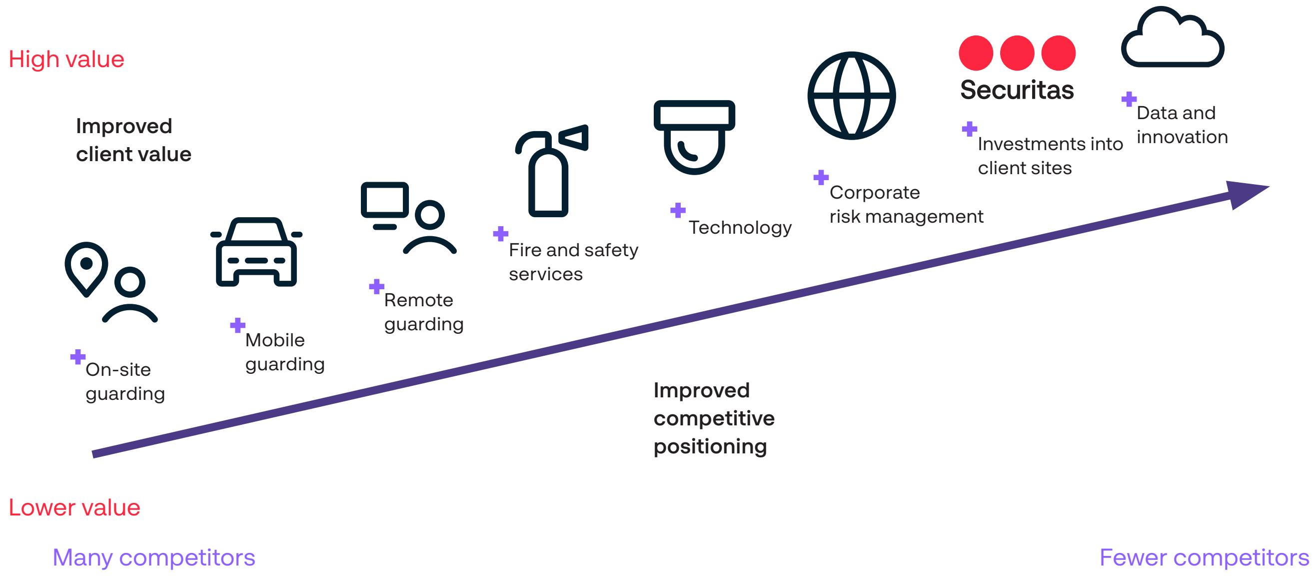
Securitas' strategy to become a security solutions partner with world-leading technology and expertise



has good possibilities to generate, analyze and act on data through its many different services. As such, Securitas can not only thoroughly understand its clients' needs but also has the necessary operational infrastructure to implement security services and new potential security solutions.

According to the Company, this full-service approach delivers high client value, differentiates Securitas from the competition and contributes to an improved competitive positioning compared to single security services providers.

Securitas' market positioning creates client value and differentiates Securitas from competition



Business description

OVERVIEW OF SECURITAS

Over the past few decades, Securitas has evolved from being a security services provider with a focus on guarding to being a security services provider with capabilities in tech-enabled security solutions. Securitas' main service offerings are on-site, mobile and remote guarding, technology, fire and safety and corporate risk management. In addition, the security solutions offering comprises various combinations of security services and offers a holistic and data-driven approach to meeting client-specific security needs.

Securitas is a global company with most of its business originating from North America and Europe. The Group is also present in Latin America, Africa, the Middle East, Asia and Australia. The Company is headquartered in Stockholm, Sweden. In 2021, the Group's 345,000 employees served approximately 153,000 clients[58] in 47 markets and various types of industries and client categories. Client categories range from governments, airports, logistics, offices and real estate companies, banks, shopping centers, hotels, manufacturing industries, mining industries, hospitals and residential areas, to tech and IT companies. The size of the clients varies from small local to large global firms.

In 2021, Securitas' total sales amounted to SEK 107.7 billion, with an organic sales growth[59] of 4 percent compared to 2020. The Group's operating income before amortization[60] amounted to SEK 6 billion in 2021, corresponding to an operating margin[61] of 5.6 percent.

Securitas' total sales and operating income before amortization by geography 2021[62]

Total sales by geography

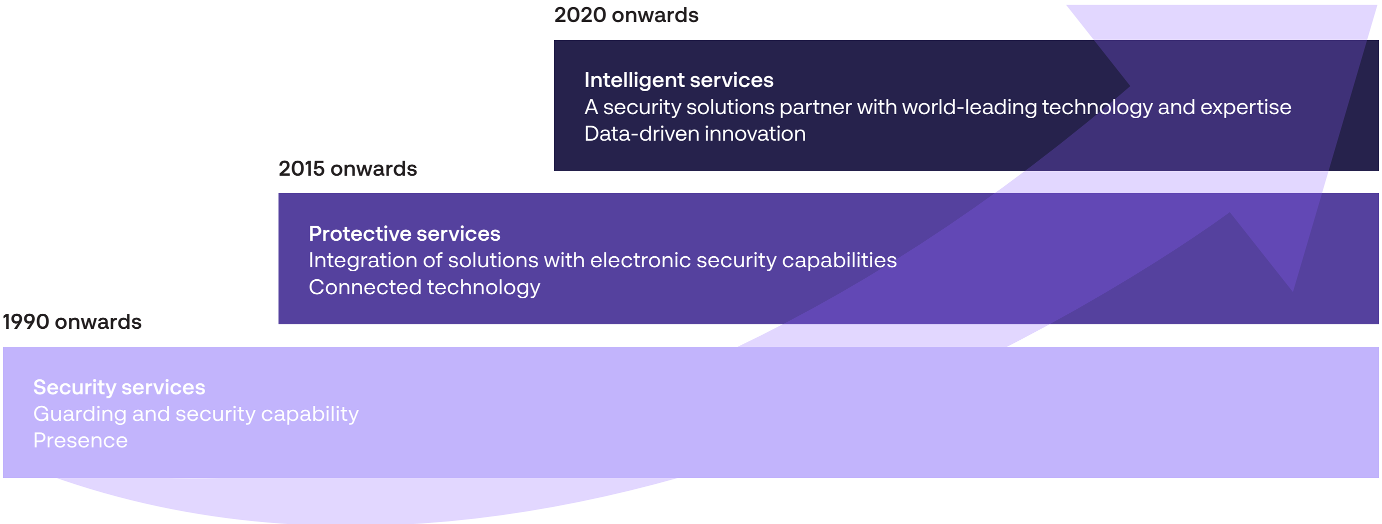
- North America, 43%
- Europe, 43%
- Ibero-America, 11%

Operating income before amortization by geography

- North America, 53%
- Europe, 45%
- Ibero-America, 12%

Securitas' ambition is to become a security solutions partner with world-leading technology and expertise. Securitas assesses that the Company, through a broad offering of protective services, combined with technology and data capabilities, has the necessary prerequisites to meet all of its clients' security needs, provide client-site investments and analyze data to drive proactivity and provide solutions in real time. An increased focus on corporate risk management also improves the offering, as Securitas becomes a trusted advisor to its clients, further strengthening the relationship and building lasting partnerships with the clients to offer new and complementary services as the needs arise.

Overview of Securitas' strategic positioning



58 Excluding monitoring-only clients.
59 See "*Selected historical financial information–Definitions of alternative performance measures*".
60 See "*Selected historical financial information–Definitions of alternative performance measures*".
61 See "*Selected historical financial information–Definitions of alternative performance measures*".
62 Excluding STANLEY Security. Total sales excluding Other (including AMEA and eliminations), 3 percent. Operating income before amortization excluding Other (including AMEA), -10 percent.

On December 8, 2021, Securitas announced that the Company had entered into an agreement to acquire STANLEY Security and the acquisition was completed on July 22, 2022, after the Company had received regulatory approval from relevant authorities. According to the Company, the acquisition represents a significant step toward becoming a security solutions partner with world-leading technology and expertise. Together, Securitas believes that the Company and STANLEY Security will be able to benefit from a competitive position in the global market for tech-enabled security, creating more value for clients and enabling growth, as well as new commercial opportunities. For further information about the acquisition of STANLEY Security and the new Group consisting of Securitas and STANLEY Security, see "*The new Group*" below.

SECURITAS' HISTORY

1934	Erik Philip-Sörensen acquires Hälsingborgs Nattvakt in Helsingborg, Sweden. Sörensen acquires additional security companies in Southern Sweden and combines all companies to form Förenade Svenska Vakt AB.
1942	A department is started in Stockholm, making the Company nationwide in Sweden.
1949	Securitas Alarm is founded in Sweden to meet the demand for alarm technology as a complement to the guarding services.
1972	The Company is renamed to Securitas and the logotype with the three red dots is created.
1981	Securitas is divided between Sörensen's two sons. Securitas in Sweden is sold to Sven Philip-Sörensen. Securitas' international operations, which later would become G4S, are sold to Jörgen Philip-Sörensen.
1983	Securitas in Sweden is sold to Skrinet.
1985	Investment AB Latour becomes Securitas' new owner.
1987	Melker Schörling is appointed CEO of Securitas and acquires 17 percent of the Company.
1989	Securitas initiates its international expansion with acquisitions in Norway, Denmark and Portugal.
1991	Securitas is listed on the Stockholm Stock Exchange (now Nasdaq Stockholm).
1994	Assa is spun off and distributed to Securitas' shareholders, Assa then acquires Abloy and is listed as Assa Abloy.
1999	Securitas' establishment in the United States starts with the acquisition of Pinkerton.
2006	Securitas announces its intention to spin off and distribute three companies to its shareholders; Securitas Systems (which later became Niscayah Group), Securitas Direct (which later became Verisure), and Securitas Cash Handling Services (which later became Loomis). Both Securitas Systems and Securitas Direct are distributed the same year and listed on the Stockholm Stock Exchange.
2008	Loomis is spun off and distributed to the shareholders and listed as a separate company on the Stockholm Stock Exchange. After the spin-off, Securitas' operations are mainly focused on guarding services.
2011	Securitas announces a bid to buy back Niscayah Group but loses to a competing bid from Stanley Black & Decker Inc.
2012	Securitas increases its focus on tech-enabled security and raises its ambitions for growth within the area.
2015	Securitas acquires Diebold's North American technology business, which was the Group's largest acquisition in 15 years.
2018	Securitas achieves a milestone of over MSEK 100,000 in sales.
2020	The COVID-19 pandemic affects companies and individuals worldwide. Despite societal lockdowns, including reduced activity in aviation and entertainment, Securitas shows resilience to the unprecedented challenges.
2021	Securitas announces its largest acquisition in history after entering an agreement to acquire STANLEY Security, a global technology security provider. The acquisition is completed on July 22, 2022, after the Company receives regulatory approvals from the relevant authorities.

SECURITAS PURPOSE

Securitas' purpose is "We help make your world a safer place".

This purpose reminds the Group and its employees that, every day when they go to work, they are contributing to something greater and that this purpose is the reason the Group exists. The purpose is at the very core of Securitas' strategy and helps create value for the Group.

KEY STRENGTHS AND COMPETITIVE ADVANTAGES

Securitas is a global provider of security services within tech-enabled security and security solutions. The Company believes that it will be able to maintain and improve its competitiveness through its strengths, expertise and strategy, as described in the following sections.

1 Global leading positions in the growing security market

Securitas is the second largest provider of security services globally[63], with operations in 47 markets and capabilities spanning from guarding to tech-enabled security (previously referred to as electronic security). Europe and North America constitute Securitas' largest regions, where technological innovation and developments are expected to drive further growth for the Group.

The commercial tech-enabled security market has experienced significant growth over the past decade and is expected to grow at a CAGR of 6.5 percent for the 2019 to 2024 period, from USD 59.3 billion in 2019 to USD 81.3 billion in 2024.[64] However, Securitas estimates the CAGR for the Company's addressable market in tech-enabled security services for the corresponding period to be approximately 5 percent. The market for guarding services is expected to grow at a CAGR of 4.1 percent for the 2022 to 2026 period, from USD 134.5 billion in 2022 to USD 157.9 billion in 2026.[65]

2 Vast combined client reach and complete offering across six security services

Securitas has a broad service offering including on-site guarding, mobile guarding, remote guarding, technology, fire and safety services and corporate risk management. The acquisition of STANLEY Security will further strengthen Securitas' technology security offering and more specifically improve the Company's offering for the installation, maintenance and monitoring of such services. The combination of Securitas and STANLEY Security will give the Company a strong position in the industry as one of the few truly global companies offering both guarding and tech-enabled security, which creates a competitive advantage when competing for clients that are looking for a full-service partner. For further information, see "*Securitas' operations*" below and "*The new Group–Overview of STANLEY Security*".

Securitas works with clients of all sizes and across all industries focusing on the specific security needs of each client through a thorough risk assessment. The acquisition of STANLEY Security provides the Group with significant commercial synergy opportunities, with a total of more than 650,000 clients. Securitas' client base is loyal, with an overall client retention rate of 90 percent in 2021.

Securitas' global presence and scale, combined with a consistent approach to global clients' needs, have enabled the Company to deliver tailored solutions to the local requirements of the clients while being consistent across borders and between continents. According to the Company, Securitas is often a preferred security services provider for many of the top 100 global companies with a retention among global clients[66] of 95 percent over the last three years (2019–2021). Further, the Group's global client base represented 16 percent of Securitas' total sales in 2021, which can be compared to 13 percent in 2019. Over the same period, the profitability of the global client base has also improved.

For further information, see "*Securitas' clients*" below and "*The new Group–STANLEY Security's clients*".

3 Attractive position to drive security solutions offering

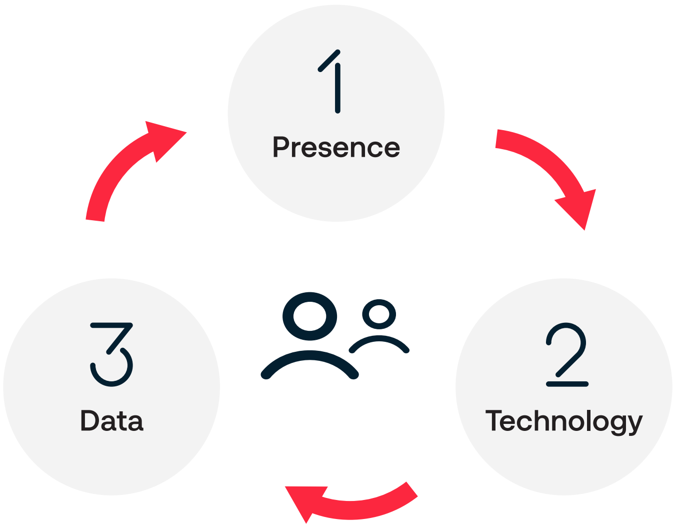
The combination of Securitas' offering across its six protective services and STANLEY Security's expertise in technology security improves Securitas' client offering and strengthens the Company in different parts of the security value chain. The Company believes that Securitas and STANLEY Security together form a company with an attractive position in the security market with a strong presence in both guarding and technology security. This market position is expected to benefit the security solutions offering, enabling Securitas to become the integrated full-service security solutions partner for clients. Securitas benefits from providing all of its clients with a tailored combination of security services to achieve desired outcomes, rather than providing services individually.

For further information, see "*Creating a global security solutions partner*" and "*Security solutions*" below as well as "*Market overview–Security solutions market*".

4 Technology platform driving innovation powered by worldwide presence and scale, connected technology and intelligent data use

Securitas believes that the future of security is built around a combination of global presence, connected technology and intelligent use of data, and that the Company has laid a solid foundation for creating new innovative and data-driven solutions.

63 Securitas' assessment based on market studies from The Freedonia Group and Omdia.
64 Omdia, Security Systems Integration Report – Analysis 2022, December 2021 and Omdia, Commercial Remote Monitoring Services Report 2020, June 2020.
65 The Freedonia Group, Global Security Services, April 2022.
66 Global clients refer to multinational companies, i.e., companies with operations in multiple countries.



Presence – The acquisition of STANLEY Security strengthens Securitas' presence both geographically and in tech-enabled security, improving the Company's competitiveness. Further, innovative solutions are expected to be fostered by the combined scale and strength in systems integration and monitoring operations. This is combined with a large and specialized sales force for Securitas' solutions and technology offerings, which can drive additional sales and steer clients towards technology offerings with higher profit margins. In addition, Securitas has made several efforts in strengthening its digital presence through a comprehensive digitalization of its core operations. Digital channels for Securitas' sales force, security officers and clients are now broadly used, enabling higher efficiency.

Technology – Securitas has a platform to build a leading technology and connectivity offering which, after improvements from the IT and business transformation programs and the STANLEY Security acquisition, supports the shift to cloud and subscription-based business models. After the acquisition of STANLEY Security, the Company has over 5,000 technicians with expertise in technology and connectivity. In addition, Securitas has a dedicated innovation team in place with competence in user experience, AI, big data and digitized products that focuses on developing a portfolio of digital products higher profitability potential.

Data – For seamless communication between Securitas and its clients, the Company developed the digital channel MySecuritas, which unlocks the possibility to digitalize Securitas' more than 300,000 security officers reporting records and serves as a rich source of data. The acquisition of STANLEY Security provides access to new, large data sets from installed technology, while Securitas already has approximately 960,000 existing connections to clients. Each connected device streams data from between ten to several hundred sensors. This additional source of data is expected to significantly improve the opportunities to create new innovative and data-driven intelligent solutions.

A recent example of scalable and intelligent services developed by Securitas is the Risk Prediction service, which has successfully been rolled out in Sweden and Norway. The Risk Prediction service can predict where and when security incidents are most likely to occur. The service is based on multiple datasets, statistical models and machine learning algorithms. This allows Securitas to become a more proactive partner to its clients. Another example is the intelligent cameras service – a remote video service that, in combination with AI, can assess and filter what are actual threats and non-threats. This service has reduced false alarms by approximately 80 percent in the eleven countries in which it has been implemented [67]. For further information, see "*Securitas' IT infrastructure*" below and "*The new Group–The acquisition of STANLEY Security*".

STRATEGY

Securitas' strategy is to achieve a position as a security solutions partner with world-leading technology and expertise and the Company has taken significant industry-changing steps towards this ambition. Over the last ten years, the Group has gradually enhanced its offering by adding additional security services and is now able to offer a comprehensive and strong portfolio of services including on-site, mobile guarding, remote guarding, technology, fire and safety and corporate risk management. Securitas will increase the competitiveness of its offering of security services across many geographies. In a fragmented market, such as the market for security services, Securitas will continue to grow through acquisitions primarily focusing on tech-enabled security solutions.

Securitas believes that the Company is in a position to deliver higher growth and profitability in the future through the following four strategic areas:

- Taking the lead within technology
- Quality guarding services focused on profitability
- Creating a global security solutions partner
- Leveraging a global platform to drive innovation

Securitas works continuously and actively to create sustainable operations. In June 2022, Securitas signed the commitment for the climate initiative Science Based Targets (SBTi) and will initiate the process to develop and validate goals to reduce the Group's climate impact. Investments in employees will therefore continue together with an increased focus on reducing its already low carbon dioxide emission (See "*Sustainability*" below for further information).

Taking the lead within technology

Securitas has a comprehensive offering within technology with revenues related to tech-enabled security services amounting to SEK 12.2 billion in 2021 and an average annual exchange-adjusted sales growth[68] of 14 percent between 2017 and 2021. Securitas has over the past few years strengthened its business in technology, both organically and through acquisitions of, among others, Techco Security (Spain and Portugal), Fredon Security (Australia) and FE Moran Security Solutions (USA). The acquisition of STANLEY Security in July 2022, Securitas' largest acquisition

67 Company information.
68 Sales growth adjusted for changes in the foreign exchange rate.

Taking the lead within technology…

…offering world leading guarding services focused on profitability…

…to become a partner for security solutions…

…by leveraging a global technology platform to drive innovation

in history, more than doubles Securitas' business area tech-enabled security services, based on STANLEY Security's total revenue of SEK 14.1 billion in 2021, wherein recurring revenues accounted for 40 percent. STANLEY Security will contribute to the development and strengthening of Securitas' technology security platform and is expected to position Securitas as a competitive security brand in the industry. Together with STANLEY Security, Securitas estimates that it will become the second largest global actor in commercial technology and among the top three largest actors in the Company's identified strategic markets.[69]

The acquisition of STANLEY Security also creates a platform for Securitas to build a leading technology and connectivity innovation offering, supporting the shift to cloud and subscription-based business models. The combination of Securitas and STANLEY Security provides a large technical workforce, driving sales in systems integration and monitoring operations. The acquisition also provides compelling cross-selling opportunities across all client types, from large global clients to SMEs in need of solutions for both physical and technical security. Securitas has an integrations team in place with experience from several integration processes and challenges of previous technology security acquisitions, which will benefit the STANLEY Security acquisition and potential future acquisitions.

Securitas expects its organic growth for security solutions and technology to improve by the combined salesforce of Securitas and STANLEY Security enabling sharing of best practices, employees and know-how from both organizations in the sales processes, resulting in deepened vertical and technical sales expertise between local markets. In addition, the client offering will be further improved by combining Securitas' and STANLEY Security's strengths in different parts of the security value chain.

Quality guarding services focused on profitability

The Group is one of the leading global providers of security services[70] and was, according to Securitas, the second largest player[71] within guarding services globally in 2021. Guarding services accounted for 75 percent of the Group's total sales in 2021. The current environment of labor shortages and rising wages creates challenges for Securitas and for the security industry in handling the price and wage increases in a desirable manner. In 2021 and the first half of 2022, the Company believes it has successfully handled these challenges by balancing wage increases with price increases together with its clients.

Securitas is continuously working to provide high quality guarding services to its clients and to maintain the good relations that the Company has established with its clients. In 2021, Securitas had a client retention rate of approximately 90 percent, with a large portion of these clients relating to guarding services. In order to maintain the quality of its guarding services, Securitas has identified two areas for improvement, which are to increase both the profitability and the efficiency of its guarding services by continuing to strengthen its core guarding business through transformation programs and active management of the contract portfolio.

Transformation programs

The Group strives to be data-driven and efficient in everything it does, as Securitas expects this to contribute to improved quality and ultimately add value to the clients. To face this challenge, the Group has invested in IT modernization for cost savings and efficiency gains. The Company will continue to invest in ongoing business transformation programs for further cost savings, efficiency gains and improved value realization.

Securitas' business transformation programs are aimed at streamlining the Company's business processes and organization. The Company expects that this will pave the way for higher client value through, for example, improved reporting and interaction channels as well as new digital services. The Group will maintain its focus on guarding services by increasing modernization and specialization, as well as training and efficiency, which will release time for branch managers to be spent with clients. Modern tools will also facilitate the work for the people at Securitas and help the Group recruit and retain employees.

Within the Security Services North America business segment, a business transformation program was initiated in 2019. There, the Group has now successfully migrated large parts of the business and key activities to modern platforms and applications. Securitas launched similar business transformation programs in Security Services Europe and Security Services Ibero-America at the beginning of 2021. These programs are intended to modernize the Group's business in Europe and Ibero-America, enabling them to upscale the implementation of the strategy and improve profitability. Compared to the transformation programs for Security Services North America and Security Services Ibero-America, the transformation program for Security

69 Securitas' assessment based on Securitas' sales of solutions and technology and Stanley STANLEY Security's sales in 2021 in relation to competitors' sales in 2021. The strategic markets include the United States, Sweden, France, Spain, Norway, Finland, the Netherlands, the United Kingdom, Belgium, Canada and Denmark.
70 The Freedonia Group, Global Security Services, April 2022.
71 The Freedonia Group, Global Security Services, April 2022. Market position based on Securitas' sales in 2021 in relation to its competitors' sales in 2021.

Services Europe more closely resembles a portfolio of initiatives aimed to generate improvements and harmonization between the European countries' processes, organizational structure and IS/IT systems. The transformation programs in both Europe and Ibero-America are proceeding as planned. See "*Securitas' transformation programs*" below for further information.

Active portfolio management

Securitas' ongoing and completed IT and business transformation programs have not only modernized the Company's operations but also increased the transparency of its client portfolio. This has provided Securitas with a clearer overview of the contract portfolio and enabled the Company to review the overall margin levels of the guarding contracts in further detail, assisting Securitas in the continuous client portfolio management.

Through analysis of its client portfolio, Securitas has developed a model to assess the profitability per client contract as well as profitability levels. These can be divided into three categories: a) client contracts with healthy profitability, b) client contracts with low profitability and c) client contracts with inadequate profitability. For contracts with low or inadequate profitability active portfolio management is applied, meaning that Securitas is putting in place a clear strategy of either (i) accelerating a transition into higher value solutions contracts, (ii) re-negotiating them into more suitable profitability margins, or, in certain cases, (iii) preparing for strategic exits. The work with active portfolio management is ongoing and Securitas expects to get through most of the contracts during the coming twelve to 24 months. Securitas' work to improve the profitability of its contract portfolio may result in the termination of contracts if the Company does not successfully renegotiate or convert under-performing contracts to security solutions.

Creating a global security solutions partner

The security solutions offering allows Securitas' business model to shift from traditionally being input-based to outcome-based. An input-based business model is commonly used in the security industry when providing services on a stand-alone basis. When for instance an on-site guarding contract is entered into, inputs such as hours, location and time form the contract and ultimately the price of the service. This type of contract would then generate monthly recurring revenue. An outcome-focused model is more based on solving a security need using several services as a package, forming one security solution contract designed by Securitas based on its risk assessment of the client. An example of such a contract could be a combination of on-site and mobile guarding, security cameras and other related technology services. The price of the offering is based on the types of services included in the contract and would normally include some sort of response time requirement on Securitas' part.

An outcome-based business model allows Securitas to have a real-time overview of the clients' risk situation, making the Company an expert on the client's security needs. This enables the Company to continuously improve the client offering as it is more dynamic and based on the current risk situation, rather than a predetermined level of risk which is the case for input-based models. This dynamic approach allows for more flexible price models such as price reduction when the client's security situation has improved. Depending on the security solutions offered, Securitas may also invest in technology to be installed on client sites, adding further value to the client.

A part of Securitas' strategy is to grow within security solutions, which is a client offering that Securitas' believes is at the forefront of the security industry. This is based on Securitas' ability to solve the clients' various security needs and increasing demands for technologically advanced security services. The Company's broad offer of security services enables Securitas to deliver comprehensive security solutions that meet these needs while strengthening the Group's competitiveness and profitability.

Between 2016 and 2021, security solutions' average annual exchange-adjusted revenue growth was 14 percent, and amounted to SEK 12.6 billion in 2021. Securitas' security solutions have delivered strong results after the pandemic years 2020 and 2021, with exchange-adjusted revenue growth of 13 percent in the first half of 2022 compared to the corresponding period in 2021. Security solution sales amounted to SEK 7.2 billion during the first half of 2022.

The Group intends to continue strengthening its sales leadership in security solutions and create momentum and exchange experiences between the Group's business segments to increase sales of security solutions. This will enable Securitas to offer tailor-made security solutions and meeting the growing complexity of the clients' security demands. For example, through personalized security solutions for global clients or providing standardized alternatives for SMEs. Security solutions, together with new intelligent and data-driven services, will enable Securitas to increase its long-term margins and generate growth during the foreseeable future, while creating value for the clients

Securitas security solutions are expected to be a strong contributing factor in enabling the Company to reach its new financial targets of 8–10 percent average annual exchange-adjusted revenue growth in security solutions and technology.[72] Securitas' security solutions are expected to contribute to this goal by an annual growth potential of 10 percent or above. A driving factor is the increased demand for more advanced security solutions. Moreover, the current labor shortages pose a great challenge for the security services industry, contributing to increased demand for technical security solutions. In acquiring STANLEY Security, adding further technical capacity to Securitas' security services, the Company believes it is well positioned to be able to offer its clients more technically advanced services.

Furthermore, Securitas' technical services are expected to contribute to the Company's new financial growth objectives through an above-market growth rate which, according to the Company's estimates, is expected to grow approximately 5 percent annually until 2024. Moreover, complementary value-creating acquisitions are expected to contribute to the sales growth objectives over time.

72 See "*Targets and dividend policy*" below for information about all new financial targets.

Leveraging a global platform to drive innovation

Data-driven innovations are now also changing the services that Securitas can offer which, according to Securitas, gives the Company a competitive edge. Investments in the Group's technology infrastructure and new competencies are helping the Group to capture, analyze and respond to data. According to the Company, this increases client value and operational efficiency. At Securitas Operation Centers ("**SOC**"), the Group can collect large amounts of data from cameras, sensors, incident reports and access controls, which contribute to the Company's ability to detect and better predict security incidents in real time.

Through presence, data and technology, Securitas aims to change how security services and solutions are provided to clients. The combination of these three elements is expected to yield high client value and result in new innovative services that proactively meet evolving client needs. The increased scale from the acquisition of STANLEY Security is expected to generate a greater number of data points and build knowledge within the organization. The growing security solutions and technology business is changing Securitas' profile and is an important step towards achieving the Company's strategic vision.

As a complement to Securitas' existing value proposal, the Company has launched several smart services. In 2021, the Group launched the Risk Prediction application, which helps assess risk at client sites. The Group has also launched MySecuritas, a digital channel for clients, which makes communication between the client, the branch manager and the security officers easier. Furthermore, the Company has developed the service Mobile Patrol 2.0, an intelligent service that leverages AI to offer an insight and recommendation service for clients based on existing data. These types of services are distinct to the Group, which is continuing to work towards also becoming a security solutions partner. Securitas believes that these building blocks will collectively ensure that the Company has the best employees and the highest client engagement to become the clients' natural choice of security solutions partner.

As part of being a security solutions partner with world-leading technology and expertise, Securitas intends to initiate commercial launches of data-driven products in pilot markets, adding high growth and high margin products to its product mix, whilst also providing the Group with a wide range of scarce and differentiating services. Securitas believes that the Company together with STANLEY Security is well positioned to build new innovative solutions. The Company considers there to be strong scalability in intelligent services with high client values and potential profitability margin of over 20 percent. See "*Securitas' IT infrastructure*" below for further information.

TARGETS AND DIVIDEND POLICY

Financial targets

In connection with the acquisition of STANLEY Security, which was completed on July 22, 2022, the Group has set new financial targets.

The new financial targets are aligned with the Group's strategy to become a partner for security solutions with world-leading technology and expertise, well positioned to deliver strong growth and improved margins:

- 8–10 percent average annual exchange-adjusted sales growth[73] in security solutions and technology.[74]
- 8 percent operating margin[75] for the Group until the end of 2025, with the ambition of a long-term operating margin of more than 10 percent.
- Net debt to EBITDA ratio[76] under 3.0x.
- The target of an operating cash flow[77] of 70 to 80 percent of operating income before amortization remains unchanged.

Comments on the new financial targets

The target of 8 percent operating margin replaces earlier targets regarding earnings per share (average increase of 10 percent annually) as well as the margin targets in each business segment respectively, assignable to the business transformation program in the Group. The new target of a net debt to EBITDA ratio under 3.0x replaces the earlier target of an average net debt to EBITDA ratio of 2.5x.[78] The strategic transformation ambition – to double the security solutions and technology sales by 2023 compared to 2018 – has been abolished as it was achieved through the acquisition of STANLEY Security.

Dividend policy

The dividend policy remains unchanged.

With a balanced growth strategy comprising both organic and acquisition-driven growth and continued investments in technology and security solutions, Securitas should be able to sustain a dividend in the range of 50–60 percent of annual net income.

The above financial targets and dividend policy constitute forward-looking statements. Forward-looking statements do not constitute a guarantee of future results or developments and the actual outcomes could differ materially from what is stated in the forward-looking statements. See also "Forward-looking statements" under "Important information".

SECURITAS' OPERATIONS

Securitas believes that the Company solves clients' security needs by offering qualified and engaged people, in-depth expertise and innovation within each of its service areas, coupled with the ability to combine services into solutions and by using data to add further intelligence. Through this approach, Securitas believes that the Company is at the forefront of the transformation of the security industry. To meet the needs of the future, Securitas works to strengthen its protective services offering through deeper specialization in each service category and places greater emphasis on selling and delivering holistic solutions as well as adding data-driven innovation.

73 Revenue growth adjusted for changes in the foreign exchange rate.
74 Previously referred to as security solutions and electronic security.
75 See "*Selected historical financial information–Definitions of alternative performance measures*".
76 See "*Selected historical financial information–Definitions of alternative performance measures*".
77 See the definition of operating cash flow under "*Selected historical financial information–Consolidated statement of cash flow*".
78 See also "*Capitalization, indebtedness and other financial information–Changes since June 30, 2022*".

At the core of Securitas' business lies guarding and technology security capabilities. Adding to this, Securitas also offers fire and safety services as well as corporate risk management. Regarding solutions, the Company believes that the combination of various security services adds further value to the client by packaging all security needs and aspects into one contract. This enables Securitas to advise clients on the optimal security solutions based on their individual needs, illustrating a shift of approach from reactiveness to proactiveness.

Securitas decentralized model

Securitas has a decentralized organizational model that promotes entrepreneurship and focuses on the approximately 1,700 branch managers who run the Company's daily operations in 47 markets. Securitas believes that the Company's offerings improve when decisions are made close to clients and the employees who perform the services. Local decisions are therefore encouraged but require an effective governance and management system. To facilitate this work, Securitas has systems, routines and procedures in place for monitoring targets, internal control and risk management. The branch offices mainly perform security services such as on-site and mobile guarding as well as the installation and maintenance of technology security and fire equipment. The branch offices work closely with the SOC, delivering connected security solutions to Securitas' clients.

Securitas Operations Centers

Securitas' security services are managed and coordinated through the SOCs, where operators can quickly address their clients' security needs. Security systems that are installed at client sites are also connected to the SOC which serves multiple functions, including receiving alarm activation signals which allow the SOC operator to contact the appropriate authorities as necessary (for example local law enforcement, fire brigade and Securitas mobile patrol). All of Securitas' services and solutions are controlled and managed in the SOCs, enabling Securitas to deliver support for all its different services centrally. The SOCs work as a centralized coordination unit where advanced data is analyzed by trained personnel to leverage proven processes and strict protocols to deliver optimal client solutions. The information gathered by the Group's SOCs provide the clients with high-quality security along with analytics, analyses and client reports. The SOCs also allow Securitas to leverage existing data to increase proactiveness and predictiveness, rather than simply reacting to events as they occur. The SOCs seamlessly connect different security solutions, allowing Securitas to improve existing security solutions, create new security solutions and expand the security solutions offering.

Security services

Securitas has a broad service offering including on-site guarding, mobile guarding, remote guarding, technology, fire and safety services and corporate risk management

Securitas' security services

On-site guarding

Securitas offers on-site guarding services with specially selected and trained security officers performing surveillance services tailored to the needs of medium-sized and large businesses. The Group's on-site security officers protect properties, assets, staff and residents in private or public environments. They are trained to detect, deter and respond to risks and incidents, with all the necessary training certifications potentially being required for the assignment. In addition, Securitas combines hospitality and security with its trained reception staff who regularly perform client-facing duties and monitor the security of the building, including access and identity control to mitigate unwanted visitors from entering the facilities. Furthermore, the Company offers tailored screening services when strict access control is needed at, for example, concerts and sporting events.

Mobile guarding

Securitas provides mobile guarding services, where one security officer serves multiple clients within a limited geographical area. The mobile security officers can provide regular patrol rounds, call-out services, technology solutions and the opening and closing of business premises. Mobile guarding can be used for several inspections and specialty services, including door checks, facility opening and closing, perimeter checks, safety hazard identification, lone worker checks, first-line maintenance services and ATM anti-skimming inspections.

Remote services

Securitas' remote services are standardized, cost-effective and combine specially trained security officers with innovative technology. Remote services typically include monitoring services such as alarm monitoring and video verification, as well as security officer dispatching. It may also include other remote services such as guarding, video services and contact center services. The connection to the SOCs together with Securitas' specialized operators allows the Group to act and intervene proactively to detect incidents or crimes before they occur.allows the Group to act and intervene proactively to detect incidents or crimes before they occur.

Technology[79]
Securitas offers the design, installation, service and alarm monitoring of technology security systems and full project deliveries to maintain a security system that is customized to the client's distinct requirements and standardized to meet local and global needs. Technology is divided into design and installation systems integration, which include integrated solutions such as video surveillance, access control, fire systems and intrusion alarms, as well as alarm monitoring of installed systems. Securitas believes that the Group's expertise in systems integration makes Securitas an ideal partner for complex, sophisticated technology implementations for large businesses and can support more basic alarm monitoring systems for local and small businesses. Compared to other services within Securitas, tech-enabled security is more product intensive, and the Company works closely with various suppliers of technological equipment.

Design of technology systems refers to the customization of the clients' needs regarding time, equipment, engineering requirements and the cost of the project. Additionally, technology can also include maintenance services and product sales without any design or installation, but only to a limited extent. For Securitas' overall offerings, technology acts as a business in itself and as a key enabler for delivering security solutions. Revenues are generated either in the form of recurring revenue because of investments in and maintenance on client sites or generated through one-time revenues from installation.

Fire and safety
Securitas provides certified fire and safety services through both physical and technical services. Physical services include the provision of professional firefighters and trained security officers acting as fire wardens, as well as first responders and fire watch. For high-risk facilities, for example, chemical plants, Securitas provides a stationary team of fire experts based at corporate sites. Technical services consist of the installation of fire and safety systems, fire detection, fire alarms and the provision of fire extinguishers. To be at the forefront of technological development, Securitas actively engages in research and development initiatives and constantly explores new technical equipment from third parties. Fire and safety require constant governance due to regulations that demand annual maintenance, which creates the potential for recurring revenue streams. Within fire and safety, there are important legal requirements involved in establishing client contracts to mitigate liability exposure and scope of responsibility in events of incidents.

Corporate risk management
Securitas' corporate risk management is primarily delivered through the subsidiary Pinkerton. Securitas offers risk experts who identify and protect several areas that threaten the clients' businesses and operations. The Group's risk management solutions include risk advisory, security management, protective services, corporate investigations, due diligence, response services and protective intelligence. Pinkerton and its trained security officers also offer risk exposure mitigation through personal protection. In addition, the Group offers various degrees of specialized security consulting, including thorough risk analysis and detailed security planning. In combination with data being gathered remotely and high-end technology becoming a competitive prerequisite, Securitas believes that the need for corporate risk management is becoming increasingly important for clients.

Security solutions
Security solutions are combinations of Securitas' security services such as on-site, mobile, or remote guarding, technology, fire and safety and corporate risk management, possibly in combination with software and reporting.

According to Securitas, the combination of guarding and technology enabled security services, through data collection and software, allows for customized services that meet and exceed the clients' current needs. As such, guarding services can be tailored into new solutions for the clients, enabling an improved offering and resource efficiency. It creates a symbiotic relationship that elevates the services offering and allows security services providers to reach contact points at higher parts of the hierarchy within the clients' organizations. Securitas believes that the cross-selling of traditional guarding services and technology-enabled services allows for a deeper relationship with the client and enables increased client loyalty over time. Given the Group's broad portfolio of security solutions, there is potential to constantly review the clients' needs for both new and updated security services enabled by the comprehensiveness of Securitas' security solutions. In addition to tailored solutions, standardized packages which, for example, include several cameras combined with mobile and/or remote guarding are also offered. Such packages are especially targeted at small and medium-sized clients. The packages allow for a short sales cycle and a rapid initiation of services for clients.

Depending on the security solution offered, Securitas can invest in technology installed at the client's site adding further value to the clients. Securitas takes full responsibility for on-site installation and renewal or maintenance of security equipment, which Securitas believes differentiates its security solutions from the competition. To ensure the highest quality and the best choice of technology equipment, the Company has general agreements with some of the world's major suppliers of cameras, sensors and other security technologies. Security Solutions are provided to a wide range of clients in different sectors, such as aviation, construction, data centers, retail, critical infrastructure and manufacturing.

79 Previously referred to as electronic security.

SECURITAS' BUSINESS SEGMENTS

In 2021, Securitas had operations in 47 markets with 1,300 branch offices. The Company is organized into three business segments: Security Services North America, Security Services Europe and Security Services Ibero-America. Securitas also has operations in AMEA[80], which is not classified as a separate business segment but forms its own division. Most of the Group's sales are generated in North America and Europe.

Securitas' business is conducted via joint ventures in India, Indonesia, Saudi Arabia, South Africa, South Korea, the United Arab Emirates and Vietnam. This list excludes legal entities in markets where Securitas' ownership exceeds 70 percent or where the business of the legal entity is insignificant or dormant. In India, Indonesia and the United Arab Emirates, Pinkerton conducts business through a separate wholly-owned subsidiary. Since January 2019, Securitas has closed its operations in Estonia, Latvia, Montenegro, Slovenia, Greece, Egypt (business divested and legal entity under liquidation), Jordan, Sri Lanka, Cambodia, Paraguay (business divested and legal entity under liquidation) and Panama (business divested and legal entity under liquidation). Pinkerton continues to conduct business in Panama.

80 Previously defined as Africa, the Middle East, Asia and Australia.

Security Services North America

2021 (2020):

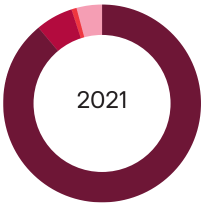
Total sales, MSEK
46 747 (47 801)

Organic sales growth, %
3 (2)

Operating margin before amortization, MSEK
3 191 (2 800)

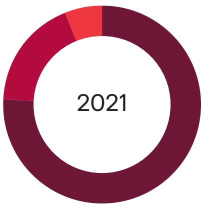
Operating margin, %
6.8 (5.9)

113 000 employees



Share of sales per country

- The US, 91%
- Canada, 6%
- Mexico, 1%
- Rest of countries in the segment, 2%



Share of sales per service

- Guarding services 76%
- Security solutions and electronic security 18%
- Other 6%

Markets:
Canada, Mexico and the US

Security Services Europe

2021 (2020):

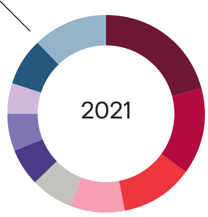
Total sales, MSEK
46 138 (45 188)

Organic sales growth, %
5 (-2)

Operating margin before amortization, MSEK
2 696 (2 069)

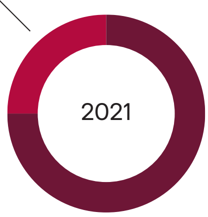
Operating margin, %
5.8 (4.6)

120 000 employees



Share of sales per country

- Germany, 21%
- France, 14%
- Sweden, 12%
- Belgium, 9%
- The Netherlands, 7%
- Eastern Europe, 6%
- The UK, 6%
- Norway, 5%
- Turkey, 4%
- Rest of countries in the segment, 16%



Share of sales per service

- Guarding services 75%
- Security solutions and electronic security 25%
- Other 0%

Markets:
Austria, Belgium, Bosnia and Herzegovina, Croatia, the Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Luxembourg, the Netherlands, Norway, Poland, Romania, Serbia, Slovakia, Sweden, Switzerland, Turkey and the United Kingdom

Security Services Ibero-America

2021 (2020):

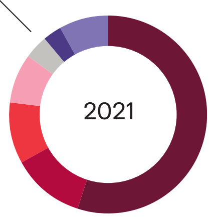
Total sales, MSEK
12 286 (12 552)

Organic sales growth, %
6 (2)

Operating margin before amortization, MSEK
702 (570)

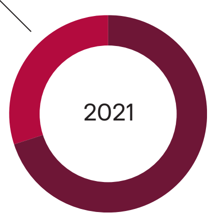
Operating margin, %
5.7 (4.5)

59 000 employees



Share of sales per country

- Spain, 55%
- Argentina, 12%
- Portugal, 10%
- Chile, 8%
- Colombia, 4%
- Peru, 3%
- Rest of countries in the segment, 8%



Share of sales per service

- Guarding services 70%
- Security solutions and electronic security 30%
- Other 0%

Markets:
Argentina, Chile, Colombia, Costa Rica, Ecuador, Peru, Portugal, Spain and Uruguay

AMEA — Africa, the Middle East, Asia and Australia

53 000 employees

Markets:
Australia, China, Hong Kong, India, Indonesia, Morocco, Saudi Arabia, Singapore, South Africa, South Korea, Thailand, the United Arab Emirates and Vietnam

SECURITAS' CLIENTS

Securitas works with clients of all sizes and from all industries looking at the specific need of each client to do a thorough risk assessment. Securitas has approximately 153,000 clients (excluding monitoring-only clients) globally. The majority of Securitas' clients are business clients. Securitas' client base is loyal, with a client retention rate of 90 percent in 2021.

The Company believes that the combination of Securitas' vast branch network and global presence positions the Company well for serving clients with high-security requirements, both locally and globally. Securitas has a dedicated function focusing on global clients ensuring that the security solutions are tailored to the local needs of the clients while being consistent across borders and between continents. In 2021, the Group's global clients accounted for 16 percent of Securitas' total sales. The interest in partnering with Securitas across all security services has increased, as the Company had a higher growth rate among the top ten strategic global clients in 2021 than the average for previous years. The main focus of the global client business is to build deeper relationships and to expand the services from primarily guarding services to intelligent security solutions partnerships. In 2021, client retention from global clients was approximately 95 percent.

To serve the broad client base with varying security needs, Securitas conducts an in-depth analysis together with the clients locally. Securitas combines the client knowledge of its local branch managers with its specialized teams within guarding, technology, or security solutions. Securitas offers specialized security solutions to clients in sectors such as the automotive industry, the petrochemical industry, the retail industry, the telecommunications industry, the logistics industry, high-rise buildings, the healthcare industry and gated communities. These services can be both tailored and standardized as packaged solutions, based on client needs. In addition, there are specialized aviation security solutions that service airports, airlines and airport-related businesses.

SECURITAS' TRANSFORMATION PROGRAMS

The Group strives to be data-driven and efficient in everything it does, as Securitas expects this to contribute to improved quality and ultimately add value to the clients. To achieve this, the Group has invested in business transformation programs for cost savings and efficiency gains.

The first business transformation program was initiated in 2019 within the business segment Security Services North America. There, the Group has now successfully migrated large parts of the business and key activities to modern platforms and applications. These include a cloud-based Enterprise Resource Planning ("**ERP**") platform for HR, finance and other operational processes. The program was finalized at the end of 2021 and the roll-out has been achieved with over 10,000 clients and 120,000 employees. The benefits and value creation from its program are extensive and include all aspects of Securitas' operations. Examples include a more digitalized and automated experience for clients and employees, improved portfolio management capabilities enabling reduced unbilled overtime, as well as wage increases and a clearer view of price/wage transparency in contracts.
The program is on track and the first financial benefits were derived during the fourth quarter of 2021. As the Company further optimizes the systems and ways of working in 2022, it also expects to generate further improvements that will translate into better margins and cash flows.

Securitas launched similar business transformation programs in Security Services Europe and Security Services Ibero-America at the beginning of 2021, which are intended to modernize the Group's European and Ibero-American businesses, enabling them to upscale the execution of the strategy and improve profitability. Compared to the transformation programs for Security Services North America and Security Services Ibero-America, the transformation program for Security Services Europe more closely resembles a portfolio of initiatives aimed to generate improvements and harmonization, of the processes and IS/IT systems, between the different European countries as well as of the organizational structure of the entire segment. Important initiatives in the transformation program include:

- Harmonization of the European organization through implementation of a common work procedure with SMEs, security solutions, resources and capacity.
- Specialization of the organization for technology and security solutions through improved systems, alongside increased capacity and resources to extend the service offering.
- Move, as with the transformation program in North America, a large part of the operations to modern platforms and applications, including operation models for HR, employee management and financial planning. As well as the improvement of client interaction through business intelligence ("**BI**") and digital platforms, enabling effective sales, operations and data-driven decisions.

In 2021, Securitas took important steps in the completion of the planning and procurement of the transformation program together with employees from multiple European countries. The Group aims, through diligent planning, to enable a successful transformation. Investments and results will be divided into sub-projects with coordinated business and cost assumptions. Clear targets and measurements have been set up to assess the progress and results of the transformation program. The Group has also considered the lessons learned from the transformation program in North America to further enable a successful transformation in Europe.

Securitas' transformation program is expected to lead to significant margin improvements and is included in the Group's new operating margin goals of 8 percent by the end of 2025.

Overview of the modernization and efficiency programs

	IT-transformation	Business transformation		
Initiative	IS/IT platform modernization	North America	Ibero-America	Europe
Objective	— Modernize fragmented IT landscape — Build global and scalable IT infrastructure — Ensure data capturing capabilities — Investments into digital collaboration, security officer reporting and global CRM	— End-to-end digitalization of core processes — Modernize operational and financial platforms	*Same as North America*	— Harmonize organizational set-up — Support business-mix change towards Technology & Solutions — Digitalize core processes
Key benefits	— Modern platform enabling transformation programs — Data capture and data analytics at scale — Cost leverage through scale — Improved digital security — Modern and comprehensive internal and external collaboration capabilities	— Improved portfolio and price/wage management capabilities — Increased efficiency through automation — Client and workforce retention	*Same as North America*	— Accelerated growth in Technology & Solutions offering — Enable successful IT investments and internal efficiency

2019
2021
2023
2025

SECURITAS' IT INFRASTRUCTURE
With the aim to position Securitas as a security solutions partner with world-leading technology and expertise, the Group initiated an IT and business transformation program in 2019. The transformation program is focused on four areas: IT transformation, business transformation, front-line digitalization and intelligent services.

The IT transformation has enabled a common, efficient IT infrastructure that will enable the Group to deploy new systems both locally and globally, interact with its clients and make use of the data in an efficient way. The objective of the IT transformation is to establish a modern, secure and scalable IT platform including delivery capabilities across Securitas, which serves as a foundation for the Group's journey to become a security solutions partner with world-leading technology and expertise. The program was closed at the end of 2021 as Securitas realized its goal of achieving MSEK 300 in savings. However, the IT modernization is continuing as part of normal operations and in connection to the support of the ongoing business transformation programs.

Securitas' business transformation programs are aimed at streamlining its business processes and organization. This is expected to add client value, for example, through improved reporting and interaction channels as well as new digital services. For further information about the transformation programs, see "*Transformation programs*" above.

Front-line digitalization

Digitalization for Securitas' sales force
Securitas has a strong commitment to being more client-centric, and a proof point of this focus, but also Securitas' delivery capability, is the Client Excellence program. In just 18 months ending in the last quarter of 2021, Securitas rolled out the platform consisting of a cloud-based Customer Relationship Management ("**CRM**") system, and a common process framework including best practices in 41 countries and to over 4,400 users, primarily in sales but also in operations. In 2023, the Group will complete the process with the rollout in the business segment Security Services North America.

The Client Excellence program gives Securitas one consolidated and consistent 360-degree view of its engagement with the clients. It is designed to drive sales excellence and provides focus on contract and portfolio profitability, enabling improved margins. Securitas believes that the platform has also resulted in higher client satisfaction and from that improved client retention.

Digitalization for Securitas' security officers
The security officer digitalization initiative enables the security officers to manage and consume job-related activities through one digital portal, providing the security officers with modern digital tools to support them in their day-to-day activities and daily reporting, which strengthens their capabilities to do a better job at a client site or on patrol. With digital tools, Securitas enables better and standardized reporting, and also enables a clear visualization of the value that the Group delivers to its customers. The digital tools also drive employee satisfaction as they remove redundant and administrative tasks and allow security officers and other employees to focus on servicing clients. Digital tools are available through user-friendly mobile applications or web interfaces and may include electronic time-keeping apps, pay slips, as well as software that can interpret and standardize reports written by Securitas security officers. Digital capturing of operational guard data through the new tools is an immense and unique source of data to Securitas, that feeds its AI to further advance Securitas' delivery capabilities and produce insights that can be turned into new products and knowledge.

Digitalization for Securitas' clients

Securitas has developed and continues to improve, a digital channel for its clients as part of implementing an omnichannel strategy. Securitas' software, MySecuritas, allows the Group to easily expose the breadth of its product portfolio while also providing the clients with greater transparency and awareness of their security exposure and needs. MySecuritas also allows the security officers to communicate with the clients, which improves the overall security situation of the client site if, for instance, something needs to be repaired or replaced. Client online self-service capabilities also support the reduced cost of operations at the same time as providing added client value. This can directly improve client retention, and Securitas has early evidence of this in pilot markets. Securitas believes that this is especially important in the SMEs client category.

In 2021, Securitas developed and launched MySecuritas to mobile guarding clients in Sweden and Norway. The Group is also doing a soft launch in the United States to selected clients. Based on positive feedback, the Group has continued the development of MySecuritas to adapt and make it available for other client categories, such as Remote Services Clients and Global Clients. Securitas is now planning the rollout of MySecuritas to additional countries and client categories in the coming years, with a focus on Europe and the United States. The value of MySecuritas is expected to continue to build as the Group integrates more data sources and capabilities, including the new digital officer tools, partner products and intelligent services.

The Company also deployed sales support to its website in 2022. The function is a tool for prospecting SMEs to provide information about what kind of facility and security needs they have, in return for a recommendation of relevant security solution packages. If the company decides to proceed with the recommendation and enter into an agreement, the client gets invited to MySecuritas for further support. The function is currently available in Sweden, Denmark and the UK.

Intelligent services

Building on Securitas' sales excellence platform, digital channel solutions and digitalized security officers, the Group assesses these three steppingstones to be vital to add new differentiating services. Over the past three years, Securitas has established a start-up business unit with key skills within user research/user experience ("**UR/UX**"), data science, software development and digital business models. With a focus on data, the new team has developed an emerging, promising product portfolio of high profit margin and high growth digital products now launched in the pilot markets Sweden and Norway. Securitas has deemed the investment in intelligent services and digitalization to be a success and further investments are favorable for the Company's strategy and goals. Securitas has thus created a business function, Securitas Digital, with the mission to develop Securitas' digital store, maximize the value of presence, data and technology to accelerate innovation.

An example of an AI-driven capability is Risk Prediction, offering the possibility to predict the relative risk of a security incident, for example burglary, for a specific client site. This capability has been packaged in various digital products and successfully rolled out in Sweden in a pilot launch. The feedback from clients has been positive. In late 2021, Risk Prediction was launched in Norway as a second market. Leveraging an AI model trained on data from the Swedish market, the team proved stronger prediction accuracy compared to historical Norwegian incident data. This proves a promising scalability of the product to other markets with less requirements on rich local data sets. Today, Risk Prediction has an accuracy of over 80 percent and enables Securitas to be a more proactive partner to its clients. Risk Prediction is sold to SMEs and corporate clients.

Risk Prediction has also successfully been combined with services such as patrolling guarding in an add-on service called Mobile Patrol 2.0. This add-on service is a digital tool, based on AI that provides real-time updates to mobile guarding clients as well as a 30-day forecast of potential incidents.

Securitas also works continuously to develop more innovative solutions with the help of technology and data. Examples of such services under development are sensors that visualize data to security officers' mobile phones to make their work more efficient.

Another example is that Securitas is now in execution of a program to deploy a modern digital tool in collaboration with a global partner. As Securitas has more than 300,000 security officers around the world, consistently working with modern digital tools, the aim of the program is to create comparability between these reports and to aggregate and analyze the data to create value for both Securitas and its clients. The Group has already reached more than 50,000 security officers and the ambition is to at least double the number of security officers with access to the digital tools over the coming three years. With this capacity, Securitas believes that the Group is in a strong position to support global clients, while generating insights on risk, crime and security across the globe. These insights may and are already translating into new capabilities to improve the Group's security solutions delivery, but also into new services that enables Securitas to advise clients on how to best improve their risk, safety and security profiles.

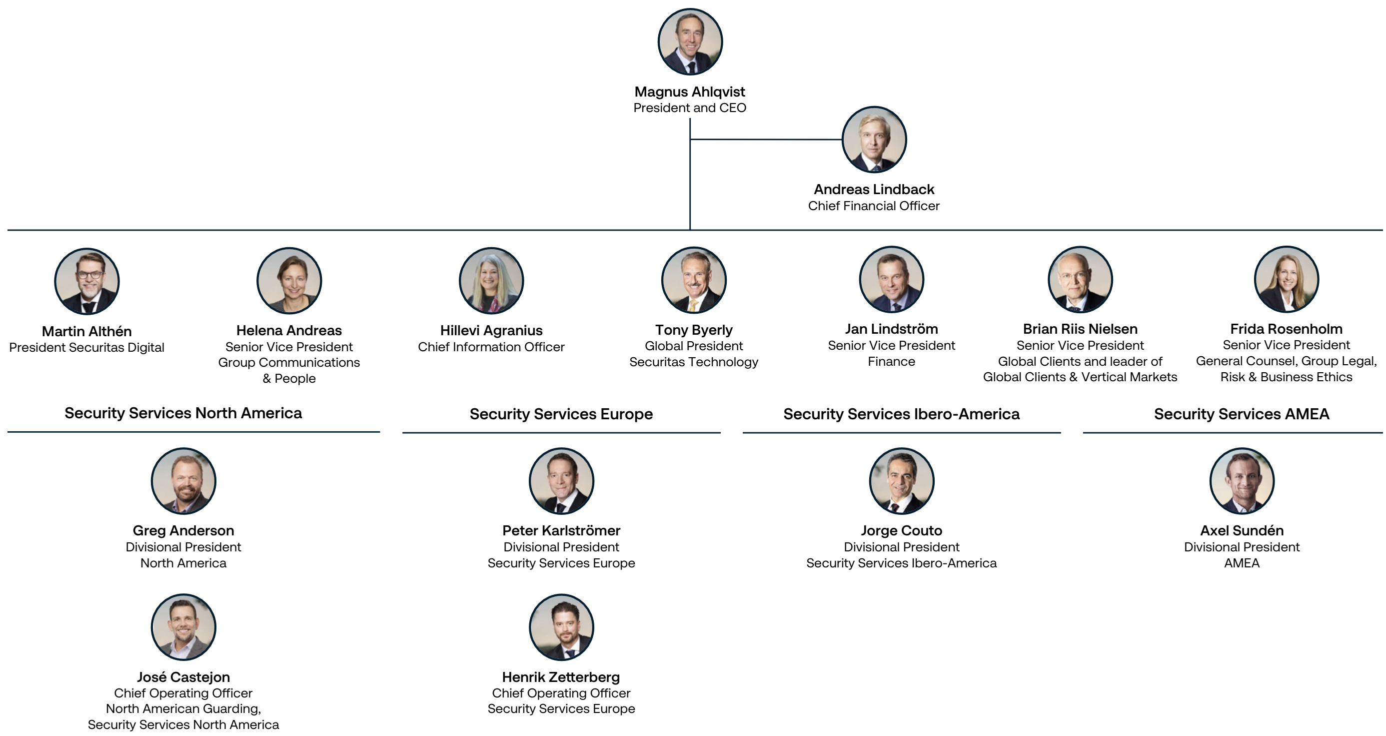
Securitas believes that the Company together with STANLEY Security has a strong starting point to build new and innovative solutions. The Company considers there to be strong scalability in intelligent services with high client values and margin potential of above 20 percent.

ORGANIZATION AND PEOPLE

Organizational structure

Securitas, as the parent company of the Group, consists of group management and support functions and does not conduct any business operations.

Overview over Securitas' Group Management



The Group's business is organized in a flat, decentralized structure with three business segments: Security Services North America, Security Services Europe and Security Services Ibero-America. In addition to these business segments, the Group conducts guarding business in Africa, the Middle East, Asia and Australia, which form the AMEA division. The Group has 1,300 branch offices (as of December 31, 2021) where the daily operations take place. Securitas' management comprises a highly competent and experienced management team with backgrounds both within the organization, as well as from other large public companies. The chart below shows the organizational structure of the Group (see also "*Board of Directors, Group Management and auditor–Group Management*").

Employees

Securitas has over 345,000 employees globally. On average, the share of part-time employees has been 13 percent from 2019 to 2021. The table below shows the number of employees within the Group on June 30, 2022, and December 31, 2021, 2020 and 2019, respectively.

Employees per business segment	Jun 30, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Security Services North America	112,000	113,000	123,000	121,000
Security Services Europe	122,000	120,000	121,000	124,000
Security Services Ibero-America	59,000	59,000	61,000	64,000
Other	55,000	53,000	50,000	61,000
Total	**348,000**	**345,000**	**355,000**	**370,000**

Employees per employment category	Jun 30, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Managers/office personnel	20,451	19,493	18,765	17,879
Security officers/ frontline workers	324,011	323,346	326,508	345,194
Total	**344,462**[1]	**342,839**[1]	**345,273**[1]	**363,073**[1]

1 The difference compared with total number of employees is explained by exited and divested entities not being included, and missing or inadequate information from certain reporting entities.

Corporate culture

Securitas is a purpose-driven company with high ethical standards driven by the core values of integrity, vigilance and helpfulness.

- Integrity means being honest and acting ethically. Securitas is uncompromising in its demands on integrity and truthfulness. The Group insists on its employees' right to openly express their opinions and their duty to report improprieties and other relevant information without risk of retaliation.
- Vigilance means actively paying attention. Securitas' employees must be fully attentive and able to observe, listen and evaluate to protect clients' premises and property and the values and ethics that Securitas represents.
- Helpfulness means being service-oriented and accommodating to clients, colleagues and others who require assistance, whenever needed.

These three values are the foundation of Securitas' operations and the corporate culture is built on these values that help to shape a long-term, financially successful enterprise by creating value for clients, employees and shareholders.

Securitas' corporate culture creates shared values of responsibility, ownership and entrepreneurship. It leads the way to holding together the Company's decentralized organization. The main purpose of the corporate culture is to develop competent, specialized employees and qualified professionals, whose role is to make society safer for everyone. Securitas' success is ultimately measured by the trust that the Company earns from society and its clients. Some of the key elements in the corporate culture include continuous performance measurements and follow-ups, as well as designed incentive structures that make employees personally committed to Securitas' financial development. Securitas values are strongly linked to the Company's management model – “The Securitas Toolbox”. A key function of the toolbox is to convey the corporate culture and create a shared platform using the Company’s values. Securitas’ management model has a methodical structure that includes several well-defined areas or “tools” that serve as a framework at all levels and is maintained through continuous training and discussion forums. The different areas of the model describe how Securitas’ managers are to conduct themselves in various aspects and stages of the Company’s operations. The model also describes the approach Securitas is expected to take to the market, its clients and employees. All Securitas employees are expected to assume responsibility for the clients, the operations and the shared values. Responsibility is clarified through measurement and systematic evaluation of the results.

SUSTAINABILITY

Securitas’ main impact on society is contributing to making it safer. The Group has identified six focus areas that indicate Securitas’ most significant economic, environmental and social impact:

1. Anti-corruption
2. Occupational health and safety
3. Training and development
4. Diversity and inclusion
5. Environment
6. Community involvement

The areas that the Group has defined as material are vital to Securitas’ ability to contribute to safer societies. Decent working conditions, non-discrimination and human rights are always at the core of everything Securitas does.

Anti-corruption

Securitas has operations in 47 markets all over the world and acts with integrity to ensure that Securitas takes an active stand against corruption.

Securitas’ Values and Ethics Code and the Securitas anti-bribery and anti-corruption policy set out minimum requirements that ensure compliance with applicable local and extraterritorial laws. The anti-bribery and anti-corruption policy also set out the principle of zero tolerance for any corrupt practices, with clear definitions, requirements for risk assessment, guidance regarding third party relationships, training and follow-up follow-ups. The policy defines corruption as follows: an act, or lack thereof, with the intent to exploit a person’s position for their own, or someone else’s, gain, whereby the act grants, offers or promises undue advantages or anything of value. The definition further includes accepting such benefits. Local units are instructed to develop their detailed policies on benefits and representations.

The Group Business Ethics function reports to the Group General Counsel with an additional reporting line to the Board of Directors. The scope of the Business Ethics function is anti-bribery and anti-corruption and antitrust risks, including conflicts of interest, as well as grievance mechanisms and suppliers. Controls are performed on several levels within the organization and are established based on the process concerned. Relevant managers and administrative staff must complete a detailed e-learning course on the anti-corruption policy. Approximately 90 percent of the relevant employees completed the first version of the course. A new version of the course on anti-corruption policy was introduced in August 2022.

In October 2021, Securitas launched a new course in values and ethics. The course includes a section on anti-corruption and business ethics. At the end of July 2022, the completion rate was 69 percent among managers and administrative staff.

Occupational health and safety

Security frontline personnel receive appropriate training, instructions and equipment for the assignment in question. Securitas works actively with occupational health and safety issues in all countries. The Company’s operations in 21 countries (46 percent) are ISO45001[81] certified and most countries have health and safety committees. In 2022, a global minimum health and safety standard will be implemented by the Group to ensure that all entities work consistently in this area. The Group standard will be based on the ISO45001 requirements. Securitas closely monitors the number of work-related injuries and work-related ill health.

Training and development

Employee training is a strategic priority for Securitas. To be able to meet its clients’ increasing demands for a higher degree of security and more advanced security solutions, Securitas must continually train and develop its employees and make the best use of the extensive experience and expertise that it has in the organization. As a result of expanding business areas within data-driven intelligent services, Securitas is employing people with new competencies and developing and empowering its existing employees in new capacities. With its focus on innovation, Securitas provides its employees with the tools they need to help clients stay safe. Using technology efficiently requires both a wide set of skills and specialized capabilities. Securitas has its training centers in most countries of operation to ensure that the employees have the necessary competence to provide clients with high-quality security services. By improving the knowledge and skills of employees, the Company contributes to their professional growth and a better understanding of the security profession. Empowering employees means a greater focus on training, skills and opportunities for professional development. The Company also encourages employees to take responsibility early in their careers. In 2021, Securitas continued the implementation of Group-wide learning management systems and launched several mandatory pieces of trainings, for example, an updated version of an e-learning course in Securitas’ Values and Ethics Code. In 2021, the average number of training hours per employee was 28.1.

Securitas started to pilot employee net promotor score (“**NPS**”) surveys in 2021. An employee NPS survey, together with an inclusion index, was piloted in the AMEA division at the end of 2021 and will be rolled out to the rest of the Group during 2022, to cover all countries from 2023 onwards.

81 ISO’s international standard for occupational health and safety.

Diversity and inclusion

Securitas' people make up a valuable resource and and the Company must make sure to use this resource responsibly. To remain an attractive employer, both for its people and for future colleagues, increasing diversity and inclusion is prioritized. A diversity and inclusion program and targets are under development, aimed at for example, building diversity and inclusion awareness at all levels in the Group, developing a transparent recruitment process and re-assessing job role requirements.

In 2018, Securitas set a target that by the end of 2021, the proportion of female managers at all levels of the Company should be at least the same as the proportion of women in the total workforce, which at the end of 2021 was 23 percent. The proportion of female managers was 24 percent on average. The current target focuses on gender, but the Company is working to broaden it to more areas.

The Company has also launched diversity and inclusion training for all employees in 2022.

Environment

The environment was not identified as a material topic in Securitas' materiality analysis, but since the Company is a signatory of the UN Global Compact, a voluntary initiative to implement universal sustainability principles and to take steps to support goals by the United Nations, Securitas needs to be transparent and work to combat climate change. Securitas has therefore reported its carbon dioxide emissions for many years. In June 2022, Securitas became the first global security company to join the Science Based Targets initiative ("SBTi"), a climate initiative and a partnership between CDP (formerly known as the Carbon Disclosure Project), the United Nations Global Compact, the World Resources Institute ("**WRI**") and the WorldWide Fund for Nature ("**WWF**"). The SBTi provides companies with clear guidelines for how emissions should be reduced in alignment with the Paris agreement, meaning measures to limit an increase of the temperature to 1.5 degrees over pre-industrial levels.

To reduce the Group's climate footprint, Securitas has formulated goals under the Greenhouse Gas ("**GHG**") protocol. According to the GHG protocol, emissions are to be reported in different scopes, namely: scope one (direct greenhouse gas emissions), scope two (indirect emissions from electricity, i.e. consumption of electricity, district heating and cooling) and scope three (indirect greenhouse gas emissions, excluding procured energy, occurring outside the operations premises). To reduce the emissions in line with the 1.5 degrees target, Securitas has proposed emission reductions for scopes one and two (between the years 2020 and 2030) of approximately 40 percent. Emission reductions of approximately 40 percent also concern relevant categories of scope three between the years 2020 and 2030, except the category of employees' emissions during commuting, where the target is likely to be set at 25 percent.

Securitas' environmental policy states that the Company should strive to continually reduce its climate impact, focusing primarily on the energy and transport areas. The policy sets limits for carbon dioxide emissions for newly purchased or leased company vehicles. Securitas also participates in CDP, a not-for-profit charity that runs the global disclosure system for inventors, companies, cities, states and regions to manage their environmental impact. The Company strives to follow the United Nations Rio Declaration on Environment and Development's precautionary principle regarding threats of serious or irreversible environmental damage. The Group's operations do not require a permit under the Swedish Environmental Code (Sw. *Miljöbalken (1998:808)*).

Community involvement

Securitas' purpose, "We help make your world a safer place", defines its role in society. The Company takes an active part in the societies where it operates, and community involvement is one way to reinforce its close connection to the local communities. Some initiatives Securitas' has undertaken include cooperating with the organization the National Center for Missing and Exploited Children in the United States, programs together with non-governmental organizations ("**NGOs**") to employ disabled people in Colombia and other Latin American countries, as well as Securitas' work against mental health discrimination together with the organization "Time to Change" in the United Kingdom.

Additional areas at the core of everything Securitas does

Labor practices, non-discrimination and human rights

Decent labor practices, the right to organize, and human rights are all important to Securitas, its employees and clients and to the ability to attract and retain people with the right skill sets and values to meet future demands.

Securitas works in many diverse markets around the world and prioritizes fair wages and working conditions in all of them. Securitas' Values and Ethics Code seeks to ensure that the Group maintains and promotes the highest ethical business standards, and Securitas also uses its influence as one of the largest players in the industry in discussions with clients, unions and industry associations.

Securitas has entered into framework agreements with UNI Global Union, the Swedish Transport Workers' Association and the European Workers' Council in the Security Services Europe business segment. These agreements underline the Company's joint commitment to universal principles concerning business conduct, as outlined by the UN Global Compact and the International Labor Organization's (ILO) core conventions. In countries where Securitas does not have collective bargaining agreements or union representation, the Company encourages other ways of maintaining an open dialog with employees, including workplace meetings, employee representatives, call centers and channels for reporting concerns, such as the Securitas Integrity Line. Securitas does not employ or accept any form of child labor or forced labor. In the countries where the Group operates, there are regulations regarding who can work as a security guard, including age limits. Licenses for security officers are not given to people under the age of 18. An employee's age is also verified as part of the recruitment processes. Securitas' UK operations comply with the disclosure obligations under the Modern Slavery Act 2015. Securitas requires its suppliers to comply with Securitas' Business Partner Code of Conduct, which includes non-acceptance of child labor and forced labor.

Client relations

Developing Securitas' intelligent security services offering is expected to create significant opportunities but will also pose challenges and set high expectations to deliver these solutions responsibly. It is vital that Securitas protects the data that it processes on behalf of its clients. It is also essential that such data is only shared and retained based on client approvals, in accordance with applicable laws and in a way that protects the privacy rights of individuals. At Securitas, policies, processes and training programs are in place for managing the use of big data and to safeguard data privacy, developed in accordance with the EU General Data Protection Regulation ("**GDPR**") as well as local laws and regulations.

Contribution to the United Nations' Sustainable Development Goals

Securitas supports the United Nations' Sustainable Development Goals ("**SDGs**") and considers the goals in its strategy work and daily operations. The Group is also a signatory of the UN Global Compact. Securitas' primary focus is on the following goals and targets, where the Group believes it has opportunities for positive impact.

Gender equality

Target 5.1 (End all forms of discrimination against all women and girls everywhere) and 5.5 (Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life): Securitas is an equal opportunity employer, and all employees are to be treated fairly and equally. Discrimination of women and discrimination based on other characteristics in hiring, compensation, training, promotion, termination, or retirement is never acceptable. The Group believes that diverse work groups contribute to better business and aims to increase the number of women in management positions at all levels.

Decent work and economic growth

Target 8.8 (Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment): Securitas is a large employer with operations in many countries around the world. The Group strives to be a stable and responsible employer that offers good working conditions and opportunities to grow. Decent labor practices, the right to organize and human rights are all vital to Securitas, the employees and the clients. Securitas work actively with health and safety issues and the Group's security officers receive training, instructions and equipment in line with the assignment, to minimize the health and safety risks. The Group does not accept any form of child labor or forced labor.

Industry, innovation and infrastructure

Target 9b (Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities): Securitas continues to develop the security services industry with a strong focus on innovation, both to improve current products and services, and in the development of new ones. The Group also uses data to build smarter reporting and analysis.

Peace, justice and strong institutions

Target 16 (Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels) and target 16.5 (Substantially reduce corruption and bribery in all their forms): Safety and stability are key in a well-functioning society. In an increasingly unpredictable world, Securitas' role is to help companies, infrastructure and government authorities to operate in the way they are intended, without interruptions. The protection of workplaces, public areas and properties, carried out responsibly, plays an important part in how the Group contributes to a safer and more sustainable and productive society. Securitas also has a zero-tolerance policy against all forms of bribery and corruption.

Additional United Nations' SDGs impact

Securitas also has a positive direct or indirect on the following objectives.

Good health and well-being (goal 3)

Securitas works actively with health and safety issues for its employees and helps others while on assignment.

Quality education (goal 4)

Securitas has its training centers in most countries where the Group operates and offers many different courses and programs to its employees.

Affordable and clean energy (goal 7)

Securitas has its own training centers in most countries where the Group operates and offers its employees many different courses and programs.

REGULATORY OVERVIEW

Securitas is a security services provider operating in Europe, North America, Ibero-America, Africa, the Middle East and Asia. As such, the Group is subject to a large number of regulations in various jurisdictions.

Companies operating within the security services industry are typically subject to national, regional and international laws and regulations as well as special requirements from authorities and other entities, such as insurance companies and industry organizations. In addition, certain parts of the Group's business are subject to permit and licensing requirements and the Group's employees, in particular security officers, are subject to various licensing requirements in certain jurisdictions where Securitas operates, including regulations applicable to security officers in certain functions and rules regarding the carrying of weapons. Further, Securitas regularly processes data regarding its clients, employees and partners, which may occasionally be of a personal or sensitive nature. Securitas is therefore also subject to various regulations regarding the processing of personal data.

Below is a summary of the regulatory framework most relevant to the Group's security services operations in Securitas' principal geographies.

Europe

In most European jurisdictions in which the Group operates, there are various permit requirements for security companies. In order to conduct security operations, Securitas must therefore be authorized by the relevant national, regional and/or local authorities in each jurisdiction.

Sweden

Under the Swedish Security Companies Act (Sw. *lagen (1974:191) om bevakningsföretag*), a company must receive authorization to conduct security operations, such as surveillance of properties, facilities and public events, from the County Administrative Board (Sw. *Länsstyrelsen*). An authorization to conduct security operations is granted only if it can be assumed that the company's operations will be, among other things, conducted in a judicious manner and in accordance with good practice in the industry as well as meet the requirements applicable to the operations that the company is to conduct. Further, all employees of an authorized security company, as well as the members and deputies of the company's Board of Directors, must be approved with regard to compliance with the law, civic reliability and general suitability. In addition, special permits are required for security guards. Under the Swedish Security Guards Act (Sw. *lagen (1980:578) om ordningsvakter*), security guards must be trained and appointed by the Swedish Police Authority and, for example, be suitable for their assignments with regard to compliance with the law and other circumstances.

France

Under the French law on private security companies (Code de la Sécurité Intérieure – Book 6) a company must be approved by the French State (article L.612-1 and following of Code de la Sécurité Intérieure) to conduct security operations. In addition, all employees of an authorized security company as well as the company's directors, as defined in the Internal Security Code, must be approved with respect to lawfulness, conditions of morality and general skills. In addition, special authorizations are required for security guards. According to the French law on security (article L.612-20 and following of Code de la Sécurité Intérieure), security guards must be trained and, depending on the sector, for example aviation or monitoring services, obtain a professional card from the Ministry of the Interior.

Germany

Pursuant to German law, security services companies require an authorization (sec. 34a Gewerbeordnung) to provide security services. All employees/security guards have to be registered at the public guard register (Ge. *Bewacherregister*), which then provides clearance on whether the specific employee may provide security services. Further, the company's directors must provide evidence of expertise which is accomplished by passing the qualification examination (Ge. *Sachkundeprüfung*) at the Chamber of Industry and Commerce (Ge. *Industrie- und Handelskammer*). For specific security services, the security guards have to provide the aforementioned evidence of expertise by passing the qualification examination as well. This applies if the security guards provide services such as control in public places, protection from shoplifting, entrance control in front of dance venues or managing the guarding of asylum shelters or large-scale events. All security guards are periodically checked through the public guard register and if the public guard register withdraws its clearance, this guard can no longer provide security services.

GDPR

Further, all companies operating in EU member states are subject to the General Data Protection Regulation ("**GDPR**")[82]. The GDPR contains mandatory rules for the use of personal data, meaning any information which could identify a person, such as names, phone numbers and addresses. The main requirements of the GDPR include that the use of personal data must have a legal basis, and that any processing of personal data must be safe, secure and with a defined purpose. Failure to comply with the GDPR may result in administrative fines up to the higher amount of MEUR 20, or 4.0 percent of the Group's total annual sales. In certain non-EU member states in Europe in which Securitas operates, national equivalents, as applicable, apply.

North America

The Group's operations in North America are subject to numerous federal, state and local laws and regulations related to licensing, building codes and permitting. Most states in which the Group operates have licensing laws directed specifically towards security services, as well as the installation and monitoring of security devices. The Group's business is also subject to requirements, codes, and standards imposed by local government jurisdictions. The Group maintains the relevant and necessary licenses related to the business in the jurisdictions in which it operates. In addition, the operations are subject to regulation under the U.S. Occupational Safety and Health Act and equivalent state laws.

Ibero-America

In most Ibero-American jurisdictions in which the Group operates, there are various permit requirements for security companies. In order to conduct security

82 Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

operations, Securitas must therefore be authorized by the relevant national, regional and/or local authorities in each jurisdiction.

Spain

Under the Spanish Private Security Act, a company must receive authorization to conduct security operations, such as installation and maintenance of security systems, from the Ministry of Internal Affairs. Regarding surveillance services, security guards must also be authorized to perform security services according to the requirements of private security regulations and the authorities has to be notified when the security guards become part of a security company. Moreover, to render security services, it is mandatory to have a contract signed in accordance with the template defined by the Ministry of Internal Affairs.

Portugal

In Portugal, private security companies are required to conduct their operations in accordance with the provisions of the Private Security Law (Law No. 34/2013 of May 16) and complementary legislation (for example, Ordinance no. 273/2013 of August 20 as amended). In order to provide services such as surveillance of properties and facilities, monitoring and installation and/or maintenance of security systems, a company must obtain the legally required licenses or authorizations from the competent entity for their emission. The issuance of a license is dependent on the provision of a deposit and civil liability insurance.

Furthermore, all employees of an authorized private security company, including its directors, managers and employees, must be screened according to certain requirements for suitability, education, nationality and criminal background. Security guards must also have a professional card, obtained through specific training and compliance with other additional mandatory requirements.

The new Group

According to the Company's assessment, the acquisition of STANLEY Security changes Securitas' profile from a guarding company with technology and security solutions capabilities to a security solutions partner with world-leading technology and expertise. Together, Securitas believes that the Company and STANLEY Security will benefit from a strong competitive position in tech-enabled security globally, creating more value for clients while opening up commercial opportunities through a broader offering, combined solutions and innovation capabilities (for further information about the acquisition of STANLEY Security, see "*The acquisition of STANLEY Security*" below).

The Company believes that STANLEY Security's complementary offering of technology-enabled security, together with broadened geographical coverage, is in perfect alignment with Securitas' long-term strategy. Since 2010, Securitas has completed 38 acquisitions in electronic security which, with the acquisition of STANLEY Security, will be reorganized to form the business area Technology. Knowledge from previous transactions, combined with Securitas' previous ownership of STANLEY Security is expected to facilitate the integration process.

In 2021, Securitas' total sales amounted to SEK 107.7 billion, while STANLEY Security's total sales amounted to SEK 14.1 billion[83]. In 2021, Securitas total sales pro forma (i.e. including STANLEY Security) amounted to SEK 121.8 billion.[84] Securitas' operating income before amortization[85] amounted to SEK 6.0 billion and STANLEY Security's operating income before amortization amounted to SEK 1.0 billion[86]. Securitas' operating income before amortization pro forma 2021 amounted to SEK 7.1 billion[87], which corresponds to 5.8 percent of Securitas' total pro forma sales in 2021. In 2021, STANLEY Security's adjusted EBITA amounted to SEK 1.4 billion.[88] The sum of Securitas' operating income before amortization and STANLEY Security's adjusted EBITA corresponds to 6.1 percent of Securitas' pro forma sales in 2021.

SECURITAS TECHNOLOGY

STANLEY Security will be integrated into Securitas and will add approximately 8,000 employees to the Group. Tony Byerly, Global President of Securitas Technology, will lead the business area Technology.

In 2021, Securitas' sales related to tech-enabled security services amounted to SEK 12.2 billion. The average annual exchange-adjusted sales growth[89] for Securitas' tech-enabled security services was 14 percent between 2017 and 2021, and the organic growth before COVID-19[90] amounted to 8 percent. Together with STANLEY Security's total sales of SEK 14.1 billion[91] in 2021, the total combined sales of tech-enabled security services thus amounted to SEK 26.1 billion.

From 2023, Securitas will report its business areas on a sales and operating level, where the business area Technology will be reported jointly with security solutions.[92] In 2021, Securitas' sales related to security solutions and technology amounted to SEK 24.1 billion. The average annual exchange-adjusted sales growth was 13 percent between 2017 and 2021. Together with STANLEY Security's total sales of SEK 14.1 billion, the combined total sales of security solutions and technology amounted to SEK 38.2 billion in 2021.

THE ACQUISITION OF STANLEY SECURITY

On December 8, 2021, Securitas announced that the Company had entered into an agreement to acquire STANLEY Security for a cash purchase price of MUSD 3,200 on a debt and cash free basis. The acquisition closed on July 22, 2022, after the Company had received regulatory approvals from the relevant authorities.

Securitas believes that the future of security will be built around the combination of global presence, connected technology and intelligent use of data and that, together with STANLEY Security, Securitas is well positioned to benefit in this environment with a solid complementary offering and client experience.

Acquisition rationale

Securitas' strategy is to deliver comprehensive, scalable, and innovative security solutions to meet its clients' increasingly complex security needs. Securitas believes that STANLEY Security's offering of technology-enabled security, together with its complementary geographical coverage, is in perfect alignment with this ambition. The acquisition is also an important component in Securitas' new financial target of achieving an average annual exchange-adjusted sales growth of 8–10 percent and an operating margin of 8 percent by the end of 2025, with long-term ambitions of exceeding 10 percent operating margin.

The acquisition changes Securitas' profile from a guarding company with technology and solutions capabilities to a security solutions partner with world-leading technology and expertise. The combined business also creates cross-selling opportunities among Securitas' and STANLEY Security's more than 650,000 clients. Securitas also believes that the dynamics of the security industry will be transformed because of the acquisition, creating an attractive combination of presence, connected technology and intelligent use of data.

83 See "*Pro forma financial information and certain supplementary information*" below.
84 See "*Pro forma financial information and certain supplementary information*" below.
85 See "*Selected historical financial information–Definitions of alternative performance measures*".
86 See "*Pro forma financial information and certain supplementary information*" below.
87 See "*Pro forma financial information and certain supplementary information*" below.
88 See "*Pro forma financial information and certain supplementary information–Adjusted EBITA and EBITDA for STANLEY Security*" below.
89 Sales growth adjusted for changes in the foreign exchange rate.
90 Between the years 2016 and 2019.
91 See "*Pro forma financial information and certain supplementary information*" below.
92 In addition to technology and security solutions, *guarding services and other operations* are included in this section.

The acquisition of STANLEY Security improves Securitas' competitiveness both geographically and in tech-enabled security, making Securitas a truly global technology and security solutions provider. According to Securitas, the combination of both guarding and tech-enabled security is industry-transforming and highly advantageous to clients. Securitas believes that the combined size and expertise in systems integration and monitoring – coupled with a large, specialized technology sales force that can upsell and migrate existing client offerings into higher profit margins – will further generate innovative solutions to meet clients' increasingly complex security needs.

In terms of data, Securitas alone already has a large set of qualitative reporting data from its more than 300,000 security officers, combined with external data sources. The acquisition of STANLEY Security will further add to the access of data, with an additional 750,000 installed equipment streaming data to the Company. This implies that the new Group will have access to approximately 1.7 million installed units streaming data to Securitas. This additional source of data, in combination with Securitas' existing sources of data, is expected to significantly improve the opportunities to create new innovative and data-driven security solutions.

Securitas has built a platform for leading technology and connectivity offerings, which with additional features coming from STANLEY Security supports the shift to cloud and subscription-based business models. This shift is considered an important step to be able to further develop innovative and improved security solutions to for the clients. In addition, Securitas has , after the acquisition of STANLEY Security, over 5,000 technicians with expertise in a broad set of technology equipment, making sure to install the most suitable equipment for the clients to meet their needs of security level with the right features and connectivity. At the same time, the technicians ensure that the equipment installed at the clients' sites is the most optimal for sourcing data back to the Company. In turn, Securitas can analyze the data from its clients and continuously assess the client offering and adjust it according to the clients' needs.

Further, the integration process is expected to benefit from the previous successful acquisitions and integrations of STANLEY Security businesses in five countries[93] at the end of 2020. In addition, Securitas' previous ownership of Niscayah, which later became a part of STANLEY Security, is expected to facilitate the integration process as Securitas is already familiar with STANLEY Security's operations.

Synergies

Securitas believes that the Company will increase its competitiveness in commercial tech-enabled security services globally as a result of the STANLEY Security acquisition. Given the strong complementarity in geographical footprint and the large, combined client base, the Company sees several commercial synergy opportunities, such as:

1) The opportunity to utilize the strength of a large, global sales team to cross-sell Securitas' guarding services to the combined company's 650,000 clients.
2) Strong expertise and greater scale in security drives cross-selling. Securitas and STANLEY Security are one of few players that offers both guarding and tech-enabled security services at a global level.
3) Opportunities to increase the solutions offering, as both Securitas and STANLEY have ongoing initiatives for packaged and standardized solutions for SME clients, offering high margin opportunities.
4) Higher innovation potential to build strong technology and connectivity offerings.

In addition, the acquisition is expected to contribute with cost synergies of approximately MUSD 50, before commercial synergies and strategic benefits. The cost synergies are expected to be realized through improved purchasing position and indirect spend reduction through consolidation of for example real estate, IT and support services. A vast majority of these cost synergies are expected to occur in 2023 and 2024.

Overview of STANLEY Security

Headquartered in Indianapolis in the United States, the global technology security provider STANLEY Security has a 30-year history of protecting its clients world-wide through a portfolio of tech-enabled security services, ranging from alarm monitoring to systems integration, as well as a specialized healthcare offering. STANLEY Security has a strong market position and a large installed base of equipment in the United States and Europe. Additionally, STANLEY Security has compelling technology capabilities, including its own products and innovative SaaS solutions. In 2021, STANLEY Security had approximately 8,000 employees, served 500,000 clients and operated through approximately 200 locations and 16 monitoring centers in the United States, Canada, Mexico, United Kingdom, France, Sweden, Belgium, the Netherlands, Denmark, Finland, Norway and Ireland. STANLEY Security is industrially diversified and serves clients in end markets such as retail, commercial, healthcare, government, residential, and infrastructure.

In 2021, STANLEY Security recorded growth in the order book of installations of 33 percent and generated total sales of SEK 14.1 billion,[94] with an organic growth rate of approximately 7 percent. Approximately 40 percent of the sales in 2021 were recurring sales, and the remaining 60 percent stemmed from installation and products. In relation to Securitas' total recurring sales, the business area Technology stands for approximately 30 percent. Distributed geographically, North America accounted for 57 percent, the Nordics for 19 percent, France for 13 percent, the United Kingdom for 5 percent and the remaining countries in Central Europe for 6 percent of STANLEY Security's sales in 2021. The adjusted EBITDA margin for STANLEY Security corresponded to approximately 11 percent.[95]

93 Germany, Portugal, Switzerland, Singapore and India. See "*Operating and financial review–Acquisitions and divestments*" for further information.
94 See "*Pro forma financial information and certain supplementary information*" below.
95 See "*Pro forma financial information and certain supplementary information–Adjusted EBITA and EBITDA for Stanley Security*" below.

In the first half of 2022, STANLEY Security had a record order book of installations, with a growth amounting to 18 percent compared to the corresponding period the previous year. Total sales amounted to SEK 7.8 billion,[96] with organic sales increasing by 3 percent. The adjusted EBITDA margin amounted to approximately 9 percent,[97] temporarily affected by COVID-19, global supply issues, inflation-driven cost increases and obsolete pricing processes. Profitability improved during the second quarter of 2022 compared to the first quarter of 2022. Pricing, efficiency and cost measures have been implemented, and together with strong commercial activity and increased execution of value creation, this is expected to improve the profitability moving forward.[98]

STANLEY Security's history

1843	The Stanley Works is founded by Frederick Stanley in New Britain, Connecticut, United States. The factory manufactures bolts, hinges, and other hardware.
1991	STANLEY Security is founded as a division within The Stanley Works.
2006	Securitas announces plans to distribute Securitas Systems AB to its shareholders. Securitas Systems AB is distributed the same year and listed on the Stockholm Stock Exchange.
2008	Securitas Systems AB changes name to Niscayah AB.
2010	Completion of the merger between The Stanley Works and Black & Decker. The merged company is named Stanley Black & Decker Inc.
2011	Niscayah AB is acquired by Stanley Black & Decker Inc.
2012	After the acquisition by Stanley Black & Decker Inc., Niscayah AB is integrated with the Stanley Security division under the brand name STANLEY Security.
2017	STANLEY Security divests the majority of the business area Mechanical Security.
2022	On July 22, Securitas completes the acquisition of the STANLEY Security from Stanley Black & Decker Inc.

STANLEY Security's operations

STANLEY Security operates across the entire tech-enabled security value chain with a solid portfolio of innovative security solutions. The company leverages its competencies, expertise, and leadership globally, in order to meet clients' evolving needs for digital security solutions. Key categories in the technology offering include installation, maintenance and monitoring, product sales, and SaaS initiatives.[99]

STANLEY Security's offering can be divided into three businesses: STANLEY Convergent Security Solutions, STANLEY Healthcare Solutions and STANLEY Products and Solutions. STANLEY Security also operates two manufacturing facilities, focused on product assembly of certain healthcare and security products. The facilities employ 220 people and are located in Nebraska, the United States and Exeter, the United Kingdom.

STANLEY Convergent Security Solutions (SCSS)

STANLEY Convergent Security Solutions offers design, installation, service and alarm monitoring primarily to commercial security systems. The business constituted 85.5 percent of STANLEY Security's total sales in 2021.[100] The tech-enabled security solution offering includes systems such as video surveillance, access control, fire systems, intrusion alarms, and monitoring. The operations are primarily located in North America and Europe.

STANLEY Healthcare Solutions (SHS)

STANLEY Healthcare Solutions offers healthcare products and services, including infant protection, patient protection, wander management, fall management, asset tracking and emergency and nurse call offerings for hospitals and senior living facilities. The business constituted 10.5 percent of STANLEY Security's total sales in 2021.[101] The business primarily operates in North America and includes brands such as AeroScout, Hugs and WanderGuard.

STANLEY Products & Solutions (SPS)

STANLEY Products & Solutions specializes in security and access control products which generated 4.0 percent of STANLEY Security's total sales in 2021.[102] The SPS business includes three primary brands: 3xLogic, PACOM and Sonitrol, all of which are primarily sold by STANLEY Security and other systems integrators. 3xLogic has the largest set of products and primarily consists of video and access control products. PACOM is the second largest products line including primarily intrusion and access control systems specializing in large banking and multi-site clients. Sonitrol products include audio-based intrusion, video and access control product lines.

SaaS initiatives

STANLEY Security continues to drive innovation with SaaS offerings. These offerings are typically cloud- and/or web-based services that are sold to the client on a contracted basis with a recurring monthly fee. Clients benefit from SaaS services by the offerings being scalable solutions that are uniform in application with more speed and agility to grow compared to local hardware-based systems. STANLEY Security has developed its own SaaS offering through third-party partnerships.

STANLEY Security's clients

As a business operating in both the systems integration sector and the alarm monitoring sector of the tech-enabled security industry, STANLEY Security works for clients of all sizes, types, and industries. With 200 locations worldwide, STANLEY Security provides personalized services for every client to protect people, assets, and operations. STANLEY Security's largest client categories are retail, healthcare, government, residential, and infrastructure. The security

96 See "*Pro forma financial information and certain supplementary information*" below.
97 See "*Pro forma financial information and certain supplementary information–Adjusted EBITA and EBITDA for Stanley Security*" below.
98 STANLEY Security management information.
99 STANLEY Security management information.
100 Including revenues from SaaS initiatives. STANLEY Security management information.
101 STANLEY Security management information.
102 STANLEY Security management information.

challenges among these clients include mitigation of theft and robbery using intrusion systems and monitoring services, application of remote surveillance to support personnel limitations, enforcement of compliance before permitting visitor access to facilities, and protection of classified data with cybersecurity and network protection.

STANLEY Security's investments

In addition to continuous investments in the operating business between 2019 and 2021, STANLEY Security executed a transformation program under 2019 and 2020 to improve the operations of its commercial electronic security division. The improvements were accomplished by applying new technology such as machine learning and predictive analysis to identify false alarms in incoming alarms, Internet of Things based solutions for SMEs, as well as advanced analysis methods to be able to offer superior insights to clients. The transformation program entailed costs of MUSD 47 in 2019 and MUSD 31 in 2020.

Selected historical financial information

The selected historical financial information presented below as of and for the financial years 2021, 2020 and 2019 (other than non-IFRS measures) have been derived from Securitas' consolidated financial statements for each respective financial year, which have been prepared in accordance with the Swedish Annual Accounts Act (Sw. årsredovisningslagen (1995:1554)), the International Financial Reporting Standards as endorsed by the EU ("IFRS") and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups. Securitas' consolidated financial statements for the financial year 2021 have been audited by the Company's auditor Ernst & Young AB and Securitas' consolidated financial statements for the financial years 2020 and 2019 have been audited by the Company's previous auditor PricewaterhouseCoopers AB. The selected historical financial information presented below as of and for the first half of 2021 and 2022, respectively, (other than non-IFRS measures) have been derived from the Company's unaudited consolidated financial statements for the first half of 2022 (with comparative figures for the corresponding period 2021), which has been reviewed by Ernst & Young AB. Securitas' interim report for the second quarter 2022 has been prepared in accordance with IAS 34 – Interim Financial Reporting and the Swedish Annual Accounts Act. See also "Presentation of financial and other information–Financial information".

Consolidated statement of income

MSEK	Jan–Jun 2022	Jan–Jun 2021	2021	2020	2019
Sales	58,842	51,743	106,538	106,642	109,560
Sales, acquired business	291	570	1,162	1,312	1,339
Total sales	**59,133**	**52,313**	**107,700**	**107,954**	**110,899**
Production expenses	-48,290	-42,863	-87,855	-89,046	-91,588
Gross income	**10,843**	**9,450**	**19,845**	**18,908**	**19,311**
Selling and administrative expenses	-7,677	-6,761	-13,953	-14,100	-13,637
Other operating income	24	21	43	39	34
Share in income of associated companies	22	17	43	45	30
Operating income before amortization	**3,212**	**2,727**	**5,978**	**4,892**	**5,738**
Amortization of acquisition-related intangible assets	-122	-128	-290	-286	-271
Acquisition-related costs	-25	-42	-122	-137	-62
Items affecting comparability	-360	-395	-871	-640	-209
Operating income after amortization	**2,705**	**2,162**	**4,695**	**3,829**	**5,196**
Financial income and expenses	-156	-185	-364	-500	-578
Income before taxes	**2,549**	**1,977**	**4,331**	**3,329**	**4,618**
Current taxes	-720	-576	-1,389	-1,048	-1,200
Deferred taxes	32	42	192	135	-56
Net income for the period	**1,861**	**1,443**	**3,134**	**2,416**	**3,362**
Whereof attributable to:					
Equity holders of the Parent Company	1,858	1,442	3,133	2,419	3,357
Non-controlling interests	3	1	1	-3	5
Earnings per share before and after dilution (SEK)	5.09	3.95	8.59	6.63	9.20
Earnings per share before and after dilution and before items affecting comparability (SEK)	5.90	4.75	10.41	8.02	9.61

Consolidated balance sheet

MSEK	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
ASSETS					
Non-current assets					
Goodwill	25,832	21,974	23,373	21,414	22,157
Acquisition-related intangible assets	1,801	1,583	1,732	1,424	1,563
Other intangible assets	2,036	1,880	1,834	1,788	1,813
Right-of-use assets	3,701	3,305	3,348	3,334	3,489
Other tangible non-current assets	3,716	3,225	3,482	3,262	3,546
Shares in associated companies	378	318	338	311	320
Non-interest-bearing financial non-current assets	1,918	1,797	1,893	1,835	1,799
Interest-bearing financial non-current assets	1,002	411	494	686	437
Total non-current assets	**40,384**	**34,493**	**36,494**	**34,054**	**35,124**
Current assets					
Non-interest-bearing current assets	26,226	22,154	21,857	20,209	22,984
Other interest-bearing current assets	147	290	203	144	134
Liquid funds	3,348	4,156	4,809	4,720	3,948
Total current assets	**29,721**	**26,600**	**26,869**	**25,073**	**27,066**
TOTAL ASSETS	**70,105**	**61,093**	**63,363**	**59,127**	**62,190**
SHAREHOLDERS' EQUITY & LIABILITIES					
Shareholders' equity					
Attributable to equity holders of the Parent Company	23,640	18,088	20,792	17,697	19,569
Non-controlling interest	12	12	8	10	30
Total shareholders' equity	**23,652**	**18,100**	**20,800**	**17,707**	**19,599**
Long-term liabilities					
Non-interest-bearing long-term liabilities	312	266	270	265	361
Long-term lease liabilities	2,824	2,535	2,573	2,554	2,610
Other interest-bearing long-term liabilities	17,041	11,793	12,207	11,694	17,216
Non-interest-bearing provisions	2,175	2,385	2,278	2,477	2,484
Total long-term liabilities	**22,352**	**16,979**	**17,328**	**16,990**	**22,671**
Current liabilites					
Non-interest-bearing current liabilities and provisions	21,060	19,867	19,958	18,793	17,686
Current lease liabilities	1,013	881	897	876	944
Other interest-bearing liabilities	2,028	5,266	4,380	4,761	1,290
Total current liabilities	**24,101**	**26,014**	**25,235**	**24,430**	**19,920**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	**70,105**	**61,093**	**63,363**	**59,127**	**62,190**

Consolidated statement of cash flow

MSEK	Jan–Jun 2022	Jan–Jun 2021	2021	2020	2019
Cash flow					
Cash flow from operations	791	1,961	5,980	8,072	5,747
Cash flow from investing activities	-1,041	-1,048	-3,029	-3,438	-2,534
Cash flow from financing activities	-1,330	-1,478	-2,855	-3,658	-2,521
Cash flow for the period	**-1,580**	**-565**	**96**	**976**	**692**
Change in liquid funds					
Opening balance	4,809	4,720	4,720	3,948	3,229
Cash flow for the period	-1,580	-565	96	976	692
Translation differences	119	1	-7	-204	27
Closing balance	**3,348**	**4,156**	**4,809**	**4,720**	**3,948**
Operating cash flow					
Operating income before amortization	**3,212**	**2,727**	**5,978**	**4,892**	**5,738**
Investments in non-current tangible and intangible assets	-1,588	-1,313	-2,824	-2,787	-3,010
Reversal of depreciation	1,394	1,280	2,704	2,690	2,690
Change in accounts receivable	-1,321	-240	117	123	-239
Change in other operating capital employed	-899	-241	-399	2,289	-277
Cash flow from operating activities	**798**	**2,213**	**5,576**	**7,207**	**4,902**
Financial income and expenses paid	-273	-258	-312	-401	-443
Current taxes paid	-716	-782	-1,265	-862	-1,191
Free cash flow	**-191**	**1,173**	**3,999**	**5,944**	**3,268**
Cash flow from investing activities, acquistitions and divestures	-38	-295	-1,366	-1,801	-574
Cash flow from items affecting comparability	-508	-411	-602	-405	-303
Cash flows from financing activities	-843	-1,032	-1,935	-2,762	-1,699
Cash flow for the period	**-1,580**	**-565**	**96**	**976**	**692**

Key ratios

MSEK	Jan–Jun 2022	Jan–Jun 2021	2021	2020	2019
Total sales	59,133	52,313	107,700	107,954	110,899
Organic sales growth, %*)	5	4	4	0	4
Operating income before amortization*)	3,212	2,727	5,978	4,892	5,738
Operating margin, %*)	5.4	5.2	5.6	4.5	5.2
Operating income after amortization*)	2,705	2,162	4,695	3,829	5,196
Operating margin after amortization, %*)	4.6	4.1	4.4	3.5	4.7
Operating capital employed*)	14,050	9,843	9,908	8,893	13,100
Operating capital employed as % of sales*)	12	9	9	8	12
Return on operating capital employed, %*)	47	48	54	39	50
Capital employed*)	42,061	33,718	35,351	32,042	37,140
Return on capital employed, %*)	13	13	14	13	15
Net debt*)	-18,409	-15,618	-14,551	-14,335	-17,541
Net debt to EBITDA-ratio*)	2.2	2.2	1.9	2.1	2.2
Cash flow from operating activities*)	798	2,213	5,576	7,207	4,902
Cash flow from operating activities, %*)	25	81	93	147	85
Free cash flow*)	-191	1,173	3,999	5,944	3,268
Free cash flow, %*)	-8	60	95	178	83
Earnings per share before and after dilution (SEK)	5.09	3.95	8.59	6.63	9.20
Earnings per share before and after dilution and before items affecting comparability (SEK)*)	5.90	4.75	10.41	8.02	9.61

*) Alternative performance mesure (non-IFRS measure). See also "*Presentation of financial and other information–Alternative performance measures (non-IFRS measures)*".

Definitions of alternative performance measures

Measure	Definition	Reason for use
Organic sales growth, %	Total sales for the period adjusted for acquisitions and changes in exchange rates as a percentage of the previous period's total sales adjusted for divestitures.	Measures the Company's growth generated from the current business adjusted for acquisitions, currency changes and divestments.
Operating income before amortization	Operating income before amortization and impairment of acquisition-related intangible assets and acquisition-related costs and items affecting comparability, but including amortization and depreciation of other intangible assets, buildings and land and machinery and equipment.	Shows the Company's operating profit/loss before effects related to acquisition-related amortization.
Operating margin, %	Operating income before amortization as a percentage of total sales.	Shows operating profit/loss before amortization effects in relation to total sales and is a measurement of profitability of the Company's operational business.
Operating income after amortization	Operating income after amortization and impairment of acquisition-related intangible assets and acquisition-related costs, items affecting comparability and including amortization and depreciation of other intangible assets, buildings and land and machinery and equipment.	Shows the Company's operating profit/loss after effects related to amortization.
Operating margin after amortization, %	Operating income after amortization as a percentage of total sales.	Measures operating profit/loss after amortization effects in relation to total sales and measures the profitability of the Company.
Operating capital employed	Operating capital employed consists of operating non-current tangible and intangible assets and working capital.	Measures how much operating capital is being tied up by the Company's operations.
Operating capital employed as % of sales	Operating capital employed as a percentage of total sales adjusted for full year sales of acquired and divested entities.	Measures how much operating capital is tied up by each SEK of sales.
Return on operating capital employed, %	Operating income before amortization plus items affecting comparability as a percentage of the average balance of operating capital employed.	Assesses the Company's profitability and capital efficiency by measuring how much profit is generated per operating capital employed.
Capital employed	Operating capital employed adjusted for goodwill, acquisition-related intangible assets and shares in associated companies.	Shows how much capital investment that is necessary to operate the business.
Return on capital employed, %	Operating income before amortization plus items affecting comparability as a percentage of the closing balance of capital employed.	Assesses the Company's profitability and capital efficiency by measuring how much profit is generated per capital employed.
Net debt	Interest-bearing long-term and short-term debt less liquid funds and other interest-bearing financial assets.	Measures the Company's total net indebtedness.
Net debt to EBITDA-ratio	Net debt in relation to operating income after amortization plus amortization of acquisition-related intangible assets and depreciation.	Measures the Company's financial leverage.
Cash flow from operating activities	Operating income before amortization adjusted for depreciation and amortization excluding acquisition-related intangible assets, change in accounts receivables, investments in non-current assets, and change in other operating capital employed.	Measures how efficiently the Company converts the operating income before amortization into cash flow from operating activities.
Cash flow from operating activities, %	Cash flow from operating activities as a percentage of operating income before amortization.	Measures the ratio between operating income before amortization and cash flow from operating activities.
Free cash flow	Free cash flow is cash flow from operating activities less net financial items paid and current taxes paid. Cash flow for the year is arrived at when cash flow relating to acquisitions, cash flow from items affecting comparability and cash flow from financing activities is deducted from free cash flow.	Free cash flow is available for acquisitions to grow the business, dividends to Securitas' shareholders and/or amortization of net debt (after adjusting for any cash flow attributable to items affecting comparability).
Free cash flow, %	Free cash flow as a percentage of adjusted income.	Measures the ratio between adjusted income and free cash flow.
Earnings per share before and after dilution, and before items affecting comparability (SEK)[103]	Net income for the period attributable to equity holders of the Parent Company before items affecting comparability in relation to the average number of shares before and after dilution.	Measures the share of the Company's profit adjusted for items affecting comparability attributable to each share outstanding.

103 There are no convertible debenture loans. Consequently, there is no difference before and after dilution regarding earnings per share and number of shares.

Reconciliation of alternative performance measures

Organic sales growth, %

MSEK	Jan–Jun 2022	Jan–Jun 2021	2021	2020	2019
Total sales	59,133	52,313	107,700	107,954	110,899
+/- Currency change	-3,945	5,305	5,484	4,390	-3,693
= Currency adjusted sales growth	**55,188**	**57,618**	**113,184**	**112,344**	**107,206**
- Acquisitions	-291	-570	-1,162	-1,312	-1,339
= (A) Total organic sales	**54,897**	**57,048**	**112,022**	**111,032**	**105,867**
Total sales comparable period	52,313	54,976	107,954	110,899	101,467
- Divestitures	-71	-126	-275	-18	-34
= (B) Total sales comparable period adjusted for divestitures	**52,242**	**54,850**	**107,679**	**110,881**	**101,433**
((A-B)/B) = Organic sales growth, %	**5**	**4**	**4**	**0**	**4**

Operating income before amortization

MSEK	Jan–Jun 2022	Jan–Jun 2021	2021	2020	2019
Total sales	59,133	52,313	107,700	107,954	110,899
- Production expenses	-48,290	-42,863	-87,855	-89,046	-91,588
- Selling and administrative expenses	-7,677	-6,761	-13,953	-14,100	-13,637
+ Other operating income	24	21	43	39	34
+/- Share in income of associated companies	22	17	43	45	30
= Operating income before amortization	**3,212**	**2,727**	**5,978**	**4,892**	**5,738**

Operating margin, %

MSEK	Jan–Jun 2022	Jan–Jun 2021	2021	2020	2019
(A) Operating income before amortization	3,212	2,727	5,978	4,892	5,738
(B) Total sales	59,133	52,313	107,700	107,954	110,899
(A/B) = Operating margin, %	**5.4**	**5.2**	**5.6**	**4.5**	**5.2**

Operating income after amortization

MSEK	Jan–Jun 2022	Jan–Jun 2021	2021	2020	2019
Net income for the period	1,861	1,443	3,134	2,416	3,362
+/- Deferred taxes	-32	-42	-192	-135	56
+/- Current taxes	720	576	1,389	1,048	1,200
+/- Financial income and expenses	156	185	364	500	578
= Operating income after amortization	**2,705**	**2,162**	**4,695**	**3,829**	**5,196**

Operating margin after amortization, %

MSEK	Jan–Jun 2022	Jan–Jun 2021	2021	2020	2019
(A) Operating income after amortization	2,705	2,162	4,695	3,829	5,196
(B) Total sales	59,133	52,313	107,700	107,954	110,899
(A/B) = Operating margin after amortization, %	**4.6**	**4.1**	**4.4**	**3.5**	**4.7**

Operating capital employed

MSEK	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Other intangible assets	2,036	1,880	1,834	1,788	1,813
+ Right-of-use assets	3,701	3,305	3,348	3,334	3,489
+ Other tangible non-current assets	3,716	3,225	3,482	3,262	3,546
+ Non-interest-bearing financial non-current assets	1,918	1,797	1,893	1,835	1,799
+ Non-interest-bearing current assets	26,226	22,154	21,857	20,209	22,984
= (A) Assets included in Operating capital employed	**37,597**	**32,361**	**32,414**	**30,428**	**33,631**
Non-interest-bearing long-term liabilities	312	266	270	265	361
+ Non-interest-bearing provisions	2,175	2,385	2,278	2,477	2,484
+ Non-interest-bearing current liabilities and provisions	21,060	19,867	19,958	18,793	17,686
= (B) Liabilities and Provisions included in Operating capital employed	**23,547**	**22,518**	**22,506**	**21,535**	**20,531**
(A-B) = Operating capital employed	**14,050**	**9,843**	**9,908**	**8,893**	**13,100**

Operating capital employed as % of total sales

MSEK	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
(A) Operating capital employed	14,050	9,843	9,908	8,893	13,100
(B) Total sales adjusted for the full-year sales of acquired and divested entities	121,310	105,560	108,006	108,832	111,469
(A/B) = Operativt sysselsatt kapital i % av försäljning	**12**	**9**	**9**	**8**	**12**

Return on operating capital employed, %

MSEK	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
(A) Operating income before amortization (rolling 12 months)	6,463	5,458	5,978	4,892	5,738
+ Items affecting comparability[104] (rolling 12 months)	-836	-929	-871	-640	-209
= (B) Adjusted operating income before amortization (rolling 12 months)	**5,627**	**4,529**	**5,107**	**4,252**	**5,529**
(C) Closing balance operating capital employed	14,050	9,843	9,908	8,893	13,100
(D) Opening balance operating capital employed	9,908	8,893	8,893	13,100	9,199
((C+D)/2) = E Average balance operating capital employed	11,979	9,368	9,401	**10,997**	**11,150**
(B/E) = Return on operating capital employed, %	**47**	**48**	**54**	**39**	**50**

Capital employed

MSEK	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Operating capital employed	14,050	9,843	9,908	8,893	13,100
+ Goodwill	25,832	21,974	23,373	21,414	22,157
+ Acquisition-related intangible assets	1,801	1,583	1,732	1,424	1,563
+ Shares in associated companies	378	318	338	311	320
= Capital employed	**42,061**	**33,718**	**35,351**	**32,042**	**37,140**

Return on capital employed, %

MSEK	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
(A) Operating income before amortization (rolling 12 months)	6,463	5,458	5,978	4,892	5,738
+ Items affecting comparability[105] (rolling 12 months)	-836	-929	-871	-640	-209
= (B) Adjusted operating income before amortization (rolling 12 months)	**5,627**	**4,529**	**5,107**	**4,252**	**5,529**
(C) Closing balance capital employed	42,061	33,718	35,351	32,042	37,140
(B/C) = Return on operating capital employed, %	**13**	**13**	**14**	**13**	**15**

Net debt

MSEK	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Interest-bearing financial non-current assets	1,002	411	494	686	437
+ Other interest-bearing current assets	147	290	203	144	134
+ Liquid funds	3,348	4,156	4,809	4,720	3,948
= (A) Assets included in Net debt	**4,497**	**4,857**	**5,506**	**5,550**	**4,519**
Long-term lease liabilities	2,824	2,535	2,573	2,554	2,610
+ Other interest-bearing long-term liabilities	17,041	11,793	12,207	11,694	17,216
+ Current lease liabilities	1,013	881	897	876	944
+ Other interest-bearing current liabilities	2,028	5,266	4,380	4,761	1,290
= (B) Liabilities included in Net debt	**22,906**	**20,475**	**20,057**	**19,885**	**22,060**
(A-B) = Net debt	**-18,409**	**-15,618**	**-14,551**	**-14,335**	**-17,541**

Net debt to EBITDA-ratio

MSEK	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
(A) Net debt	-18,409	-15,618	-14,551	-14,335	-17,541
(B) Operating income after amortization (rolling 12 months)	5,238	4,157	4,695	3,829	5,196
+ Amortization of acquistion-related intangible assets (rolling 12 months)	284	273	290	286	271
+ Depreciation and amortization of other tangible and intangible assets (rolling 12 months)	2,818	2,602	2,704	2,690	2,690
= (C) EBITDA (rolling 12 months)	**8,340**	**7,032**	**7,689**	**6,805**	**8,157**
(A/C) = Net debt to EBITDA-ratio	**2,2**	**2.2**	**1.9**	**2.1**	**2.2**

104 For further information of items included in items affecting comparability, see "*Description of income statement line items–Items affecting comparability*".
105 For further information of items included in items affecting comparability, see "*Description of income statement line items–Items affecting comparability*".

Cash flow from operating activities

MSEK	Jan–Jun 2022	Jan–Jun 2021	2021	2020	2019
Operating income before amortization	3,212	2,727	5,978	4,892	5,738
- Investments in non-current tangible and intangible assets	-1,588	-1,313	-2,824	-2,787	-3,010
+ Reversal of depreciation	1,394	1,280	2,704	2,690	2,690
+/- Change in accounts receivable	-1,321	-240	117	123	-239
+/- Change in other operating capital employed	-899	-241	-399	2,289	-277
= Cash flow from operating activities	**798**	**2,213**	**5,576**	**7,207**	**4,902**

Cash flow from operating activities, %

MSEK	Jan–Jun 2022	Jan–Jun 2021	2021	2020	2019
(A) Cash flow from operating activities	798	2,213	5,576	7,207	4,902
(B) Operating income before amortization	3,212	2,727	5,978	4,892	5,738
(A/B) = Cash flow from operating activities, %	**25**	**81**	**93**	**147**	**85**

Free cash flow

MSEK	Jan–Jun 2022	Jan–Jun 2021	2021	2020	2019
Cash flow from operating activities	798	2,213	5,576	7,207	4,902
- Financial income and expenses paid	-273	-258	-312	-401	-443
- Current taxes paid	-716	-782	-1,265	-862	-1,191
= Free cash flow	**-191**	**1,173**	**3,999**	**5,944**	**3,268**

Free cash flow, %

MSEK	Jan–Jun 2022	Jan–Jun 2021	2021	2020	2019
(A) Free cash flow	-191	1,173	3,999	5,944	3,268
(B) Operating income before amortization	3,212	2,727	5,978	4,892	5,738
- Financial income and expenses	-156	-185	-364	-500	-578
- Revaluation of financial instruments included in financial income and expenses	0	0	0	-1	1
- Current taxes	-720	-576	-1,389	-1,048	-1,200
= (C) Adjusted income	2,336	1,966	4,225	3,343	3,961
(A/C) = Free cash flow, %	**-8**	**60**	**95**	**178**	**83**

Earnings per share before and after dilution and before items affecting comparability (SEK)

MSEK	Jan–Jun 2022	Jan–Jun 2021	2021	2020	2019
Net income for the period	1,861	1,443	3,134	2,416	3,362
+ Items affecting comparability	360	395	871	640	209
- Tax on items affecting comparability	-65	-104	-206	-133	-57
- Non-controlling interests	-3	-1	-1	3	-5
= (A) Net income for the period attributable to Equity holders of the Parent Company	2,153	1,733	3,798	2,926	3,509
(B) Average numbers of shares outstanding	364,583,897	364,895,223	364,738,281	364,933,897	364,993,486
(A/B) = Earnings per share before and after dilution and before items affecting comparability (SEK) [106]	**5.90**	**4.75**	**10.41**	**8.02**	**9.61**

106 There are no convertible debenture loans. Consequently, there is no difference before and after dilution regarding earnings per share and number of shares.

Operating and financial review

The following operating and financial review should be read together with the Company's audited consolidated financial statements as of and for the financial years 2021, 2020 and 2019, respectively, and unaudited consolidated financial statements as of and for the first half of 2022 (with comparative figures for the corresponding period 2021), with associated notes, which have been incorporated by reference in this prospectus (see "Legal considerations and supplementary information–Incorporation by reference, etc."). The following section contains forward-looking statements that reflect the current view of the Company and involve inherent risks and uncertainties. Securitas' actual results may differ significantly from the results discussed in the forward-looking statements as a result of factors discussed below and elsewhere in this prospectus. See "Important information–Forward-looking statements" and "Risk factors" elsewhere in this prospectus.

OVERVIEW

Securitas is a global security services provider with operations in 47 markets. Securitas serves a wide range of clients of all sizes in a variety of industries and segments. Security solutions based on client-specific needs are built through different combinations of on-site, mobile and remote guarding, technology, fire and safety and corporate risk management. Securitas adapts its security solutions based on the risks and needs of each client through increased client engagement and continuously enhanced knowledge. In 2021, the Group consisted of the business segments Security Services North America, Security Services Europe and Security Services Ibero-America. In addition, the Group conducts operations in Africa, the Middle East, Asia and Australia, which form the AMEA division (included in "Other" in Securitas' segment reporting).

KEY FACTORS AFFECTING THE RESULTS OF OPERATIONS

Securitas' results have been, and will be, affected by a number of factors, some of which are beyond Securitas' control. Presented below is a description of the key factors that Securitas considers to have affected the results of operations during the periods addressed in this section and which can be expected to continue to affect Securitas' results in the future.

COVID-19 and the macro-economic environment

Securitas, as well as other companies, continue to face the challenge of COVID-19, which has impacted the Group's result in different ways and poses an additional challenge when making estimates and judgments. COVID-19 has previously affected Securitas' operations through decreased sales within certain client segments, for example within the aviation and airport sectors. It is still unclear when certain service levels will return to normal levels and to what extent any future costs will be further supported by government grants. COVID-19 has previously affected the results of Securitas' operations through related extra sales. With government support measures in the form of cash grants and deferred payment schemes being unwound, the valuation of accounts receivable remains another key topic in relation to estimates and judgments in preparing the statement of income and balance sheet as well as disclosures. Throughout the pandemic, increased demand for security services at, for example, hospitals, testing and vaccine centers has to a certain extent impacted the result positively. Such extra sales are highly contingent on the further spread of COVID-19 and are likely to decrease over time.

Further, risks related to the general macro-economic environment still remain, including the recent increase in inflation and interest rates, supply chain issues and it is still unclear what type of impact COVID-19 will have in terms of economic development and recovery of the different markets and geographies in which Securitas operates, including potential labor shortages.

The geopolitical situation in the world has changed radically with Russia's invasion of Ukraine at the end of February 2022. Securitas has no operations either in Russia or in Ukraine, but will follow the development closely and contribute to a safer society where possible.

New and existing client contracts

Securitas' results are affected by newly signed contracts, increasing its monthly fixed sales, and the development of its client contract portfolio, which is affected by increased or reduced sales in existing contracts or terminated client contracts. In response to changing client demands and trends in the security services market, Securitas is continuously developing its offering to be able to meet the clients' security services needs. The services can be tailored into new solutions for the clients, enabling an improved offering and resource efficiency. Securitas believes that the cross-selling of traditional guarding services and technology-enabled services allows for the Comapny to develop and maintain a deeper relationship with the client and enables increased contract stability over time. Given the Group's broad portfolio of security solutions, there is potential to constantly review clients' needs for both new and updated security services enabled by the comprehensiveness of Securitas' security solutions See "*Business overview–Security solutions*" for further information.

Acquisitions of new businesses

In addition to organic growth resulting from new and/or increased client contracts, Securitas has grown by a significant number of acquisitions over the years and will, as part of the Group's strategy, continue to acquire security companies. Sales from acquired businesses become an integral part of Securitas growth, affected by the Group's ability to integrate new companies into the operations. Uncertainty regarding the profitability of the acquired company once integrated into the Group and/or certain costs in connection with the acquisition could impact the results of operations. On December 8, 2021, Securitas entered into an agreement to acquire the Electronic Security Solutions business from Stanley Black & Decker Inc. The acquisition and integration of new companies always carry certain risks. The profitability of the acquired company may be lower than expected and/or certain costs in connection with the acquisition may be higher than expected. See "*Risk factors–Securitas is exposed to risks associated with mergers, acquisitions and divestments*" for further information.

Product mix
Securitas' main offering comprises guarding services, tech-enabled security services and solutions, which all have different types of profitability. The mix of the services and solutions may affect Securitas' profit. In general, technology and security solutions have higher profitability than guarding services. The acquisition of STANLEY Security is expected to be immediately accretive to the Group's operating margin on completion, with approximately 50 percent of the Group's profit contribution expected to be generated from solutions and technology going forward and lead to substantial operating margin improvement over time.

Operational capacity and execution
Securitas' results are affected by its daily operations and the services Securitas provides to its clients, including factors related to the necessary infrastructure to run the business. For example, when services do not meet the required standards and result in loss of property or bodily injury. Proper recruitment, training and supervision of security officers are important measures to mitigate these adverse factors.

Ability to control costs
Securitas' profitability is affected by its ability to manage its various operating costs and expenses, of which production expenses constitute the largest portion. Included in production expenses are wages and related costs, the cost of equipment used when performing professional duties, and all other costs directly related to the performance of services invoiced.

The security services sector is affected by wage inflation. In a rising wage environment, Securitas needs to manage increases in prices and salaries desirably. Salaries and social benefits for the Group's approximately 345,000 employees accounted for 81 percent of the Group's total operating expenses in 2021. If Securitas is unable to balance higher salaries with higher prices, the Group's margins and profitability could be materially affected. See "*Risk factors–Securitas is exposed to risks relating to macroeconomic factors and geopolitical conditions*" for further information.

Timing and outcome of the IT and business transformation programs
With the aim to position Securitas as a security solutions partner with world-leading technology and expertise, the Group initiated an IT and business transformation in 2019. The objective of the IT transformation is to establish a modern, secure, and scalable IT platform including delivery capabilities across Securitas. The program was completed at the end of 2021.

Securitas' business transformation programs are aimed at streamlining its business processes and organization. This is expected to pave the way for adding client value, for example, through improved reporting and interaction channels as well as new digital services. The transformation programs all have clearly defined operating margin targets associated with them. The programs progressed according to plan during 2021, and the first financial benefits were derived from North America during the same year.

If the timetable of the IT or business transformation programs would change, Securitas' results may be affected either positively or negatively.

Capital expenditure
In general, Securitas' operations are not capital intensive. Most of Securitas' capital expenditures ("**capex**") relate to equipment for solution contracts, IT and software and vehicles used in the production. In 2021, capex excluding rights-of-use ("**RoU**") assets amounted to MSEK 1,785. The largest element of the 2021 capex allocation is machinery and equipment, which comprises vehicles, equipment, security equipment (including alarm systems) and IT and telecom equipment. For the Security Services Europe and Security Services Ibero-America segments, capital expenditure of approximately MSEK 1,100 will be invested in IT systems over the years 2021 to 2023, excluding the impact of the new accounting treatment for cloud computing. Capital expenditure, including transformation programs, represents less than three percent of the Group's annual sales.

Foreign currency exposure
Securitas generates sales and costs in foreign currencies, including USD, GBP and EUR, and is thus exposed to exchange rate changes compared to the Group's reporting currency, SEK. The Group also has assets and liabilities denominated in foreign currency, which means further exposure to exchange rate fluctuations. The Group has a robust financial risk management program in place, which focuses on the unpredictability of the financial markets, and aims to minimize potential adverse effects on the financial performance of the Group.

Client concentration and exposure
Securitas' profitability is affected by the concentration of its client portfolio. The Group has generally low risk in accounts receivables for several reasons. Specifically, a large proportion of sales are based on contracts with well-known large and medium sized clients with an established and long-term relationship. This provides for transparent and safe collection of invoices. In addition, there are few clients that represent a significant portion of total sales.

The Company's profitability is also affected by its clients geographic and industrial exposure. Securitas' clients are dispersed in a large number of sectors including governments, utilities, the financial sector, travel, logistics and industrial. Hence, the exposure to financial distress in any particular sector or region is relatively limited. Securitas' services are also, although vital in many aspects, mostly ancillary to the business of the clients. This means that the cost of security services represents a small fraction of the total costs of running clients' businesses, making Securitas less exposed to payment defaults than suppliers of services or goods more directly involved in the value chain.

DESCRIPTION OF INCOME STATEMENT LINE ITEMS

Sales

Sales, which in addition to contract-based sales, includes short-term guarding assignments but also alarm installations, certain maintenance services, product sales and certain risk management services.

Sales, acquired business

Sales from acquired business which can include both contract-based sales but also alarm installations, certain maintenance services, product sales and certain risk management services.

Production expenses

Wages and related costs, the cost of equipment used when performing professional duties, and all other costs directly related to the performance of services invoiced.

Selling and administrative expenses

All costs of selling, administration and management including branch office expenses. The primary function of the branch offices is to provide the production with administrative support as well as to serve as a sales channel.

Other operating income

Other operating income consists mainly of trademark fees for the use of the Securitas brand name.

Share in income of associated companies

Share in income of associates is recognized in the consolidated statement of income. Depending on the purpose of the investment, share in income of associates is included either in operating income, if it is related to associates that have been acquired to contribute to the operations, or in income before taxes as a separate line within net financial items, if it is related to associates that have been acquired as part of the financing of the Group. In both cases the share in income of associates is net of tax. All associates in the Group are currently classified as operational associates.

Operating income before amortization

Operating income before amortization and impairment of acquisition-related intangible assets, acquisition-related costs and items affecting comparability, but including amortization and depreciation of other intangible assets, buildings and land and machinery and equipment.

Amortization of acquisition-related intangible assets

Securitas' acquisition-related intangible assets mainly relate to client contract portfolios and the related client relationships. The useful life of client contract portfolios and the related client relationships is based on the churn rate of the acquired portfolio and is normally between 3 and 10 years, corresponding to a yearly amortization of between 10.0 percent and 33.3 percent, but there are also lower churn rates for certain portfolios and thus as a longer amortization period than 10 years.

Acquisition-related costs

All acquisition-related transaction costs are expensed. These costs are in the Group accounted for on a line in the statement of income named acquisition-related costs. Costs accounted for on this line are transaction costs, revaluation (including discounting) of contingent considerations and acquisition-related option liabilities, revaluation to fair value of previously acquired shares in step acquisitions and acquisition-related restructuring and integration costs. Due to the size and impact, acquisition-related costs for STANLEY Security are accounted for as items affecting comparability.

Items affecting comparability

Items affecting comparability includes events and transactions with significant effects, which are relevant for understanding the Group's financial performance when comparing income for the current period with previous periods. They include capital gains and losses arising from the disposal of operations that are material individually or aggregated, material impairment losses and bad debt losses, litigations and insurance claims and other material income and expense items that affect comparability. The latter thus also includes costs for material restructuring and transformation programs such as the Group´s cost savings programs and the transformation programs for further digitization of the company. Costs relating to the STANLEY Security acquisition also have an impact that is relevant to account for as items affecting comparability when comparing income for the current period with previous periods. In 2021, this includes transaction costs but will also include acquisition-related restructuring and integrations costs in the coming period as these are deemed to affect comparability.

Operating income after amortization

Operating income after amortization and impairment of acquisition-related intangible assets, acquisition-related costs and items affecting comparability, as well as amortization and depreciation of other intangible assets, buildings and land and machinery and equipment.

Financial income and expenses

Financial income and expenses related to interest-bearing financial assets and financial liabilities, as well as other income statement elements to be classified as financial income and expenses. Such items may include exchange rate differences on financial assets and liabilities, revaluation of financial instruments, the net monetary gain on remeasurement for hyperinflation and other financial income and expense items.

Tax

Paid and deferred corporate income tax levied on the profit before tax in accordance with the tax rate in each tax jurisdiction.

FIRST HALF OF 2022 COMPARED TO THE FIRST HALF OF 2021

Sales

Sales amounted to MSEK 59,133 (52,313) and organic sales growth was 5 percent (4), driven by the business segments Security Services Europe and Security Services Ibero-America. Extra sales[107] amounted to 13 percent (16) of total sales. Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 5 percent (5).

Solutions and technology[108] sales amounted to MSEK 13,660 (11,605) or 23 percent (22) of total sales during the first half of 2022. Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 11 percent (7).

Sales Security Services North America

Sales amounted to MSEK 25,906 (22,857) and organic sales growth was -1 percent (5). The decline in organic sales growth is primarily related to terminated security contracts within the healthcare client segment and airport security in Hawaii. The lower level of COVID-19 related extra sales also had a negative impact compared to the first half of 2021. The installation business within technology security hampered the organic sales growth in the first half of 2022, negatively impacted by global supply chain shortages and labor shortage mainly in the first quarter. The client retention rate was 85 percent (90).

Solutions and technology sales represented MSEK 4,875 (4,029) or 19 percent (18) of total sales in the business segment, with real sales growth of 6 percent (6) in the first half of 2022.

Sales Security Services Europe

Sales amounted to MSEK 24,727 (22,268). The organic sales growth was 9 percent (3) during the first half of 2022, with most countries contributing to organic sales growth. There was good sales momentum within security solutions and technology and continued post COVID-19 recovery, particularly in the airport security business. Strong price increases contributed to organic sales growth in combination with hyper inflationary environment in Turkey. The client retention rate was 91 percent (92).

Solutions and technology sales represented MSEK 6,269 (5,339) or 25 percent (24) of total sales in the business segment, with real sales growth of 15 percent (8) in the first half of 2022.

Sales Security Services Ibero-America

Sales amounted to MSEK 6,995 (5,922) and organic sales growth was 15 percent (2). Organic sales growth in Spain was 10 percent (4) with a strong development across the business. Organic sales growth in Latin America improved compared to the corresponding period last year. Most countries showed positive organic sales growth, although price increases in Argentina were the primary driver. There was good sales momentum within security solutions and technology security, and continued post COVID-19 recovery, including in the airport security business, also supported. The client retention rate was 92 percent (88).

Solutions and technology sales represented MSEK 2,078 (1,806) or 30 percent (30) of total sales in the business segment, with real sales growth of 10 percent (4) in the first half of 2022.

Operating income before amortization

Operating income before amortization amounted to MSEK 3,212 (2,727) which, adjusted for changes in exchange rates, represented a real change of 8 percent (40). The Group's operating margin was 5.4 percent (5.2), an improvement driven by Security Services North America and Security Services Ibero-America. Total price adjustments in the Group were higher than the wage cost increases in the first half of 2022.

Operating income before amortization Security Services North America

Operating income before amortization amounted to MSEK 1,796 (1,494). The operating margin was 6.9 percent (6.5), supported by all business units. The operating margin in Guarding improved despite the lower level of COVID-19 related extra sales and the impact of labor pressure, supported by the finalized business transformation program and the above-mentioned contract terminations at below average operating margins. Technology security had a strong operating margin development driven by business mix and solid operational execution. Pinkerton performed well and the margin was supported by strong sales leverage. Critical Infrastructure Services also improved the operating margin, supported by active portfolio management.

The SEK exchange rate weakened against the USD, which had a positive effect on operating income in SEK. The real change was 5 percent (28) in the first half of 2022.

Operating income before amortization Security Services Europe

Operating income before amortization amounted to MSEK 1,293 (1,183). The operating margin was 5.2 percent (5.3), a decline due to a higher level of COVID-19 related sickness costs and increased costs related to labor shortage. The operating margin was supported by active portfolio management, previously implemented cost measures and cost leverage on the strong sales growth. The contribution from previously acquired technology security businesses also impacted the margin positively.

The SEK exchange rate weakened primarily against the EUR, but was offset by the development of the Turkish lira. The real change in operating margin was 9 percent (53) in the first half of 2022.

Operating income before amortization Security Services Ibero-America

Operating income before amortization amounted to MSEK 409 (315). The operating margin was 5.8 percent (5.3), primarily driven by a strong performance in Spain and Portugal. The operating margin in Latin America improved compared to the corresponding period last year, supported by several countries although hampered by Argentina, where market conditions remained challenging.

107 Extra sales, in addition to contract-based sales, includes short-term guarding assignments but also alarm installations, certain maintenance services, product sales and certain risk management services.
108 Previously denoted security solutions and electronic security in the segment reporting.

The SEK exchange rate weakened primarily against the EUR, which had a positive effect on operating income in SEK. The real change in the segment was 24 percent (26) in the first half of 2022.

Operating income after amortization
Operating income after amortization amounted to MSEK 2,705 (2,162). Amortization of acquisition-related intangible assets amounted to MSEK -122 (-128). Acquisition-related costs were MSEK -25 (-42). Items affecting comparability were MSEK -360 (-395), whereof MSEK -290 (-92) related to the transformation programs in Europe and Ibero-America. Items affecting comparability also included MSEK -70 (0) relating to the acquisition of STANLEY Security.

Financial income and expenses
Financial income and expenses amounted to MSEK -156 (-185), negatively impacted by higher interest rates but offset by the positive impact of foreign exchange gains and the IAS 29 adjustments for hyperinflation.

Income before taxes
Income before taxes amounted to MSEK 2,549 (1,977).

Taxes
The Group's tax rate was 27.0 percent (27.0). The tax rate before tax on items affecting comparability was 25.9 percent (26.9).

Net income
Net income was MSEK 1,861 (1,443).

Earnings per share
Earnings per share was SEK 5.09 (3.95), a total change of 29 percent compared to the corresponding period last year. The real change in earnings per share in the first half of 2022 was 16 percent. Earnings per share before items affecting comparability amounted to SEK 5.90 (4.75), representing a total change of 24 percent compared with the corresponding period last year and a real change of 11 percent in the first half of 2022.

2021 COMPARED TO 2020
Sales
Sales amounted to MSEK 107,700 (107,954) and organic sales growth was 4 percent (0) where all business segments contributed. Extra sales[109] amounted to 15 percent (16) of total sales. Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 5 percent (1).

Solutions and technology[110] sales amounted to MSEK 24,105 (23,478) or 22 percent (22) of total sales in 2021. Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 8 percent (5).

Sales Security Services North America
Sales amounted to MSEK 46,747 (47,801) and organic sales growth was 3 percent (2). All business units improved except Guarding, where the level of COVID-19 related extra sales decreased compared to last year. The business units Technology Security and Critical Infrastructure Services gradually recovered from the severe impacts from the COVID-19 pandemic last year, and Pinkerton had a strong development across the business. The client retention rate was 86 percent (91), negatively impacted contract losses related to airport security in Hawaii and within the healthcare segment, but excluding COVID-19 related temporary reductions.

Solutions and technology sales represented MSEK 8,279 (8,365) or 18 percent (17) of total sales in the business segment in 2021.

Sales Security Services Europe
Sales amounted to MSEK 46,138 (45,188) and organic sales growth was 5 percent (-2), with last year negatively impacted by COVID-19, primarily within airport security. Most countries had a positive organic sales growth reflecting the gradual recovery in the business environment. The client retention rate was 92 percent (90), excluding COVID-19 related temporary reductions.

Solutions and technology sales represented MSEK 11,366 (10,758) or 25 percent (24) of total sales in the business segment in 2021.

Sales Security Services Ibero-America
Sales amounted to MSEK 12,286 (12,552) and organic sales growth was 6 percent (2), driven by organic sales growth in Spain of 5 percent (1) and by price increases in Argentina. The portfolio refinement programs in Argentina and Peru hampered organic sales growth and the client retention rate was 94 percent (93) excluding COVID-19 related temporary reductions.

Solutions and technology sales represented MSEK 3,743 (3,720) or 30 percent (30) of total sales in the business segment in 2021.

Operating income before amortization
Operating income before amortization was MSEK 5,978 (4,892) which, adjusted for changes in exchange rates, represented a real change of 28 percent (-10). The operating income was supported by COVID-19 related government grants and support measures of MSEK 550 (780) in 2021, mostly within Security Services Europe. These grants and support measures relate primarily to partial unemployment support and compensate partly for increased cost levels due to idle time. The Group's operating margin was 5.6 percent (4.5), an improvement seen in all business segments including a lower level of provisioning compared to last year. Total price adjustments in the Group were on par with wage cost increases in 2021.

Operating income before amortization
Security Services North America
Operating income before amortization was MSEK 3,191 (2,800) and the operating margin was 6.8 percent (5.9), an improvement driven by all business units supported by Securitas' strong focus on profitable growth and active portfolio management. 2020 was hampered by COVID-19, including a higher level of provisioning. The operating margin in Guarding improved as did Technology Security, supported by the recovery of the installation business and

109 Extra sales, in addition to contract-based sales, include short-term guarding assignments but also alarm installations, certain maintenance services, product sales and certain risk management services.
110 Previously denoted security solutions and electronic security in the segment reporting.

the acquisition of FE Moran Security Solutions. The strong performance in Pinkerton was primarily driven by leverage from the sales growth whereas the operating margin in Critical Infrastructure Services was stable.

The SEK exchange rate strengthened against the USD, which had a negative effect on operating income in SEK. The real change was 19 percent (-2) in 2021.

Operating income before amortization Security Services Europe

Operating income before amortization was MSEK 2,696 (2,069) and the operating margin was 5.8 percent (4.6), supported by Securitas' strong focus on profitable sales growth and active portfolio management. Most countries contributed to the operating margin development, with improved profitability in the airport security contract portfolio and high-margin COVID-19 related extra sales acting as contributing factors. The improvement was further supported by the cost-savings program that was initiated in the Group in 2020, which also had a higher level of provisioning. COVID-19 related government grants and support helped to offset certain negative impacts of COVID-19.

The SEK exchange rate strengthened against foreign currencies, primarily the EUR, which had a negative effect on operating income in SEK. The real change was 35 percent (-17) in 2021.

Operating income before amortization Security Services Ibero-America

Operating income before amortization was MSEK 702 (570) and the operating margin was 5.7 percent (4.5), an improvement supported by Spain including efficiency gains from the integration of Techco Security. The operating margin in Latin America also improved supported by bad debt provision recovery and portfolio refinement programs in Argentina and Peru. 2020 had a higher level of provisioning. The improvement was further supported by the cost-savings program that was initiated in the Group in 2020.

The SEK exchange rate strengthened against the Argentinian peso and the EUR, which had a negative impact on operating income in SEK. The real change in the segment was 32 percent (3) in 2021.

Operating income after amortization

Operating income after amortization amounted to MSEK 4,695 (3,829). Amortization of acquisition-related intangible assets amounted to MSEK -290 (-286). Acquisition-related costs totaled MSEK -122 (-137). Items affecting comparability were MSEK -871 (-640), whereof MSEK -923 (-640) related to the cost-savings program and the transformation programs in the Group. The decision to exit eleven countries resulted in a net gain of MSEK 1 (-117), which was included in items affecting comparability. Items affecting comparability further included MSEK 114 (0), related to a lump-sum payment received from the AFA insurance company for the collectively bargained AGS group sickness insurance policy in Sweden, as well as MSEK -62 (0) relating to the acquisition of STANLEY Security.

Financial income and expenses

Financial income and expenses amounted to MSEK -364 (-500). The financial income and expenses were positively impacted by lower interest rates and the exchange rates for interest income and expenses.

Income before taxes

Income before taxes amounted to MSEK 4,331 (3,329).

Taxes

The Group's tax rate was 27.6 percent (27.4). The full year tax rate increased from 27.0 percent in the first nine months to 27.6 percent for the full year where the majority of the increase was related to tax effects on non-deductible transaction costs for the STANLEY Security acquisition. The tax rate before tax on items affecting comparability was 27.0 percent (26.4).

Net income

Net income was MSEK 3,134 (2,416).

Earnings per share

Earnings per share amounted to SEK 8.59 (6.63), a total change of 30 percent compared with the preceding year. The real change in earnings per share in 2021 was 37 percent. Earnings per share before items affecting comparability amounted to SEK 10.41 (8.02), representing a total change of 30 percent compared with the preceding year and a real change of 37 percent in 2021.

2020 COMPARED TO 2019

Sales

Sales amounted to MSEK 107,954 (110,899) and organic sales growth was 0 percent (4). All business segments were negatively impacted by COVID-19, but to some extent offset by increased extra sales which amounted to 16 percent (14) of total sales. Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 1 percent (6).

Solutions and technology sales amounted to MSEK 23,478 (23,290) or 22 percent (21) of total sales for the full year. Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 5 percent (10).

Sales Security Services North America

Sales amounted to MSEK 47,801 (48,499) and organic sales growth was 2 percent (4). The negative impacts of COVID-19 on a full-year basis were primarily seen in the Security and Critical Infrastructure Services business units. Organic sales growth in Guarding was on par with the preceding year, since the business unit was able to compensate for temporarily reduced portfolio sales with increased extra sales, both COVID-19 related. The client retention rate was 91 percent (90), excluding COVID-19 related temporary reductions.

Solutions and technology sales represented MSEK 8,365 (8,885) or 17 percent (18) of total sales in the business segment in 2020.

Sales Security Services Europe
Sales amounted to MSEK 45,188 (47,248) and organic sales growth was -2 percent (2). The decline was mainly explained by a significant negative impact on airport security due to COVID-19. Organic sales growth was also impacted by contract losses in France, the UK and Norway. A few countries had positive organic sales growth, predominantly Sweden. The client retention rate was 90 percent (90), excluding COVID-19 related temporary reductions.

Solutions and technology sales represented MSEK 10,758 (10,611) or 24 percent (22) of total sales in the business segment in 2020.

Sales Security Services Ibero-America
Sales amounted to MSEK 12,552 (13,099) and organic sales growth was 2 percent (14). The impact of COVID-19 was mixed in Latin America, with a significant negative impact on airport security in several countries. Peru reported a negative organic sales growth and Argentina had lower organic sales growth compared to the preceding year. Organic sales growth in Spain was 1 percent, on a strong comparative, and declined because of COVID-19 as well as of reductions in short-term security solutions contracts. The client retention rate was 93 percent (92) excluding COVID-19 related temporary reductions.

Solutions and technology sales represented MSEK 3,720 (3,527) or 30 percent (27) of total sales in the business segment, supported by the acquisition of Techco Security in Spain in 2020.

Operating income before amortization
Operating income before amortization was MSEK 4,892 (5,738) which, adjusted for changes in exchange rates, represented a real change of -10 percent (3). The operating income was supported by COVID-19 related government grants and support measures of MSEK 780 in 2020, mostly within Security Services Europe. These grants and support measures related primarily to partial unemployment support, where there were increased cost levels due to idle time. The operating income was hampered by increased levels of provisioning of MSEK 530 to reflect the increased risk in the business environment mainly related to employee benefits and the collection of outstanding accounts receivable. The Group’s operating margin was 4.5 percent (5.2). While COVID-19 impacted all business segments to varying degrees, the main negative impact occurred in Security Services Europe. Continued strategy-related investments at Group level and external fees, included under Other in the segment reporting, also impacted the Group’s operating margin. Total price adjustments in the Group were on par with wage cost increases in 2020.

Operating income before amortization
Security Services North America
Operating income before amortization was MSEK 2,800 (3,003) and the operating margin was 5.9 percent (6.2), a decline primarily related to the effects of COVID-19 with enhanced levels of provisioning to reflect the increased risk in the business environment. The sales decline in the Technology Security and Critical Infrastructure Services business units also hampered the operating margin, while Guarding was supported as a result of the COVID-19 related change in the business mix with an increased share of extra sales.

The SEK exchange rate strengthened against the USD, which had a negative effect on operating income in SEK. The real change was -2 percent (8) in 2020.

Operating income before amortization
Security Services Europe
Operating income before amortization was MSEK 2,069 (2,582) and the operating margin was 4.6 percent (5.5) and was primarily burdened by the effects of COVID-19 with a significant impact on airport security and in the form of enhanced levels of provisioning to reflect the increased risk in the business environment. COVID-19 related government grants in several countries offset this negative impact to some extent, including related idle-time costs. The operating margin was supported by some of the Nordic countries.

The SEK exchange rate strengthened against foreign currencies, primarily the EUR, which had a negative effect on operating income in SEK. The real change was -17 percent (1) in 2020.

Operating income before amortization
Security Services Ibero-America
Operating income before amortization was MSEK 570 (614), and the operating margin was 4.5 percent (4.7) and the decline was related primarily to COVID-19. However, the operating margin was to some extent supported by COVID-19 related government grants and support measures in certain countries. The operating margin was hampered by enhanced levels of provisioning to reflect the increased risk in the business environment primarily related to the collection of outstanding accounts receivable. The performance in Argentina and Peru was not satisfactory in 2020, but Spain and Portugal displayed resilience throughout the year.

The SEK exchange rate strengthened against the Argentinian peso and the euro, which had a negative impact on operating income in Swedish kronor. The real change in the segment was 3 percent (14) in 2020.

Operating income after amortization
Operating income after amortization was MSEK 3,829 (5,196). Amortization of acquisition-related intangible assets amounted to MSEK -286 (-271). Acquisition-related costs amounted to MSEK -137 (-62). Items affecting comparability were MSEK -640 (-209), related to the Group’s cost-savings program and the transformation programs. The decision to exit eleven countries resulted in an expected net loss of MSEK -117.

Financial income and expenses
Financial income and expenses amounted to MSEK -500 (-578). The financial income and expenses were positively impacted by the favorable net debt development and the exchange rates for interest income and expenses but also by a non-recurring foreign currency gain that was realized during the year.

Income before taxes
Income before taxes amounted to MSEK 3,329 (4,618).

Taxes
The Group's tax rate was 27.4 percent (27.2). The tax rate before tax on items affecting comparability was 26.4 percent (27.2).

Net income
Net income was MSEK 2,416 (3,362).

Earnings per share
Earnings per share amounted to SEK 6.63 (9.20), a total change of -28 percent compared with the preceding year. The real change in earnings per share in 2020 was -23 percent. Earnings per share before items affecting comparability amounted to SEK 8.02 (9.61), representing a total change of -17 percent compared with the preceding year and a real change of -12 percent in 2020.

LIQUIDITY AND FINANCIAL POSITION

Cash flows first half of 2022 compared to the first half of 2021

Cash flow from operating activities
During the first half of 2022, cash flow from operating activities amounted to MSEK 798 (2,213), equivalent to 25 percent (81) of operating income before amortization.

The impact from changes in accounts receivable was MSEK -1 321 (-240) and was negatively impacted by higher organic sales growth and an increase in days of sales outstanding (DSO) compared to the low year-end position. Changes in other operating capital employed were MSEK -899 (-241), where last year was positively impacted primarily by positive payroll timing in North America and in the Netherlands with approximately MSEK 600. The payroll timing is expected to be neutral on a full year basis. Other than the remaining amount for payroll taxes in the North American operations of an additional approximately MSEK 600 to be paid in the fourth quarter of 2022, no material balances remain to be settled out of the various governmental schemes for postponement of various tax payments introduced during the COVID-19 pandemic.

Financial income and expenses paid was MSEK -273 (-258) and current taxes paid was MSEK -716 (-782).

Cash flow from operating activities includes net investments in non-current tangible and intangible assets, amounting to MSEK -194 (-33), also including capital expenditures in equipment for solutions contracts. The net investments are the result of investments of MSEK -1 588 (-1 313) and reversal of depreciation of MSEK 1 394 (1 280).

Free cash flow
Free cash flow amounted to MSEK -191 (1,173), equivalent to -8 percent (60) of adjusted income.

Cash flow from investing activities
Cash flow from investing activities, acquisitions and divestitures, amounted to MSEK -38 (-295).

Cash flow from items affecting comparability
Cash flow from items affecting comparability amounted to MSEK -508 (-411).

Cash flow from financing activities
Cash flow from financing activities was MSEK -843 (-1,032) due to dividend paid of MSEK -1 604 (-1 460) and a net increase in borrowings of MSEK 761 (428).

Cash flow for the period
Cash flow for the period amounted to MSEK 1,580 (-565). The closing balance for liquid funds after translation differences of MSEK 119 amounted to MSEK 3,348 (4,156).

Cash flows 2021 compared to 2020

Cash flow from operating activities
In 2021, cash flow from operating activities amounted to MSEK 5,576 (7,207), equivalent to 93 percent (147) of operating income before amortization.

The impact from changes in accounts receivable was MSEK 117 (123). The positive cash flow impact comes from further improvement of the level of days of sales outstanding reflecting Securitas' collection effort, but is also with a negative offset coming from the improved organic sales growth that drive up the level of accounts receivable in absolute terms. The comparatives for last year also saw a positive cash flow impact from accounts receivable explained by both lower organic sales growth as well as a lower level of days of sales outstanding.

Changes in other operating capital employed were MSEK -399 (2,289). In the third quarter approximately MSEK 600 out of the previously postponed payroll tax balances in the North American operations were paid. The comparatives were positively impacted by the timing of payments relating to payroll taxes and value added tax in Europe and North America of MSEK 1,300. Other than the remaining amount for payroll taxes in the North American operations of an additional MSEK 600 to be paid in 2022, no material balances remain to be settled out of the various government schemes for the postponement of various tax payments introduced during the COVID-19 pandemic

Financial income and expenses paid amounted to MSEK -312 (-401) and current taxes paid amounted to MSEK -1,265 (-862).

Cash flow from operating activities includes net investments in non-current tangible and intangible assets, amounting to MSEK -120 (-97), also including capital expenditures in equipment for solutions contracts. The net investments are the result of investments of MSEK -2,824 (-2,787) and reversal of depreciation of MSEK 2,704 (2,690).

Free cash flow
Free cash flow amounted to MSEK 3,999 (5,944), equivalent to 95 percent (178) of adjusted income.

Cash flow from investing activities
Cash flow from investing activities, acquisitions and divestitures, amounted to MSEK -1,366 (-1,801), mainly related to acquisitions.

Cash flow from items affecting comparability
Cash flow from items affecting comparability amounted to MSEK -602 (-405), mainly related to the business transformation programs in Security Services North America, Security Services Europe and Security Services Ibero-America, as well as the global IS/IT transformation program.

Cash flow from financing activities
Cash flow from financing activities was MSEK -1,935 (-2,762) due to dividend paid of MSEK -1,460 (-1,752) and a net decrease in borrowings of MSEK -475 (-1,010).

Cash flow for the period
Cash flow for the period was MSEK 96 (976). The closing balance for liquid funds after translation differences of MSEK -7 was MSEK 4,809 (4,720).

Cash flows 2020 compared to 2019

Cash flow from operating activities
In 2020, cash flow from operating activities amounted to MSEK 7,207 (4,902), equivalent to 147 percent (85) of operating income before amortization.

The impact from changes in accounts receivable was MSEK 123 (-239), positively impacted by collections and by the lower organic sales growth. Changes in other operating capital employed were MSEK 2,289 (-277), positively impacted by the timing of payments and provisions made during the year. The postponed timing of payments for payroll taxes and value added tax in Europe of MSEK 100 and in North America of MSEK 1,400 was a result of various government support measures in relation to COVID-19 allowing for the postponement of payments.

Financial income and expenses paid amounted to MSEK -401 (-443) and current taxes paid amounted to MSEK -862 (-1,191).

Cash flow from operating activities includes net investments in non-current tangible and intangible assets, amounting to MSEK -97 (-320), also including capital expenditures in equipment for solutions contracts. The net investments result from investments of MSEK -2,787 (-3,010) and reversal of depreciation of MSEK 2,690 (2,690).

Free cash flow
Free cash flow amounted to MSEK 5,944 (3,268), equivalent to 178 percent (83) of adjusted income.

Cash flow from investing activities
Cash flow from investing activities, acquisitions, amounted to MSEK -1,801 (-574), of which purchase price payments accounted for MSEK -1,780 (-533), assumed net debt for MSEK 98 (39) and acquisition-related costs paid for MSEK -119 (-80).

Cash flow from items affecting comparability
Cash flow from items affecting comparability amounted to MSEK -405 (-303).

Cash flow from financing activities
Cash flow from financing activities was MSEK -2,762 (-1,699) due to dividend paid of MSEK -1,752 (-1,606) and a net decrease in borrowings of MSEK -1,010 (-93).

Cash flow for the period
Cash flow for the period amounted to MSEK 976 (692). The closing balance for liquid funds after translation differences of MSEK -204 amounted to MSEK 4,720 (3,948).

FINANCIAL POSITION

The Group's net debt amounted to MSEK 18,409 as of June 30, 2022 (14,551 as of December 31, 2021). The net debt was impacted mainly by a dividend of MSEK -1,604, paid to the shareholders in May 2022, translation differences of MSEK -1,342, payments for items affecting comparability of MSEK -508, free cash flow of MSEK –191 and lease liabilities of MSEK –160.

The net debt to EBITDA ratio was 2.2 (2.2). The free cash flow to net debt ratio amounted to 0.14 (0.32). The interest coverage ratio amounted to 14.7 (11.8).

Financing structure and loans

Securitas has a MEUR 1,029 multicurrency revolving credit facility with eleven banks, dated April 6, 2020 (the "**Facility Agreement**"). The Facility Agreement has an original term of five years, but contains an extension option which, if exercised, extends the term by one or a maximum of two years. The extension option has been exercised twice to extend the final termination date to April 6, 2027. The Facility Agreement contains certain customary undertakings, including limitations on disposals, the providing of security, restrictions for subsidiaries to incur debt, limitations on the ability to change operations and the maintenance of insurances. The credit facility under the Facility Agreement was unutilized as of June 30, 2022.

Further, Securitas has a Euro Medium Term Note Program ("**EMTN**") under which Securitas may issue bonds to a total amount of a maximum of MEUR 4,000, which was last updated on April 9, 2021. During the first quarter of 2022, an issued EMTN Eurobond matured and was subsequently refinanced in February and March 2022 through three so called EMTN FRN Private Placements of MSEK 2,000 and MSEK 1,500 respectively, maturing in 2024, and of MEUR 50, maturing in 2023. Securitas has previously issued four additional EMTN FRN Private Placements at a total amount of MUSD 255 and three EMTN Eurobonds at a total amount of MEUR 1,000 under the Company's Euro Medium Term Note Program.

In addition, Securitas has established a Commercial Paper Program amounting to MSEK 5,000. As of June 30, 2022, commercial paper issued amounted to MSEK 1,480.

On December 8, 2021, Securitas entered into a multicurrency term facilities agreement with SEB to finance the acquisition of STANLEY Security (the "Bridge Facilities Agreement"). The Bridge Facilities Agreement comprises two facilities totaling MUSD 3,300 divided into MUSD 915 and MUSD

111 The subscription and guarantee undertakings in the rights issue are not secured (see "Risk factors–Non-secured subscription and guarantee undertakings"). In the case that the rights issue is not fully subscribed, Securitas' intention is that the MUSD 915 part of the bridge facility which is not refinanced by the rights issue shall be replaced with additional debt or debt-like financing.

2,385, respectively. The bridge facility of MUSD 915 will be refinanced through the rights issue and has a term of twelve months from the date of completion of the acquisition of STANLEY Security, with a right for Securitas to extend the term a further six months.[111] The bridge facility of MUSD 2,385 will be refinanced through long-term debt (issuance of bonds and/or the raising of other debt financings by the terms of the Bridge Facilities Agreement) and has a term of twelve months from the date of completion of the acquisition of STANLEY Security, with a right for Securitas to extend the term twice with six months on each occasion. For the bridge facilities, interest at market rates is charged in addition to current reference rates for the various currencies in which loans have been taken under the bridge facility. As a starting point, the terms and conditions of the Bridge Facility Agreement will remain unchanged in connection with a potential extension of the bridge facilities' term. The Bridge Facilities Agreement was syndicated among an additional seven banks in December 2021 (BBVA, CIC, Citi, Commerzbank, Danske Bank, ING and Unicredit).

A summary of Securitas' debt financing is listed below.

Summary of debt financing as of June 30, 2022

Type	Currency	Total amount (million)	Available amount (million)	Maturity
Bridge Facilities[1)]	USD[2)]	3,300	0	2023[3)]
EMTN FRN private placement	EUR	50	–	2023
EMTN Eurobond, 1.125% fixed	EUR	350	–	2024
EMTN FRN private placement	USD	50	–	2024
EMTN FRN private placement	USD	105	–	2024
EMTN FRN private placement	SEK	2,000	–	2024
EMTN FRN private placement	SEK	1,500	–	2024
EMTN Eurobond, 1.25% fixed	EUR	300	–	2025
Revolving Credit Facility[4)]	EUR	938	938	2027
EMTN FRN private placement	USD	40	–	2027
EMTN FRN private placement	USD	60	–	2027
EMTN Eurobond, 0.25% fixed	EUR	350	–	2028
Commercial Paper (uncommitted)	SEK	5,000	3,520	e/t

1) Bridge Facilities Agreement's two facilities were utilized in connection with the closing of the acquisition on July 22, 2022.
2) The bridge facility of MUSD 915 was utilized in USD and EUR and amounts, based on a USD/SEK exchange rate of SEK 10.2514 per USD and a EUR/SEK exchange rate of SEK 10.4149 per EUR on July 22, 2022, to MSEK 9,341. The bridge facility of MUSD 2,385 was utilized in USD, EUR, Canadian dollars (CAD), Norwegian (NOK) and SEK and amounts, based on a USD/SEK exchange rate of SEK 10.2514 per USD, a EUR/SEK exchange rate of SEK 10.4149 per EUR, a CAD/SEK exchange rate of SEK 7.9597 per CAD and a NOK/SEK exchange rate of SEK 1.0256 per NOK on July 22, 2022, to MSEK 24,361.
3) The Bridge Facilities mature on July 22, 2023. Securitas has the right to extend the term of the bridge facility of MUSD 915 to January 22, 2024, and the term of the bridge facility of MUSD 2,385 to July 22, 2024.
4) The Revolving Credit Facility has been increased to MEUR 1,029 after June 30, 2022.

Working capital statement

Securitas believes that the current working capital (excluding the net proceeds from the rights issue) is sufficient for the present requirements for at least the twelve months following the date of this prospectus. In this context, working capital refers to a company's ability to access cash and other available liquid resources in order to meet its liabilities as they fall due.

Investments

In general, Securitas' operations are not capital intensive. Most of Securitas' capital expenditures relate to equipment for solution contracts, IT and software and vehicles used in the production. This is not expected to change due to the acquisition of STANLEY Security. In 2021, investments in non-current tangible and intangible assets amounted to MSEK 1,785. The largest element of this amount is machinery and equipment, which comprises vehicles, equipment, security equipment (including alarm systems) and IT and telecom equipment. Capital expenditure represents less than three percent of Group sales annually, including transformation programs. The investments for the financial years 2019 to 2021 and the first half of 2022 and 2021, respectively, are described in more detail in the table below.

MSEK	Jan–Jun 2022	Jan–Jun 2021	2021	2020	2019
Investments in non-current tangible and intangible assets	-1,037	-806	-1,785	-1,756	-2,040
Acquisitions and divestitures of subsidiaries	-4	-242	-1,244	-1,682	-494
Total investment activity	**-1,041**	**-1,048**	**-3,029**	**-3,438**	**-2,534**

Ongoing and future investments

For the Security Services Europe and Security Services Ibero-America segments, capital expenditure of approximately MSEK 1,100 will be invested in IT systems over the years 2021 to 2023, excluding the impact of the new accounting treatment for cloud computing. The ongoing investments in the Group are financed through Securitas' existing funds.

MSEK Company	Business segment[112]	Included from	Acquired share[113]	Annual sales[114]	Enterprise value[115]	Goodwill	Acquisition-related intangible assets
Opening balance						**23,373**	**1,732**
Other acquisitions and divestitures[116, 117]		–	–	-14	4	7	10
Total acquisitions and divestitures January–June 2022		**–**	**–**	**-14**	**4[118]**	**7**	**10**
Amortization of acquisition-related intangible assets						–	-122
Translation differences and remeasurement for hyperinflation						2,452	181
Closing balance						**25,832**	**1,801**

112 Refers to business segment with main responsibility for the acquisition.
113 Refers to voting rights for acquisitions in the form of share purchase agreements. For asset deals no voting rights are stated.
114 Estimated annual sales.
115 Purchase price paid/received plus acquired/divested net debt but excluding any deferred considerations.
116 Related to other acquisitions for the period and updated previous year acquisition calculations for the following entities: FE Moran Security Solutions, the US, Protector i Sundsvall, Eventsäkerhet/7H Bevakning (contract portfolios), Polar Park (contract portfolio), NVS Bevakning (contract portfolio), Sweden, SAMCA Vagt, KLEY (contract portfolio), Denmark, Oy Bevex Security (contract portfolio), Kokkolan Vartiointi ja Kiinteistövalvonta Pekka Isoaho (contract portfolio), Finland, ORQUAL, Switzerland, KONTROLL DATA-SERVICE Gesellschaft für Sicherheit und Kontrollwesen, Austria, STANLEY Security in Germany, Switzerland, Portugal, Singapore and India and Fredon Security, Australia. Related also to divestitures of Securitas Teleassistance, France, Securitas Estonia, Securitas Slovenia, Securitas Greece, Securitas Panama (asset deal), Securitas Sri Lanka, Securitas Egypt and Securitas Jordan as well as to deferred considerations paid in the United States, Sweden, Germany, France, Austria, Turkey, Spain, Australia and China.
117 Deferred considerations have been recognized mainly based on an assessment of the future profitability development in the acquired entities for an agreed period. The net of new deferred considerations, payments made from previously recognized deferred considerations and revaluation of deferred considerations in the Group was MSEK -1. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 130.
118 Cash flow from acquisitions and divestitures amounts to MSEK -38, which is the sum of enterprise value MSEK -4 and acquisition-related costs paid MSEK -34.

ACQUISITIONS AND DIVESTITURES

For information about the acquisition of STANLEY Security, see "*The new Group*" and "*Pro forma financial information and certain supplementary information*".

Acquisitions and divestitures in the first half of 2022

In the first half of 2022, Securitas has completed divestitures with an enterprise value totaling MSEK 4. As of the end of the second quarter of 2022, goodwill is valued at MSEK 25,832.

Acquisitions and divestitures in 2021

In 2021, Securitas carried out acquisitions of Dansk Brandteknik, Protection One, Tepe Güvenlik and Supreme Security Systems. The acquisitions predominantly focused on strengthening the Groups' strategy of doubling sales from higher margin solutions and technology by 2023 compared to 2018.

Dansk Brandteknik is a Danish fire and safety company that specializes in fire and safety services and equipment, including related consulting and training services. The company has a nationwide presence in Denmark with 40 employees and approximately 7,500 SME business clients[119]. The acquisition enhanced Securitas' protective services capabilities in Denmark.

Protection One specializes in remote technology security-driven solutions and technology. Combining its high-performance and tailor-made installation offering, the company provides the full scope of technology security services across 10,300 objects for approximately 7,000 clients[120], mainly SMEs. The acquisition enhanced Securitas' protective services capabilities in Germany.

Tepe Güvenlink is a technology security company in Turkey, specializing in technology security solutions, alarm systems and alarm monitoring for corporate clients, SMEs and residentials, with more than 50,000 connections[121] in Turkey.

Supreme Security Systems is an alarm monitoring company in the United States, providing security alarm monitoring services, tech-enabled security services, such as intrusion, video, fire and access control systems, as well as UL-listed, FM approved, TMA Five Diamond certified alarm monitoring. The acquisition increased Securitas' service capabilities and client offerings in the northeast of the United States.

MSEK Company	Business segment[122]	Included from	Acquired share[123]	Annual sales[124]	Enterprise value[125]	Goodwill	Acquisition-related intangible assets
Opening balance						**21,414**	**1,424**
Dansk Brandteknik, Denmark	Security Services Europe	Feb 22	100	81	148	80	75
Protection One, Germany	Security Services Europe	Aug 19	100	337	674	445	171
Tepe Güvenlik, Turkey	Security Services Europe	Aug 24	100	85	99	62	34
Supreme Security Systems, the United States	Security Services North America	Dec 1	–	90	184	135	54
Other acquisitions and divestitures[119,120]		–	–	-127	139	-136	201
Total acquisitions and divestitures January–December 2021				**466**	**1,244**[121]	**586**	**535**
Amortization of acquisition-related intangible assets						–	-290
Translation differences and remeasurement for hyperinflation						1,373	63
Closing balance						**23,373**	**1,732**

119 As per the acquisition date.
120 As per the acquisition date.
121 As per the acquisition date.
122 Refers to business segment with main responsibility for the acquisition.
123 Refers to voting rights for acquisitions in the form of share purchase agreements. For asset deals no voting rights are stated.
124 Estimated annual sales.
125 Purchase price paid/received plus acquired/divested net debt but excluding any deferred considerations.
126 Related to other acquisitions for the period and updated previous year acquisition calculations for the following entities: FE Moran Security Solutions, the US, Protector i Sundsvall, Eventsäkerhet/7H Bevakning (contract portfolios), Polar Park (contract portfolio), NVS Bevakning (contract portfolio), Sweden, SAMCA Vagt, KLEY (contract portfolio), Denmark, Oy Bevex Security (contract portfolio), Kokkolan Vartiointi ja Kiinteistövalvonta Pekka Isoaho (contract portfolio), Finland, ORQUAL, Switzerland, KONTROLL DATA-SERVICE Gesellschaft für Sicherheit und Kontrollwesen, Austria, STANLEY Security in Germany, Switzerland, Portugal, Singapore and India and Fredon Security, Australia. Related also to divestitures of Securitas Teleassistance, France, Securitas Estonia, Securitas Slovenia, Securitas Greece, Securitas Panama (asset deal), Securitas Sri Lanka, Securitas Egypt and Securitas Jordan as well as to deferred considerations paid in the United States, Sweden, Germany, France, Austria, Turkey, Spain, Australia and China.
127 Deferred considerations have been recognized mainly based on an assessment of the future profitability development in the acquired entities for an agreed period. The net of new deferred considerations, payments made from previously recognized deferred considerations and revaluation of deferred considerations in the Group was MSEK -137. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 134.
128 Cash flow from acquisitions and divestitures amounts to MSEK -1,366, which is the sum of enterprise value MSEK -1,244 and acquisition-related costs paid MSEK -122.

Acquisitions and divestitures in 2020

In 2020, Securitas carried out acquisitions of Techco Security, Fredon Security, STANLEY Security in five countries, and FE Moran Security Solutions. Besides these acquisitions, Securitas exited or drew near to the conclusion of an exit process in nine countries where the present and future business opportunities were deemed to be limited. The countries concerned were Estonia, Egypt, Greece, Latvia, Montenegro, Panama, Paraguay, Slovenia, and Sri Lanka.

Techco Security is a technology security company with operations in Spain and Portugal, offering a comprehensive range of integrated security services including installation, maintenance and remote guarding services as well as access control, electronic alarm surveillance and fire protection. The acquisition allowed Securitas to reinforce its position within the tech-enabled security market in Spain.

Fredon Security is an Australian engineering and building services company, specializing in high-end technology security solutions including system design, installation and maintenance. Through Fredon Security's strong Australian footprint, the acquisition enabled Securitas to facilitate and expand its operations in the region.

Securitas acquired STANLEY Security's technology security businesses in Germany, Portugal, Switzerland, Singapore, and India. The acquisition was aligned with Securitas' ambition to double sales from solutions and technology and expanded Securitas' technology footprint and capabilities. The business entails approximately 580 highly skilled employees in five countries through 20 branch offices out of which 11 are located in Germany[129]. The business also has two alarm monitoring centers, one in Germany and one in Portugal.

FE Moran Security Solutions is an alarm monitoring and tech-enabled security systems integration company in the United States, providing services such as intrusion, video, fire, and access control systems, as well as UL-listed, TMA Five Diamond certified alarm monitoring center. The acquisition increased Securitas' density and offerings in the American Midwest region, as well as further strengthened Securitas' position in the commercial technology security industry across North America.

MSEK Company	Business segment[130]	Included from	Acquired share[131]	Annual sales[132]	Enterprise value[133]	Goodwill	Acquisition- related intangible assets
Opening balance						**22,157**	**1,563**
Techco Security, Spain and Portugal[134]	Security Services Ibero-America	Jan 8	100	520	142	118	34
Fredon Security, Australia[135]	Other	Jan 9	100	240	171	152	66
STANLEY Security, Germany, Portugal, Switzerland, Singapore and India	Security Services Europe, Security Services Ibero-America and Other	Nov 2	100	748	523	367	133
FE Moran Security Solutions, the United States	Security Services North America	Dec 16	100	450	665	657	-
Other acquisitions and divestitures[136, 137]		-	-	-143	181	-9	11
Total acquisitions and divestitures January–December 2020				**1,815**	**1,682**	**1,285**	**244**
Reclassification						-	44
Amortization of acquisition-related intangible assets						-	-286
Translation differences and remeasurement for hyperinflation						-2,028	-141
Closing balance						**21,414**	**1,424**

129 As per the acquisition date.
130 Refers to business segment with main responsibility for the acquisition.
131 Refers to voting rights for acquisitions in the form of share purchase agreements. No voting rights are stated for asset deals.
132 Estimated annual sales.
133 Purchase price paid/received plus acquired/divested net debt but excluding any deferred considerations.
134 Deferred considerations have been recognized mainly based on an assessment of the future profitability development in the acquired entities for an agreed period. The net of new deferred considerations, payments made from previously recognized deferred considerations and revaluation of deferred considerations in the Group was MSEK -76. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 295.
135 Deferred considerations have been recognized mainly based on an assessment of the future profitability development in the acquired entities for an agreed period. The net of new deferred considerations, payments made from previously recognized deferred considerations and revaluation of deferred considerations in the Group was MSEK -76. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 295.
136 Related to other acquisitions for the period and updated previous year acquisition calculations for the following entities: Global Elite Group, Iverify (step acquisition), United States, Cezzam, France, DAK, Turkey, SCI Proteccion Contra Incendios, Spain, Blueprint (contract portfolio) and Staysafe, Australia. Related also to divestitures of Securitas Greece, Securitas Montenegro, Securitas Latvia, Securitas Sri Lanka and Securitas Egypt, as well as to deferred considerations paid in the United States, Sweden, the UK, Germany, France, Austria, Turkey, Portugal, Australia, China and Hong Kong.
137 Deferred considerations have been recognized mainly based on an assessment of the future profitability development in the acquired entities for an agreed period. The net of new deferred considerations, payments made from previously recognized deferred considerations and revaluation of deferred considerations in the Group was MSEK -76. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 295.

Acquisitions and divestitures in 2019

In 2019, Securitas carried out acquisitions of Global Elite Group, Allcooper Group, Staysafe and MSM Security Services.

Global Elite Group is an American security services provider to the aviation industry in the United States. Global Elite Group specializes in providing security services to various airlines, airports and airport-related clients. The client base consists of more than 60 commercial airlines and numerous general aviation clients.[138] The company is based in Garden City, New York and has approximately 1,050 employees.[139] The company strengthened and complemented Securitas aviation organization, and the combined network, footprint, licenses and know-how increased Securitas' offering to existing and new clients.

Allcooper Group is a technology security company based in the United Kingdom. The company specializes in the installation, maintenance and monitoring of security and fire systems. The company operates from three bases in the United Kingdom, namely Gloucestershire, the West Midlands and London, with approximately 100 employees.[140] Allcooper Group's expertise in technology security and its portfolio of long-term clients was estimated to provide support in Securitas' work to achieve its strategic objectives.

Staysafe is an alarm monitoring company in Australia. The company is based in Melbourne and has 73 employees and 28,000 monitoring connections managed through two grade A1 monitoring centers located in Melbourne, Victoria and Adelaide in South Australia[141]. The acquisition of Staysafe strengthened Securitas' client value proposition in the Australian security market.

Securitas subsidiary Securitas Critical Infrastructure Services, Inc (SCIS), acquired certain inspection and background investigations assets of MSM Security Services. SCIS is an independent US subsidiary of Securitas, which specializes in providing a range of security services to federal agencies, aerospace and defense contractors, and federally regulated energy and aviation facilities. The acquisition expanded SCIS' federal background investigations business.

MSEK Company	Business segment[142]	Included from	Acquired share[143]	Annual sales[144]	Enterprise value[145]	Goodwill	Acquisition-related intangible assets
Opening balance						**21,061**	**1,458**
Global Elite Group, the US[146]	Security Services North America	Jan 10	100	290	163	123	70
Allcooper Group, the UK[147]	Security Services Europe	Apr 1	100	88	59	31	26
Staysafe, Australia[148]	Other	Apr 4	100	72	83	126	57
MSM Security Services, the US[149]	Security Services North America	Oct 5	-	140	6	42	61
Other acquisitions and divestitures[150, 151]		-	-	440	183	107	118
Total acquisitions and divestitures January-December 2019				**1,030**	**494**	**429**	**332**
Amortization of acquisition-related intangible assets						-	-271
Translation differences and remeasurement for hyperinflation						667	44
Closing balance						**22,157**	**1,563**

138 As per the acquisition date.
139 As per the acquisition date.
140 As per the acquisition date.
141 As per the acquisition date.
142 Refers to business segment with main responsibility for the acquisition.
143 Refers to voting rights for acquisitions in the form of share purchase agreements. No voting rights are stated for asset deals.
144 Estimated annual sales.
145 Purchase price paid/received plus acquired/divested net debt but excluding any deferred considerations.
146 Deferred considerations have been recognized mainly based on an assessment of the future profitability development in the acquired entities for an agreed period. The net of new deferred considerations, payments made from previously recognized deferred considerations and revaluation of deferred considerations in the Group was MSEK 147. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 425.
147 Deferred considerations have been recognized mainly based on an assessment of the future profitability development in the acquired entities for an agreed period. The net of new deferred considerations, payments made from previously recognized deferred considerations and revaluation of deferred considerations in the Group was MSEK 147. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 425.
148 Deferred considerations have been recognized mainly based on an assessment of the future profitability development in the acquired entities for an agreed period. The net of new deferred considerations, payments made from previously recognized deferred considerations and revaluation of deferred considerations in the Group was MSEK 147. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 425.
149 Deferred considerations have been recognized mainly based on an assessment of the future profitability development in the acquired entities for an agreed period. The net of new deferred considerations, payments made from previously recognized deferred considerations and revaluation of deferred considerations in the Group was MSEK 147. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 425.
150 Deferred considerations have been recognized mainly based on an assessment of the future profitability development in the acquired entities for an agreed period. The net of new deferred considerations, payments made from previously recognized deferred considerations and revaluation of deferred considerations in the Group was MSEK 147. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 425.
151 Related to other acquisitions and divestitures for the period and updated previous year acquisition calculations for the following entities: Iverify (step acquisition), the US, Nortrax Veg og Trafikk, Norway, WHD Wachdienst Heidelberg, Wach- und Schließgesellschaft Hof Inh. I Müller, Germany, Securitas Interim (divestiture), Cezzam, France, 4CS Security (contract portfolio), Austria, Pronet, DAK, Turkey, Instalfogo, Portugal and Beijing Saikudasi Consultancy Management, China. Related also to deferred considerations paid in Sweden, Germany, France, Austria, Czech Republic, Australia, China and Hong Kong.

RESEARCH AND DEVELOPMENT

The services offering of the Group is continuously being developed, not least as an integrated item when carrying out the service delivery to the clients. Security solutions are an important part of the protective services offering and to accelerate the growth a strengthening of this organization both on the country and business segment level is ongoing. In 2019, the Group also created a Global Electronic Security Business Center, responsible for developing a global business approach with common tools, processes, products and services within Technology Security which has continued to develop the electronic security business well also in 2021. The capabilities within technical solutions are also supported by several of acquisitions within Technology Security such as Protection One in Germany, Tepe Güvenlik in Turkey, Dansk Brandteknik in Denmark, Supreme Security in the US and the transformative acquisition of STANLEY Security.

The Group's CIO with team is leading the development of Securitas' global digitization and IS/IT transformation and is responsible for large scale global IT and business projects.

Securitas is a service company and has historically not carried out any material research and development activities as defined in IAS 38 – Intangible assets. Under the responsibility of the Group's CIO, the Group has gradually invested in capabilities to develop improved data-driven and intelligence-based services for a future where scale and data availability are critical for the next big shift in the security services industry to the benefit of Securitas' clients and the society as a whole. A number of development projects that support this are ongoing and as of December 31, 2021, the Group had MSEK 62 (51) in capitalized development expenditures.

GOODWILL AND OTHER ACQUISITION-RELATED INTANGIBLE ASSETS

Goodwill and other acquisition-related intangible assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Unit), that is, per segment. The segment level is also the basis for the yearly impairment testing. Goodwill is carried at cost less accumulated impairment losses. Other acquisition-related intangible assets arising from the Group's acquisitions can include various types of intangible assets such as marketing-related, client-related, contract-related, brand-related and technology-based intangible assets. Other acquisition-related intangible assets normally have a definite useful life. Securitas' acquisition-related intangible assets mainly relate to client contract portfolios and the related client relationships. As of June 30, 2022, Securitas' goodwill amounted to MSEK 25,832 and other acquisition-related intangible assets amounted to MSEK 1,801. The acquisition of STANLEY Security is tentatively expected to contribute to the Group's goodwill by MSEK 23,181 and to other acquisition-related intangible assets by MSEK 5,208.

RIGHT-OF USE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

In general, Securitas' operations are not capital intensive. As of June 30, 2022, Securitas' right-of-use assets amounted to MSEK 3,701 (mainly rights of use to buildings and vehicles) while other tangible non-current assets totaled MSEK 3,716, mainly consisting of machinery and equipment, for example, vehicles, equipment, security equipment (including alarm systems) and IT and telecom equipment. As of the same date, other intangible assets in Securitas totaled MSEK 2,036 of which the single largest category comprised software licenses and similar assets.

ACCOUNTING POLICIES

Securitas' consolidated financial statements are prepared in accordance with International Financial Reporting Standards as endorsed by the EU ("**IFRS**"), the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*) and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups. The consolidated financial statements have been prepared in accordance with the historical cost convention method except where a fair value measurement is required according to IFRS. Examples of assets and liabilities measured at fair value are financial assets or financial liabilities (including derivatives) at fair value through profit or loss and plan assets related to defined benefit pension plans. As of January 1, 2022, the amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, came into effect. The amendments clarify that when assessing and identifying whether a contract is onerous, all costs directly related to the contract should be included, both incremental costs and an allocation of costs directly related to the contract.The amendements are assessed to have no significant impact on the Group's financial statements.

RECENT TRENDS

In the second quarter of 2022, Securitas reported a record level of profitability and improved the operating margins to 5.8 percent (5.6), a level significantly above that of the spring before the COVID-19 pandemic. The strong momentum of the business accelerated during the second quarter of 2022, achieving an organic growth of 6 percent (8), fueled by the business segments Security Services Europe and Security Services Ibero-America. As expected, organic sales growth in North America came in negative in the second quarter of 2022 due to terminations of lower-margin contracts in 2021 and lower levels of extra sales. However, the underlying business in North America showed strong development, and the Company expects to see positive organic sales growth in the business segment in the third quarter of 2022.

There was great momentum within high-margin security solutions and technology security sales in the second quarter of 2022, with 13 percent real sales growth which represented 23 percent (22) of the Group's total sales.

The Group's operating income, adjusted for exchange rate changes, increased by 8 percent in the second quarter of 2022. The high-inflationary environment is challenging for the Group, but Securitas successfully managed a positive price and wage balance. Continuing the management of the price increases is an important priority to ensure that the Company delivers quality to its clients. Securitas' focus on improving the client offering and profitability was displayed through higher sales of security solutions and technology in all business segments, together with a positive impact from active contract portfolio management and its transformation program.

The transformation program in North America which was completed in 2021 now generates value in the daily operations, contributing to the development of the operating margin. The ongoing transformation programs in Europe and Ibero-America are proceeding according to plan, and Securitas expects to be able to realize large positive financial and operational effects in the coming years.

In the coming 18 to 24 months, Securitas' free cash flow is expected to, after being allocated in accordance with the Company's dividend policy, be used to reduce the Company's debt level and contribute to the transformation programs. Thereafter, the free cash flow, after being allocated in accordance with the Company's dividend policy, is expected to be used for acquisitions and divestures as well as to further decrease the debt level.

During the first half of 2022, Securitas has been impacted by external factors such as increasing inflation and interest rates, as well as disruptions in supply chains caused by changes in the geopolitical environment. This impact has continued in the period after June 30, 2022.

SIGNIFICANT CHANGES SINCE JUNE 30, 2022

On July 14, 2022, Securitas announced that the Company had received regulatory approvals for the acquisition of STANLEY Security, which was made public on December 8, 2021. The acquisition was completed on July 22, 2022. The preliminary purchase price, excluding potential adjustments relating to operating capital and net debt, is MUSD 3,200. A preliminary allocation of the purchase price results in goodwill of approximately USD 2.3 billion (SEK 23.2 billion) and acquisition-related intangible assets of approximately USD 0.5 billion, whereof the majority is subject to amortization between eight to 15 years. The annual amortization is approximately USD 35 million on a full-year basis. The acquisition calculation is preliminary and will be determined within twelve months of closing.

In connection with the completion of the acquisition of STANLEY Security, Securitas utilized the two facilities under the Bridge Facilities Agreement, totaling USD 3,300 million. See "*Legal considerations and supplementary information–The acquisition of STANLEY Security*".

On July 26, 2022, Securitas received a BBB- credit rating with stable outlook by S&P Global Ratings following the completion of the acquisition of STANLEY Security.

Other than as stated above, no significant changes in the financial position or financial performance of Securitas have occurred since June 30, 2022.

Capitalization, indebtedness and other financial information

CAPITALIZATION AND INDEBTEDNESS

The tables below set forth Securitas' capitalization and interest-bearing net financial indebtedness as of June 30, 2022.

Capitalization

MSEK	Jun 30, 2022
Total current debt *(including current portion of non-current debt)*	**3,041**
Guaranteed	0
Secured[1]	1,013
Unguaranteed/unsecured	2,028
Total non-current debt *(excluding current portion of non-current debt)*	**19,865**
Guaranteed	0
Secured[1]	2,824
Unguaranteed/unsecured	17,041
Shareholder equity	**23,652**
Share capital	365
Legal reserve(s)	7,363
Other reserves[2]	15,924
Total	**46,558**

1) Lease liabilities are deemed secured by right-of-use assets.
2) Other reserves comprise hedging reserve, translation differences, non-controlling interests, retained earnings and net income for the period.

Indebtedness

MSEK	Jun 30, 2022
(A) Cash	3,348
(B) Cash equivalents	0
(C) Other financial assets	1,149
(D) Liquidity (A)+(B)+(C)	**4,497**
(E) Current financial debt (including debt instruments, but *excluding current portion of non-current financial debt)*	2,028
(F) Current portion of non-current financial debt	1,013
(G) Current financial indebtedness (E)+(F)	**3,041**
(H) Current financial indebtedness net (G)-(D)	**-1,456**
(I) Non-current financial debt *(excluding current portion and debt instruments)*	3,613
(J) Debt instruments	16,252
(K) Non-current trade and other payables	0
(L) Non-current financial indebtedness (I)+(J)+(K)	**19,865**
(M) Total financial indebtedness: (H)+(L)	**18,409**

Changes since June 30, 2022

In connection with the completion of the acquisition of Stanley Serucity, Securitas utilized the two facilities under the Bridge Facilities Agreement, totaling MUSD 3,300, (equivalent to MSEK 33,702[152]) and the total financial indebtedness thereby increased accordingly.

On August 24, 2022, Securitas announced new financial targets, including the target of a net debt to EBITDA ratio under 3.0x (see also "B*usiness description–Financial targets*"). Securitas believes that this new target can be achieved in 2024.

Contingent liabilities

As of June 30, 2022, Securitas' contingent liabilities amounted to MSEK 16. For further information about Securitas' contingent liabilities, see "*Note 39 – Contingent liabilities*" on page 109 in Securitas' Annual and Sustainability Report 2021.

FINANCIAL RISK MANAGEMENT

The Group's business activities create exposure to financial risks, such as interest rate risk, foreign currency risk, financing and liquidity risk and credit/counterparty risk. The Group's overall financial risk management program focuses on the unpredictability of the financial markets and aims to minimize potential adverse effects on the financial performance of the Group. For further information about Securitas' financial risk management, see "*Note 7 – Financial risk management*" on page 73 in Securitas' Annual and Sustainability Report 2021.

152 The bridge facility consists of two facilities which were utilized in connection with the closing of the acquisition on July 22, 2022. Facility A was utilized in USD and EUR and amounts, based on a USD/SEK exchange rate of SEK 10.2514 per USD and a EUR/SEK exchange rate of SEK 10.4149 per EUR on July 22, 2022, to MSEK 9,341. Facility B was utilized in USD, EUR, Canadian dollars (CAD), Norwegian (NOK) and SEK and amounts, based on a USD/SEK exchange rate of SEK 10.2514 per USD, a EUR/SEK exchange rate of SEK 10.4149 per EUR, a CAD/SEK exchange rate of SEK 7.9597 per CAD and a NOK/SEK exchange rate of SEK 1.0256 per NOK on July 22, 2022, to MSEK 24,361.

Pro forma financial information and certain supplementary information

The unaudited pro forma financial information describes a hypothetical situation in order to present an illustration of how Securitas acquisition of STANLEY Security could have affected Securitas consolidated income statement for the financial year ended December 31, 2021 and the first six months ended June 30, 2022, and the consolidated balance sheet as of June 30, 2022. The pro forma financial information has been prepared solely for illustrative purposes. The pro forma accounts do not necessarily reflect Securitas actual results if the acquisitions had been completed at the time mentioned above and the pro forma financial information should not be an indication of Securitas future results and financial position.

The pro forma financial information should be read together with the information in the section "Selected historical financial information" as well as "Operating and financial review". Consequently, potential investors should not attach undue importance to the pro forma financial information. The pro forma financial information has been reviewed by the Company's auditor, see the section "Auditor's report for the pro forma financial information" below.

THE PURPOSE OF THE PRO FORMA FINANCIAL INFORMATION

On December 8, 2021, Securitas entered into an agreement to acquire STANLEY Security for a cash purchase price of MUSD 3,200 on a debt and cash free basis.

The acquisition will have an immediate impact on Securitas' future financial position, earnings and cash flows. This is due to the acquired companies and to the loan financing as a result of the acquisition. In order to replace parts of the loan financing with shareholders' equity, on May 5, 2022 the Annual General Meeting adopted the proposal by the Board of Directors to authorize the Board of Directors to resolve on an issue of new shares with preferential rights for the Company's shareholders during the period up to the Annual General Meeting 2023.

The rights issue as well as the debt financing of the transaction will also affect Securitas' earnings and financial position. The consolidated pro forma statements are intended to illustrate the hypothetical impact which the acquisition, the new loan financing and the rights issue would have had on Securitas' condensed consolidated income statements for the full year January 1, 2021 to December 31, 2021, and the period January 1, 2022 to June 30, 2022, as if the transaction had taken place on January 1, 2021, and on the condensed consolidated balance sheet as of June 30, 2022, as if the transaction had taken place on that date.

By their very nature, pro forma financial statements are intended to describe a hypothetical situation and thus do not serve to describe Securitas' actual financial position or earnings. An investor should be aware that the hypothetical result presented in the pro forma financial information may deviate from what the corresponding information would have been if the transaction had taken place on January 1, 2021 or June 30, 2022, respectively. Potential synergies have not been taken into account.

Furthermore, the pro forma financial statements do not represent an indication of what the results from the business will look like in the future. Investors should exercise caution in placing to much importance on the pro forma financial statements. These pro forma financial statements are solely intended to be used in connection with the rights issue in a manner stated in the prospectus, which has been approved by the Swedish Financial Supervisory Authority.

The pro forma information should be read together with other information in the prospectus.

BASIS FOR THE PRO FORMA FINANCIAL INFORMATION

The pro forma adjustments and the basis of preparation is described in general below. Further information is provided in the pro forma income statement and the pro forma balance sheet with related notes, respectively, wherein the adjustments are described in more detail. The pro forma financial information in this prospectus has been prepared on the basis of the requirements set out in the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council, as applicable.

Accounting principles

Securitas' consolidated financial statements are prepared in accordance with International Financial Reporting Standards as endorsed by the EU ("**IFRS**"), the Swedish Annual Accounts Act (*Sw. årsredovisningslagen (1995:1554)*) and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups. The most important accounting principles under IFRS, which is the basis for the preparation of the pro forma financial statements, can be found in note 2 on pages 61 to 67 in Securitas' Annual and Sustainability Report 2021, which is incorporated via reference into this prospectus.

STANLEY Security, as a part of the Stanley Black & Decker Inc. group of companies, has applied U.S. GAAP.

Securitas has made a preliminary analysis of the differences in accounting principles between Securitas and STANLEY Security and has found that Revenue recognition in all material aspects is the same between the two entities.

The remaining differences are mainly attributable to the differences that exist between IFRS and U.S. GAAP in relation to leases and employee benefits. Adjustments have been made to assess the leases under IFRS 16 and with the application of the interest rates used by Securitas. The interest element adjustment has been reclassified from operating income before and after amortization to financial income and expenses. In terms of employee benefits, the main difference is in the application of the so-called corridor method for remeasurement of defined benefit plans. Securitas recognize actuarial gains and losses immediately via the statement of comprehensive income while STANLEY Security has recognized the actuarial gains and losses falling outside the so-called corridor via the income statement. The defined benefit plans are limited and the only material plans that are conveying with the acquisition are retirement indemnity plans in France. The impact of immediately recognizing actuarial gains and losses via the statement of comprehensive income is not deemed material to adjust.

The pro forma information in the statement of income for the period January 1, 2021 to December 31, 2021 has been prepared based on Securitas' audited annual report for 2021. The pro forma information for the period January 1, 2022 to June 30, 2022, has been prepared based on Securitas' reviewed interim report for the second quarter of 2022. The pro forma information in the balance sheet has been prepared as of June 30, 2022, and is based on Securitas' reviewed interim report for the second quarter of 2022.

STANLEY Security represents only part of a reportable segment within Stanley Black & Decker Inc. and has not been consolidated under a single holding company. For the purpose of the pro forma, STANLEY Security has prepared consolidated financial statements in the form of an income statement down to operating profit and a balance sheet that includes the conveying entities. The information provided is unaudited. This includes historical purchase price allocations resulting from previously made acquisitions, which are reversed and replaced by Securitas purchase price allocation. However, the statement of income of STANLEY Security has been prepared excluding any amortization relating to acquisition-related intangible assets and thus there is no adjustment for the statement of income in relation to historical purchase price allocations. Stanley Black & Decker Inc. has treated STANLEY Security as a discontinued operation from December 8, 2021. This means among other things that amortization and depreciation ceased on December 8, 2021. Securitas have estimated the depreciation and amortization for operational tangible and intangible assets also including Right-of-use assets (leases) and have recognized adjustments to STANLEY Security's result.

STANLEY Security also prepares the statement of income by function and this has been adjusted when items have been identified to be included in Production expenses rather than in Selling and administrative expenses or vice versa when consolidating into Securitas condensed statement of income. Furthermore items accounted for by STANLEY Security that under Securitas accounting principles would be defined as items affecting comparability have been reclassified from selling and administrative expenses to items affecting comparability. The balance sheet of STANLEY Security has been adjusted to conform to the Securitas condensed balance sheet format.

The acquisition is on a debt and cash free basis which means that no balance sheet assets or liabilities that Securitas would consider to be interest-bearing will be included in the acquisition, except for short- and long-term lease liabilities. Consequently, the STANLEY Security statement of income also excludes financial items.

As the income statement excludes tax expense a weighted average tax rate for the group has been applied to the pro forma income statement for the acquired group.

The pro forma statement of income for the period January 1, 2021 to December 31, 2021 has been translated to SEK by using the weighted average for each of the functional currencies for the Group as used in the full-year audited accounts of Securitas 2021. The SEK per USD rate used in consolidating the statement of income from STANLEY Security and for related adjustments, is SEK 8.603 per USD.

The pro forma statement of income for the period January 1, 2022 to June 30, 2022 has been translated to SEK by using the weighted average for each functional currency for the Group as used in the reviewed interim report. The SEK per USD rate used in consolidating the statement of income from STANLEY Security and for related adjustments, is SEK 9.673 per USD.

The pro forma balance sheet as of June 30, 2022 has been translated to SEK at the closing day rate used by Securitas for each of the functional currencies of the Group used in the reviewed interim report for the second quarter. The SEK per USD rate used in consolidating the balance sheet from STANLEY Security, for the preliminary purchase price allocation and for related adjustments, is SEK 10.155 per USD.

Currency	Statement of income January 1, 2021 to December 31, 2021	Statement of income January 1, 2022 to June 30, 2022	Balance sheet June 30, 2022
SEK per USD	8.603	9.673	10.155

PRO FORMA ADJUSTMENTS

The pro forma adjustments are described in detail below and in the notes to the pro forma financial statements. Unless stated otherwise, the adjustments will have recurring impact on Securitas. Unless otherwise explicitly stated, no synergies or integration costs have been taken into consideration in the pro forma financial information.

Preliminary Purchase Price Allocation

The preliminary purchase price allocation and the pro forma information are based on the following assumptions. Securitas acquires STANLEY Security for a cash purchase price of MUSD 3,200 on a debt and cash free basis corresponding to MSEK 32,496 in the pro forma acquisition analysis. A net deduction is made for net debt/claims and net working capital as of July 22, 2022, and will be determined later. Thus, the actual outcome will differ from the table below.

Total preliminary purchase price allocation	MUSD	MSEK
Acquired net assets	524	5,325
Acquisition-related intangible assets	513	5,208
Right-of-use assets	13	135
Long-term and Short-term lease liabilities	-27	-275
Deferred tax	-106	-1,078
Goodwill	2,283	23,181
Net debt/claims adjustment and net working capital adjustment	–	–
Total preliminary purchase price	3,200	32,496

[1] Based on SEK 10.155 per USD.

In the preliminary purchase price, the allocation of identifiable assets and liabilities is valued at fair value. Acquisition-related intangible assets have been identified in the preliminary allocation for customer-related, brand-related and technology-related intangible assets. Brand-related intangible assets are deemed to have an indefinite useful life and are not subject to amortization but will be tested yearly for impairment. Acquisition-related intangibles that are subject to amortization have a useful life estimated from eight to 15 years.

Deferred taxes have been considered where appliable and where identified tax losses carried forward have been valued when it is judged that there will be taxable future income for which the tax losses can be utilized.

The difference between the purchase price and the acquired net assets including acquisition-related intangible assets is accounted for as goodwill in the pro forma balance sheet. Goodwill is not subject to amortization but will be tested yearly for impairment.

The purchase price allocation has been based on available information and will be subject to adjustments both in relation to the final purchase price that will be adjusted for net debt/claims and net working capital adjustments but also as Securitas consolidate the conveying entities, adjustments will be made both concerning acquired net assets, acquisition-related intangible assets, taxes and consequently goodwill.

Rights issue

On May 5, 2022 the Annual General Meeting adopted the proposal by the Board of Directors to authorize the Board of Directors to resolve on an issue of new shares with preferential rights for the Company's shareholders during the period up to the Annual General Meeting 2023.

The purpose is to refinance a part of the bridge facilities that finance Securitas' acquisition of STANLEY Security. In the pro forma financial statements it has been assumed that the rights issue of MSEK 9,292 (MUSD 915) has been fully subscribed, yielding proceeds of MSEK 9,235 after deduction of issuance costs of approximately MSEK 57 net of tax. In the pro forma financial statements, the exchange rate for the rights issue is set at SEK 10.155 per USD, which is the exchange rate effective on June 30 for consolidation of the balance sheet. This entails that the amount differs from the amount of the rights issue of MSEK 9,583, determined as of 12 September 2022.

Acquisition financing

The acquisition is financed through a credit facility agreement with a syndicate of international banks. There are two facilities totaling MUSD 3,300 consisting of a bridge facility of MUSD 915 related to the rights issue with a term of twelve months from the date of the closing of the acquisition of STANLEY Security, with a right for Securitas to extend the term a further six months, and a bridge facility of MUSD 2,385 related to long-term debt financing with a term of twelve months from the date of the closing of the acquisition of STANLEY Security, with a right for Securitas to extend the term twice with six months on each occasion.

The pro forma income statement has been prepared based on the assumption that the rights issue is completed as of January 1, 2021, and thus no funding cost relating to the MUSD 915 facility is recognized in the statement of income, nor are any fees payable for that facility recognized in the statement of income. The remaining balance of MUSD 2,285 (consisting of the preliminary purchase price of MUSD 3,200 less the rights issue of MUSD 915) has been recognized as a long-term interest-bearing liability to offset the cash purchase price.

The all-in funding cost is based on the applicable interest and margin-based currency mix of the MUSD 2,285 debt-financed purchase price portion and includes up-front and participation fees for the full period January 1, 2021 to December 31, 2021. For the six-month period ending June 30, 2022, the same reference rate is applied but in addition to the up-front and participation fees there is also an extension fee. Fees are calculated on the full facility amount which is MUSD 3,300 as they will be charged by the banks. The all-in cost for the twelve-month period are estimated to MSEK 194 (MUSD 23) of which fees amount to MSEK 77 (MUSD 9). For the six-month period the all-in costs are estimated to MSEK 150 (MUSD 16) of which fees amount to MSEK 17 (MUSD 2).

Transaction and issuance costs

Total estimated expenses in connection with the acquisition and the right issue at the time of the preparation of the prospectus amounted to MSEK 278 (including the cost of the part of the bridge facilities which will be refinanced through the rights issue) and MSEK 72, respectively.

The transaction costs of MSEK 62 related to the period January 1, 2021 to December 31, 2021 and MSEK 70 related to the first half of 2022 have been excluded from the pro forma income statement as they are deemed to have arisen prior to the acquisition date. Securitas will incur further transaction costs (including costs for the part of the bridge facilities intended to be refinanced through the rights issue) estimated to approximately MSEK 146, which however are excluded on the same grounds as expenses already incurred. The reversal for incurred transaction expenses is disclosed on the line Items affecting comparability, where all transaction costs for the STANLEY Security acquisition have been accounted for. The total estimated issuance costs have reduced equity in the pro forma balance sheet by MSEK 57, net of tax. Actual issuance expenses paid amount to MSEK 29 as of June 30, 2022.

These adjustments are non-recurring.

Restructuring and integration costs

The pro forma financials do not include any one-time costs for restructuring and integration of the acquired operations. These costs will be accounted for post-closing as Items affecting comparability.

Tax

The full recognition of paid and deferred tax for STANLEY Security was done on the consolidated STANLEY Black and Decker Inc., level and thus Securitas has applied a best estimate of the applicable tax rates based on a weighted average of the tax jurisdictions for the conveying entities. The applied tax rate for both January 1, 2021 to December 31, 2021 and for the six-month period ending June 30, 2022 is 28.1 percent.

Consolidated statement of income January 1, 2021 to December 31, 2021

MSEK	Securitas AB 2021 Audited IFRS[1]	STANLEY Security 2021 Unaudited U.S. GAAP[2]	Acquisition-related adjustments Unaudited	Effects from the debt financing of the transaction Unaudited	Effects from the rights issue Unaudited	Securitas AB Pro forma Unaudited
Total sales	**107,700**	**14,140**	**0**	**0**	**0**	**121,840**
Production expenses	-87,855	-9,071	16[5]	0	0	-96,910
Gross income	**19,845**	**5,069**	**16**	**0**	**0**	**24,930**
Selling and administrative expenses	-13,953	-3,990	0	0	0	-17,943
Other operating income	43	0[3]	0	0	0	43
Share in income of associated companies	43	0[3]	0	0	0	43
Operating income before amortization	**5,978**	**1,079**	**16**	**0**	**0**	**7,073**
Amortization of acquisition-related intangible assets	-290	0	-285[7]	0	0	-575
Acquisition-related costs	-122	0[3]	0	0	0	-122
Items affecting comparability	-871	-177[4]	62[8]	0	0	-986
Operating income after amortization	**4,695**	**902**	**-207**	**0**	**0**	**5,390**
Financial income and expenses	-364	0[5]	-16[5]	-194[9]	0	-574
Income before taxes	**4,331**	**902**	**-223**	**-194**	**0**	**4,816**
Taxes	-1,197	-253[6]	80[6]	52[6]	0	-1,318
Net income for the period	**3,134**	**649**	**-143**	**-142**	**0**	**3,498**

1) Securitas' condensed statement of income based on the audited statement of income.
2) As a basis for the pro forma financial statements, STANLEY Security has prepared consolidated financial information in the form of an income statement and a balance sheet including the entities included in the acquisition. The information prepared is unaudited. STANLEY Security's statement of income has been translated from USD to SEK at the rate of 8.603 SEK per USD.
3) Classification not in use by STANLEY Security.
4) Items accounted for by STANLEY Security that under Securitas accounting principles would be defined as Items affecting comparability. Constitutes costs attributable to system implementation expenses, client losses in excess of the assessed normal level of credit loss and consultancy costs. These items are non-recurring.
5) The transaction is on a debt and cash free basis and consequently no finance net is reported except for the estimated impact of interest resulting from a conversion of leases from U.S. GAAP to IFRS 16 of MSEK 16 which is reclassified from production costs to financial income and expenses.
6) Tax has been calculated to 28.1 percent including purchase price adjustments for STANLEY Security. Tax on Securitas funding costs is calculated at 27.0 percent based on the calculated weighted tax rate for Securitas and STANLEY Security before acquisition-related adjustments.
7) Amortization of customer-related intangible assets of MSEK -254 and technology-related intangible assets of MSEK -31. Brand-related intangible assets are considered to have an indefinite useful life and are not subject to amortization but will be tested for impairment annually.
8) Up until December 31, 2021, Securitas had incurred MSEK -62 in transaction costs relating to the acquisition. These have been reversed in the pro forma as if they had occurred before January 1, 2021. There is no tax impact as the costs have been treated as non-deductible expenses. This adjustment is non-recurring.
9) Estimated interest cost for the bridge facilities of MSEK -117 based on a weighted interest cost per currency as of January 1, 2021. Also including fees applicable to the bridge facilities for the period of MSEK -77.

Consolidated statement of income January 1, 2022 to June 30, 2022

MSEK	Securitas AB 2022 Unaudited IFRS[1]	STANLEY Security 2022 Unaudited U.S. GAAP[2]	Acquisition-related adjustments Unaudited	Effects from the debt financing of the transaction Unaudited	Effects from rights issue Unaudited	Securitas AB Proforma Unaudited
Total sales	**59,133**	**7,786**	**0**	**0**	**0**	**66,919**
Production expenses	-48,290	-5,064	10[5]	0	0	-53,344
Gross income	**10,843**	**2,722**	**10**	**0**	**0**	**13,575**
Selling and administrative expenses	-7,677	-1,913	0	0	0	-9,590
Other operating income	24	0[3]	0	0	0	24
Share in income of associated companies	22	0[3]	0	0	0	22
Operating income before amortization	**3,212**	**809**	**10**	**0**	**0**	**4,031**
Amortization of acquisition-related intangible assets	-122	0	-160[7]	0	0	-282
Acquisition-related costs	-25	0[3]	0	0	0	-25
Items affecting comparability	-360	-152[4]	70[8]	0	0	-442
Operating income after amortization	**2,705**	**657**	**-80**	**0**	**0**	**3,282**
Financial income and expenses	-156	0[5]	-10[5]	-150[9]	0	-316
Income before taxes	**2,549**	**657**	**-90**	**-150**	**0**	**2,966**
Taxes	-688	-185[6]	45[6]	41[6]	0	-787
Net income for the period	**1,861**	**472**	**-45**	**-109**	**0**	**2,179**

1) Securitas' condensed statement of income based on the reviewed statement of income.
2) As a basis for the pro forma financial statements, STANLEY Security has prepared consolidated financial information in the form of an income statement and a balance sheet including the entities included in the acquisition. The information prepared is unaudited. STANLEY Security's statement of income has been translated from USD to SEK at the rate of 9.673 SEK per USD.
3) Classification not in use by STANLEY Security.
4) Items accounted for by STANLEY Security that under Securitas accounting principles would be defined as Items affecting comparability. Constitutes costs attributable to system implementation expenses, client losses in excess of the assessed normal level of credit loss and consultancy costs. These items are non-recurring.
5) The transaction is on a debt and cash free basis and consequently no finance net is reported except for the estimated impact of interest resulting from a conversion of leases from U.S. GAAP to IFRS 16 of MSEK 10 which is reclassified from production costs to financial income and expenses.
6) Tax has been calculated to 28.1 percent including purchase price adjustments for STANLEY Security. Tax on Securitas funding costs is calculated at 27.0 percent based on the calculated weighted tax rate for Securitas and STANLEY Security before acquisition-related adjustments.
7) Amortization of customer-related intangible assets of MSEK -143 and technology-related intangible assets of MSEK -17. Brand-related intangible assets are considered to have an indefinite useful life and are not subject to amortization but will be tested for impairment annually.
8) Up until March 31, 2022, Securitas had incurred MSEK -70 in transaction costs relating to the acquisition. These have been reversed in the pro forma as if they had occurred before January 1, 2021. There is no tax impact as the costs have been treated as non-deductible expenses. This adjustment is non-recurring.
9) Estimated interest cost for the bridge facilities of MSEK -133 based on a weighted interest cost per currency as of January 1, 2021. Also including fees applicable to the bridge facilities for the period of MSEK -17.

Consolidated balance sheet June 30, 2022

MSEK	Securitas AB 2022 Unaudited IFRS	STANLEY Security 2022 Unaudited U.S. GAAP[1]	Acquisition-related adjustments Unaudited	Effects from the debt financing of the transaction Unaudited	Effects from rights issue Unaudited	Securitas AB Proforma Unaudited
ASSETS						
Non-current assets						
Goodwill	25,832	18,456	4,725[4]	0	0	49,013
Acquisition-related intangible assets	1,801	1,662	3,546[4]	0	0	7,009
Other intangible assets	2,036	0	0	0	0	2,036
Right-of-use assets	3,701	824	135[4]	0	0	4,660
Other tangible non-current assets	3,716	801	0	0	0	4,517
Shares in associated companies	378	0[2]	0	0	0	378
Non-interest-bearing financial non-current assets	1,918	2,352	-128[4]	0	0	4,142
Interest-bearing financial non-current assets	1,002	0[3]	0	0	0	1,002
Total non-current assets	**40,384**	**24,095**	**8,278**	**0**	**0**	**72,757**
Current assets						
Non-interest-bearing current assets	26,226	6,231	0	-13[6]	-29[7]	32,415
Other interest-bearing current assets	147	0[3]	0	0	0	147
Liquid funds	3,348	0[3]	-32,496[5]	32,496[6]	-43	3,305
Total current assets	**29,721**	**6,231**	**-32,496**	**32,483**	**-72**	**35,867**
TOTAL ASSETS	**70,105**	**30,326**	**-24,218**	**32,483**	**-72**	**108,624**
SHAREHOLDERS' EQUITY & LIABILITIES						
Shareholders' equity						
Attributable to equity holders of the Parent Company	23,640	25,821	-25,821	-10[6]	9,235[7]	32,865
Non-controlling interest	12	0	0	0	0	12
Total shareholders' equity	**23,652**	**25,821**	**-25,821**	**-10**	**9,235**	**32,877**
Long-term liabilities						
Non-interest-bearing long-term liabilities	312	133	0	0	0	445
Long-term lease liabilities	2,824	433[3]	176[4]	0	0	3,433
Other interest-bearing long-term liabilities	17,041	0[3]	0	32,496[6]	-9,292[7]	40,245
Non-interest-bearing provisions	2,175	269	1,328[4]	0	0	3,772
Total long-term liabilities	**22,352**	**835**	**1,504**	**32,496**	**-9,292**	**47,895**
Current liabilites						
Non-interest-bearing current liabilities and provisions	21,060	3,427	0	-3[6]	-15[7]	24,469
Current lease liabilities	1,013	243[3]	99[4]	0	0	1,355
Other interest-bearing current liabilities	2,028	0[3]	0	0	0	2,028
Total current liabilities	**24,101**	**3,670**	**99**	**-3**	**-15**	**27,852**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	**70,105**	**30,326**	**-24,218**	**32,483**	**-72**	**108,624**

1) As a basis for the pro forma financial statements, STANLEY Security has prepared consolidated financial information in the form of an income statement and a balance sheet including the entities included in the acquisition. The information prepared is unaudited. STANLEY Security's balance sheet has been translated from USD to SEK at the rate of 10.155 SEK per USD.
2) Classification not in use by STANLEY Security.
3) The transaction is on a debt and cash free basis and consequently only lease obligations are recognized as interest-bearing debt.
4) The acquisition adjustment for goodwill consists of the reversal of previously recognized goodwill of MSEK -18,456 and new goodwill arising from the acquisition of MSEK 23,181, which includes deferred tax on the adjustment of acquisition-related intangible assets of MSEK 1,463. The deferred tax has been calculated at 28.1 percent. Adjustment of acquisition-related intangible assets consists of reversal of previously recognized items of MSEK -1,662 and new acquisition-related intangible assets arising on the acquisition of MSEK 5,208. Of these, MSEK 4,501 are customer-related intangible assets, MSEK 293 are technology-related intangible assets and MSEK 414 are brand-related intangible assets. Brand-related intangible assets are considered to have an indefinite useful life and are not subject to amortization but will be tested for impairment annually. Right-of-use assets have been adjusted to fair value by MSEK 135 and the related lease liabilities have been adjusted pro rata by MSEK 176 for long-term lease liabilities and MSEK 99 for current lease liabilities, with the difference, after taking into account deferred tax, recognized as part of new goodwill. Adjustments for deferred tax have been made by MSEK -128 (deferred tax assets) and MSEK 1,328 (deferred tax liabilities) and relate to tax on acquisition adjustments and valuation of tax loss carry-forwards.
5) Estimated impact on liquid funds from the acquisition.
6) Estimated impact of debt-financing including associated prepaid fees of MSEK -10 (total fee of MSEK -13 less tax of MSEK 3).
7) Estimated impact from the rights issue of MSEK 9,292 less associated costs of MSEK -57 (total cost of MSEK -72 less tax of MSEK 15). These costs are non-recurring.

THE FOLLOWING INFORMATION DOES NOT CONSTITUTE PRO FORMA INFORMATION AND HAS NOT BEEN REVIEWED BY THE COMPANY'S AUDITORS.

ADJUSTED EBITA AND EBITDA FOR STANLEY SECURITY

The table below is included in the prospectus with the purpose to disclose the total sales, adjusted EBITA and EBITDA for STANLEY Security, based on Securitas' adjustments of the unaudited STANLEY Security income statement.

In 2021, the total sales for STANLEY Security amounted to MSEK 14,140 with an adjusted EBITDA margin of 11.1 percent. By also adjusting the EBITDA for depreciation in accordance with IFRS 16, the adjusted EBITDA margin amounted to 13.4 percent in 2021.

For the period January 1, 2022 to June 30, 2022, total sales for STANLEY Security amounted to MSEK 7,786 with an adjusted EBITDA margin of 8.6 percent. By also adjusting EBITDA for depreciation in accordance with IFRS 16, the adjusted EBITDA margin amounted to 11.4 percent. STANLEY Security's performance during the period January 1, 2022 to June 30, 2022 was negatively impacted by covid-19, disturbances in supply chains, inflation-driven cost increases and obsolete pricing processes.

	STANLEY Security	STANLEY Security
MSEK	Jan–Dec 2021	Jan–Jun 2022
Total sales[1]	**14,140**	**7,786**
Operating income before amortization[2]	1,079	809
Adjustments[3]	311	-232
Reclassification of assessed interest cost under IFRS 16[4]	16	10
Adjusted EBITA	**1,406**	**587**
Adjustment for depreciation and amortization[5]	158	84
Adjusted EBITDA[6]	**1,564**	**671**
Adjusted EBITDA margin, %[7]	*11.1*	*8.6*

1) Total sales for STANLEY Security from the STANLEY Security unaudited U.S. GAAP column from the pro forma income statement for January–December 2021 and January–June 2022, respectively.
2) Operating income before amortization for STANLEY Security from the STANLEY Security unaudited U.S. GAAP column from the pro forma income statement for January–December 2021 and January–June 2022, respectively.
3) Consists for the period January–December 2021 of the reversal of corporate allocations for corporate services provided by Stanley Black and Decker Inc., of MSEK 724 (MUSD 84) that are included in the consolidated income statement that has been prepared by STANLEY Security for the purpose of the pro forma, and that reflect the historical financial information for STANLEY Security. The allocation of these costs ceased when the agreement to divest STANLEY Security to Securitas was signed on December 8, 2021. Securitas' estimate for the run-rate for such services on a stand-alone basis is MSEK -413 (MUSD -48), which has been included in the table above. Net for the period January–December 2021 is MSEK 311 (MUSD 36). Stanley Black & Decker Inc., has not allocated any costs for these services for January–June 2022 as this period falls after the agreement for the divestment of STANLEY Security to Securitas on December 8, 2021 and thus no costs are included in the consolidated income statement that has been prepared by STANLEY Security and that reflects the historical financial information for STANLEY Security. For the period January–June 2022, the adjustment thus solely consist of the estimated run-rate for such services on a stand alone basis of MSEK -232 (MUSD -24). These estimates exclude any cost synergies.
4) Adjusted for the estimated impact of interest resulting from a conversion of leases from US GAAP to IFRS 16, MSEK 16 for January–December 2021 and MSEK 10 for January–June 2022 from the column acquisition-related adjustments unaudited in the pro forma income statement. The respective amounts are reclassified from operating income before amortization to financial income and expenses.
5) Adjustment for depreciation on tangible fixed assets and intangible assets excluding acquisition-related intangible assets, which by Securitas definition are not included in operating profit before depreciation. In STANLEY Security these depreciations of MSEK 158 are included in production costs and in sales and administration costs and are therefore not separately accounted for in the pro forma income statement.
6) Adjusted EBITDA comprise operating income before amortization plus reclassification of interest costs under IFRS 16 plus adjustments for depreciation and amortization plus adjustments as specified in note 3 above.
7) Adjusted EBITDA margin is calculated as adjusted EBITDA as a percentage of total adjusted sales. An adoption of IFRS instead of U.S. GAAP would have resulted in a further adjustment for depreciation relating to right-of-use assets according to IFRS 16 with MSEK 332 (MUSD 38) and MSEK 216 (MUSD 22), respectively. The adjusted EBITDA margin would consequently have increased from 11.1 percent to 13.4 percent and from 8.6 percent to 11.4 percent, respectively.

Definitions of Alternative Performance Measures for STANLEY Security

Measure	Definition	Description
Adjusted EBITA	Operating income before amortization of acquisition-related non-tangible assets, with consideration of costs in accordance with IFRS 16 and assessed continued central costs.	Shows STANLEY Security's operating income before effects related to amortization of acquisition-related non-tangible assets with considerations of costs according to IFRS 16 and assessed continued central costs.
Adjusted EBITDA	Operating income before amortization of tangible fixed assets and non-tangible assets with consideration of costs according to IFRS 16 and assessed continued central costs.	Shows STANLEY Security's operating income before effects related to amortization of tangible fixed assets and non-tangible assets with considerations of costs according to IFRS 16, assessed continued central costs.
Adjusted EBITDA margin, %	Adjusted EBITDA as a percentage of total sales.	Shows STANLEY Security's operating income before effects related to amortization and depreciation of tangible fixed assets and non-tangible assets with considerations of costs according to IFRS 16 and assessed continued central costs in relation to total sales and is a useful measure of the profitability of STANLEY Security's operations.

Auditor's report on the pro forma financial information

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS
To the Board of Directors of Securitas AB (publ), corporate identity number 556302-7241.

Report on the compilation of pro forma financial information included in a prospectus
We have completed our assurance engagement to report on the compilation of pro forma financial information of Securitas AB (publ) ("**the company**") by the Board of Directors. The pro forma financial information consists of the pro forma balance sheet as at 30 June 2022, the pro forma income statement for the financial year ended 31 December 2021 and for the six-month period ended 30 June 2022 and related notes as set out on pages 91-92 of the prospectus issued by the company. The applicable criteria on the basis of which the Board of Directors has compiled the pro forma financial information are specified in the Delegated Regulation (EU) 2019/980 and described on pages 88-89.

The pro forma financial information has been compiled by the Board of Directors to illustrate the impact of the acquisition of STANLEY Security as described on pages 91-92 of the prospectus on the company's financial position as at 30 June 2022 and the company's financial performance for the financial year ended 31 December 2021 and for the six-month period ended 30 June 2022 as if the acquisitions had taken place at 1 January 2021 and 30 June 2022 respectively. As part of this process, information about the company's financial position and financial performance has been extracted by the Board of Directors from the company's financial statements for the financial year ended 31 December 2021 on which an auditor's report has been published and for the six-month period ended 30 June 2022, on which a review report has been published.

Responsibilities of the Board of Directors for the pro forma financial information
The Board of Directors is responsible for compiling the pro forma financial information in accordance with the requirements of the Delegated Regulation (EU) 2019/980.

Our independence and quality control
We have complied with the independence and other ethical requirements in Sweden, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility
Our responsibility is to express an opinion about whether the pro forma information, in all material respects, has been compiled correctly by the Board of Directors in accordance with the Delegated Regulation (EU) 2019/980, on the bases given and that these bases are consistent with the company's accounting policies.

We have conducted the engagement in accordance with International Standard on Assurance Engagements ISAE 3420 *Assurance engagements to report on the compilation of pro forma financial information included in a prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the auditor plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma financial information in accordance with the delegated regulation.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on the company's unadjusted financial information as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the acquisition at 1 January 2021 and 30 June 2022 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient and appropriate audit evidence about whether:

- The pro forma adjustments have been compiled correctly on the specified basis.
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information
- The stated basis comply with the company's accounting policies.

The procedures selected depend on the auditor's judgment, having regard to his or hers understanding of nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion
In our opinion the pro forma financial information has been compiled, in all material respects, on the bases stated on pages 88-89 and these bases are consistent with the accounting policies applied by the company.

Stockholm, September 16, 2022
Ernst & Young AB

Rickard Andersson
Authorized Public Accountant

Board of Directors, Group Management and auditor

BOARD OF DIRECTORS

According to Securitas' Articles of Association, the Board of Directors shall be comprised of not less than five and not more than ten members, with no more than two deputies, elected by the shareholders at the General Meeting. In addition and by law, employee organisations are entitled to appoint employee representatives. The Board of Directors currently comprises eight members elected by the Annual General Meeting 2022 for a term of office extending until the close of the Annual General Meeting 2023 and three members and one deputy member appointed by employee organisations.

Name	Position	Board member since	Independent in relation to the Company and Group Management	Independent in relation to the Company's major shareholders	Member of the Audit Committee	Member of the Remuneration Committee	Shareholding[1]
Jan Svensson	Chair	2021	Yes	No		•	50,000 shares of class B
Ingrid Bonde	Member	2017	Yes	Yes	•		2,600 shares of class B
John Brandon	Member	2017	Yes	Yes			10,000 shares of class B
Fredrik Cappelen	Member	2008	Yes	Yes	•		8,200 shares of class B
Gunilla Fransson	Member	2021	Yes	Yes		•	2,000 shares of class B
Sofia Schörling Högberg	Member	2005	Yes	No			4,500,000 shares of class A and 11,811,639 shares of class B
Harry Klagsbrun	Member	2021	Yes	Yes			100,000 shares of class B
Johan Menckel	Member	2021	Yes	No	•		10,000 shares of class B
Åse Hjelm	Member*	2008	–	–			120 shares of class B
Jan Prang	Member*	2008	–	–			–
Mikael Persson	Member*	2021	–	–			–
Thomas Fanberg	Deputy member*	2008	–	–			120 shares of class B

*) Employee representative.

1) Own holdings and holdings of related persons and affiliated companies as of August 31, 2022 (with known changes thereafter).

Jan Svensson

Born 1956. Chair and member of the Board since 2021. Chair of the Remuneration Committee.

Education and professional experience: Master of Science in Business and Economics from the Stockholm School of Economics, Sweden. Previous experience as CEO of AB Sigfrid Stenberg between 1986 and 2003, and President and CEO of Investment AB Latour from 2003 to 2019.

Principal activities outside of Securitas: Board assignments.

Current Board assignments and similar: Chair of AB Fagerhult, BillerudKorsnäs AB and Nobia AB. Board member of Stena Metall AB and Herenco Holding AB.

Previous Board assignments and similar (past five years): Chair and CEO of Karpalunds ångbryggeriaktiebolag, Latour Förvaltning AB, and Latour-Gruppen AB. Chair of Troax Group AB, Alimak Group AB, Nordiska Industriaktiebolaget, Latour Industries AB, FOV Fodervävnader i Borås AB, Nord-Lock International AB, Swegon Group AB, Hultafors Group AB, Nederman Holding AB, Swegon Operations AB, Tape Weaving Sweden AB, and Oxeon AB. Board member, President and CEO of Investment AB Latour. Board member of Assa Abloy AB, Loomis AB, Climeon AB, Tomra ASA and Aritco Group AB.

Independent in relation to the Company and Group Management, but not in relation to the Company's major shareholders.

Ingrid Bonde

Born 1959. Board member since 2017. Member of the Audit Committee.

Education and professional experience: Bachelor of Science in Business Administration and Economics from the Stockholm School of Economics, Sweden. Previous experience as CFO and Deputy CEO of Vattenfall AB and CEO of AMF Pensionsförsäkring AB. Former Director General of the Swedish Financial Supervisory Authority.

Principal activities outside of Securitas: Board assignments.

Current Board assignments and similar: Chair of Alecta, tbd30 AB, and Apoteket AB. Vice-Chair of Telia Company AB. Board member of Ersta Diakonisällskap, I Bonde AB and Husqvarna AB.

Previous Board assignments and similar (past five years): Chair of Hoist Finance AB, Hoist Kredit AB, and the Swedish Climate Policy Council. Board member of Loomis AB and Danske Bank A/S. Member of the Swedish Corporate Governance Board.

Independent in relation to the Company and Group Management as well as the Company's major shareholders.

John Brandon

Born 1956. Board member since 2017.
Education and professional experience: Bachelor of Arts in History from the University of California, Davis, the United States. Previous experience from several positions with Apple Inc., such as Vice President of Apple International and Apple Americas and Asia.
Principal activities outside of Securitas: Advisor to Conductive Ventures.
Current Board assignments and similar: Board member of Hexagon AB.
Previous Board assignments and similar (past five years): President and CEO of Academic Systems.
Independent in relation to the Company and Group Management as well as the Company's major shareholders.

Fredrik Cappelen

Born 1957. Board member since 2008. Chair of the Audit Committee.
Education and professional experience: Bachelor of Science in Business Administration and Economics from Uppsala University, Sweden. Previous experience as CEO and member of the Group Management of STORA Building-products AB, Vice President Marketing and Sales and member of the Group Management of STORA Finepaper AB, and CEO of Kauko GmbH and Kauko International. Former President and Group Chief Executive of Nobia AB.
Principal activities outside of Securitas: Board assignments and advisor to Private Equity.
Current Board assignments and similar: Chair of Transcom Holding AB, Dometic Group AB, Laedi TopCo AB, Laedi BidCo AB, IDEAL of Sweden AB, Zacco A/S, Rossignol Group S.A and Eterna Invest AB. Board member of Baskina AB and Baskina Invest AB (including subsidiaries Fredro Fastigheter AB and Strandro Fastigheter AB). Member of the ICC Executive Board.
Previous Board assignments and similar (past five years): Chair of Dustin Group AB, Altordent Holding AB, Terveystalo Oy, Sanitec Oy, Transcom WorldWide AB, Laedi MidCo AB, KonfiDents GmbH, and Svenska ICC Service AB.
Independent in relation to the Company and Group Management as well as the Company's major shareholders.

Gunilla Fransson

Born 1960. Board member since 2021. Member of the Remuneration Committee.
Education and professional experience: Master of Science in Chemical Engineering and Licentiate in Nuclear Science from the Royal Institute of Technology (KTH), Sweden. Previous experience from various management positions in Ericsson AB between 1985 and 2008. Member of the Group Management Team of Saab AB as Head of Business Area Security Solutions from 2008 to 2016.
Principal activities outside of Securitas: Board assignments.
Current Board assignments and similar: Chair of Net Insight AB. Board member of Nederman AB, Trelleborg AB, Eltel AB, Weibel Scientific A/S, Henry Dunkers Förvaltningsaktiebolag, and Dunkerintressena (including The Henry and Gerda Dunker Foundation and The Henry and Gerda Dunker Donation Fund No. 2). Deputy board member and owner of Glemminge-Tågarp Konsultbyrå AB.
Previous Board assignments and similar (past five years): Chair and Managing Director of Novare Peritos AB. Board member of Enea AB, ProOpti AB, Nilar International AB, and Instoria Invest AB (including subsidiaries Instoria Sweden AB, Permobil Holding AB and Permobil AB).
Independent in relation to the Company and Group Management as well as the Company's major shareholders.

Sofia Schörling Högberg

Born 1978. Board member since 2005.
Education and professional experience: Bachelor of Science in Business Administration and Economics from Stockholm University, Sweden.
Principal activities outside of Securitas: Board assignments.
Current Board assignments and similar: Vice-Chair of Melker Schörling AB. Board member of Hexagon AB, Assa Abloy AB, Edeby-Ripsa Skogsförvaltning AB, Melker Schörling Tjänste AB, Mexab Holding AB, Mexab Industri AB, Sohold AB, The Schörling Foundation and MEXAB AG.
Previous Board assignments and similar (past five years): Board member of Mexab Property AB and Melkhold AB.
Independent in relation to the Company and Group Management, but not in relation to the Company's major shareholders.

Harry Klagsbrun

Born 1954. Board member since 2021.
Education and professional experience: Bachelor of Arts in Journalism from the Stockholm School of Journalism, Sweden. Master of Science in Business Administration and Economics from the Stockholm School of Economics, Sweden. Master of Business Administration from New York University, the United States. Previous experience as Executive Vice President and member of the Group Executive Committee at Skandinaviska Enskilda Banken AB and CEO of Alfred Berg Group.
Principal activities outside of Securitas: Chair of Harmar AB and Senior Advisor at EQT AB.
Current Board assignments and similar: Chair of Bark Partners AB, Harmerica Properties AB, Harkla AB, Harmar AB, and Heqta Holding AB.
Previous Board assignments and similar (past five years): Chair of Bluestep Bank AB. Board member of Piab Group AB and Press Ganey Inc.
Independent in relation to the Company and Group Management as well as the Company's major shareholders.

Johan Menckel

Born 1971. Board member since 2021. Member of the Audit Committee.
Education and professional experience: Master of Science in Industrial Engineering and Management from the Royal Institute of Technology (KTH), Sweden. Previous experience as consultant at Accenture AB and founder of addnature.com.
Principal activities outside of Securitas: Executive Vice President and Chief Investment Officer of Investment AB Latour.
Current Board assignments and similar: Chair of Bemsiq AB, Nederman Holding AB, and Nord Lock Group. Board member of Latour Industries AB, Saab AB and World Materials Forum France. Deputy board member of The Menckels AB and Erik Menckel AB.

Previous Board assignments and similar (past five years): Chair of Gränges Finspång AB. Board member of YPO Service AB and Svenska Postkodföreningen. CEO of Gränges AB.
Independent in relation to the Company and Group Management, but not in relation to the Company's major shareholders.

Åse Hjelm
Born 1962. Board member since 2008. Representative of Unionen.
Education and professional experience: Professional experience from several positions within Securitas, including as Telecommunication Manager since 1998. Chair of the Securitas Council for Salaried Employees. Vice-Chair of Salaried Employees' Union local branch, Securitas Norrland.
Principal activities outside of Securitas: –
Current Board assignments and similar: –
Previous Board assignments and similar (past five years): –

Jan Prang
Born 1959. Board member since 2008. Representative of the Swedish Transport Workers' Union.
Education and professional experience: Upper secondary school education. The Swedish Transport Workers' Union's corporate board education. Trained security guard, dog handler and security officer. Professional experience from various positions within Securitas in Sweden since 1981. Former member of the United Nations' Peacekeeping Forces. Chair of the Swedish Transport Workers' Union local branch, Securitas Gothenburg.
Principal activities outside of Securitas: –
Current Board assignments and similar: –
Previous Board assignments and similar (past five years): Chair of the Swedish Transport Workers' Union's Third Department, Guard Section.

Mikael Persson
Born 1966. Board member since 2021. Representative of the Swedish Transport Workers' Union.
Education and professional experience: Professional experience from several positions within Securitas in Sweden, including as security guard, dog handler and security officer. Chair of the Swedish Transport Workers' Union local branch, Securitas Värmland.
Principal activities outside of Securitas: –
Current Board assignments and similar: –
Previous Board assignments and similar (past five years): –

Thomas Fanberg
Born 1961. Deputy board member since 2008. Representative of Unionen.
Education and professional experience: Upper secondary school education. Professional experience from several positions within Securitas in Sweden, including as security officer and quality coordinator. Chair of Salaried Employees' Union local branch, Securitas Norrland.
Principal activities outside of Securitas: –
Current Board assignments and similar: Board member of HSB Bostadsrättsförening Ställaren i Sundsvall.
Previous Board assignments and similar (past five years): –

GROUP MANAGEMENT

Name	Position	Member of the Group Management since	Employed within Securitas since	Shareholding[1]
Magnus Ahlqvist	President and CEO	2015	2015	205,342 shares of class B and 100,000 share options[2]
Andreas Lindback	Chief Financial Officer	2019	2011	12,670 shares of class B
Martin Althén	President, Securitas Digital	2016	2016	20,068 shares of class B
Hillevi Agranius	Chief Information Officer	2022	2019	4,867 shares of class B
Greg Anderson	Divisional President, Security Services North America	2020	2010	31,459 shares of class B
Helena Andreas	Senior Vice President, Group Communications & People	2019	2019	11,314 shares of class B
Tony Byerly	Global President, Securitas Technology	2019	2016	23,872 shares of class B
José Castejon	Chief Operating Officer, North American Guarding, Security Services North America	2020	2007	16,543 shares of class B
Jorge Couto	Divisional President, Security Services Ibero-America	2019	1998	16,240 shares of class B
Peter Karlströmer	Divisional President, Security Services Europe	2019	2019	33,008 shares of class B
Jan Lindström	Senior Vice President, Finance	2007	1999	24,013 shares of class B
Brian Riis Nielsen	Senior Vice President, Global Clients and leader of Global Clients & Vertical Markets	2019	2002	9,081 shares of class B
Axel Sundén	Divisional President, AMEA	2022	2012	3,042 shares of class B
Frida Rosenholm	Senior Vice President, General Counsel	2018	2018	10,247 shares of class B
Henrik Zetterberg	Chief Operating Officer, Security Services Europe	2014	2014	20,229 shares of class B

1) Own holdings and holdings of related persons and affiliated companies as of August 31, 2022 (with known changes thereafter).
2) Share options for the acquisition of shares of class B, issued at market price by Melker Schörling AB and Investment AB Latour.

Magnus Ahlqvist
Born 1974. President and CEO since 2018. Member of the Group Management since 2015.
Education and professional experience: Master of Science in Business Administration and Economics from the Stockholm School of Economics, Sweden. Leadership exam from Harvard Business School, the United States. Previous experience from various management positions with Sony and Sony Ericsson Mobile Communications, such as President for Greater China, General Manager Spain & Portugal and General Manager Canada. Former Corporate Vice President, EMEA & APAC at Motorola Mobility, a Google-owned company.
Current Board assignments and similar: Board member of International Security Ligue. Deputy board member of byEloise AB.
Previous Board assignments and similar (past five years): Board member of byEloise AB.

Andreas Lindback
Born 1982. Chief Financial Officer since 2021. Member of the Group Management since 2019.
Education and professional experience: Master of Science in Finance from the Stockholm School of Economics, Sweden. Previous experience from several positions within Securitas, such as Divisional President for AMEA and Corporate Finance Manager.
Current Board assignments and similar: –
Previous Board assignments and similar (past five years): Board member of Long Hai Security Services Joint Stock Company. Deputy board member of Liljeria AB.

Martin Althén
Born 1968. President, Securitas Digital since 2022. Member of the Group Management since 2016.
Education and professional experience: Master of Science in Industrial Engineering and Management from the Institute of Technology, Linköping University, Sweden. Previous experience from various positions with AstraZeneca AB, PA Consulting Group and Deloitte AB. Former Chief Information Officer of Husqvarna AB.
Current Board assignments and similar: Board member of Garo AB and Althén Business Consulting AB.
Previous Board assignments and similar (past five years): –

Hillevi Agranius
Born 1971. Chief Information Officer and member of the Group Management since 2022.
Education and professional experience: Bachelor of Arts (Hons) in Economics from the University of Sussex, United Kingdom. Previous experience as Vice President, Performance Management for Global IT & Intelligent Services at Securitas. Former Global CIO at Husqvarna Group. Prior to that she held various roles within Finance, IT Finance and IT at American Express.
Current Board assignments and similar: Board member of Newsec AB and JCE Group AB.
Previous Board assignments and similar (past five years): Board member of Newsec Property Asset Management AB.

Greg Anderson
Born 1967. Divisional President, Security Services North America since 2022. Member of the Group Management since 2020.
Education and professional experience: Bachelor of Science in Business/Marketing from California State University, San Bernardino, the United States. Previous experience from various roles within Securitas, including Regional Vice President, President of the Pacific Region and Divisional President, North American Guarding. Previously held several U.S. and international roles with General Electric.
Current Board assignments and similar: –
Previous Board assignments and similar (past five years): –

Helena Andreas
Born 1975. Senior Vice President, Group Communications & People since 2020. Member of the Group Management since 2019.
Education and professional experience: Master of Science in Engineering Physics and Bachelor of Science in Business Administration and Economics from Lund University, Sweden. Master of Business Administration from INSEAD, France/Singapore. Previous experience include several senior positions with Vodafone and Tesco in London, the U.K. Former Group Director of Marketing and Communications at Nordea AB. Previously consultant at Accenture AB.
Current Board assignments and similar: Board member of Valamis Oy.
Previous Board assignments and similar (past five years): Board member of Booker Group Plc.

Tony Byerly
Born 1966. Global President, Securitas Technology since 2021. Member of the Group Management since 2019.
Education and professional experience: Bachelor of Arts in Social Science and Business from Eureka College, the United States. Previous experience from over 30 years in the technology industry, such as President and Chief Operating Officer of STANLEY CSS, a division of STANLEY Security, and Regional Vice President & Group General Manager for ADT Security, a division of Tyco International. Former Senior Vice President Sales, Marketing & National Accounts of HSM Electronic Protection Services and Executive Vice President at Diebold Inc.
Current Board assignments and similar: –
Previous Board assignments and similar (past five years): –

José Castejon
Born 1968. Chief Operating Officer, North American Guarding, Security Services North America and member of the Group Management since 2020.
Education and professional experience: Bachelor of Science in Business Administration from Florida International University, the United States. Previous experience from several positions within Securitas, such as Region President of the South Region and Area Vice President in Central Florida. Currently leader of Securitas Global Guarding Center of Excellence.
Current Board assignments and similar: –
Previous Board assignments and similar (past five years): –

Jorge Couto
Born 1970. Divisional President, Security Services Ibero-America and member of the Group Management since 2019.
Education and professional experience: Studies in Engineering from Oporto Engineering College, Oporto University, Portugal. Studies in Marketing and Management from the Higher Institute of Accounting and Administration, Oporto University, Portugal. Degree in Security Studies from Lusophone University, Portugal. Previous experience from several positions within Securitas, such as Branch and Area Manager as well as Country President, Security Services Portugal.
Current Board assignments and similar: –
Previous Board assignments and similar (past five years): –

Peter Karlströmer
Born 1971. Divisional President, Security Services Europe and member of the Group Management since 2019.
Education and professional experience: Master of Science in Business Administration and Economics and Master of Science in Electrical Engineering from Lund University, Sweden. Previous experience from several senior positions at Cisco Systems, such as head of the business with telecom operators in Europe, Middle East, Africa and Russia. Former partner in business leadership roles with McKinsey & Company.
Current Board assignments and similar: –
Previous Board assignments and similar (past five years): –

Jan Lindström
Born 1966. Senior Vice President, Finance and member of the Group Management since 2007.
Education and professional experience: Bachelor of Science in Business Administration and Economics from Uppsala University, Sweden. Previous experience from several roles within Securitas, such as head of the reporting function. Former authorized public accountant with PricewaterhouseCoopers AB.
Current Board assignments and similar: –
Previous Board assignments and similar (past five years): –

Brian Riis Nielsen
Born 1966. Senior Vice President, Global Clients and leader of Global Clients & Vertical Markets and member of the Group Management since 2019.
Education and professional experience: Graduate certificate in Business Administration from Odense University, Denmark. Insurer Examination from the Insurance Academy, Denmark. Previous experience from several positions within Securitas, including Country President, Security Services Denmark and Country President, Security Services U.K. Previously spent 15 years in the insurance and security industry.
Current Board assignments and similar: –
Previous Board assignments and similar (past five years): –

Axel Sundén
Born 1982. Divisional President, AMEA and member of the Group Management since 2022.
Education and professional experience: Master of Science in Business Administration and Economics from Stockholm University, Sweden. Master of Science in Engineering Physics from the Royal Institute of Technology (KTH), Sweden. Previous experience from several positions within Securitas, such as Area Manager of Northern Sweden, Corporate Finance Manager, and Business Controller, Security Services Europe.
Current Board assignments and similar: –
Previous Board assignments and similar (past five years): –

Frida Rosenholm
Born 1974. Senior Vice President, General Counsel and member of the Group Management since 2018.
Education and professional experience: Master of Laws from Stockholm University, Sweden. Previous experience from senior management positions with Pergo AB and Pfleiderer AG. Former General Counsel at EF Education First. Previously associate at Mannheimer Swartling Advokatbyrå.
Current Board assignments and similar: Deputy board member of AF Rosenholm AB.
Previous Board assignments and similar (past five years): –

Henrik Zetterberg
Born 1976. Chief Operating Officer, Security Services Europe since 2020. Member of the Group Management since 2014.
Education and professional experience: Master of Laws from Lund University, Sweden. Previous experience from various positions at Assa Abloy AB as part of Group Legal and within different divisions, including Head of Legal for the Entrance System Division. Former Chief Operating Officer, Northern Europe at Securitas and senior associate at Mannheimer Swartling Advokatbyrå.
Current Board assignments and similar: Board member and Managing Director of Slowclimb AB. Board member of ZetFam AB.
Previous Board assignments and similar (past five years): Board member of C-Green AB.

OTHER INFORMATION CONCERNING THE BOARD OF DIRECTORS AND GROUP MANAGEMENT

All members of the Board of Directors and Group Management can be reached through the Company's address Lindhagensplan 70, SE-102 28 Stockholm, Sweden.

There are no family relationships between any of the members of the Board of Directors and/or Group Management. No member of the Board of Directors or Group Management has been convicted in any case involving fraudulence during the past five years. None of them have been involved in any bankruptcy, receiverships or liquidation during the past five years in the capacity of a member of administrative, management or supervisory bodies or a senior executive. No official public incrimination and/or sanctions have been issued by statutory or regulatory authorities (including designated professional bodies) during the past five years against any of the members of the Board of Directors or the Group Management, save for that the Swedish Financial Supervisory Authority in 2020 sanctioned John Brandon for delayed transaction reporting. Nor, during the past five years, has any member of the Board of Directors or the Group Management been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any issuer.

No member of the Board of Directors or the Group Management has any private interests or other duties which might conflict with their duties carried out on behalf of Securitas. However, as stated above, a number of the members of the Board of Directors and the Group Management has a financial interest in Securitas through holdings of shares.

AUDITOR

Ernst & Young AB (Hamngatan 26, SE-111 47 Stockholm, Sweden) is Securitas' auditor since 2021, with Rickard Andersson as auditor-in-charge. PricewaterhouseCoopers AB (Torsgatan 21, SE-113 97 Stockholm, Sweden) was Securitas' auditor during 2019 and 2020, with Patrik Adolfson as auditor-in-charge. Rickard Andersson and Patrik Adolfson are authrized public accountants and members of FAR (the professional institute for authorised public accountants in Sweden).

Corporate governance

SECURITAS' GOVERNANCE MODEL
The purpose of Securitas' corporate governance is to maintain a high standard of integrity, ensure value creation and encourage an entrepreneurial corporate culture, as well as compliance with applicable laws, regulations and any codes of conduct in the jurisdictions where the Group operates. The governance of Securitas is based on the Swedish Companies Act, the Swedish Corporate Governance Code (the "**Code**"), and Nasdaq's Nordic Main Market Rulebook for Issuers of Shares, as well as other relevant laws and regulations. The Code is based on the "comply or explain" principle, meaning that companies are not obligated to at all times apply every rule in the Code, but are allowed the freedom to choose alternative solutions which they feel are better in their particular circumstances, provided they report every deviation, describe the alternative solution and explain the reasons for the deviation. Securitas complies with the Code principle of "comply or explain" and has not reported any deviations in 2022.

Board committees

Audit Committee
The Board of Directors has established and appointed an Audit Committee, which operates under the instructions for the Audit Committee and meets with Securitas' auditors at least four times per year. The Committee monitors the financial reporting, the effectiveness of the internal control over financial reporting, internal audit activities and the risk management system to support the Board's quality control work. The Committee also stays informed about annual statutory audits. The Committee also stays informed about annual statutory audits. It assesses the external auditor's independence and receives information on and approves the performance of significant non-audit services.

The Audit Committee consists of the board members Fredrik Cappelen (Chair), Ingrid Bonde and Johan Menckel.

Remuneration Committee
The Board has established a Remuneration Committee to prepare decisions related to salaries, bonuses, share-based incentive schemes and other forms of compensation for Group Management, as well as other management levels if the Board of Directors so decides. The Remuneration Committee's tasks include preparing the Board of Directors' decision to propose guidelines for remuneration to the senior management. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the senior management, the application of the guidelines for remuneration to senior management as well as the current remuneration structures and compensation levels in Securitas. The members of the Remuneration Committee are independent of the company and its senior management. The CEO and other members of the senior management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

The Remuneration Committee consists of the board members Jan Svensson (Chair) and Gunilla Fransson.

Remuneration to the Board of Directors
The Annual General Meeting 2022 resolved that the board fees for the period up until the next Annual General Meeting should be SEK 2,550,000 to the Chair of the Board of Directors and SEK 840,000 to each other board member elected by the General Meeting. In addition, it was resolved that a fee of SEK 390,000 shall be paid to the Chair of the Audit Committee and a fee of SEK 250,000 to each of the other committee members, while a fee of SEK 105,000 shall be paid to the Chair of the Remuneration Committee and SEK 53,000 to each of the other committee members.

The table below specifies the fees related to 2021 to members of the Board of Directors elected by the General Meeting.

	Position			
Board member	**Board of Directors**	**Audit Committee**	**Remuneration Committee**	**Total fee, SEK[1]**
Jan Svensson	Chair		Chair	2,500,000
Ingrid Bonde	Member	Member		1,025,000
John Brandon	Member			800,000
Fredrik Cappelen	Member	Chair		1,150,000
Gunilla Fransson	Member		Member	850,000
Sofia Schörling Högberg	Member			800,000
Harry Klagsbrun	Member			800,000
Johan Menckel	Member	Member		1,025,000
Total				**8,950,000**

1) Total fee includes fees for committee work. In total, SEK 950,000 was paid out for committee work, of which SEK 800,000 for Audit Committee work and SEK 150,000 for Remuneration Committee work.

For additional information, please refer to "*Note 9 – Remuneration to the Board of Directors and senior management*" on page 81 in Securitas' Annual and Sustainability Report 2021.

Remuneration to Group Management

The remuneration to members of Group Management comprises base salary, other benefits, variable compensation and pension benefits. The table below shows the remuneration to Group Management in 2021.

KSEK	**Base salary**	**Other benefits**	**Variable compensation[3]**	**Pension[4]**	**Total remuneration**
Magnus Ahlqvist, President and CEO[1]	16,782	137	25,150	4,946	47,015
Other members of Group Management[2]	71,592	3,893	96,970	18,632	191,087
Total	**88,374**	**4,030**	**122,120**	**23,578**	**238,102**

1) Base salary including vacation pay.
2) Other members of Group Management consisted as of December 31, 2021, of 13 persons. The compensation for members who left the Group Management is included.
3) Refer to the cost for 2021 for Securitas incentive scheme for cash bonus and long-term incentive plans.
4) The Group Management's pension plans are defined contribution plans. There are consequently no amounts set aside or accrued to provide pension, retirement or similar benefits to the current Group Management.

For additional information, please refer to "*Note 9 – Remuneration to the Board of Directors and senior management*" on page 81 in Securitas' Annual and Sustainablility Report 2021.

Notice period and severance pay

The notice period for senior management employees is maximum six months in the event of termination by a senior management employee, without entitlement to severance pay. In the event of termination by Securitas, the notice period is twelve months for the President and CEO, and a maximum of twelwe months for senior management employees. In such event, severance pay after the end of the notice period corresponding to twelve months' fixed salary is payable to the President and CEO, and corresponding to a maximum of 24 months' fixed salary is payable to other members of Group Management.

Share capital and ownership structure

SHARE INFORMATION

According to Securitas' currently registered Articles of Association, the share capital shall be not less than SEK 300,000,000 and not more than SEK 1,200,000,000, divided into not less than 300,000,000 shares and not more than 1,200,000,000 shares. Securitas has issued shares in two classes; shares of class A and shares of class B. Shares of class A may be issued up to a maximum number of 240,000,000 and shares of class B to a maximum number of 1,200,000,000. Each share of class A entitles the holder to ten (10) votes and each share of class B entitles the holder to one (1) vote.

As of the date of this prospectus, which was also the case on June 30, 2022, the Company's registered share capital is SEK 365,058,897, represented by 365,058,897 shares (of which 17,142,600 shares of class A and 347,916,297 shares of class B), each with a quota value of SEK 1.[153]

The shares in Securitas have been issued in accordance with Swedish law, are fully paid and denominated in SEK. The shares in the Company are freely transferable in accordance with Swedish law. The rights of the shareholders may only be changed pursuant to the procedures set out in the Swedish Companies Act or the Articles of Association.

Forthcoming rights issue

The forthcoming rights issue will, if fully subscribed, result in an increase of the number of shares in Securitas from 365,058,897 shares (of which 17,142,600 shares of class A and 347,916,297 shares of class B) to 573,392,552 shares (of which 26,938,371 shares of class A and 546,454,181 shares of class B), representing an increase of approximately 57.1 percent (also excluding the Company's holding of treasury shares).

Dilution

For shareholders who decline to subscribe for shares in the rights issue, the shareholding will be diluted with a maximum total of 208,333,655 new shares, representing up to 36.3 percent (36.4 percent excluding treasury shares held by Securitas) of the total number of shares and votes in Securitas after the rights issue.

As of June 30, 2022, Securitas' net asset value per share[154] amounted to SEK 64.87. The subscription price in the rights issue is SEK 46.

CERTAIN RIGHTS ATTACHED TO THE SHARES

General meetings

Notice of General Meetings shall be published in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) and on the Company's website. Simultaneously, an announcement with information that the notice has been given shall be published in Svenska Dagbladet. To be entitled to participate in a General Meeting, a shareholder must be registered in a transcript or other presentation of the share register on the record date for the General Meeting, which is established in accordance with the Swedish Companies Act, and must give notice to the Company of the participation not later than the day mentioned in the notice convening the meeting.

Voting rights

Each share of class B entitles to one (1) vote at a General Meeting and each share of class A entitles to ten (10) votes at a General Meeting. Each shareholder is entitled to vote for the total number of shares held without limitation of the voting powers.

Preferential rights to new shares, etc.

Should the Company decide to issue new class A and class B shares by way of a cash issue or a set-off issue, the holders of class A and class B shares, respectively, shall have priority right to subscribe to new shares of the same class in proportion to their existing shareholdings (primary right of priority). Shares not subscribed to by primary right of priority shall be offered to all shareholders (subsidiary right of priority). If the entire number of shares subscribed to by subsidiary right of priority cannot be issued, the shares shall be distributed between the subscribers in proportion to their existing shareholdings and, insofar as this cannot be done, by drawing of lots.

Should the Company decide to issue shares of only one class By way of a cash issue or a set-off issue, all shareholders, irrespective of class of shares owned, shall have priority right to subscribe to new shares in proportion to their existing shareholdings.

Should the Company decide to issue warrants or convertible bonds by way of a cash issue or a set-off issue, the shareholders shall have the priority right to subscribe to such warrants as if the shares to which the warrants entitle were issued and the priority right to subscribe to such convertible bonds as if the shares for which the convertible bonds may be exchanged were issued, respectively.

What is stated above shall not entail any restrictions on the possibility to resolve on a cash issue or a set-off issue with deviation from the shareholders' priority rights.

An increase of the share capital by way of a bonus issue shall be made by issuing shares of both class A and class B distributed between the classes of shares in proportion to their part of the share capital when the increase is decided upon. Owners of shares of class A and class B, respectively, shall then have the right to new shares of the same class, each in proportion to their existing shareholdings. The above shall not entail any restrictions on the possibilities

153 As of the date of this prospectus, Securitas holds 475,000 treasury shares of class B.
154 Calculated as equity (MSEK 23,652) divided by 364,583,897 shares (365,058,897 shares outstanding after deduction of 475,000 treasury shares held by Securitas).

to issue shares of a new class By a bonus issue, after any necessary amendments of the Articles of association.

Right of first refusal (shares of class A)

If a share of class A has been transferred to a person who is not already a shareholder in the Company, by means of purchase, exchange, gift, separation of joint property, inheritance, will, company distribution, merger, demerger or other transfer of title, such share shall immediately be offered to the holders of shares of class A for redemption. An offer for redemption may not be exercised for a smaller number of shares than those included in the offer. For more information, please see "*Articles of Association*".

Rights to dividends and surplus in the event of liquidation

Shares in the Company carry the same right to share in the Company's profit and any surplus in the event of liquidation.

Dividends are resolved upon by the General Meeting and the payment is administered by Euroclear Sweden. Dividends may only be paid if the Company, after such dividends, still has full coverage of its restricted equity and further to the extent that such dividends are justified taking into consideration (i) the demands with respect to size of shareholders' equity which are imposed by the nature, scope and risks associated with the operations; and (ii) the Company's and the Group's consolidation needs, liquidity and position in general (the so-called prudence rule). As a general rule, the shareholders may not decide upon larger dividends than those proposed or approved by the Board of Directors. Dividends are normally paid to shareholders in cash on a per share basis, but may also be paid in kind.

On the record date established by the General Meeting, holders recorded as owners of shares in the register of shareholders maintained by Euroclear Sweden will be entitled to receive dividends. If a shareholder cannot be paid through Euroclear Sweden, such shareholder still retains its claim to the dividend amount, and the claim remains against the Company subject to a statutory limitation of 10 years. Should the claim become barred by the statute of limitations, the dividend amount is forfeited to the Company. Neither the Swedish Companies Act nor Securitas' Articles of association contain any restrictions regarding dividend rights of shareholders outside Sweden. Subject to any restrictions imposed by banks or clearing systems in the relevant jurisdiction, payments to such shareholders are made in the same manner as for share-holders resident in Sweden. However, shareholders who are not tax resident in Sweden are normally subject to Swedish withholding tax. See "*Tax considerations–Tax considerations in Sweden*" for additional information.

Information on taxation

The tax legislation in the investor's home country and in Sweden may affect any income received from shares in Securitas.

The taxation of any dividend, as well as capital gains taxation and rules concerning capital losses in connection with disposal of securities, depends on the investor's particular circumstances. Special rules apply to certain categories of tax payers and certain types of investment forms. Each holder of shares should therefore consult a tax advisor for information on the specific implications that may arise in an individual case, including the applicability and effect of foreign tax rules and tax treaties. For further information, see the section "*Tax considerations*".

Dividend history

The table below shows dividends paid by Securitas relating to the financial years 2021, 2020 and 2019. For information on Securitas' dividend policy, please refer to "*Business description–Targets and dividend policy–Dividend policy*".

SEK	2021	2020	2019
Dividend per share	4.40	4.00	4.80

SHARE CAPITAL DEVELOPMENT

There have been no changes to Securitas' share capital since January 1, 2019.

OWNERSHIP STRUCTURE

The table below sets forth Securitas' ownership structure as of August 31, 2022 (with known changes thereafter).

Shareholder[1]	Shares of class A	Shares of class B	Total number of shares	Shares, %	Votes, %
Ten largest shareholders					
Investment AB Latour and subsidiaries	12,642,600	27,190,000[2]	39,832,600	10.9	29.6
Melker Schörling AB	4,500,000	11,806,839	16,306,839	4.5	10.9
M&G Investment Management	–	16,459,153	16,459,153	4.5	3.2
EQT	–	10,960,000	10,960,000	3.0	2.1
BlackRock	–	10,274,119	10,274,119	2.8	2.0
Macquarie Investment Management Limited	–	10,141,458	10,141,458	2.8	2.0
Didner & Gerge Funds	–	10,079,110	10,079,110	2.8	1.9
Vanguard	–	9,788,055	9,788,055	2.7	1.9
Handelsbanken Funds	–	7,587,151	7,587,151	2.1	1.5
Länsförsäkringar Funds	–	7,084,119	7,084,119	1.9	1.4
Total ten largest shareholders	**17,142,600**	**121,370,004**	**138,512,604**	**37.9**	**56.5**
Other shareholders	–	226,071,293	226,071,293	61.9	43.5
Treasury shares held by Securitas[3]		475,000	475,000	0.13	–
Total	**17,142,600**	**347,916,297**	**365,058,897**	**100.0**	**100.0**

1) The information about shareholders is based on information from Euroclear Sweden and Modular Finance, which may result in nominees being included and that the actual owners are therefore not stated.
2) Including holdings of closely related persons and affiliated companies.
3) May not be represented at general meetings and do not entitle to participation in the rights issue.

Securitas' largest shareholders, Investment AB Latour (in which the Douglas family and companies hold approximately 76 percent of the shares and 79 percent of the votes) and subsidiaries and Melker Schörling AB (together the "**Principal Shareholders**"), together hold shares equivalent to approximately 15.4 percent of the shares and 40.5 percent of votes in the Company. The Principal Shareholders can thus exercise significant influence over the Company in matters where the shareholders have a voting right, including the election of the Company's Board of Directors, amendments to the Company's Articles of Association and dividends. Due to their joint shareholding, the Principal Shareholders may put through several proposals at a general meeting, even if other shareholders do not agree with the proposal. The control is, however, limited in accordance with the rules set out in the Swedish Companies Act (2005:551) on minority protection.

As a consequence of the fulfilment of the Principal Shareholders' subscription and guarantee undertakings in connection with the rights issue, the Principal Shareholders' joint ownership could increase to a maximum total of approximately 28.2 percent of the shares and 53.4 percent of the votes in the Company. Furthermore, as a result of a shareholders' agreement entered into between the Principal Shareholders (see "*Shareholders' agreements*" below), they are deemed parties acting in concert for mandatory bid purposes. Since the Principal Shareholders' joint holding in Securitas exceeded the mandatory bid threshold at the time when mandatory bid rules were introduced in Sweden, they are exempt from mandatory bid requirements should their holding increase (whether jointly or individually). Accordingly, the Principal Shareholders can in the future further increase their holding in Securitas without having to launch a mandatory bid.

In Sweden, the lowest limit for disclosure of holdings (Sw. *flaggning*) is five percent of all shares or the voting rights of all shares.

Treasury shares

As of August 31, 2022, Securitas held 475,000 treasury shares of class B (each with a quota value of SEK 1), corresponding to 0.13 percent of the shares in the Company. Treasury shares may, pursuant to the Swedish Companies Act, not be represented at general meetings and may, pursuant to the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*), not be included as an asset in the Company's balance sheet and do not entitle to participation in the rights issue.

SHAREHOLDERS' AGREEMENTS

Between Gustaf Douglas and Melker Schörling, who before the forthcoming rights issue control 29.60 percent and 10.90 percent, respectively, of the votes in the Company, directly or via companies or related parties, there is since 2000 a shareholders' agreement according to which the parties intend to coordinate their acting with regard to, for example, the composition of the Board of Directors, the Company's dividend policy, decisions on amendments to the Articles of Association, share capital changes, material acquisitions or divestments and the appointment of the CEO. The agreement also contains a pre-emptive right in the event of either party selling shares of class A.

Apart from this, the Board of Directors is not aware of any shareholders' agreements or other arrangements between shareholders in the Company. Nor is the Board of Directors aware of any agreements which may result in a change to the control of the Company.

SHARE-BASED INCENTIVE PROGRAMMES, ETC.

Incentive scheme

The Annual General Meeting 2021 resolved on a share related incentive program (the "**Incentive Scheme**"). The participants in the Incentive Scheme have a variable remuneration based on performance. Under the scheme, two-thirds of the variable remuneration/bonus will be settled in cash the year after the performance year, while Securitas shares of class B will be purchased for the remaining one-third and be delivered to the participants in March, two years following the performance year. The shares will be purchased on Nasdaq Stockholm under a swap agreement with SEB. Securitas will not issue any new shares or repurchase any treasury shares for the purposes of the Incentive Scheme. The Incentive Scheme includes approximately 1,307 participants within Securitas. The value of total share-based remuneration for these participants amounts to MSEK 152 and is accounted for as share-based remuneration in equity. The number of shares that have been hedged amounts to a total of 1,201,467 shares of class B at a value of MSEK 134. The number of hedged shares will be reduced to take account for taxation and leavers and the remaining shares will be allotted to participants.

Long-term Incentive Program

The Annual General Meeting 2020, 2021 and 2022 resolved on a long-term incentive program including the CEO, other members of Group Management and certain other key employees within the Group (LTI 2020/2022, LTI 2021/2023 and LTI 2022/2024, together "**the LTI Programs**") which includes approximately up to 90 employees within the Group. 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 in shares of class B and holding periods of several years. For each share of class B purchased or allocated within 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 shares of class B in the Company depends on the annual development of Securitas' 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, from January 1 in year 1 up to and including December 31 in year 3, for each of the programs), where each year during the measurement period is compared to the previous year. The outcome is calculated annually, 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. In order to secure delivery of shares of class B under the LTI Programs, the Company may enter into a swap agreement with a third party, whereby the third party, in its own name, shall acquire and transfer shares of class B in the Company to employees participating in the LTI Programs. The purpose of the LTI Programs is to create a strong long-term incentive for top executives of the Group, strengthen the Group's ability to retain and recruit top executives, provide competitive remuneration, and to align the interests of the shareholders with the interests of the executives concerned by enabling the participants to become substantial shareholders in the Company. Under the LTI Programs, up to 1,919,056 shares of class B can be allotted to the participants.

AUTHORIZATIONS

Authorization for the Board of Directors to resolve on the forthcoming rights issue

For the purpose of refinancing the bridge facilities that finance Securitas' acquisition of STANLEY Security, the Annual General Meeting on May 5, 2022, authorized the Board to resolve on issue of new shares with preferential rights for the Company's shareholders during the period up to the Company's Annual General Meeting 2023. The total number of shares that may be issued shall amount to the number of shares that corresponds to issue proceeds in SEK corresponding to approximately MUSD 915, and shall be within the limits of the share capital. Other terms and conditions for the new share issue shall be determined by the Board. The authorization was registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on May 6, 2022.

On September 12, 2022, the Board of Directors of Securitas resolved to issue not more than 208,333,655 new shares (of which not more than 9,795,771 shares of class A and not more than 198,537,884 shares of class B) in accordance with the authorization.

Authorization for the Board of Directors to resolve on acquisition and transfer of treasury shares

The Annual General Meeting on May 5, 2022, authorized the Board of Directors to resolve upon acquisition of own shares of class B on the following terms: (i) acquisition of shares may take place on Nasdaq Stockholm, (ii) acquisition of shares may take place on one or several occasions during the time up to the Annual General Meeting 2023, (iii) acquisition of shares may only be made so that the shares held by the Company at any point in time does not exceed ten (10) percent of all shares in the company, (iv) acquisition of shares shall be made at a price which falls within the prevailing price interval registered at each point in time, meaning the interval between the highest purchase price and the lowest selling price, (v) payment for acquired shares shall be made in cash, and (vi) the Board should be authorized to decide upon any additional terms for the acquisition. Furthermore, the Annual General Meeting authorized the Board of Directors to resolve upon transfer of the Company's own shares of class B on the following terms: (i) transfer of shares may take place on Nasdaq Stockholm or in connection with acquisition of companies or businesses, on market terms, (ii) transfer of shares may take place on one or several occasions during the time up to the Annual General Meeting 2023, (iii) the maximum number of shares to be transferred may not exceed the number of shares held by the Company at the time of the Board's resolution, (iv) transfer of shares shall be made at a price which falls within the prevailing price interval registered at each point in time, meaning the interval between the highest purchase price and the lowest selling price, (v) payment for transferred shares may be made in other forms than cash, and (vi) the Board should be authorized to decide upon any additional terms for the transfer. The authorization includes the right to resolve on deviation of the preferential rights of shareholders. The purpose of the authorizations is to (a) allow the Board to adjust the Company's capital structure, to contribute to shareholder value, (b) be able to exploit attractive acquisition opportunities by fully or partly financing future acquisitions with the Company's own shares, and (c) ensure the company's undertakings in respect of share-related or share-based incentive programs (other than delivery of shares to participants of incentive programs), including covering social security costs. If the Board of Directors decides to adjust the Company's capital structure in accordance with (a) above, the Board of Directors intends to propose that the company's share capital shall be decreased through share reduction of the repurchased shares.

INFORMATION ABOUT PUBLIC TAKEOVER BIDS AND REDEMPTION OF MINORITY SHARES

The shares in Securitas are not subject to any public takeover bid. No public takeover bids have been made in respect of the shares in Securitas during the current financial or previous financial year.

Under the Swedish Stock Market (Takeover Bids) Act (Sw. *lagen (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*), a company is only entitled to take actions which are intended to frustrate the making or completion of a takeover bid following a resolution adopted by the general meeting, if the Board of Directors or the CEO has reason to believe that the bid is imminent.

Under the Swedish Stock Market (Takeover Bids) Act, any person who does not hold any shares, or hold shares representing less than 30 percent of the voting rights in a Swedish limited liability company whose shares are admitted to trading on a regulated market, and who through the acquisition of shares in such a company, alone or together with a closely related party, holds shares representing 30 percent or more of the voting rights, is obliged to immediately disclose the size of its holding in the company and, within four weeks thereafter, make an offer to acquire the remaining shares in the company (mandatory bid requirement).

A shareholder who directly, or through a subsidiary, holds more than 90 percent of the shares in a Swedish limited liability company is entitled to redeem the remaining shares in the company. Holders of the remaining shares are, correspondingly, entitled to have their shares redeemed by the majority shareholder. The procedure for such redemption of minority shares is regulated in the Swedish Companies Act.

CENTRAL SECURITIES DEPOSITORY

The Company's shares are book-entry registered in a securities register in accordance with the Swedish Central Securities Depository and Financial Instruments Accounts Act (Sw. *lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*). The register is operated by Euroclear Sweden (Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden). The shares are registered on person. No share certificates have been issued for the shares or will be issued for the new shares. The ISIN code for the shares of class A and class B is SE0000163578 and SE0000163594, respectively.

Articles of association

Articles of Association adopted at the Annual General Meeting on May 5, 2022.

§ 1
The business name (Sw. *företagsnamn*) of the company is Securitas AB. The company is a public company (publ).

§ 2
The Board of Directors of the company shall have its registered office in the municipality of Stockholm, County of Stockholm.

§ 3
The object of the company is - directly or indirectly through subsidiaries - to pursue guard business, offer services and products within the field of security, own and administer real and movable estate, as well as pursue other compatible business.

§ 4
The share capital shall be no less than SEK three hundred million (300,000,000) and no more than SEK one thousand two hundred million (1,200,000,000).

§ 5
The number of shares issued shall be no less than three hundred million (300,000,000) and no more than one thousand two hundred million (1,200,000,000).

The shares may be issued in two classes, designated class A and class B. Shares of class A may be issued up to a maximum number of two hundred and forty million (240,000,000) and shares of class B to a maximum number of one thousand two hundred million (1,200,000,000).

Each share of class A entitles to ten (10) votes and each share of class B to one (1) vote.

Should the company decide to issue new class A and class B shares by way of a cash issue or a set-off issue, the holders of class A and class B shares, respectively, shall have priority right to subscribe to new shares of the same class in proportion to their existing shareholdings (primary right of priority). Shares not subscribed to by primary right of priority shall be offered to all shareholders (subsidiary right of priority). If the entire number of shares subscribed to by subsidiary right of priority cannot be issued, the shares shall be distributed between the subscribers in proportion to their existing shareholdings and, insofar as this cannot be done, by drawing of lots.

Should the company decide to issue shares of only one class By way of a cash issue or a setoff issue, all shareholders, irrespective of class of shares owned, shall have priority right to subscribe to new shares in proportion to their existing shareholdings.

Should the company decide to issue warrants or convertible bonds by way of a cash issue or a set-off issue, the shareholders shall have the priority right to subscribe to such warrants as if the shares to which the warrants entitle were issued and the priority right to subscribe to such convertible bonds as if the shares for which the convertible bonds may be exchanged were issued, respectively.

What is stated above shall not entail any restrictions on the possibility to resolve on a cash issue or a set-off issue with deviation from the shareholders' priority rights.

An increase of the share capital by way of a bonus issue shall be made by issuing shares of both class A and B distributed between the classes of shares in proportion to their part of the share capital when the increase is decided upon. Owners of shares of class A and class B, respectively, shall then have the right to new shares of the same class, each in proportion to their existing shareholdings. The above shall not entail any restrictions on the possibilities to issue shares of a new class By a bonus issue, after any necessary amendments of the articles of association.

§ 6
The Board of Directors shall, in addition to such members that, in accordance with law, may be nominated by others than the General Meeting of Shareholders, consist of no less than five (5) and no more than ten (10) Directors with no more than two (2) deputy Directors. The Directors and the deputy Directors shall be elected by a General Meeting for the period up until and including the first Annual General Meeting to be held the year after the Director or the deputy Director was elected.

For the audit of the company's administration and accounts, the General Meeting shall appoint two (2) authorised public accountants with two (2) deputies, or one (1) registered public accounting firm.

§ 7
Notice to General Meetings shall be published in Post- och Inrikes Tidningar and on the Company's webpage. It shall be published in Svenska Dagbladet that notice of a General Meeting has been given.

§ 8
General Meetings shall be held in Stockholm.

§ 9
A shareholder, who wants to attend a General Meeting, must be registered in a transcript or other presentation of the share register on the record date for the General Meeting, which is established in accordance with the Swedish Companies Act, and must give notice to the company not later than the day mentioned in the notice convening the meeting. This day must not be a Sunday, any other public holiday, a Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and must not fall earlier than on the fifth weekday before the General Meeting.

At the General Meeting, a shareholder is entitled to be accompanied by one or two assistants; however, only if the shareholder gives notice hereof to the company according to what is prescribed in the previous paragraph.

§ 10

At the Annual General Meeting the following matters shall be dealt with:

1. Election of a Chair of the Meeting;
2. Preparation and approval of a voting list;
3. Approval of the Agenda;
4. Election of one or two persons to check the minutes;
5. Examination of whether the Meeting has been properly convened;
6. Presentation of the Annual Report and the Auditors' Report, and the Consolidated Accounts and the Auditors' Report on the Group;
7. Resolutions with respect to
   a. the adoption of the Income Statement and the Balance Sheet, and the Consolidated Income Statement and the Consolidated Balance Sheet,
   b. the appropriation of the Company's profit or loss according to the Balance Sheet adopted,
   c. the discharge of the Directors of the Board and the Managing Director from their liability;
8. Determination of the number of directors and deputy directors;
9. Determination of fees for the Board of Directors and, where applicable, the Auditors;
10. Election of the Board of Directors and, where applicable, appointment of the Auditors and deputy Auditors or of a registered public accounting firm;
11. Any other matter to be dealt with by the General Meeting according to the Swedish Companies Act or the Articles of Association.

§ 11

The calendar year shall be the financial year of the company.

§ 12

If a share of class A has been transferred to a person who is not already a shareholder in the company, by means of purchase, exchange, gift, separation of joint property, inheritance, will, company distribution, merger, demerger or other transfer of title, such share shall immediately be offered to the holders of shares of class A for redemption.

As soon as the Central Securities Depository has informed the Board of Directors of the transfer of title, the Board of Directors shall immediately inform the acquirer of its obligation to offer the shares for redemption by written notification to the Board of Directors. Such notification shall contain information on the consideration paid for the shares and the acquirer's conditions for redemption. The acquirer shall hereby evidence his or her acquisition of the shares. Immediately upon receiving a notification of transfer of title, the Board of Directors shall enter this into a special book with details on the date of notification, as set forth in the Companies Act. The Board of Directors shall at the same time notify every person entitled to redemption whose postal address is known to the company, in writing, of the transfer of title to the shares and inform that claims for redemption shall be submitted to the Board of Directors within two (2) months from the acquirer's notification of the transfer of title. Claims for redemption submitted within the stipulated time period shall be entered into a special book with details on the date of the claim for redemption, as set forth in the Companies Act.

An offer for redemption may not be exercised for a smaller number of shares than those included in the offer. If claims for redemption are made by several persons entitled thereto, the shares shall, to the extent possible, be allocated to those entitled to redemption in proportion to their previous holdings of shares of class A. The remaining number of shares shall be allocated by drawing of lots, executed by notary public.

The redemption price shall be determined by agreement between the acquirer and the person entitled to redemption and shall as a general rule, if the shares have been transferred for a consideration, correspond to such consideration and otherwise to the price which can be expected in a sale under normal circumstances. If an agreement on the redemption price cannot be reached, the person entitled to redemption may request arbitration as set forth below.

A dispute regarding redemption of shares in accordance with this section 12 shall be finally settled by the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. Arbitration shall be requested within two months from the day when the claim for redemption was submitted to the company in accordance with what is stipulated above. The arbitration board shall consist of three arbitrators or one single arbitrator and is to be appointed by the institute. All requests for arbitration, which by reason of the same transfer of shares have been submitted to the institute within the above stated time, shall be dealt with as one single arbitration procedure.

The redemption price shall be paid within one (1) month from the time when the redemption price was determined, by means of agreement between the parties or by an arbitration award.
If, within the stipulated time, no person entitled to redemption would submit a claim for redemption, or if the redemption price would not be paid within the stipulated time, the person who offered the share for redemption shall be entitled to be registered as holder of the share.

§ 13

The shares of the company shall be registered in a CSD register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).

Legal considerations and supplementary information

GENERAL CORPORATE AND GROUP INFORMATION

The legal name of the Company (and its commercial name) is Securitas AB (publ). Securitas' Swedish corporate ID No. is 556302-7241 and the registered office of the Board of Directors is situated in Stockholm, Sweden. The Company was incorporated in Sweden on June 29, 1987, and registered with the Swedish Companies Registration Office on August 19, 1987. The Company is a Swedish public limited liability company (Sw. *publikt aktiebolag*) governed by the Swedish Companies Act. Securitas' LEI code is 635400TTYKE8EIWDS617. The address to Securitas' website is www.securitas.com. The information on the website is not a part of this prospectus.

Objects of the Company

The objects of the Company, set out in § 3 of the Articles of Association, is to – directly or indirectly through subsidiaries – pursue guard business, offer services and products within the field of security, own and administer real and movable estate, as well as pursue other compatible business.

Group structure and subsidiaries

Securitas is the ultimate parent company of the Group, which comprises approximately 400 legal entities in approximately 60 jurisdictions. The table below shows the most significant Group companies. Securitas' holdings in associated companies are not deemed to be of significant importance to the Group's financial position or results.

Group company	Country	Shares and voting rights, %
Securitas Sicherheitsdienstleistungen GmbH	Austria	100
Securitas NV	Belgium	100
Securitas Transport Aviation Security Ltd	Canada	100
Securitas Canada Limited	Canada	100
Securitas S.A.	Chile	100
Securitas A/S	Denmark	100
Securitas Oy	Finland	100
Securitas France SARL	France	99.9
STANLEY Security France SAS	France	99.9
Securitas GmbH Sicherheitsdienste	Germany	100
Securitas Aviation Service GmbH & Co KG	Germany	100
Securitas Sicherheitsdienste GmbH & Co. KG	Germany	100
Securitas Treasury Ireland DAC	Ireland	100
Securitas Group Reinsurance DAC	Ireland	100
Securitas Beveiliging BV	Netherlands	100
Securitas AS	Norway	100
Securitas Servicos e Tecnologia de Seguranca SA	Portugal	100
Securitas Seguridad España SA	Spain	100
Securitas Sverige AB	Sweden	100
Securitas Intelligent Services AB	Sweden	100
STANLEY Security Sverige AB	Sweden	100
Protectas SA	Switzerland	100
Securitas Güvenlik Hizmetleri A.S.	Turkey	99
Securitas Security Services (UK) Limited	United Kingdom	100
Securitas Security Services USA, Inc.	United States	100
Paragon Systems, Inc.	United States	100
Securitas Electronic Security, Inc.	United States	100
Securitas Critical Infrastructure Services, Inc.	United States	100
Pinkerton Consulting & Investigations Inc.	United States	100
STANLEY Convergent Security Solutions, Inc.	United States	100

MATERIAL AGREEMENTS

Presented below is a summary of material agreements entered into by Securitas during the past two years as well as other agreements entered into by Securitas which contain any obligation or entitlement that is material to Securitas (in both cases excluding agreements entered into in the ordinary course of business).

The acquisition of STANLEY Security

On December 8, 2021, Securitas entered into an agreement to acquire the Electronic Security Solutions business (also known as STANLEY Security) from Stanley Black & Decker Inc. The acquisition comprises a total of 66 companies, without a joint parent company, domiciled in Europe, North America and Asia, as well as assets attributable to the business. The acquisition was completed on July 22, 2022. The purchase price mechanism was based on closing accounts with the base purchase price amounting to MUSD 3,200 (equivalent to MSEK 32,496[155]) with a net debt and net working capital adjustment at completion. The acquisition agreement contains customary warranties regarding the seller, including but not limited to, the seller's organization, authority and title as well as customary warranties

155 Based on a USD/SEK exchange rate of SEK 10.155 per USD.

regarding the target companies' and assets', including but not limited to, organization, financials, taxes, compliance, contracts, employment matters, IP, privacy and intercompany arrangements. Furthermore, the acquisition agreement also contains customary purchaser's fundamental warranties.

The acquisition was financed by bridge facilities of MUSD 3,300 (equivalent to MSEK 33,702[156]) provided by a syndicate of international banks. Securitas intends to use the expected net proceeds of approximately MSEK 9,511 from the rights issue to repay the bridge facilities. The remaining amount of the bridge facilities will be refinanced through issuance of bonds and/or the raising of other debt financing.

For further information, see "*The new Group*" above.

In connection with the closing of the acquisition, Securitas and Stanley Black & Decker Inc. (the "**Seller**") have entered into transition and separation services agreements. Under the agreements, the Seller will provide Securitas with a number of services related to the acquired business, including finance and administration, information systems, employment matters and other general business needs. In addition, the agreements require Securitas to provide a limited number of real estate services and certain product support to the Seller as well as certain separation services. The transitional services are services that the parties have not been able to separate prior to the closing of the acquisition of STANLEY Security, and a transitional period is therefore necessary for the parties to find suitable replacement services. The duration of the services ranges up to 18 months, but the majority have a duration of up to twelve months.

Financing agreements

For information on the Group's financing agreements, see "*Operating and financial review–Financing structure and loans*".

SUBSCRIPTION AND GUARANTEE UNDERTAKINGS, ETC.

Subscription undertakings

Investment AB Latour and subsidiaries, Melker Schörling AB and EQT, together holding shares representing 18.4 percent of the outstanding share capital and 42.6 percent of the votes in the Company[157], have committed to exercise their primary preferential rights in the share issue and thereby subscribe for new shares corresponding to their respective holding in the Company, i.e. totaling 18.4 percent of the rights issue (see breakdown in the table below). No compensation is paid for these subscription undertakings.

Guarantee undertakings

In addition to the subscription undertakings, Investment AB Latour and subsidiaries, Melker Schörling AB and EQT have entered into guarantee undertakings to subscribe for have entered into guarantee commitments to subscribe for an additional 45,625,070 shares in total, corresponding to 21.9 percent of the rights issue, equivalent to an aggregate amount of MSEK 2,099 (see breakdown in the table below). For these guarantee undertakings, Securitas have paid a fee of one (1) percent of the guaranteed amounts, as of the time when the guarantee undertakings were entered into, in total approximately MUSD 2 (equivalent to approximately MSEK 18). Any shares subscribed for by reason of the underwriting undertakings will be allocated in accordance with the principles set out under "*Terms and conditions–Allotment of new shares subscribed for without subscription rights*".

The guarantee undertakings were entered into on December 4, 2021, and are conditional upon the General Meeting in Securitas adopting the resolutions that are necessary to carry out the rights issue. These conditions have been met through the resolution of the Annual General Meeting on May 5, 2022, to authorize the Board of Directors to resolve on the rights issue.

Total undertakings

Altogether, said shareholders have in total provided subscription and guarantee undertakings to subscribe for 40.3 percent of the rights issue, as detailed in the table below.

Shareholder	Current holding (shares of class A and class B)	Subscription undertaking (primary preferential rights), share of the rights issue, %	Guarantee undertaking, MSEK	Guarantee undertaking, share of the rights issue, %	Total undertaking, share of the rights issue, %
Subscription and guarantee undertakings					
Investment AB Latour and subsidiaries[1)]	39,732,600	10.9	1,265	13.2	24.1
Melker Schörling AB[2)]	16,306,839	4.5	517	5.4	9.9
EQT[3)]	10,960,000	3.0	316	3.3	6.3
Total subscription and guarantee undertakings	**66,999,439**	**18.4**	**2,099**	**21.9**	**40.3**

1) J A Wettergrens gata 7, SE-401 25 Gothenburg, Sweden
2) Birger Jarlsgatan 13, SE-111 45 Stockholm, Sweden
3) Regeringsgatan 25, SE-111 53 Stockholm, Sweden

156 The bridge facility consists of two facilities which were utilized in connection with the closing of the acquisition on July 22, 2022. Facility A was utilized in USD and EUR and amounts, based on a USD/SEK exchange rate of SEK 10.2514 per USD and a EUR/SEK exchange rate of SEK 10.4149 per EUR on July 22, 2022, to MSEK 9,341. Facility B was utilized in USD, EUR, Canadian dollars (CAD), Norwegian (NOK) and SEK and amounts, based on a USD/SEK exchange rate of SEK 10.2514 per USD, a EUR/SEK exchange rate of SEK 10.4149 per EUR, a CAD/SEK exchange rate of SEK 7.9597 per CAD and a NOK/SEK exchange rate of SEK 1.0256 per NOK on July 22, 2022, to MSEK 24,361.
157 Excluding treasury shares. As of August 31, 2022, Securitas held 475,000 treasury shares of class B, which do not entitle to participation in the rights issue.

Non-secured undertakings

The above-mentioned subscription and guarantee undertakings are not secured. Consequently, there is a risk that one or more of the above-mentioned parties are not able to fulfil their undertakings in whole or in part. See "*Risk factors–Non-secured subscription and guarantee undertakings*".

Declarations of intent

Didner & Gerge Fonder, Carnegie Fonder, Länsförsäkringar Fondförvaltning and Odin Fonder, together holding shares representing 6.6 percent of the outstanding share capital and 4.6 percent of the votes in Company[158], have declared their intention to subscribe for new shares corresponding to their respective holding in the rights issue.

LEGAL AND ARBITRATION PROCEEDINGS

Below is a summary of governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Securitas is aware) which are deemed may have, or have had in the recent past, significant effects on the Group's financial position or profitability.

Brazil – Estrela Azul

In connection with the efforts of Securitas to expand its activities in Latin America, Securitas entered into an agreement in 2005 with respect to the possible acquisition of a guarding company in Brazil, Estrela Azul (the EA Group). The governmental approvals took much longer than anticipated to obtain and during such period the financial condition of the EA Group substantially deteriorated. Given this decline, Securitas exercised its right to withdraw from the acquisition in December 2006.

The companies within the EA Group filed for protection from its creditors under Brazilian legislation in 2007, providing for a judicial restructuring process. The companies within the group were declared bankrupt in 2009 and the restructuring process was replaced by bankruptcy proceedings. The bankruptcy process continues to be led by the trustee in the bankruptcy court. Various attempts by the trustee to increase the liability of Securitas in the bankruptcy has been vigorously rejected.

The EA Group in bankruptcy has asserted claims against Securitas in the bankruptcy court trying to extend liability to Securitas for the bankruptcy and the claims in the bankruptcy. The estate has not quantified its claims. The cases are slowly moving through the Brazilian legal system.

The EA Group in bankruptcy also asserted a claim of 314 million Brazilian reals, which as of December 31, 2021, was equivalent to MSEK 498, in the civil court against Securitas, alleging that Securitas is responsible for the company's financial failure. Securitas denies all allegations. In a decision by the first instance court in Brazil, the case was fully rejected. The judgment was appealed by the bankruptcy estate to the Brazilian Court of Appeals and the Court of Appeals decided on formal grounds to nullify the judgment and to remand the case to the first instance court for retrial (and production of evidence). The case is slowly moving through the Brazilian legal system and Securitas maintains its previous position to the claims.

In addition, several former employees of the EA Group have sued Securitas and other parties in labor courts and claimed, inter alia, wages and other compensations. The number of labor law cases involving Securitas has continued to decrease and the claimed amounts are in average relatively low. Securitas denies all responsibility for such labor claims.

Spain – Tax audit

The Spanish tax authority has, in connection with audits of Securitas Spain, in 2009, 2012 and 2014, challenged certain interest payments and decided to reject interest deductions made for the financial years 2003–2005, 2006–2007 and 2008–2009, respectively. The years 2003–2005 have been finally resolved by the Supreme Court in Spain and the taxes were paid in 2016. For the years 2006–2007, Securitas requested a leave for appeal to the Supreme Court in 2018, but has not yet received any decision. The years 2008–2009 have been resolved by the court, which Securitas has accepted, see further below.

The Spanish Supreme Court issued their judgment during 2016 regarding the years 2003–2005, implying that the years 2003–2004 were resolved as time barred and the majority of the interest deductions for 2005 were disallowed.

In June 2017, the superior court Audiencia Nacional issued a negative judgment concerning the years 2006–2007, implying that all interest was disallowed, partly in contradiction to the 2016 judgment by the Supreme Court on the same matter for the years 2003–2005. This was also contradictory to the lower court Tribunal Económico Administrativo Central's earlier judgment for the years 2008–2009, a judgment that Securitas has accepted as final. If finally upheld by Spanish courts, the resolution by the Spanish tax authorities regarding rejected interest deductions for the years 2006–2007, and the accepted judgment regarding years 2008–2009, would result in a tax of MEUR 30.2, equivalent to MSEK 310, including interest up to December 31, 2021 (as of December 31, 2020, this exposure was estimated to MEUR 29.5, equivalent at the time to MSEK 297). No further exposure exists for similar rejected interest deductions after the financial year 2009, as the Group adjusted the capitalization of Securitas Spain in 2009 to avoid future challenges of interest deductions.

Further, the Spanish tax authority decided, in connection with an audit of Securitas Spain in 2013, to reject a tax exemption for a demerger of the Spanish Systems company, in connection with Securitas AB's distribution of the shares in Securitas Systems AB to its shareholders and the listing on the Stockholm Stock Exchange in 2006. In June 2017, Securitas received a negative judgment from the superior court Audiencia Nacional. In May 2018, Securitas appealed the judgment to the Supreme Court in Spain, which has not yet passed any judgment.

If Auciencia Nacional's judgment is finally upheld by the Spanish Supreme Court, the resolution by the Spanish tax authorities, concerning the demerger case, would result

158 Excluding Securitas' holdings of treasury shares. As of August 31, 2022, Securitas held 475,000 treasury shares of class B.

in a tax of MEUR 22.8, equivalent to MSEK 234, including interest up to December 31, 2021 (as of December 31, 2020, this exposure was estimated to MEUR 22.3, equivalent at the time to MSEK 224).

Further, in 2014 the tax authority decided to reject a deduction for a currency related liquidation loss in the financial year 2010, relating to a company that was acquired in 2004. In 2017, the lower court TEAC issued a negative judgment, which was in contradiction to the 2016 Supreme Court judgment regarding the basis for disallowing the deduction. In 2017, Securitas appealed the case to the superior National court Audiencia Nacional.

If finally upheld by Spanish courts, the resolution by the Spanish tax authorities regarding the liquidation loss would result in a tax of MEUR 19.3, equivalent to MSEK 198, including interest up to December 31, 2021 (as of December 31, 2020, this exposure was estimated to MEUR 18.8, equivalent at the time to MSEK 189).

Provided that the courts decide in Securitas cases in accordance with the 2016 Supreme Court judgment, the exposure for the currency related liquidation loss for the financial year 2010 is expected to cease.

Securitas believes it has acted in accordance with applicable law and will defend its position in the courts. However, the tax resolutions cause some uncertainty, and it may take several years until all final judgments have been received.

Spain – Mutua

Securitas in Spain has received a claim of MEUR 6.3 from the social security authorities relating to services allegedly received from Mutua Universal in the period 1998 to 2007. The authorities are questioning whether such services, in such case, were allowed to be provided under applicable regulations. This is a consequence of a lawsuit against some of Mutua Universal's former employees. Securitas is affected, as are over 2,000 other companies, as an indirect beneficiary of the services rendered. Securitas is convinced that the Company has acted in accordance with applicable law.

RELATED-PARTY TRANSACTIONS

In December 2021, Investment AB Latour and subsidiaries, Melker Schörling AB and EQT entered into guarantee commitments to subscribe for an additional 21.9 percent of the forthcoming rights issue without subscription rights related to the acquisition of STANLEY Security. The agreed fee is 1 percent of the guaranteed amounts, as of the time when the guarantee undertakings were entered into, which corresponds to MUSD 2 (MSEK 18). (see also "*Subscription and guarantee undertakings, etc.*" above).

Guarantees on behalf of related parties amounted to MSEK 0 as of June 30, 2022 and December 31, 2021, 2020 and 2019, respectively.

No related-party transactions which, as a single transaction or in their entirety, are material to Securitas have occurred after June 30, 2022.

Please also refer to "*Note 8 – Related party disclosures*" on page 81 in Securitas' Annual and Sustainability Report 2021.

For information on remuneration to the Board of Directors and Group Management, see "*Board of Directors, Group Management and auditor–Remuneration to the Board of Directors*" and "*Board of Directors, Group Management and auditor–Remuneration to Group Management*" above. For additional information, please refer to "*Note 9 – Remuneration to the Board of Directors and senior management*" on page 81 and "*Note 12 – Personnel*" on page 89 in Securitas' Annual and Sustainablility Report 2021.

ADVISORS AND INTERESTS OF SIGNIFICANCE FOR THE RIGHTS ISSUE

SEB (Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden) and Citi (Reuterweg 16, 60323 Frankfurt, Germany) are Joint Global Coordinators and Joint Bookrunners in relation to the rights issue. Carnegie (Regeringsgatan 56, SE-103 38 Stockholm, Sweden) is Co-Bookrunner in relation to the rights issue. From time to time, SEB, Citi and Carnegie (and their affiliates) have in the ordinary course of business provided, and may in the future provide, various banking, financial, investment, commercial and other services to Securitas for which they have received, and may receive, compensation. Furthermore, SEB and Citi (and their affiliates) are lenders of loans granted to Securitas.

Mannheimer Swartling Advokatbyrå AB is Securitas' legal advisor as to Swedish law, and Davis Polk & Wardwell London LLP is Securitas' legal advisor as to U.S. law in relation to the rights issue. White & Case Advokataktiebolag and White & Case LLP are legal advisors to the Joint Global Coordinators, the Joint Bookrunners and the Co-Bookrunners as to Swedish and U.S. law, respectively.

For information on shareholders' subscription and guarantee undertakings, see "*Subscription and guarantee undertakings, etc.*" above.

COSTS RELATING TO THE RIGHTS ISSUE

The Company's costs related to the rights issue, including payment to advisors and other expected issue costs (including fees to the guarantors of MUSD 2 (MSEK 18), which was paid in 2021) are estimated to amount to approximately MSEK 72 in total.

INCORPORATION BY REFERENCE, ETC.

Securitas' consolidated financial statements for the financial years 2019–2021 as well as for the period January–June 2022 are incorporated into this prospectus by reference and consequently form part of this prospectus and are to be read as part hereof. The said financial statements are included in Securitas' Annual and Sustainability Reports for the financial years 2019–2021 and Securitas' Interim Report January–June 2022, where reference is made as follows:

Annual and Sustainability Report 2021[159]	Consolidated statement of income on page 54; Consolidated statement of comprehensive income on page 54; Securitas' financial model – consolidated statement of income on page 55; Consolidated statement of cash flow on page 56; Securitas' financial model – consolidated statement of cash flow on page 57; Consolidated balance sheet on page 58; Securitas' financial model – consolidated capital employed and financing on page 59; Consolidated statement of changes in shareholders' equity on page 60; Notes on pages 61–115; and Auditor's report on pages 124–128.
Annual and Sustainability Report 2020[160]	Consolidated statement of income on page 80; Consolidated statement of comprehensive income on page 80; Securitas' financial model – consolidated statement of income on page 81; Consolidated statement of cash flow on page 82; Securitas' financial model – consolidated statement of cash flow on page 83; Consolidated balance sheet on page 84; Securitas' financial model – consolidated capital employed and financing on page 85; Consolidated statement of changes in shareholders' equity on page 86; Notes on pages 87–138; and Auditor's report on pages 150–154.
Annual and Sustainability Report 2019[161]	Consolidated statement of income on page 68; Consolidated statement of comprehensive income on page 68; Securitas' financial model – consolidated statement of income on page 69; Consolidated statement of cash flow on page 70; Securitas' financial model – consolidated statement of cash flow on page 71; Consolidated balance sheet on page 72; Securitas' financial model – consolidated capital employed and financing on page 73; Consolidated statement of changes in shareholders' equity on page 74; Notes on pages 75–127; and Auditor's report on pages 139–143.
Interim Report January–June 2022[162]	Auditor's review report on page 18; Consolidated financial statements on pages 19–22; Segment overview January–June 2022 and 2021 on page 24; and Notes on pages 25–32.

Non-incorporated parts of the above reports contain information presented elsewhere in this prospectus or which is deemed not relevant to investors. See also "*Presentation of financial and other information*".

DOCUMENTS ON DISPLAY

Securitas' Articles of Association and Certificate of Incorporation are available in electronic form on the Company's website (www.securitas.com).

159 https://www.securitas.com/globalassets/com/files/annual-reports/eng/securitas_asr2021_eng.pdf
160 https://www.securitas.com/globalassets/com/files/annual-reports/eng/securitas_annual_sustainability_report_2020.pdf
161 https://www.securitas.com/globalassets/com/files/annual-reports/eng/securitas_annual_and_sustainability_report_2019.pdf
162 https://www.securitas.com/globalassets/com/files/interim-reports/2022/q2/q22022_eng_final.pdf

Tax considerations

The following is a general description of certain tax considerations relating to the rights issue. It does not purport to be a complete analysis of all tax considerations, neither in Sweden, the United States, or elsewhere. The tax treatment of each individual shareholder depends on the shareholder's particular circumstances and the tax laws in the country where the shareholder is resident for tax purposes. Each shareholder should therefore consult its own tax adviser with regard to the specific tax consequences that may arise in the individual case. This summary is based upon the laws and regulations in effect as of the date of this prospectus and does not consider changes in laws or regulations effective, sometimes with retroactive effect, after such date.

TAX CONSIDERATIONS IN SWEDEN

The following summary outlines certain Swedish tax consequences relating to the offer to subscribe for new shares for shareholders and holders of subscription rights in the Company. The summary is only applicable to individuals and limited liability companies (Sw. aktiebolag) tax resident in Sweden, unless otherwise stated. The summary is based on the laws of Sweden as currently in effect and is intended to provide general information only. The summary does not cover securities held by partnerships or held as current assets in business operations. Furthermore, the summary does not cover the specific rules on tax-exempt dividends and capital gains (including non-deductibility for capital losses) in the corporate sector, which may become applicable when shareholders hold securities that are considered to be held for business purposes (Sw. näringsbetingade andelar). Nor does the summary cover the special rules which may be applicable to holdings in companies which are, or previously were, closely-held companies, or to shares acquired pursuant to so-called qualified shares in closely-held companies. Moreover, the summary does not cover shares or other securities that are held in a so-called investment savings account (Sw. investeringssparkonto) and that are subject to special rules on standardised taxation. Special rules apply to certain categories of taxpayers, for example, investment companies and insurance companies. The tax treatment of each individual shareholder depends on such investor's particular circumstances. Each holder of shares and subscription rights should, therefore, consult a tax advisor for information on the specific implications that may arise in an individual case, including the applicability and effect of foreign rules and tax treaties.

Individuals

Capital gains taxation

Upon the sale or other disposition of listed shares or other equity-related securities, such as subscription rights, a taxable capital gain or deductible capital loss may arise. Capital gains are taxed as capital income at a rate of 30 percent. The capital gain or loss is normally calculated as the difference between the sales proceeds, after deducting sales costs, and the tax basis (for specific information about the tax basis for subscription rights, see "*Exercise and disposal of subscription rights*" below). The tax basis for all equity-related securities of the same class And type is calculated together in accordance with the "average cost method". It should be noted that BTAs (paid subscription shares) in this context are not considered to be of the same class And type as the existing shares that entitled the shareholder to the preferential right in the rights issue until the resolution of the rights issue has been registered with the Swedish Companies Registration Office.

Alternatively, upon the sale of listed shares, such as the shares in the Company, the tax basis may alternatively be determined as 20 percent of the sales proceeds, after deducting sales costs, under the "notional rule".

Capital losses on listed shares and other listed equity-related securities are fully deductible against taxable capital gains on shares and on other listed equity-related securities, with the exception of units in securities funds or special funds that consist solely of Swedish receivables (Sw. *räntefonder*). Capital losses on shares and other equity-related securities which cannot be set off in this way can be deducted with up to 70 percent against other capital income. If there is a net loss in the capital income category, a tax reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal real estate charges. A tax reduction is allowed with 30 percent on the portion of such net loss that does not exceed SEK 100,000 and with 21 percent on any remaining loss. Such net loss cannot be carried forward to future income years.

Dividend taxation

For individuals, dividends on listed shares are taxed as income from capital at a rate of 30 percent. For individuals resident in Sweden, a preliminary tax of 30 percent is generally withheld by Euroclear Sweden or, in respect of nominee-registered shares, by the Swedish nominee.

Exercise and disposal of subscription rights

The exercise of subscription rights does not give rise to any taxation. The acquisition cost for shares received is the issue price. If subscription rights used for subscribing for shares have been purchased or otherwise acquired (i.e. that have not been received based on a holding of existing shares) the tax basis for the subscription rights should be included when calculating the tax basis for the subscribed shares.

For shareholders that do not wish to utilize their preferential right to participate in the rights issue and therefore dispose of their subscription rights, a capital gain or loss is calculated. Subscription rights based on a holding of existing shares are considered to have been acquired at SEK 0. The total sales proceeds, after deduction of sales costs, are thus taxable. The "notional rule" is not applicable in this case. The tax basis for the original shares is not affected.

For subscription rights purchased or otherwise acquired, the price paid for the rights constitutes the tax basis. The "notional rule" may be applied on disposal of listed subscription rights in this case.

A subscription right that is not exercised or sold, and thus expires, is considered to have been disposed of at SEK 0.

Limited liability companies

Capital gains and dividend taxation

For Swedish limited liability companies (Sw. *aktiebolag*) all income, including taxable capital gains and dividends, is taxed as business income at a rate of 20.6 percent. Capital gains and capital losses are calculated in the same manner as described above for individuals. Deductible capital losses on shares and other equity-related securities may only be deducted against taxable capital gains on such securities. Under certain circumstances, such capital losses may also be deducted against capital gains in another company in the same group, provided that the requirements for exchanging group contributions (Sw. *koncernbidragsrätt*) between the companies are met. A capital loss that cannot be utilized during a given income year may be carried forward and be offset against taxable capital gains on shares and other equity-related securities during subsequent income years, without limitation in time.

Exercise and disposal of subscription rights

The exercise of subscription rights does not give rise to any taxation. The acquisition cost for shares received is the issue price. If subscription rights used for subscribing for shares have been purchased or otherwise acquired (i.e. that have not been received based on a holding of existing shares) the tax basis for the subscription rights should be included when calculating the tax basis for the subscribed shares.

For shareholders that do not wish to utilize their preferential right to participate in the rights issue, and therefore dispose of their subscription rights, a capital gain or loss is calculated. Subscription rights based on a holding of existing shares are considered to have been acquired at SEK 0. The total sales proceeds, after deduction of sales costs, are thus taxable. The “notional rule” is not applicable in this case. The tax basis for the original shares is not affected.

For subscription rights purchased or otherwise acquired, the price paid for the rights constitutes the tax basis. The “notional rule” may be applied on disposal of listed subscription rights in this case.

A subscription right that is not exercised or sold, and thus expires, is considered to have been disposed of at SEK 0.

Certain tax considerations for shareholders or holders of subscription rights who are not tax resident in Sweden

Withholding tax on dividends

For shareholders not tax resident in Sweden who receive dividends from a Swedish limited liability company, Swedish withholding tax is normally payable. The tax rate is 30 percent. However, the tax rate is often reduced by tax treaties between Sweden and other countries for the avoidance of double taxation. The majority of Sweden’s tax treaties allow for a reduction of the Swedish tax to the tax rate stipulated in the treaty directly at the payment of dividends, provided that necessary information is available in relation to the person entitled to such dividends. In Sweden, Euroclear Sweden or, for nominee-registered shares, the nominee normally carries out the withholding. The receipt of subscription rights does not give rise to any obligation to pay withholding tax.

If a 30 percent withholding tax is deducted from a payment to a person entitled to be taxed at a lower rate, or if excessive withholding tax has otherwise been withheld, a refund can be claimed from the Swedish Tax Agency prior to the expiry of the fifth calendar year following the dividend distribution.

Capital gains taxation

Holders of shares and subscription rights not tax resident in Sweden and whose holding is not attributable to a permanent establishment in Sweden are generally not liable for Swedish capital gains taxation on the disposal of shares or subscription rights. The holders may, however, be subject to tax in their country of residence. Under a specific tax rule, individuals that are not tax resident in Sweden may, however, be subject to tax in Sweden on the sale of certain securities (such as shares, BTAs and subscription rights) if they have been resident or lived permanently in Sweden at any time during the calendar year of such disposal or during any of the previous ten calendar years. The application of this rule may be limited by tax treaties between Sweden and other countries.

TAX CONSIDERATIONS IN THE UNITED STATES

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of subscription rights and BTAs pursuant to the rights issue and of new shares by a U.S. Holder (as defined below), but it does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular person’s investment decision. This discussion applies only to U.S. Holders that hold the existing shares and will hold the subscription rights, BTAs and new shares (as applicable) as capital assets for U.S. federal income tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder’s particular circumstances, including alternative minimum tax and Medicare contribution tax consequences, any special tax accounting rules under Section 451 of the Internal Revenue Code of 1986, as amended (the “**Code**”) and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- dealers or traders in securities that use a mark-to-market method of tax accounting;
- persons holding existing shares, the subscription rights, BTAs or new shares as part of a hedge or other integrated transaction;
- persons whose “functional currency” for U.S. federal income tax purposes is not the USD;
- tax-exempt entities, “individual retirement accounts” or “Roth IRAs”;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes;
- persons that own or will own, directly, indirectly or constructively, 10 percent or more of the Company’s stock by vote or value; or
- persons holding existing shares, the subscription rights, BTAs or new shares in connection with a trade or business conducted outside the United States.

If a partnership holds the Company's existing shares, the subscription rights, BTAs or new shares, as the case may be, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding existing shares, subscription rights, BTAs or new shares and their partners should consult their tax advisers as to the particular U.S. federal income tax consequences to them of the receipt, ownership, exercise and disposition of the subscription rights and the receipt, ownership and disposition of BTAs and new shares.

This summary is based upon the tax laws of the United States, including the Code, administrative pronouncements, judicial decisions, and final, temporary and proposed regulations, as well as the income tax treaty between the United States and Sweden (the "**Treaty**"), all as of the date hereof, any of which is subject to change, possibly with retroactive effect.

For purposes of this discussion a "U.S. Holder" is a person that is, for U.S. federal income tax purposes, a beneficial owner of the Company's existing shares, the subscription rights, BTAs or new shares, as the case may be, and:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Recently released Treasury regulations may in some circumstances prohibit a U.S. person from claiming a foreign tax credit with respect to certain non-U.S. taxes that are not creditable under applicable income tax treaties (the "**Foreign Tax Credit Regulations**"). Accordingly, U.S. investors that are not eligible for Treaty benefits should consult their tax advisers regarding the creditability or deductibility of any Swedish taxes imposed on them with respect to our securities. The discussion below regarding the creditability of any Swedish taxes does not address all the relevant U.S. federal income tax consequences to investors in this special situation.

In addition, U.S. Holders should consult their tax advisers as to whether they may be required to recognize any exchange gain or loss on the disposition of SEK used to exercise the subscription rights or otherwise to acquire new shares.

References herein to ”new shares” mean new shares of class B issued to U.S. Holders as a result of the exercise or conversion of the underlying subscription rights or BTAs, respectively.

U.S. Holders are urged to consult their tax advisers as to the tax consequences of the receipt, exercise or disposition of subscription rights and of receiving, owning and disposing of BTAs and new shares in their particular circumstances, including the effect of any U.S. state, local or non-U.S. tax laws.

Taxation of the subscription rights and BTAs

Receipt of subscription rights

The U.S. federal income tax treatment of the receipt of subscription rights by a U.S. Holder is not free from doubt. In particular, it is not entirely clear whether the sale of subscription rights by SEB or the relevant nominee, and the remittance of the proceeds from that sale to certain holders that for securities law reasons are ineligible to participate in the rights issue (as described in "*Terms and conditions–Shareholders resident in certain unauthorized jurisdictions*") should be treated as a (i) sale of rights by the Company in the market followed by a distribution by the Company of the sale proceeds to the ineligible persons, or (ii) distribution of subscription rights by the Company to ineligible persons followed by a sale of those rights by them. In the former case, the receipt of subscription rights would be taxable as a dividend to all U.S. Holders (i.e., including U.S. Holders eligible to participate in the rights issue). However, the Company believes the better view is that a U.S. Holder will not be required to include any amount in income for U.S. federal income tax purposes as a result of the receipt of the subscription rights. It is possible that the U.S. Internal Revenue Service ("**IRS**") will take a contrary view and require a U.S. Holder to include as dividend income the fair market value of the subscription rights on the date of their distribution. U.S. Holders should consult their tax advisers as to whether the receipt of subscription rights could be taxable as a dividend. The remainder of this discussion assumes that the receipt of subscription rights will not be a taxable event for U.S. federal income tax purposes.

The basis and holding period of the subscription rights will be determined by reference to a U.S. Holder's existing shares with respect to which subscription rights were received. If the fair market value of the subscription rights is 15 percent or more of the value of the existing shares on the date the subscription rights are distributed, a U.S. Holder will be required to allocate its basis in its existing shares between the existing shares and the subscription rights based on the fair market value of each on the distribution date. In the event that the fair market value of the subscription rights is less than 15 percent of the value of the existing shares on the date the subscription rights are distributed, U.S. Holders may elect to allocate their basis in the same manner as discussed above. In the absence of such election, no basis will be allocated to the subscription rights. U.S. Holders' holding period with respect to subscription rights will include their holding period for their existing shares with respect to which the subscription rights were received. In the event the U.S. Holder allows the subscription rights to lapse without selling or exercising them, the subscription rights will be deemed to have a zero basis and, therefore, the U.S. Holder will not recognize any loss upon the expiration of the subscription rights. In that case, the tax basis of the existing shares with respect to which the expired subscription rights were distributed will remain unchanged from their tax basis prior to the rights issue.

Receipt of BTAs

The receipt of BTAs pursuant to the exercise of subscription rights will not be taxable. A U.S. Holder's tax basis in the BTAs will equal the sum of the USD value of the subscription price determined at the spot rate on the date of exercise and the U.S. Holder's tax basis, if any, in the subscription rights exercised to obtain the BTAs. A U.S. Holder's holding period with respect to BTAs will commence on the date of exercise of the underlying subscription rights.

Sale or other disposition of subscription rights or BTAs
A U.S. Holder will recognize capital gain or loss on the sale or other disposition of subscription rights or BTAs in an amount equal to the difference between such holder's tax basis in the subscription rights or BTAs, if any, and the USD value of the amount realized from the sale or other disposition. A U.S. Holder will recognize long-term capital gain or loss if the holding period in the subscription rights or BTAs (determined as described above) exceeds one year. Any gain or loss will be U.S.-source.

Pursuant to the terms of the offering, U.S. persons that are ineligible to participate in the rights issue could receive payments of cash on account of the sale of subscription rights allocable to them. As discussed above, the Company believes that the better view is to treat this transaction as a distribution of subscription rights by the Company to these U.S. persons followed by a sale of the rights by them for cash. If such treatment is respected, the U.S. federal income tax consequences of these sales will be as described in the preceding paragraph.

Receipt of new shares
A U.S. Holder will not recognize taxable income upon the receipt of new shares upon conversion of BTAs. A U.S. Holder's tax basis in the new shares will equal the U.S. Holder's tax basis in its BTAs with respect to which the new shares are received. A U.S. Holder's holding period in each new share acquired through the exercise of a subscription right will begin with and include the date of exercise of the subscription rights underlying the BTAs.

Taxation of new shares

Dividends
The following discussion is subject to the discussion under "*Passive Foreign Investment Company Rules*" below.

Distributions received by a U.S. Holder on new shares, including the amount of any Swedish taxes withheld, other than certain pro rata distributions of shares to all shareholders, will constitute foreign-source dividend income to the extent paid out of the Company's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). Because the Company does not maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to U.S. Holders as dividends. The amount of dividend income paid in SEK that a U.S. Holder will be required to include in income will equal the USD value of the distributed euros, calculated by reference to the exchange rate in effect on the date the payment is received by the U.S. Holder, regardless of whether the payment is converted into USD on the date of receipt. If the dividend is converted into USD on the date of receipt, a U.S. Holder will generally not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into USD after the date of its receipt. Corporate U.S. Holders will not be entitled to claim the dividends-received deduction with respect to dividends paid by the Company. Subject to applicable limitations, dividends received by certain non-corporate U.S. Holders may be taxable at rates applicable to long-term capital gains. Non-corporate U.S. Holders should consult their tax advisers to determine whether they are subject to any special rules that limit their ability to be taxed at these favorable rates.

Swedish taxes withheld from dividends on new shares at a rate not in excess of any applicable Treaty rate will generally be creditable against a U.S. Holder's U.S. federal income tax liability, subject to applicable limitations that vary depending upon the U.S. Holder's circumstances. The limitations on foreign taxes eligible for credit are calculated separately with respect to specific classes of income. The rules governing foreign tax credits are complex. For example, under the Foreign Tax Credit Regulations, in absence of an election to apply the benefits of an applicable income tax treaty, in order to be creditable, foreign income tax rules must be consistent with certain U.S. federal income tax principles, and we have not determined whether the Swedish income tax system meets these requirements. Instead of claiming a credit, a U.S. Holder may be able to elect to deduct foreign taxes, including the Swedish taxes, in computing its taxable income, subject to generally applicable limitations. An election to deduct creditable foreign taxes (instead of claiming foreign tax credits) applies to all foreign taxes paid or accrued in the taxable year. The rules governing foreign tax credits are complex. Therefore, U.S. Holders should consult their own tax advisers regarding the availability of foreign tax credits in their particular circumstances.

Sale or other taxable disposition
The following discussion is subject to the discussion under "*Passive Foreign Investment Company Rules*" below.

A U.S. Holder will generally recognize U.S.-source capital gain or loss on the sale or other taxable disposition of new shares. Any such gain or loss will be long-term capital gain or loss if the U.S. Holder has owned such new shares for more than one year. The amount of the U.S. Holder's gain or loss will be equal to the difference between such U.S. Holder's tax basis in the new shares sold or disposed of and the amount realized on the sale or disposition, each as determined in USD. A U.S. Holder's tax basis in the new shares acquired pursuant to the exercise of the subscription rights will be determined as described above under "*Taxation of the subscription rights and BTAs*."

Passive foreign investment company rules
In general, a non-U.S. corporation is a passive foreign investment company (a "**PFIC**") for any taxable year in which (i) 75 percent or more of its gross income consists of passive income or (ii) 50 percent or more of the average value of its assets (generally determined on a quarterly basis) consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-U.S. corporation that owns at least 25 percent by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its

proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, rents, royalties and certain gains. Cash is generally a passive asset for these purposes. Goodwill is an active asset to the extent attributable to activities that produce active income.

Based on the expected composition of the Company's income and assets and the estimated value of its assets, the Company does not expect to be a PFIC for its current taxable year. However, the Company will hold a substantial amount of cash and other passive assets following the rights issue and its PFIC status for any taxable year will depend on the composition of the Company's income and assets and the value of its assets from time to time, including goodwill (which may be determined, in part, by reference to the market price of the Company's shares, which has been, and may continue to be, volatile). For these reasons, there can be no assurance that the Company will not be a PFIC for its current or any future taxable year. The Company has not analyzed its PFIC status for any prior taxable year and does not intend to conduct or provide U.S. investors with annual assessments of its PFIC status for the current or any future taxable year.

If the Company is a PFIC for any taxable year and any of its subsidiaries is also a PFIC (any such entity, a "**Lower-tier PFIC**"), U.S. Holders will be deemed to own a proportionate amount (by value) of the shares of each Lower-tier PFIC and will be subject to U.S. federal income tax according to the rules described in the subsequent paragraph on (i) certain distributions by a Lower-tier PFIC and (ii) dispositions of shares of Lower-tier PFICs, in each case as if the U.S. Holders held such shares directly, even though the U.S. Holders will not receive the proceeds of those distributions or dispositions.

In general, if the Company is a PFIC for any taxable year during which a U.S. Holder owns new shares (and under proposed Treasury regulations that have a retroactive effect date, the holding period for the subscription rights, which as described above may include the holding period of the existing shares with respect to which the subscription rights were issued), gain recognized by such U.S. Holder on a sale or other disposition (including certain pledges) of its new shares (or subscription rights) will be allocated ratably over that U.S. Holder's holding period. The amounts allocated to the taxable year of the sale or disposition and to any year before the Company became a PFIC will be taxed as ordinary income. The amount allocated to each other taxable year will be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge will be imposed on the resulting tax liability for each such year. Furthermore, to the extent that distributions received by a U.S. Holder in any taxable year on its new shares exceed 125 percent of the average of the annual distributions on the new shares received during the preceding three taxable years or the U.S. Holder's holding period, whichever is shorter, such excess distributions will be subject to taxation in the same manner. If the Company is a PFIC for any taxable year during a U.S. Holder's holding period of the new shares, the Company will generally continue to be treated as a PFIC with respect to the U.S. Holder for all succeeding years during which the U.S. Holder owns new shares, even if the Company ceases to meet the threshold requirements for PFIC status. If the Company is a PFIC for any taxable year but ceases to be a PFIC for a subsequent taxable year, U.S. Holders should consult their tax advisers regarding the advisability of making a "deemed sale" election.

Alternatively, if the Company is a PFIC for any taxable year and if the new shares are "regularly traded" on a "qualified exchange," a U.S. Holder may be able to make a mark-to-market election with respect to the new shares that will result in tax treatment different from the general tax treatment for PFICs described above. The new shares will be treated as "regularly traded" in any calendar year in which more than a de minimis quantity of the new shares is traded on a qualified exchange on at least 15 days during each calendar quarter. A non-U.S. exchange is a "qualified exchange" if it is regulated by a governmental authority in the jurisdiction in which the exchange is located and with respect to which certain other requirements are met. The IRS has not identified specific non-U.S. exchanges that are "qualified" for this purpose. Generally, under the mark-to-market election the U.S. Holder will recognize at the end of each taxable year (i) ordinary income in respect of any excess of the fair market value of the new shares over their adjusted tax basis or (ii) ordinary loss in respect of any excess of the adjusted tax basis of the new shares over their fair market value (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder makes the election, the U.S. Holder's tax basis in the new shares will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of new shares in a year when the Company is a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election, with any excess loss treated as capital loss). Because a mark-to-market election cannot be made with respect to any Lower-tier PFIC the shares of which are not regularly traded, a U.S. Holder that makes a mark-to-market election with respect to the Company may nevertheless continue to be subject to the PFIC rules described in the preceding paragraph with respect to any Lower-tier PFIC. U.S. Holders should consult their tax advisers regarding the availability and advisability of making a mark-to-market election in their particular circumstances. The Company does not intend to provide U.S. Holders with the information necessary to make qualified electing fund elections, which if available would result in an alternative treatment of the new shares.

If the Company is a PFIC for any taxable year during which a U.S. Holder owns any new shares, the U.S. Holder will generally be required to file annual reports with the IRS.

In addition, if the Company is a PFIC (or with respect to a particular U.S. Holder is treated as a PFIC) for any taxable year in which the Company paid a dividend or for the preceding taxable year, the favorable tax rate described above with respect to dividends paid to certain non-corporate U.S. Holders will not apply.

U.S. Holders should consult their tax advisers regarding the determination of whether the Company is a PFIC for any taxable year and the potential application of the PFIC rules to their ownership of new shares.

Transfer reporting requirements
A U.S. Holder that subscribes for new shares may be required to file IRS Form 926 if the subscription price paid by the U.S. Holder, when aggregated with all transfers of cash made by the U.S. Holder (or any related person) to the Company within the preceding twelve-month period, exceeds USD 100,000 (or its foreign currency equivalent). U.S. Holders that are required to file Form 926, but fail to do so, could be subject to substantial penalties. U.S. Holders should consult their tax advisers to determine whether they are subject to any Form 926 filing requirements.

Information reporting and backup withholding
Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and backup withholding unless the U.S. Holder is an exempt recipient or, in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Certain U.S. Holders who are individuals (and certain specified entities) may be required to report information relating to their new shares (or non-U.S. financial accounts through which the subscription rights or new shares may be held). U.S. Holders should consult their tax advisers regarding their reporting obligations with respect to the subscription rights or new shares.

Selling and transfer restrictions

The distribution of subscription rights and the offer to subscribe for new shares in Securitas by exercise of subscription rights as well as without subscription rights to persons resident in, or who are citizens of, countries other than Sweden, Denmark, Finland or Norway may be affected by the laws of the relevant jurisdiction. Investors should consult their professional advisers as to whether their relevant jurisdiction requires any governmental or other consent or if there is a need to observe any other formalities in order to enable them to exercise subscription rights or to subscribe for new shares without subscription rights.

GENERAL

Securitas has not taken and will not take any action to permit a public offering of the new shares being issued in the rights issue (through the exercise of the subscription rights or otherwise) in any jurisdiction other than Sweden, Denmark, Finland and Norway. Receipt of this prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this prospectus is for information only and must not be copied or redistributed.

Except as otherwise disclosed in this prospectus, if an investor receives a copy of this prospectus in any jurisdiction other than Sweden, Denmark, Finland and Norway, the investor may not treat the prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the subscription rights, paid subscription shares/interim shares (Sw. *betalda tecknade aktier (BTA)/interimsaktier*) or new shares being granted or offered, respectively, in the rights issue (the "**Securities**"), unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Securities could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirement or formality.

Accordingly, if an investor receives a copy of this prospectus, the investor should not distribute or send the same, or transfer the Securities to any person, in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If any investor forwards this prospectus into any such jurisdictions (whether under a contractual or legal obligation or otherwise), such investor should draw the recipient's attention to the contents of this section. Subject to certain exceptions, the following applies:

- the Securities may not be offered, subscribed for, sold or transferred, directly or indirectly, to or in Canada, Hong Kong, India, Japan, Singapore, South Africa and, subject to certain exeptions as set out below, the United States, or any other jurisdiction in which it would not be permissible to offer the Securities or where such action would require additional prospectuses, registration or measures other than those pursuant to Swedish, Danish, Finnish and Norweigan law (an "**Ineligible Jurisdiction**", together the "**Ineligible Jurisdictions**");
- the prospectus may not be sent to any person in any Ineligible Jurisdiction; and
- the transfer of subscription rights to an account of a shareholder or other person in an Ineligible Jurisdiction or of a citizen of an Ineligible Jurisdiction (referred to as "**Ineligible Persons**") does not constitute an offer to such persons of new shares and Ineligible Persons may not exercise subscription rights.

If an investor subscribes for, receives, transfers, trades or otherwise deals in the Securities, that investor will be deemed to have made, or, in some cases, be required to make, among other things, the following representations and warranties to Securitas and any person acting on its behalf (unless such requirement is waived by Securitas):

- the investor is not located in an Ineligible Jurisdiction;
- the investor is not an Ineligible Person;
- the investor is not acting, and has not acted, for the account or benefit of an Ineligible Person;
- unless the investor is a holder of shares and a QIB (as defined below), the investor is located outside the United States, and any person for whose account or benefit it is acting on a non discretionary basis is located outside the United States and, upon subscribing for or acquiring Securities, the investor and any such person will be located outside the United States;
- the investor understands that the Securities have not been or will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered, subscribed for, exercised, pledged, sold, resold, granted, allotted, delivered or otherwise transferred within the United States, or for the account or benefit of persons in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act; and
- the investor may lawfully be offered, exercise, subscribe for and receive Securities in the jurisdiction in which it resides or is currently located.

Securitas and any person acting on its behalf will rely upon the investor's representations and warranties. Any provision of false information or subsequent breach of these representations and warranties may subject the investor to liability.

If a person is acting on behalf of a holder of subscription rights (including, without limitation, as a nominee, custodian or trustee), that person will be required to provide the foregoing representations and warranties to Securitas with respect to the exercise of subscription rights on behalf of the holder. If such person does not or is unable to provide the aforementioned representations and warranties, Securitas will not be bound to authorize the allocation of any Securities to that person or the person on whose behalf the other is acting.

Subject to the specific restrictions described below, if an investor (including, without limitation, its nominees, custodians and trustees) who is located outside of Sweden, Denmark, Finland and Norway wishes to exercise, deal in or subscribe for Securities, the investor must satisfy itself as to full observance of the applicable laws of any relevant jurisdiction including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any taxes due in such territories.

The information set out in this section is intended as a general guide only. If the investor is in any doubt as to whether it is eligible to exercise subscription rights or otherwise subscribe for shares in the rights issue, that investor should consult professional advisers without delay.

For shareholders who on the record date September 20, 2022 held shares in Securitas through financial intermediaries, all subscription rights will initially be credited to such financial intermediaries for such shareholders' accounts. A financial intermediary may not exercise any subscription rights on behalf of any person in the Ineligible Jurisdictions or any Ineligible Persons and may be required in connection with any exercise of subscription rights to certify the same.

Subject to certain exceptions, financial intermediaries are not permitted to send this prospectus or any other information about the rights issue into any Ineligible Jurisdiction or to any Ineligible Person. The crediting of subscription rights to the account of persons in Ineligible Jurisdictions or to Ineligible Persons does not constitute an offer of Securities to such persons. Nominees, which include banks, brokers, custodians and other financial intermediaries, holding for Ineligible Persons may consider selling any or all subscription rights held for the benefit of such persons to the extent permitted under their arrangements with such persons and applicable law and to remit the net proceeds to the accounts of such persons.

Subject to certain exceptions, exercise instructions or certifications regarding subscription sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid and the Securities will not be delivered to an addressee in any Ineligible Jurisdiction. Securitas reserves the right to reject any exercise or revoke any accepted exercise made in the name of any person who provides an address in an Ineligible Jurisdiction for exercise or delivery of Securities, who does not or is unable to represent or warrant that such person is not in an Ineligible Jurisdiction and is not an Ineligible Person, who is not acting on a discretionary basis for such persons, or who appears to Securitas or its agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, Securitas reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of subscription rights which appears to it to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction.

Notwithstanding any other provision of this prospectus, Securitas reserves the right to permit a holder to exercise its subscription rights and subscribe for new shares as part of the rights issue if Securitas in its absolute discretion is satisfied that the transaction in question is exempt from or not subject to the laws or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described below. In any such case, Securitas does not accept any liability for any actions that a holder takes or for any consequences that such holder may suffer by Securitas' acceptance of the holder's exercise of subscription rights or subscription for new shares.

None of Securitas, SEB or any of their respective representatives is making any representation to any offeree, subscriber or purchaser of the Securities regarding the legality of an investment in the Securities by such offeree, subscriber or purchaser under applicable laws. Each investor should consult with its own advisors and make its independent assessment of the legal, tax, business, financial and other consequences of a subscription or purchase of the Securities.

Investing in the Securities involves risks. See "Risk factors" for a discussion of risks that prospective investors should consider before investing in the Securities.

United States

The Securities have not been and will not be registered under the Securities Act or under the securities legislation of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities legislation in any state or other jurisdiction of the United States. The Securities are being offered and sold outside the United States in reliance on Regulation S under the Securities Act. Any offering of the Securities to be made in the United States will be made by the issuer and only pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, to a limited number of investors who (i) are existing holders of shares in Securitas and qualified institutional buyers as defined in Rule 144A under the Securities Act ("**QIBs**") and (ii) have executed and delivered an investor letter, in form and substance acceptable to Securitas.

Accordingly, subject to certain limited exceptions, this document will not be sent to, and no subscription rights will be credited to, any shareholder with a registered address in the United States. In addition, Securitas and SEB reserve the right to reject any instruction in respect of the Securities sent by or on behalf of any securities account holder with a registered address in the United States.

Up until 40 days after the expiration of the subscription period in the rights issue, an offer, sale or transfer of the Securities within the United States by a dealer (whether or not participating in the rights issue) may violate the registration requirements of the Securities Act. The Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission ("**SEC**"), any state regulatory authority in the United States or any other U.S. regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of the rights issue or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offense in the United States.

Each person to which Securities are distributed, offered or sold within the United States will, by accepting delivery of this prospectus or by its subscription for Securities, be deemed to have represented, acknowledged and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing for Securities, as the case may be, that, among other things:

1. it, and any account for which it is exercising any rights, is at the time of receipt of the prospectus, and at the time of any exercise by it of subscription rights, an existing shareholder of the Company and a QIB.
2. it understands and acknowledges that the rights issue is made in reliance on an exemption from registration under the Securities Act and that none of the Securities have been or will be registered under the Securities Act, and that they may not be offered, sold or exercised, directly or indirectly, in the United States, other than in accordance with paragraph 4 below.
3. it understands that the subscription rights may only be transferred, assigned, sold or resold outside the United States in reliance on Regulation S under the Securities Act, and not in any case inside or into the United States.
4. as a purchaser in a private placement of securities that have not been registered under the Securities Act, it may only acquire subscription rights, paid subscription shares/Interim shares and new shares upon the exercise of such subscription rights, for its own account, or for the account of one or more other QIBs for which it is acting as duly authorized fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgments, representations and agreements herein with respect to each such account, in each case for investment and not with a view to any resale or distribution of any such subscription rights or of any paid subscription shares/Interim shares or new shares issuable upon exercise of the subscription rights.
5. it understands and agrees that, although offers and sales in the United States of the subscription rights are being made only to QIBs, and that the subscription rights may be exercised only by QIBs in the United States, neither such offers and sales nor such exercises are being made under Rule 144A, and that if in the future it or any such other QIB for which it is acting, as described in paragraph 4 above, or any other fiduciary or agent representing such investor decides to offer, sell, deliver, pledge, hypothecate or otherwise transfer any subscription rights, or any paid subscription shares/Interim shares or new shares issued upon the exercise of subscription rights, it and such other persons will do so only (i) pursuant to an effective registration statement under the Securities Act; (ii) with respect to paid subscription shares/Interim shares or new shares, to a QIB in a transaction meeting the requirements of Rule 144A; (iii) outside the United States pursuant to Rule 904 under Regulation S under the Securities Act in an “offshore transaction” (and not in a pre-arranged transaction resulting in the resale of such subscription rights, paid subscription shares/Interim shares or new shares into the United States); or (iv) in the case of new shares issued upon the exercise of subscription rights, in accordance with Rule 144 under the Securities Act and, in each case, in accordance with any applicable securities laws of any state or territory of the United States and of any other jurisdiction. It understands that no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for the resale of new shares.
6. it understands that for so long as new shares issued upon the exercise of subscription rights are “restricted securities” within the meaning of U.S. federal securities laws, no such new shares may be deposited into any U.S. depositary receipt facility established or maintained by a depositary bank, other than a restricted depositary receipt facility, and that such new shares will not settle or trade through the facilities of the Depository Trust Company or any other U.S. exchange or clearing system.
7. it has received a copy of this prospectus and has had access to such financial and other information concerning Securitas as it has deemed necessary in connection with making its own investment decision to exercise subscription rights and has consulted with its own independent advisers or otherwise satisfied itself concerning the legal, tax and other economic considerations related to exercising its subscription rights. It acknowledges and agrees that neither Securitas, SEB, nor any person representing Securitas or SEB has made any representation to it with respect to Securitas or the offer in the rights issue other than as set forth in the prospectus. It will hold any offering materials, including the prospectus, it receives directly or indirectly from Securitas or SEB in confidence, and it understands that any such information received by it is solely for it and may not be redistributed or duplicated by it. It acknowledges and agrees that the Securities have not been offered to it by Securitas or SEB in any form of general solicitation or general advertising (in the meaning set forth in Regulation D under the Securities Act).
8. it, and each other QIB, if any, for whose account it may acquire subscription rights, paid subscription shares/Interim shares or new shares, in the normal course of business, invests in or purchases securities similar to the Securities, has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of acquiring subscription rights and new shares and is aware that it must bear the financial risk of an investment in each subscription right and any paid subscription share and new share for an indefinite period of time and is able to bear such risk for an indefinite period.
9. it understands that these representations and undertakings are required under United States securities laws and irrevocably authorizes Securitas and SEB to produce these undertakings and the investor letter to any interested parties in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.
10. it represents that if, in the future, it offers, resells, pledges or otherwise transfers the Securities, it shall notify such subsequent transferee of the transfer restrictions set out herein.
11. it is not an affiliate (as defined in Rule 501(b) under the Securities Act) of Securitas, and is not acting on behalf of an affiliate of Securitas.
12. it understands and acknowledges that Securitas, SEB and each of their respective affiliates and agents, and others, will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

In addition, each person exercising subscription rights or otherwise subscribing for new shares will be deemed to have acknowledged and agreed that no person is authorized to give any information or make any representations other than those contained in the prospectus and, if given or made, such information or representations will not be relied upon as having been authorized by Securitas or SEB, nor will Securitas or SEB have any liability or responsibility therefore.

Each person to which Securities are distributed, offered or sold outside the United States in connection with the rights issue will, by its subscription for, or purchase of, Securities, be deemed to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing for Securities, as the case may be, that:

- it is acquiring the Securities from Securitas in an "offshore transaction" as defined in Regulation S under the Securities Act; and
- the Securities have not been offered to it by Securitas by means of any "directed selling efforts" within the United States as defined in Regulation S under the Securities Act.

Agreement of confidentiality
Any recipient of this document in the United States is hereby notified that this document is being furnished to it on a confidential basis and must not be reproduced, resent or otherwise redistributed, in whole or in part, under any circumstances. Furthermore, recipients are authorized to use this document solely for the purpose of considering a subscription for Securities and may not disclose any of the contents of this document or use any information herein for any other purpose. This document is personal to each recipient and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Securities. Any recipient of this document agrees to the foregoing by accepting delivery of this document.

Enforcement of liabilities and service of process
Securitas is a Swedish limited liability company (Sw. *Aktiebolag*). The majority members of the Board of Directors and the steering group are resident outside the United States. A substantial portion of the assets of Securitas and such persons are located outside the United States. As a result, it may not be possible for investors to serve writ of summons upon Securitas or such persons or to enforce against them in U.S. courts judgments obtained in such courts. Original actions, or actions for the enforcement of judgments of a U.S. court, relating to the civil liability provisions of the federal or state securities laws of the United States are not directly enforceable in Sweden. The United States and Sweden do not have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Accordingly, a final judgment for the payment of money rendered by a U.S. court based on civil liability will not be directly enforceable in Sweden. However, if the party in whose favor such final judgment is rendered brings a new lawsuit in a competent court in Sweden, that party may submit to the Swedish court the final judgment that has been rendered in the United States. Although a judgment by a federal or state court in the United States against the Company or the Group will neither be recognized nor enforced by a Swedish court, it may serve as evidence in a similar action in a Swedish court.

United Kingdom
None of the subscription rights, paid subscription shares (Sw. *betalda tecknade aktier*) or new shares in Securitas have been offered or will be offered to the public in the United Kingdom prior to the publication of a prospectus in relation to the subscription rights, paid subscription shares (Sw. *betalda tecknade aktier*) or new shares in Securitas which has been approved by the Financial Conduct Authority, except that the subscription rights, paid subscription shares (Sw. *betalda tecknade aktier*) or new shares in Securitas may be offered to the public in the United Kingdom at any time:

a. to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
b. to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the financial advisers for any such offer; or
c. in any other circumstances falling within Section 86 of the FSMA;

provided that no such offer of the subscription rights, paid subscription shares (Sw. *betalda tecknade aktier*) or new shares in Securitas shall require the Company or any manager to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of the above, the expression an "offer to the public'" in relation to the subscription rights, paid subscription shares (Sw. *betalda tecknade aktier*) or new shares in Securitas in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any subscription rights, paid subscription shares (Sw. *betalda tecknade aktier*) or new shares in Securitas to be offered so as to enable an investor to decide to purchase or subscribe for any subscription rights, paid subscription shares (Sw. *betalda tecknade aktier*) or new shares in Securitas, the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended, and the "**FSMA**" means the Financial Services and Markets Act 2000, as amended.

This prospectus is only being distributed to, and is only directed at, (a) persons who are "qualified investors" within the meaning of Article 2 of the UK Prospectus Regulation, and (b)(i) persons outside the UK; (ii) "investment professionals" falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**"); (iii) "high net worth companies, unincorporated associations etc." within the meaning of Article 49(2)(a) to (d) of the Financial Promotion Order; (iv) persons who are existing members or creditors of Securitas or other persons falling within Article 43 of the Financial Promotion Order; or (v) other persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) may otherwise lawfully be communicated (all such persons being "**Relevant Persons**"). Subscription rights, paid subscription shares (Sw. *betalda tecknade aktier*) or new shares in Securitas are only available to Relevant Persons and any invitation, offer or agreement to subscribe for, purchase or otherwise acquire such subscription rights, paid subscription shares (Sw. *betalda tecknade aktier*) or new shares in Securitas will be engaged in only with Relevant Persons. Any person who is not a Relevant Person should not act on or rely upon this prospectus or any of its contents.

Any person in the United Kingdom who participates in the offering under this prospectus will be deemed to have represented, warranted and acknowledged to the Company and the Joint Global Coordinators, Joint Bookrunners and Co-Bookrunner that: it is a Relevant Person (as defined above) and undertakes that it will subscribe for, hold, manage or dispose of any subscription rights, paid subscription shares (Sw. *betalda tecknade aktier*) or new shares in Securitas that are allocated to it for the purposes of its business; it is subscribing for the new shares in Securitas for its own account or is subscribing for the new shares in Securitas for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties and acknowledgements contained herein; and if it is a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation, that any new shares in Securitas subscribed for by it in the offering under this prospectus will not be subscribed for on a non-discretionary basis on behalf of, nor will they be subscribed for with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale in the United Kingdom to Relevant Persons, or in circumstances in which the prior consent of the Joint Global Coordinators, Joint Bookrunners and Co-Bookrunner has been given to each such proposed offer or resale.

EEA

Within the European Economic Area ("**EEA**"), no public offering of Securities is made in other countries than Sweden, Denmark, Finland and Norway. In other member states of the EU, such an offering of Securities may only be made in accordance with the Prospectus Regulation. In other member states of the EEA which have implanted the Prospectus Regulation in their national legislation, any offer of Securities may only be made in accordance with an applicable exemption in the Prospectus Regulation and/or in accordance with an applicable exemption under a relevant national implementation measure. In other member states of the EEA which have not implemented the Prospectus Regulation in their national legislation, any offer of Securities may only be made in accordance with an applicable exemption under national law. Each recipients of this prospectus will be considered to have represented and guaranteed that they do not have or will not make any offer to the public in any member state of the EEA.

Australia

Neither this prospectus (or the documents which accompany it) or the rights issue constitute an offer, or an invitation to purchase or subscribe for the new Securities offered by this prospectus except to the extent that such an offer or invitation would be permitted under Chapter 6D or Part 7.9 of the Australian Corporations Act 2001 (Cth) ("**Corporations Act**") without the need for a disclosure document to be lodged with the Australian Securities and Investments Commission ("**ASIC**"). The provision of, and information in, this prospectus (or the documents which accompany it) do not constitute an offer or an invitation to purchase or subscribe for the new shares to any person to whom such offer or invitation would be unlawful. Neither this prospectus (or the documents which accompany it) is a prospectus or product disclosure statement or otherwise a disclosure document for the purposes of Chapter 6D or Part 7.9 of the Corporations Act and is not required to, and does not contain all the information which would be required in a disclosure document under the Corporations Act. This prospectus (and the documents which accompany it) will not be lodged with ASIC.

The persons referred to in this prospectus may not hold Australian financial services licenses and may not be licensed to provide financial product advice in relation to the shares.

No "cooling-off" regime will apply to an acquisition of the shares pursuant to the offering.

This prospectus (and the documents which accompany it) do not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to this offering, you should assess whether the acquisition of the shares is appropriate in light of your own financial circumstances or seek professional advice.

OTHER JURISDICTIONS

The Securities have not been and will not be registered in Australia, Canada, Hong Kong, India, Japan, Singapore, South Africa, Switzerland or any other jurisdiction outside Sweden and, except as permitted above, may not be offered, subscribed for, exercised, pledged, sold, resold, delivered or otherwise transferred, directly or indirectly, in or to any such jurisdiction other than in such exceptional cases when a prospectus would not be required under applicable laws and regulations of such jurisdiction.

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