

2022

Loomis Annual and Sustainability Report



At the centre of the payment ecosystem

Countless payment flows occur every day. Loomis offers safe and effective comprehensive solutions for managing payments including distribution, handling, recycling and storage of cash and other valuables. Loomis Pay is a unique payment platform that processes cash, card and other digital alternatives, complementing and enhancing the traditional core business. Loomis focuses on automation to improve efficiency and cut the time spent on manual processes for retailers and financial institutions.

We operate in a decentralized organization with more than 400 branches in 23 markets. Our success is based on customer trust, knowledgeable employees, high security standards, and clear processes. Sustainability is an integral part of day-to-day operations in all of our markets, where the health, safety and environment of our customers and employees are top of mind.





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The formal Annual Report is presented on >pages 79–125. Sustainability is integrated into the Group's operations and the statutory Sustainability Report, including the GRI Index, is presented on >pages 29–59.

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Loomis today

Loomis provides safe and effective comprehensive solutions for payments and for distribution, handling, recycling and storage of cash and other valuables. Loomis’ customers are mainly financial institutions and retailers. Divided into three operational segments – Europe and Latin America, USA and Loomis Pay – Loomis operates through an international network of more than 400 branches in 23 markets. Loomis employs more than 25,000 people and had revenue of more than SEK 25 billion in 2022. Loomis is listed on Nasdaq Stockholm Large-Cap list.



400+ Branches
in **23** markets

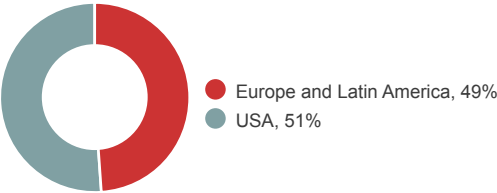


~25,000
Full-time employees



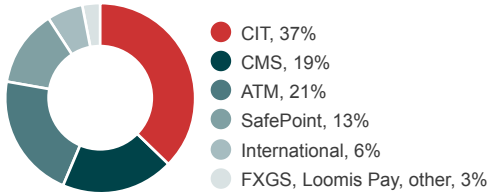
Market Capitalization
SEK 20,494 million
as of December 31, 2022,
excluding treasury shares

Revenue 2022
share per segment, %



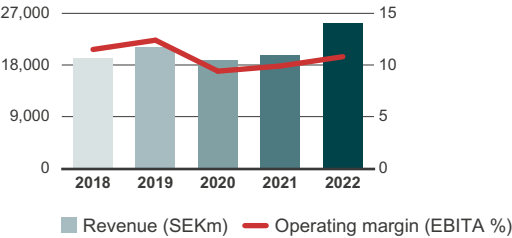
Read more about the segments on
>pages 18–21.

Revenue 2022
share per business line, %



Read more about the offerings on
>page 9.

Revenue (SEKm) and Operating
margin (EBITA %)



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Loomis in 2022 – Highlights of the year

Loomis achieved all-time high revenue and strong operating income in 2022. Revenue in Europe and Latin America returned to pre-pandemic levels with the opening of societies and increased tourism and travel. Growth was strong in the USA, and our automated solutions – SafePoint in particular – enjoyed continued success. Transaction volumes continued to grow for Loomis Pay, which was launched in Spain towards the end of the year.

Record revenue and operating income

Loomis achieved record high revenue and a strong operating margin in 2022, with a solid performance in all three segments.

Aritz Larrea new President and CEO of Loomis

Aritz Larrea became President and CEO of Loomis in May, succeeding Patrik Andersson. Prior to this Larrea held the position as President and CEO of Loomis USA.

Loomis issued sustainability-linked bonds

Loomis issued additional sustainability linked bonds in 2022 as an extension of the sustainability-linked financing program. Read more on >pages 46–47.

New President of Loomis USA

Björn Züger became President and CEO of Loomis USA in the third quarter, succeeding Aritz Larrea. Züger was previously Regional Vice President for Austria, Germany and Switzerland.

New strategy and targets for 2022–2024

Loomis announced an updated strategy and new targets under the heading: “*At the centre of the payment ecosystem*”. Read more on >pages 14–16.

Loomis Pay launched in a new market

Loomis Pay transaction volumes increased by 82 percent and organic growth was 86 percent. Loomis Pay was launched in Spain at the end of 2022 as planned. Read more on >page 21.

Continued reduction in CO₂ footprint

In 2022 transport-related carbon dioxide emissions decreased by around 14 percent compared to the base year 2019. Refer to >page 38 for more information.

Record return to shareholders

Through the annual dividend of SEK 8.50 per share and share repurchases, Loomis returned SEK 1,228 million of capital to shareholders. The Board of Directors proposed a dividend of SEK 12 per share for the 2022 financial year. Read more on >pages 28–29.



Net sales 2022
SEK **25,315** million



Operating income (EBITA)
SEK **2,735** million



+14%
Organic growth



+49%
EPS growth



SEK **1,228** million
capital returned to shareholders

Strong position in a transforming market

Loomis is a leading global player in the industry and has long and trusting relationships with central banks, financial institutions and retail customers. The market is undergoing a transformation and Loomis is well-positioned to capitalize on the consolidation, outsourcing and innovation in the industry. Performance in 2022 was strong and we are well on our way to achieving the targets set for the strategic period ending in 2024.



“With Loomis as a partner, our customers can focus on their core business and spend less time on payment management.”

Aritz Larrea
President and CEO

A record year

2022 was in many ways an excellent year for Loomis. We ended the year with our highest revenue ever, more than SEK 25 billion, and the highest organic growth in a single year at 14.4 percent. Operating income of SEK 2.7 billion is also a new record.

There are several factors behind our rapid growth. Within Europe, we have recovered from the effects of Covid-19 and we are confident that the main impact of the pandemic on our business is behind us. In the US we continue to see an exceptional business revenue trend and we have once again reached all-time-high revenue in local currency. Loomis Pay transaction volumes and customer base also increased.

Additionally, we returned more than SEK 1.2 billion of capital to shareholders in 2022 through the annual dividend and share repurchases.

These good financial results are also accompanied by important steps forward within the sustainability agenda.

Loomis Pay benefits even more evident

It is gratifying to see the sustained increase in Loomis Pay transaction volumes in 2022. Loomis Pay is constantly evolving with the addition of more advanced services. We are strongly committed to adapting the platform to current and future markets. The product was launched in Spain towards the end of the year as planned, and initial customer response confirm the potential and many benefits of the solution.

Continued success for automated solutions

Our SafePoint solutions, which automate the back office and cash management for our retail customers, has been a great success in the US in recent years and achieved yet another year with double-digit organic growth. Our offering is clearly continuing to take market share, where our innovation and increased quality of service are key components.

At Loomis we continuously adapt our solutions to the changing market conditions and we innovate to better solve our customers' challenges. We not only offer SafePoint and recyclers for back office, but we also offer front office solutions. By simplifying our customer's processes, we allow them to focus on their own clients, making us an even more valuable partner.

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“We hold a strong financial position and have opportunities to implement value-creating acquisitions, which would complement our existing business.”

Market transformation – a driver of growth

Loomis has long and trusting relationships with both financial institutions and retailers. This gives Loomis excellent opportunities to broaden and grow the business further. By capitalizing on technological advances, we can enhance our core services, combining traditional, automated, and digital payment solutions. Loomis can thereby simplify and improve the quality of payment solution management for more and more customers. We are also increasingly adopting an advisory role with our customers – both financial institutions and retailers, to help them manage their operations in a more efficient way.

Loomis holds a unique position as one of few providers that offers management of all payment types. An accelerating digitalization and the roll-out of our Loomis Pay offering will strengthen Loomis' position even further.

We hold a strong financial position and have opportunities to implement value-creating acquisitions. Our intention is to grow the core business in existing and selected growth markets. Through acquisitions Loomis also aims to add new technology and competencies to make it possible to offer an even broader range of services, which would complement our existing business.

Provider of critical infrastructure in society

Equal access to cash and payments is an increasingly important issue globally and we are witnessing more discussions around the world on the importance of access to cash. Loomis has an important role in providing critical infrastructure and, through our business, ensuring inclusion across communities.

Decreasing our carbon footprint

Loomis has a clear goal of being the leading sustainable business partner in the industry. In 2022, we focused on reducing the environmental impact of our operations, and on being a responsible employer and supporting the communities where Loomis operates. I am pleased to share with you that, in addition to sales surpassing 2019 levels, we have also successfully decreased our carbon emissions by 14 percent compared to the 2019 baseline. While we are proud of this result we know there is more to be done. We will continue to take action to decrease our carbon footprint while continuing to grow our business.

Going forward, Loomis will continue to support both central and commercial banks to ensure that cash is available and payment flows are functioning well in the communities where Loomis operates. We will also continue to reduce emissions from transport and energy. As we renew our vehicle fleet we are also switching to lighter vehicles with several added safety features, which enable us to manage both of our sustainability targets at the same time. Loomis will, most importantly, maintain zero tolerance for bribery and corruption.

Great opportunities ahead

I had the honor to take on the role as President and CEO of Loomis in May of this year. Loomis is a company that I know well after many years as President and CEO of Loomis USA and as Country President in Spain. I have genuine confidence in what the organization is capable of and I am certain that we will be able to take advantage of our strong market position and seize the opportunities that come our way.

I am also looking forward to an exciting 2023, a year with a strong focus on growing organically in our adjacent businesses, in particular automated solutions, FX and smart ATMs. Of course Loomis Pay and the continued rollout of the offering in Spain will be prioritized in the coming year. We also aim to grow through acquisitions within our three areas: core, adjacent and digital services.

Loomis holds a unique position at the centre of the payment ecosystem. A high level of customer trust and a continued outsourcing trend give us good opportunities to take our business to the next level. Our strong position also enables us to add new services that can simplify our customers' processes and place Loomis higher up in the value chain.

Our performance in 2022 was strong, and we are well on our way to achieving the targets set for the end of the strategic period in 2024. I look forward to working with customers, colleagues, investors, and other partners in the year ahead to realize our strategy based on our strong market position, and to reach our financial goals as well as our ambitious sustainability targets.

*Aritz Larrea, President and CEO
Stockholm, Sweden, March 2023*



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Offerings within the payment ecosystem

As a specialist in creating efficient payment flows, Loomis offers payment solutions as well as cash in transit, analysis, planning, cash management services and international services for financial institutions and retailers. Loomis provides secure and technologically advanced solutions to support every stage of the payment cycle.

Cash in Transit (CIT)

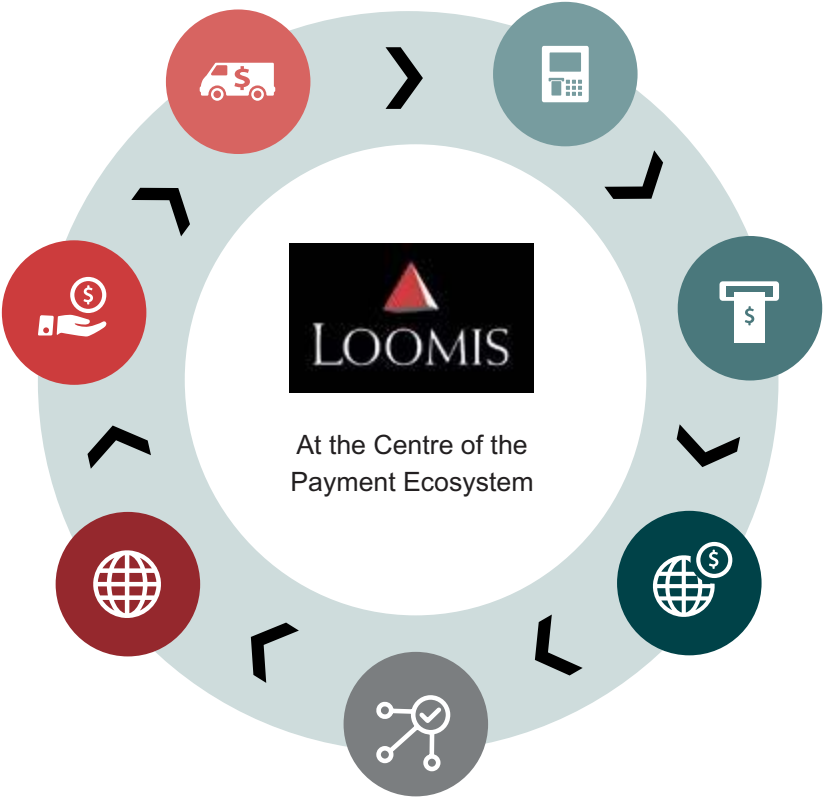
Transporting cash to and from stores, banks and ATMs is part of Loomis’ core business. Customers often use CIT as an integrated part of a comprehensive solution, such as SafePoint and ATM management.

Cash Management Services (CMS)

Loomis’ processing centers for CMS are equipped with state-of-the-art technology to count, authenticate, and check the quality of banknotes and coins. We help our customers to reduce the time spent on manual cash processes. In addition to Cash in Transit (CIT) services, customers use CMS for analysis, forecasting and reporting of cash flows.

International (VIS/ VIT)*

Loomis International transports, manages and stores cash, precious metals and other valuables. Loomis organizes the entire chain – from collecting the valuables, providing cross-border transportation, including customs clearance assistance and temporary or long-term storage, to final delivery of the valuables to an end-recipient.



Loomis Pay

Loomis Pay is an end-to-end payment solution that manages all types of payments in one system; cash, card and digital. Cash management is integrated in a cloud-based platform, used in a mobile or stationary device and a portal that provides customers with sales data and information.

ATM

Loomis has a full-service offering for ATMs, which spans the entire value chain from secure CIT and CMS, to forecasting, monitoring, service and maintenance, and transaction-related services.

Automated Solutions – SafePoint

Loomis’ cash-handling automation solutions, including SafePoint smart safes and recyclers, are subscription services designed to cut the time, labor and cost it takes to manage the back office and front office of a retail business. With SafePoint, customers only need to deposit cash in the smart safe – Loomis takes care of the rest. The customer’s bank account is credited within 24 hours.

FX

Loomis offers foreign exchange services to dealers, and individual consumers. In some markets, local bank branches play an important role in providing currency exchange services, while in other markets ATMs are the primary delivery channel for FX currency.

* VIT = Valuables in Transit; VIS = Valuables in Storage

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Loomis makes people’s everyday lives easier

Loomis is at the centre of the payment ecosystem, ensuring payments flow efficiently through cities and societies across the world. Working closely with customers, we provide long-term value by constantly fine-tuning our product offerings.

International (VIT/VIS)

Valuables are transported across the globe and safely stored

ATM

Pedestrians withdraw cash from Loomis’ smart ATMs

Loomis Pay

Enables restaurants to accept all types of payments

Cash in Transit (CIT) and Cash Management Services (CMS)

Cash is transported and counted using intelligent systems

Automated solutions

SafePoint automates cash, allowing merchants to focus on their own customers

FX

Tourists using foreign currency from Loomis’ ATMs

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Automated solutions make cash faster, safer and smarter

Loomis’ automated solutions bring cash into the digital era. SafePoint and other automated solutions complete the cycle of cash management within a retail store by improving the availability of funds, providing account reconciliation, reducing operating costs, and providing complete visibility for cash operations. The subscription-based services cover all cash handling needs to cut the time, labor and the cost of managing a retail business.

Faster

Cash deposited in SafePoint units can be **credited directly** to the customer’s bank account overnight, regardless of when the cash is picked up.

Loomis’ **smart collection services** allow cash to be delivered and picked-up as needed and at a time that suits both customers and Loomis, thereby **maximizing efficiency**.

Less time is needed for account reconciliation, counting, reporting and accounting processes. It also reduces the time needed to prepare change funds and handovers during shift changes.

Safer

Loomis’ automated solutions **improve in-store security**. As soon as the cash is deposited in the SafePoint smart safe or recycler it is insured.

There are fewer contact points and **less cash exposure**, which reduces internal shrinkage. The front office recyclers provide an audit trail on all cash transactions. The validators also **minimizes fraud** in the form of counterfeit bank notes.

Smarter

SafePoint’s **smart technologies**, services and software include AI for forecasting, monitoring and tracking of cash operations.

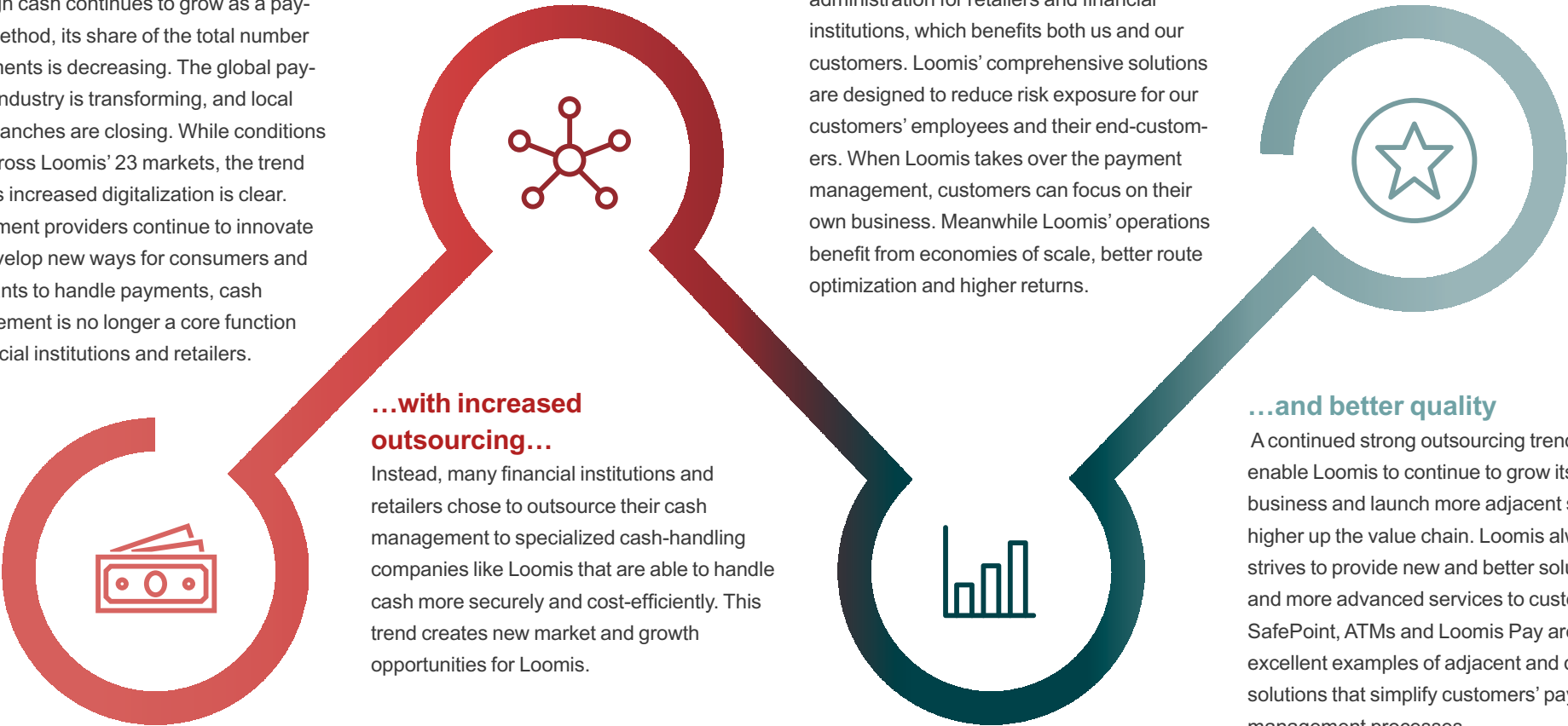


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Outsourcing adds value to Loomis and our customers

The payment industry is transforming...

Although cash continues to grow as a payment method, its share of the total number of payments is decreasing. The global payments industry is transforming, and local bank branches are closing. While conditions vary across Loomis' 23 markets, the trend towards increased digitalization is clear. As payment providers continue to innovate and develop new ways for consumers and merchants to handle payments, cash management is no longer a core function of financial institutions and retailers.



...with increased outsourcing...

Instead, many financial institutions and retailers chose to outsource their cash management to specialized cash-handling companies like Loomis that are able to handle cash more securely and cost-efficiently. This trend creates new market and growth opportunities for Loomis.

...higher returns...

Loomis' services minimize time spent on administration for retailers and financial institutions, which benefits both us and our customers. Loomis' comprehensive solutions are designed to reduce risk exposure for our customers' employees and their end-customers. When Loomis takes over the payment management, customers can focus on their own business. Meanwhile Loomis' operations benefit from economies of scale, better route optimization and higher returns.

...and better quality

A continued strong outsourcing trend will also enable Loomis to continue to grow its core business and launch more adjacent services higher up the value chain. Loomis always strives to provide new and better solutions and more advanced services to customers. SafePoint, ATMs and Loomis Pay are excellent examples of adjacent and digital solutions that simplify customers' payment management processes.

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Strengthening a unique position

Loomis holds a strong position globally and is number one or two in most countries where we operate. To further strengthen this leading position, Loomis’ strategy is to continue to grow the core business, add and launch more services higher up in the customer value chain, including the expansion of Loomis’ digital payments solutions. Loomis has the capacity to make value-creating acquisitions within all three areas.



Accelerating the core business

A priority in Loomis strategy going forward in 2022–2024, is a continued focus on accelerating the core business areas of Cash in Transit (CIT) and Cash Management Services (CMS), as well as the International business with Valuables in Transit and Valuables in Storage.

The CIT and CMS markets are growing, and there is an increasing trend whereby financial institutions and retailers are outsourcing cash management to providers like Loomis. Loomis’ markets are at different stages in this development, but the pattern is more or less the same. This trend creates great opportunities for Loomis to grow organically and increase margins.

Combining physical and digital capabilities

With the combination of Loomis’ core capabilities and new digital platforms, Loomis holds a unique position as one of few providers that offers cash management as well as digital payment methods, such as Loomis Pay.

Loomis is on a transformation journey from being a service provider to becoming a business partner with integrated solutions at the centre of the payment ecosystem.

Strong focus on recurring revenue

Loomis understands customer needs and continues to expand its offering of value-adding services sold on a subscription basis. Through automated solutions and the full-service ATM offering, Loomis provides higher customer value while gaining recurring revenue.

Loomis has a strong financial position, providing the capacity to implement value-creating acquisitions, which complement the existing business. The intention is to grow the core business in existing and selected growth markets. Through acquisitions Loomis also aims to add new technologies and competences to make it possible to offer an even broader range of services.

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Industry leading sustainability initiatives

Sustainability is an integrated part of the business. Loomis has a central role to play in providing the infrastructure to ensure that payment flows are efficient in society. By welcoming all types of payments and facilitating access to financial services, Loomis helps build an inclusive and resilient society.

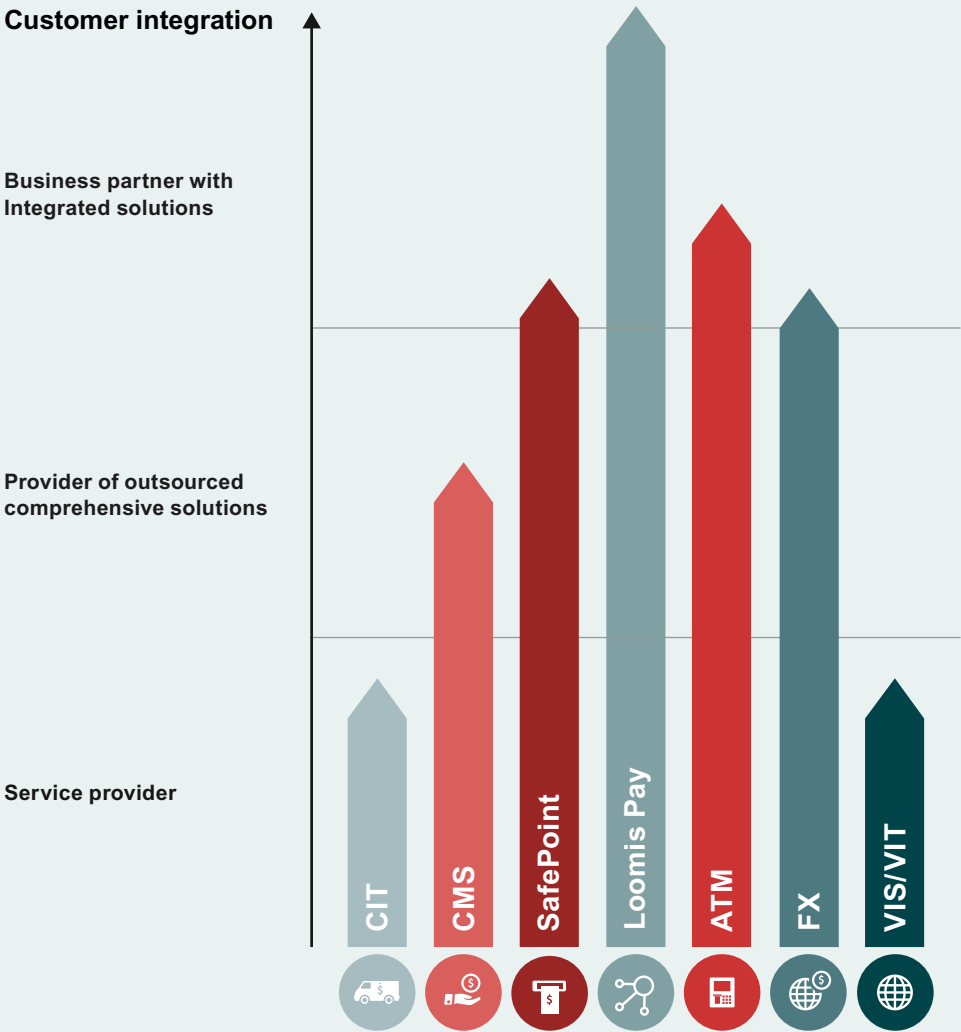
Loomis has the ambition to be the leading sustainable business partner in the industry. This means constantly working to reduce the environmental impact of operations, being a responsible employer and contributing to the societies where Loomis operates. To do this, Loomis has structured its sustainability initiatives into three focus areas: Environment, Social and Governance. Loomis has ambitious long-term ambitions, combined with a short-term focus primarily on reducing the carbon footprint and work-related injuries, and being an inclusive company and a responsible business partner.

Protecting and developing Loomis’ culture

Loomis’ decentralized business model is a vital aspect of the Company’s global success and the corporate culture. To guide employees, the Loomis Model describes how Loomis is to operate based on a number of principles supported by the Group’s business processes – all while keeping the customer in focus. In addition to containing group-wide routines and guidelines, the model defines the common core values that guide employees in their daily work.

Increased integration brings higher value

With more bundled services and by combining traditional, automated and digital payment solutions, Loomis is moving up the value chain. Successfully expanding services within the payment ecosystem leads to increased customer value and higher returns.



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Loomis’ 2024 targets

Accelerate Growth



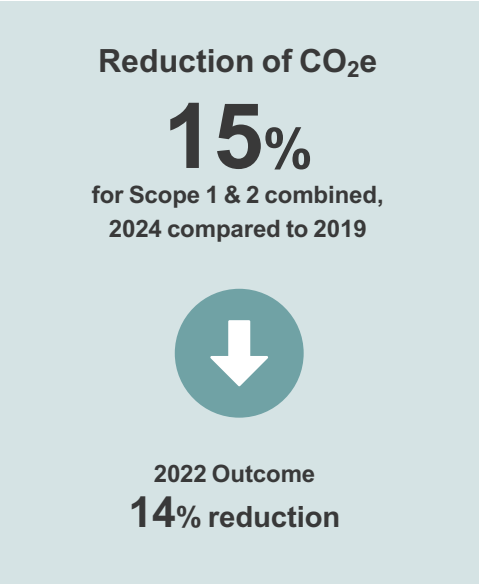
- Loomis aims to grow primarily within:
- Services that provide recurring revenue. This primarily applies to SafePoint – both in the USA and in Europe – as well as expanded service offerings for ATMs
 - Continued expansion of Loomis Pay in existing markets
 - Acquisitions within the core business in existing markets and acquisitions of relevant technology that support Loomis’ service offerings
 - Continued efforts to drive outsourcing of Cash Management Services (CMS) in all markets

Increase Margins



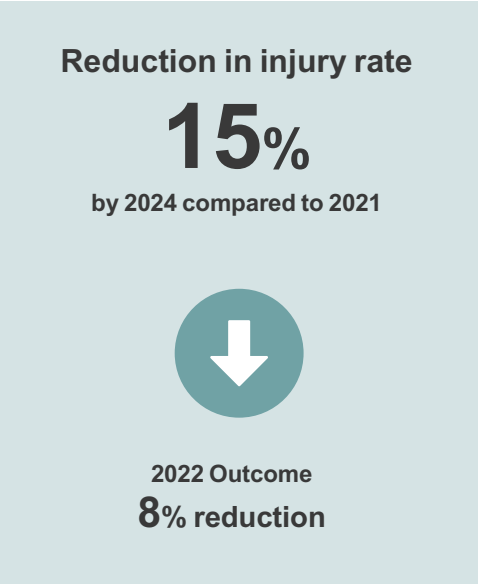
- Margin expansion is based on:
- Faster rate of increase in revenue from services with a higher operating margin, such as SafePoint and ATMs, but CMS and FX will also contribute
 - Lower cost base in Europe and in the US through measures implemented following the pandemic in 2020 and 2021
 - Continued efficiency improvement at Loomis’ 400+ branches
 - Continued pricing model development

Reduce Carbon Impact



- Loomis will reduce emissions by:
- Increasing the proportion of electric and hybrid vehicles
 - Increased investments in technical tools that promote more eco-friendly driving behavior
 - Increased proportion of fossil-free fuels
 - Gradual transition to lighter vehicles
- Loomis also has issued Sustainability-linked bonds with a linked target to reduce absolute carbon emissions by 20 percent by the end of 2025 compared with the 2019 level. Read more on [>pages 46–47](#).

Safe Workplace



- Actions taken to reduce the injury rate:
- Investments in technical tools that contribute to a safer work environment
 - Installation of software for additional safety in operational vehicles
 - Implement health and safety measures
 - Ensure alignment with international standards



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Loomis Model

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The Loomis Model – evolving the decentralized business model

The Loomis Model is the foundation of Loomis’ decentralized business model. It contains our values, management principles and the principles of doing business and conducting our operations with high quality. In 2022, an update of the Loomis Model was initiated to enhance Loomis’ transformation towards being at the center of the payment ecosystem. The revised Loomis Model will be introduced in 2023.

At the centre of the payment ecosystem

With the combination of our core, adjacent and digital solutions, we hold a unique position at the centre of the payment ecosystem. The payment market is changing and Loomis is moving up the value chain, providing advanced solutions to support every stage of the payment cycle. Loomis’ roots date back to 1852, and the business has been evolving ever since. Loomis is taking new strides into the future of payments and in 2022, we initiated an update of the model for running a successful local business.

Three core values

- Loomis operates its business based on its three core values:
- **People:** We are committed to developing quality people and treating everyone with respect.
 - **Service:** We strive for exceptional quality, innovative capacity, adding value and exceeding customer expectations.
 - **Integrity:** We perform with honesty and vigilance while adhering to high ethical and moral standards.

Code of Conduct

Loomis’ values are closely linked to our Code of Conduct. The Code is based, among other things, on the principle of

each employee doing their part to make Loomis the most attractive employer in the industry. It is also based on zero tolerance for unethical behavior. The Code is part of the training that is required for all of Loomis’ employees.

Sustainability

Sustainability is integrated into Loomis’ business to create lasting value for customers, employees, owners, other stakeholders and the communities in which we operate – today and in the future. Read more in Loomis Sustainability Report.

Strategic business processes

The Loomis Model is supported by several strategic business processes, within the Company’s operations and our business offerings.

Guiding principles

Loomis’ guiding principles are key factors in how the Company is governed and managed. The principles guide, for example, how we set targets, ensure ongoing transfer of knowledge and experience, monitor progress and compare our branch with other branches. Loomis believes that what gets measured gets done.

Customer focus

At Loomis, customer focus is about understanding our customers’ situations, listening carefully to their needs and having a proactive and ongoing dialogue with them. Focusing on the customer is crucial for Loomis as a company and involves all employees throughout the organization.



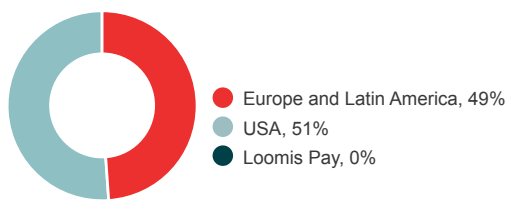
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Three segments bring together the power of a decentralized global business

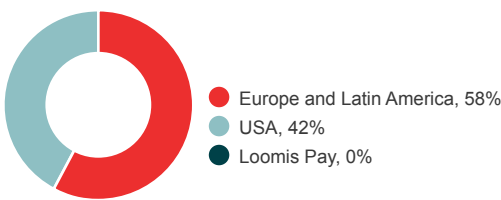
Loomis’ operations are divided into three segments – Europe and Latin America, USA and Loomis Pay, which share selected group-wide functions.

The markets where Loomis operates are different in terms of payment solutions, degree of digitalization and security aspects. Loomis’ decentralized business model makes it possible to adapt operations to local conditions.

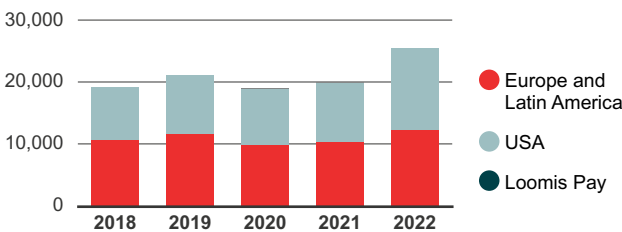
Loomis’ revenue 2022, share per segment



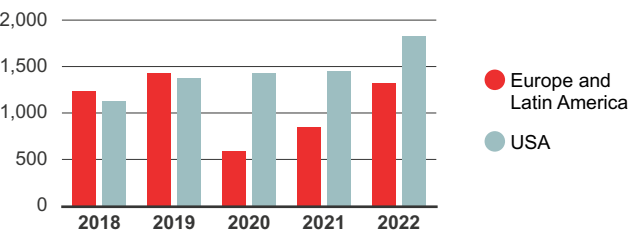
Loomis’ full-time employees 2022, share per segment



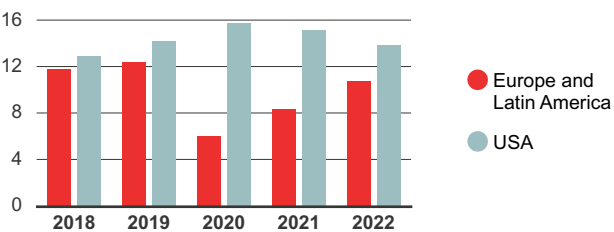
Revenue, SEK m



Operating income (EBITA), SEK m



Operating margin (EBITA), %



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Segment Europe and Latin America

Open societies and the return of tourism lead to solid growth

Loomis operates in 15 European countries* as well as Argentina and Chile in Latin America. In addition, Loomis International has operations in Hong Kong, Dubai, Shanghai and Singapore. Loomis holds a particularly strong position in its largest markets: France, Spain, Switzerland and UK, mainly due to high cash usage in these countries. Overall, Loomis is the first or second largest player in most European markets.

The start of the year was challenging, with Covid-19 restrictions impacting many markets, followed by Russia’s invasion in Ukraine. With the opening of societies and the return of consumers to stores and restaurants, volumes were back to pre-pandemic levels and business followed the normal seasonality pattern. Tourism recovered which brought Loomis’ foreign exchange (FX) business to historical levels. However, many European countries experienced high inflation and higher interest rates, affecting costs across society. The complex geopolitical situation also made people more aware of the importance of cash in society.

In 2022 Loomis focused on the development and launch of automated solutions in Europe, including SafePoint and recyclers for back office processes as well as front office solutions. Loomis also expanded its FX services which are offered in combination with Loomis’ ATM services. As an example, Loomis now has a presence at Oslo Airport, Gardemoen in Norway where it offers FX.

The launch of Loomis Pay in Spain was also a key milestone.

Various sustainability initiatives were implemented during the year by the local organizations. Solar panels were installed at selected Spanish branches, and continued rollout in Europe is planned. Loomis is investing in new, fuel efficient, electric and hybrid vehicles in Europe. The conditions differ from market to market with various initiatives, combined with optimized route planning, lowering both Loomis’ carbon footprint and costs.

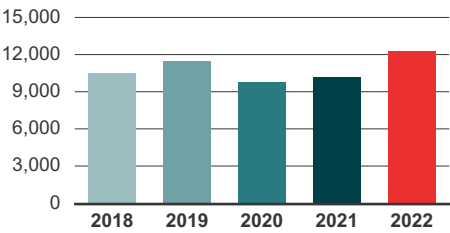
“With services like SafePoint and Loomis Pay, we continue to make our European customers’ payments and cash management easier. Volumes are back and markets are consolidating, providing great opportunities for Loomis to expand the business.”

Georges Lopez
President and CEO of Loomis Europe and Latin America

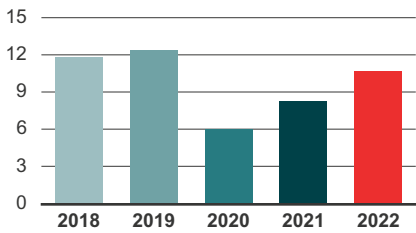
Loomis is one of the leading payment management providers in Europe. With the closure of bank branches in many countries and a continued trend of smaller local companies merging with larger companies, Loomis holds a favorable market position. Adjacent business markets, such as ATMs will most likely follow the same trend.



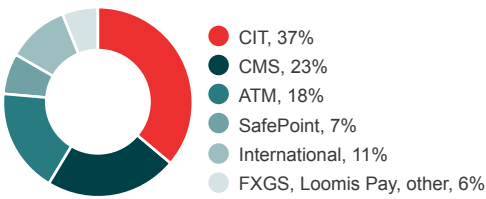
Revenue, SEK m



Operating margin (EBITA), %



Revenue by business line, 2022



* Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Norway, Portugal, Slovakia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.

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Segment USA

A strong year with record revenue and margins

Loomis is one of few nation-wide players in the US market, together with a number of smaller local actors. Loomis strives to differentiate itself by delivering a higher quality of service. Loomis operates across North America including Alaska, Hawaii, Puerto Rico and Canada.

In 2022 the business in the USA was characterized by increased consumer spending and travel, but also higher interest rates and inflation. Together with efficiency programs, vehicle renewal programs and the rollout of 20 new electric armored vehicles, Loomis has reduced fuel consumption within daily operations. Additional sustainability initiatives have led to 70 percent of the bags used in daily operations now being made from recycled material.

Like many other businesses in the US, Loomis experienced periodic challenges in staffing, due to low unemployment rates and labor market mobility. With several ongoing recruitment programs and projects, the staffing situation gradually improved during the year. By optimizing routes and increasing overtime, Loomis has succeeded in maintaining the highest level of service quality, leading to additional growth opportunities in core services. The labor market situation in

the USA reinforces the outsourcing trend, where Loomis sees ever increasing demand for both CIT and CMS, as well as automated SafePoint solutions with smart safes and recyclers.

In March 2022, Björn Züger was appointed President and CEO of Loomis USA. With previous experience as Country President of Loomis Switzerland and Regional Vice President for Austria, Germany, and Switzerland. Björn took up the position in the third quarter.

“2022 was a record year for Loomis USA in terms of both revenue and operating income. Equipped with a high level of service and strong offerings, like SafePoint, I am confident that Loomis USA will continue to deliver above expectations.”

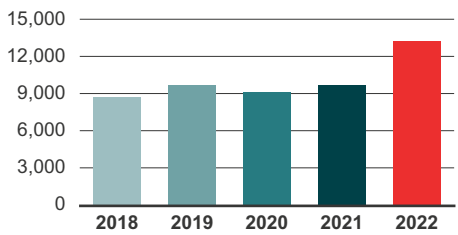
Björn Züger
President and CEO of Loomis USA



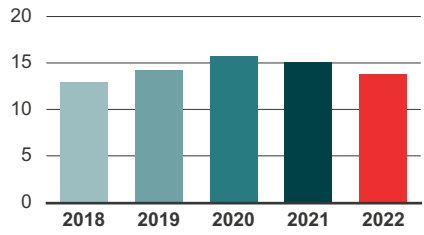
The strong growth of SafePoint solutions continued in 2022, including over 20 percent organic growth. Going forward, Segment USA will continue to focus on providing high-quality service and establishing Loomis as the industry leader by leveraging growth opportunities within all products and markets, including adjacent and digital opportunities.



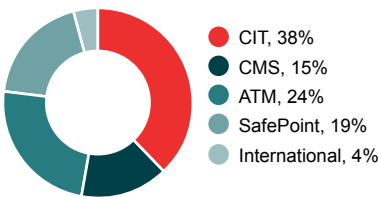
Revenue, SEK m



Operating margin (EBITA), %



Revenue by business area, 2022



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Strong growth and expansion to new markets

Spain – an important step for Loomis Pay

Loomis Pay – the solution that accepts all payments with one contract, one point of contact and one settlement process, is an important part of Loomis’ value offering. In late 2022, Loomis Pay was launched in Spain, a cash intense market where physical and digital payment methods are used side by side. Customers certainly appreciate the way Loomis Pay seamlessly manages all types of payments.

“In Spain, the advantages of Loomis Pay are evident. We have created a solution focused on the needs of the customers – making their daily business processes easier.”

Erik Zingmark, Head of Loomis Pay

More advanced services added in 2022

During the year, “mobile ordering” functionality was developed and will be available in 2023. This service enables customers to order an item on their phone in advance and pay with their preferred payment method – cash or digital. Loomis Pay is constantly evolving and adding more advanced services to integrate into the customer’s business systems. Loomis is strongly committed to adapting the platform to current and future markets.

Steadily increasing volumes and revenue

Loomis Pay is available in Denmark, Sweden and Spain, and in Norway through a partnership. Transaction volumes kept increasing in 2022 as the number of customers grew. Loomis has continued to invest during the year in product development as well as preparing the product offering for the launch in Spain, with a sales team in place supported by marketing initiatives.

Targeting small- and medium-sized enterprises (SMEs), primarily within food and beverages sector, is an essential part of the Loomis Pay rollout strategy. In Spain in particular, SMEs accounts for three quarters of the payment market, and there are many synergies between Loomis’ other cash offerings.



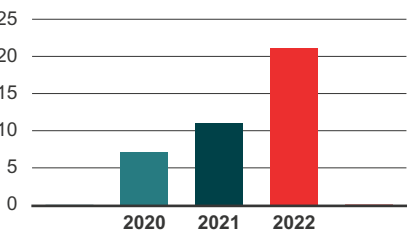
Organic growth, 2022

+86%

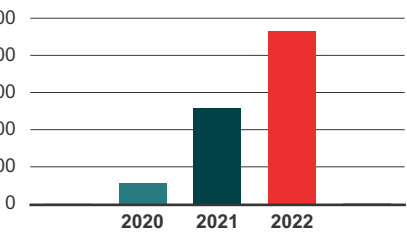
Transaction volumes, 2022

+82%

Revenue, SEK m



Transaction volumes, SEK m



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Enabling employees to grow and develop their skills at work

Encouraging employees to grow and develop their skills, while also attracting new talent, are key factors for the developing Loomis’ business and the customers evolving needs. In 2022, Loomis has fine-tuned the Loomis Academy training platform with the introduction of many new policy and product courses, and also developed local initiatives to drive Loomis’ business forward.

A responsible employer

Loomis strives to be an excellent workplace for its more than 25,000 employees in 23 different markets. Loomis is working actively within three strategic and closely interconnected areas of employer responsibility. The areas can be summarized as follows: continued investments in the corporate culture and common core values; ensuring that Loomis’ employees can develop their skills and excel work; and increasing the exchange of best practices and knowledge across different markets.

Having the right people at the right place and allowing employees to grow and excel at work, is essential for Loomis to reach strategic targets and advance up the value chain.

During the year, Loomis initiated several activities during the year to attract, retain and develop employees.

Updating and fine-tuning the Loomis Model

In 2022, a review of the Loomis Model was initiated to optimize the recipe for successful business at the local level. The model contains group-wide routines, guidelines, best practices and other fundamentals of how Loomis conducts business. The update was essential to guide employees as they embark together on Loomis’ journey into “the centre of the payment ecosystem”.

The revised model aims to support current and new employees to understand the uniqueness of Loomis’ decentralized business model and how to successfully navigate a landscape with ever-changing customer needs. A holistic approach was taken in updating the model. This involved a broad range of managers and stakeholders to drive the process forward. The updated model will be ready in 2023.

Read more about the revised Loomis Model on [>page 17](#).

Loomis’ employee survey

Loomis conducts employee surveys regularly based on the knowledge that satisfied employees generate satisfied customers. Each country is responsible for conducting the survey at least every 24 months. The survey contains compulsory questions and in addition each country can add customized questions adapted to the local organization.



“By developing the Loomis Model and Loomis Academy, we create a recipe for running a succesful business.”

Mårten Lundberg, Chief Human Resources Officer

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Attract & retain – a global program to drive business development

Attracting and retaining talented employees is essential for Loomis’ development. Loomis is a progressive company that offers competitive opportunities for professional development in an exciting business.

In 2022, Loomis was affected by structural challenges in the US labor market. The situation gradually improved during the year and through its concerted efforts Loomis has attracted and retained new employees. As an example, Loomis established an “Old Veteran Program”, enabling US veterans to get into the workplace.

To support the work of attracting and retaining the right people, a global project “Attract and Retain” was launched in 2022. The project aims to identify gaps and optimize local initiatives in each market to make Loomis the employer of choice. This initiative will continue throughout the global organization in 2023.

The digital training platform – Loomis Academy

The group-wide e-learning platform, Loomis Academy, has been further developed and relaunched with a new identity, for the purpose of increasing and improving training for all employees. An important objective in 2022, was to strengthen the links between Loomis Academy and the business operations – an effort that will continue to generate success in the years ahead. Alongside product training, Loomis Academy also deploys annual training for all employees in core policies, ensuring that they have the skills they need to deliver professional services to customers, while staying safe and upholding Loomis’ values.

Active leadership program development

Professional development of Loomis’ leaders is essential for reaching targets and moving the business forward. To support this, Loomis has worked actively to provide various leadership programs during the year. One example is the leadership program in Sweden, where managers had the opportunity to develop their professional skills as leaders and learn more about how they can support Loomis’ transformation journey in the changing market environment, while also moving higher up in the value chain.

Cross border learning – increasing knowledge transfer across markets

With a decentralized business in 23 markets and about 25,000 employees globally, there are many things that Loomis’ employees can learn from each other. Sharing knowledge on how each market successfully launches new products or scales up sales of current products, Loomis offers on-site training, online courses and workshops. This creates the right conditions to develop the business even further. As an example, best practices from the launch of Loomis Pay in Denmark were applied when introducing the product into the Spanish market.

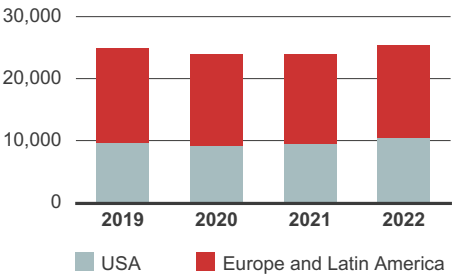
Loomis’ Code of Conduct

Each employee has a responsibility to act in a way that represents Loomis according to the Code of Conduct. This is the best guarantee for maintaining sound and successful business relationships. All employees, including part-time staff and consultants, are required to familiarize themselves with the Code of Conduct annually. Additionally, every year employees sign a document confirming their adherence to the statements in the Code of Conduct. Read more on [>page 44](#).

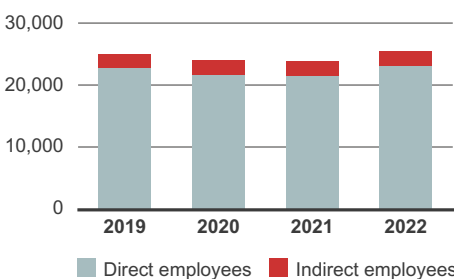
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Key ratios, employees

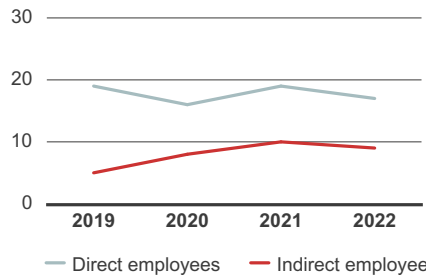
Number of employees, by segment at period end



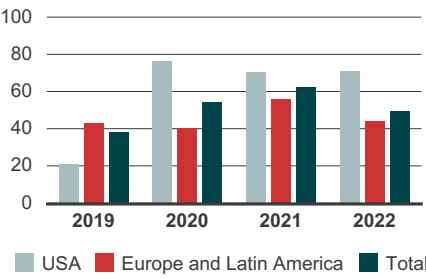
Number of direct and indirect employees at period end



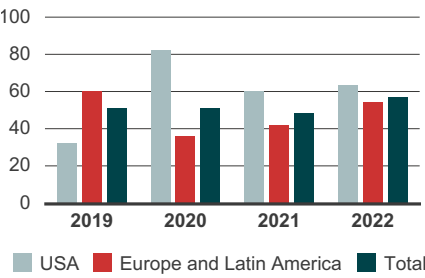
Hours of training
Average hours of training per employee, by employee type



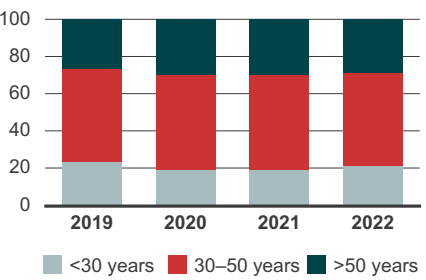
Performance and career review
Direct operational employees who have received a performance review, %



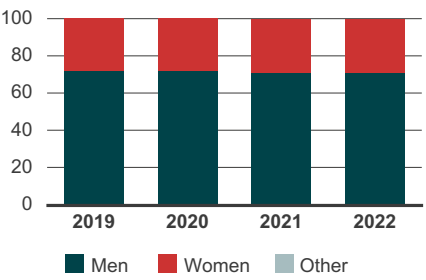
Performance and career review
Indirect administrative employees who have received performance review, %



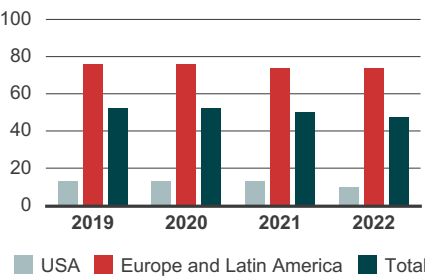
Age distribution
Share of total employees per age group, %



Gender distribution
Share of total employees that identify themselves as men/women/other, %



Bargaining agreement
Share of employees covered by collective bargaining agreements, %



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A strong safety culture in 23 markets

Operational risk management in general, and physical security in particular, are at the core of Loomis’ business model. Given the nature of Loomis’ product offering, it is of utmost importance to maintain world-class risk management as both employee health, safety and customer trust depend on it. The Group’s security strategy rests on two pillars: no loss of life and a balance between the risk of theft and robbery and the cost of mitigating such events.

Central management but local responsibility

Around 250 people within Loomis’ risk management departments work with physical security on a continuous basis at the Group, regional, national or branch level. One important principle is that local managers own their operational risk. Local managers have the best local knowledge and are therefore also best equipped to assess and manage risk and security within their own operations. The risk departments at the national, regional and Group levels control and support local managers in their security processes by providing and

enforcing policies, standards, guidance, tools and best practices. Loomis therefore applies a decentralized model where operational responsibility for security is delegated to each branch, but where guidance and standards are established centrally.

Strategy and process

The operational risk management strategy is designed to identify strengths to build upon, weaknesses that need to be addressed and opportunities and threats that require action

to be taken. The risk management process is a continuous process which is activated as and when risks emerge or change, but it is also formally performed at least annually within Loomis at all levels – branch, region, country and Group. In this process, local assessments inform the assessments made at aggregated levels such as regional and group. The purpose of the process is to prioritize and optimize risk management efforts in the most efficient way to support the overall goal of protecting employee health and safety and the assets of Loomis’ customers.

Each assignment is assessed using criteria such as profitability and security, where commercial opportunities must outweigh possible risks. Even if a risk is deemed acceptable at one point in time, it must be monitored continuously since risk exposure constantly changes. It is also important to consider any future changes that may take place in the external environment, such as new technology or regulatory changes.

Significant operational processes are documented, and any material risks associated with a specific process are identified and defined in a risk register. See >pages 74–78 for more information on the Group’s risks, risk management and opportunities. The governance structure for risk management and internal control is described in >pages 67–70.



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A safe workplace

The safety of the employees is always the main focus of operational risk management, and security routines are carefully prepared. One key aim of risk management is to have zero workplace injuries. These are the types of injuries that can occur in connection with external incidents, such as threats, violence and robbery, as well as in traffic. Clear routines for each employee’s work role are an important part of employee training programs and are essential to avoid accidents. Careful recruitment and good professional development routines are other important factors.

Safety culture

Policies, guidelines, standards, procedures, and processes are all very important tools used within the Group to manage security risks, but it is the strong risk culture that ensures the effectiveness of these tools. A strong and sound risk culture is therefore of utmost importance. At Loomis, risk management is at the core of the business and naturally forms an integral part of the corporate culture. Risk needs to be top of mind for employees in all types of decision making – in day-to-day operations and in strategic decisions.

To further foster and promote such a culture, Loomis has several ongoing initiatives. They include carefully aligned incentive schemes, clear accountability and continuous training in the way Loomis manages risk.

Case

New state-of-the-art armored vehicles increase safety for drivers in Switzerland

In many ways, Switzerland is a center for banking and a global marketplace for valuable objects. With most parts of the national cash handling and financial institutions centralized in Zurich, Loomis has the important task to transport and distribute cash and other valuables around Switzerland. Often it involves transporting cash and valuables using larger, heavier vehicles from one safe location to another safe location – without any intermediate stops. This year four new armored vehicles, so called “trunkers”, were rolled out on Swiss roads. They are entirely developed by

Loomis and offer several additional layers of security, extending the time for break-in threefold.

In connection with the introduction of the new safer vehicles, Swiss employees have been trained in how to handle threatening situations together with an external training company, focusing on the safety of Loomis’ employees. Today, four armored vehicles of this new type have been delivered to Switzerland. The plan is to purchase more of these vehicles in the coming years as the fleet is renewed.

“ I am very proud to be a part of the design team behind Loomis’ new armored vehicles. With state-of-the-art technology, we ensure our employees’ safety in every phase of their work. Security and safety for our employees and customers are at the core of Loomis’ operations. ”

Rui Teixeira,
Head of Risk in Europe and Latin America



Loomis’ share and shareholders

The Loomis share has been listed on Nasdaq Stockholm since 2008 and is part of the Industrial Goods and Services sector. The shares are traded under the ticker symbol LOOMIS and the ISIN code SE0014504817. In 2022, the share price increased by 19 percent and Loomis’ market capitalization at year-end amounted to SEK 20,494 million.

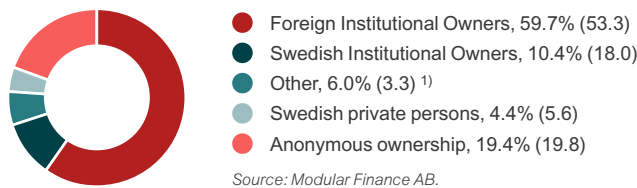
Share price performance and returns

In 2022, the Loomis share price increased by 19 percent (7) to SEK 286.00 (240.70). The corresponding performance for all shares on Nasdaq Stockholm (OMXSPI) and the ”Industrial Support Services” index (SX- 502050PI) was –25 percent (35) and –21 percent (26) respectively. Loomis’ total return in 2022, i.e. return including share price performance and dividend, amounted to 23 percent (10). The corresponding total return on Nasdaq Stockholm (SIXRX) was –23 percent (39).

Trading of the share

The Loomis share is listed on Nasdaq Stockholm, which represented 31 percent of the total trading in the share in 2022. The average daily trading for the Loomis share on Nasdaq Stockholm was 158,872 shares. 130,086,921 shares were traded in total across all market places in 2022.

Shareholders by category, December 31, 2022
(2021 in parantheses)



1) Includes 3,622,782 treasury shares as of December 31, 2022.
Source: Modular Finance AB.

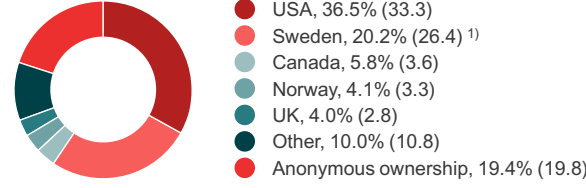
Share capital and market capitalization

At year-end, the total number of shares and votes in Loomis amounted to 75,279,829, of which shares held by Loomis was 3,622,782 shares (1,433,792). All shares have a quota value of SEK 5 and an equal share of the Company’s earnings and capital. At the end of 2022, the share capital in Loomis was SEK 376 million (376). Loomis’ market capitalization at year end, excluding treasury shares, was SEK 20,494 million (17,775).

Ownership structure

At the end of 2022, Loomis had 18,165 (19,690) shareholders. The ten largest shareholders, including Loomis’ own holding, held 36 percent of the share. Foreign institutions held the majority of the share, with 36 percent based in USA. Swedish investors held 20 percent (26) of the shares at year-end. The Board of Directors and Group Management together held a total 148,719 shares at year-end.

Geographical ownership distribution as of December 31, 2022 (2021 in parantheses)



1) Includes 3,622,782 treasury shares as of December 31, 2022.
Source: Modular Finance AB.

10 largest shareholders as of December 31, 2022

	Number of shares	Votes and capital, %
Polaris Capital Management	3,851,610	5.1%
Global Alpha Capital Management Ltd.	3,728,835	5.0%
Loomis AB	3,622,782	4.8%
SEB Fonder	3,208,283	4.3%
Vanguard	2,584,258	3.4%
Dimensional Fund Advisors	2,325,260	3.1%
Teacher Retirement System of Texas	2,141,137	2.8%
BNP Paribas Asset Management	2,098,725	2.8%
Norges Bank	1,867,444	2.5%
American Century Investment Management	1,854,775	2.5%
The 10 largest shareholders	27,283,109	36.2%
Other	48,006,720	63.8%
Total ¹⁾	75,279,829	100.0%

Source: Modular Finance AB.

Ownership structure as of December 31, 2022

Number of shares	Number of shareholders	Share of total capital, %	% of total votes
1–1,000	17,751	2.5%	2.5%
1,001–5,000	380	1.1%	1.1%
5,001–10,000	44	0.4%	0.4%
10,001–100,000	89	4.6%	4.6%
100,001–	81	72.0%	72.0%
Anonymous ownership	n/a	19.4%	19.4%
Total	18,165	100%	100%

Source: Modular Finance AB.

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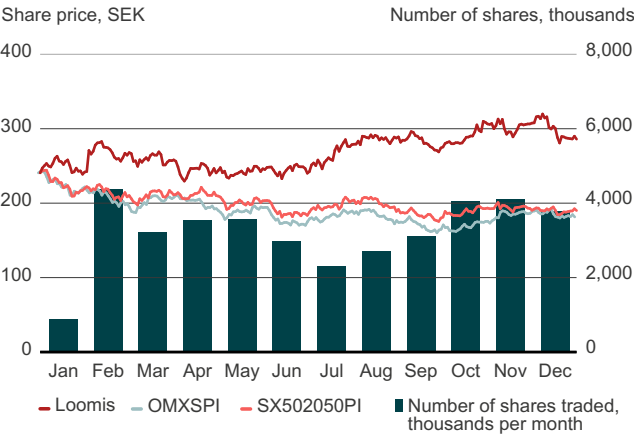
Dividend and dividend policy

Since 2010 Loomis' dividend policy has been to distribute 40–60 percent of the Group's net income to the shareholders. The intention is to give shareholders a good return and ensure dividend growth. The Board has proposed a dividend of SEK 12.00 (8.50) per share for the 2022 financial year. If the 2023 AGM approves the proposed dividend, Loomis will distribute 55 percent of the net income in 2022 to shareholders through the annual dividend. This corresponds to a yield of 4.2 percent in relation to the closing share price on December 31, 2022.

Share repurchases

In 2022, the Board of Directors of Loomis AB exercised the authorization, granted by the Annual General Meeting, to repurchase shares. 2,189,000 shares were repurchased during the year for around SEK 600 million.

Share price performance and turnover volume
The indices are normalized to the Loomis share price



Key ratios and share data	2022	2021
Share price performance		
Share price Dec 31, SEK	286.00	240.70
Market cap Dec 31, SEK m	20,494	17,775
Share price performance during the year, %	19	7
Highest price paid	326.60	299.40
Date highest price paid	Oct 28	Jul 29
Lowest price paid	228.20	204.80
Date lowest price paid	Apr 7	Jan 26
Trading		
Trading on Nasdaq Stockholm, %	31	42
Turnover on all market places, millions of shares	130.1	147.0
Average turnover rate, %	173	195
Shareholders		
Number of shareholders, Dec 31	18,165	19,690
Key ratios		
Earnings per share before dilution, SEK	21.93	14.74
Earnings per share after dilution, SEK	21.92	14.73
P/E ratio	13.05	16.32
Equity per share after dilution, SEK	173.95	135.61

Source: Modular Finance AB

Reporting Calendar 2023

Interim Report January – March 2023	May 4
Annual General Meeting 2023	May 4
Record date for dividend	May 8
Dividend payment of SEK 12.00 per share	May 11
Interim Report January – June 2023	July 21
Interim Report January – September 2023	Oct 28

Contact information

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Highlights

Loomis as an investment

- As a provider of **critical infrastructure for payments**, Loomis has a **central role to play in society**
- As markets develop, Loomis adds new automated services that are **more qualified and thus offer higher value**
- Capacity for **strategic acquisitions**
 - Bolt-on acquisitions for **core business**
 - Value-adding **adjacent technologies**
 - Digital** technologies and footprint to expand Loomis Pay
- Well-positioned to capitalize on the consolidation, outsourcing and innovation in the industry
- Strong cash flow** generation over time
- History of navigating macroeconomic conditions and geopolitical uncertainties
- Focus on capital allocation to **drive shareholder value** and distribute returns to shareholders
 - Dividend of 40–60% of earnings per share
 - Share repurchases



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Sustainability financing report

External disclosure frameworks

Four-year overview

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Sustainability at the centre of the payment ecosystem

Being a large global actor at the centre of the payment ecosystem requires Loomis to take long-term responsibility for ensuring that the business meets the needs of the present without compromising the wellbeing of future generations. In 2022 Loomis further developed its sustainability strategy and accelerated its efforts towards achieving the sustainability vision of being the leading sustainable investment and sustainable business partner within the industry.

Part of a long-term business model

All year, day and night, Loomis works to ensure that payments flow efficiently through cities and societies around the world. Loomis' role in society is also the starting point for Loomis' strategic plan for sustainability.

One of Loomis' most important roles is to manage the flow of cash efficiently and safely. This is a central part of the infrastructure that is fundamental for our society to function. Access to cash is crucial for many groups in society and Loomis provides a vital service by ensuring cash accessibility, therefore contributing to equality and inclusion. In addition to facilitating inclusion across communities, we also enable payments to be made in the event of natural disasters or other unexpected crises that disrupt electronic payments. The ability to pay in cash is also key for security and resilience if major IT breakdowns, cyberattacks or natural disasters impact the digital infrastructure.

Loomis strives for a society where everyone can be included in the payment ecosystem – using whichever payment method they wish or are able to use. Loomis is therefore also investing in Loomis Pay and in the digital payments space.

Loomis is responsible for the safety of around 25,000 employees and to some extent also the safety of its

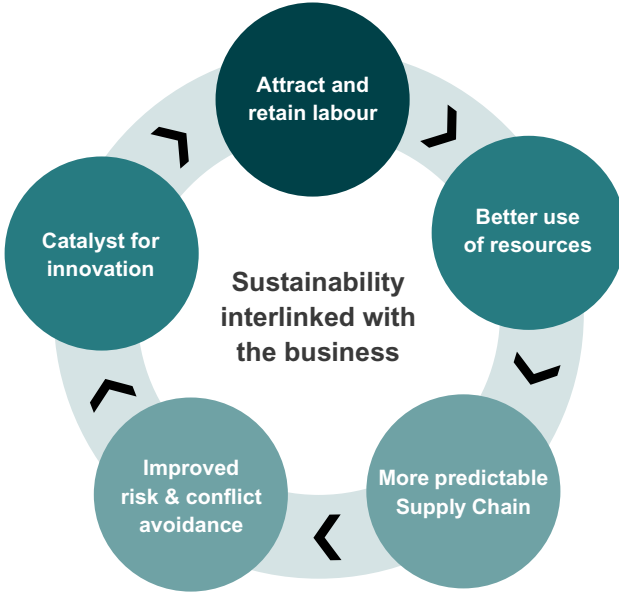
customers. Loomis' core business involves handling cash and other valuables. An important priority is to always keep drivers and the transported goods safe. With the ambition of zero workplace injuries, Loomis places a safe working environment for employees at the top of the agenda

Extensive logistics and transport operations are needed in order to provide the infrastructure to manage the flows of cash and other valuables efficiently. Loomis has set a long-term goal of minimizing dependence on fossil fuels and energy sources. Loomis can have the greatest positive impact on the environment by reducing transport-related emissions. Together with its partners, Loomis is developing customized vehicles that meet operational needs while also reducing fuel usage. As the vehicle fleet is renewed, Loomis is switching to lighter vehicles and also introducing a larger percentage of electric and hybrid vehicles.

In addition to providing a long-term perspective on Loomis' business model, the strategic plan on sustainability supports several important components in Loomis' operations. A focus on sustainability is essential for Loomis to be a catalyst for innovation, attract and retain employees, ensure better use of resources, create more predictable supply chains, and improve risk and conflict management.

Updated framework and targets in 2022

At the beginning of 2022, Loomis launched an updated strategy and set new financial and sustainability targets for 2024. In the years ahead, Loomis will focus further on reducing the Company's climate impact, being an even more inclusive employer and remaining a reliable partner that maintains the highest standards of integrity and compliance. Read about Loomis' strategy for 2022–2024, in which sustainability is an integrated aspect, on [>pages 13–15](#).



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Identifying Loomis’ sustainability focus areas

To establish a clear direction, strategic plan and targets for Loomis’ sustainability initiatives, a materiality analysis has been carried out on a regular basis since 2017. Dialogue with relevant stakeholders has helped to identify the most significant themes for Loomis sustainability efforts going forward. This work, combined with insights from the UN Sustainability Development Goals, the Task Force on Climate Related Financial Disclosures (TCFD) and requirements from the EU Taxonomy have set the context for the development of Loomis’ sustainability agenda.

Creating the sustainability plan

A thorough process was initiated in 2021 to build on work done in the previous strategic period and to further develop and prioritize Loomis’ sustainability initiatives. This process resulted in the updated sustainability framework and long-term ambitions, including sustainability targets for 2024.

Three separate working groups evaluated and further developed the strategy focusing on the environment, social responsibility, and corporate governance. Each group consisted of representatives from the business areas, including senior management and operational staff. The process was facilitated by workshops and meetings and was led by Loomis’ sustainability department together with representatives from the corporate departments and all three operating segments.

Continued development in 2022

In 2022 Loomis continued its dialogue with stakeholders and the working groups continued their ambitious efforts to develop and improve Loomis’ sustainability actions – both strategically and within operations. The working groups identified areas where Loomis has the greatest positive and negative impacts today, as well as areas where Loomis has the potential to create a positive sustainable impact in the future. The process has helped Loomis to determine

which environmental, governance and social factors the Company should report on and concentrate working on to ensure an impact-driven approach.

Loomis’ main internal stakeholders are the Board of Directors and the employees. External stakeholders mainly consist of customers, suppliers, and partners at the local and global levels, as well as equity and debt investors. Loomis’ dialogue with stakeholders involves analysis, regular interviews and surveys adapted to each stakeholder group. Loomis also performs an annual employee survey. On a regular basis, input from customers, employees, management and investors is gathered and used as in the current materiality analysis.

Overcoming challenges in the industry

Being an actor in the transportation and security industry provides great opportunities to make a positive societal contribution, but the industry also has its challenges. A key question to tackle is balancing the safety for Loomis’ employees with environmental and climate protection.

Reducing emissions from the vehicle fleet would have the largest potential positive impact on the environment. Loomis is looking at switching to lighter vehicles, biofuels as well as electrification to enable this reduction. In the short term, however, electrification of the operational fleet involves

challenges. High safety standards, varying security regulations in different markets and the use of heavily armored vehicles can, in some situations, prevent a broad roll-out of lighter and electric vehicles. Loomis therefore needs to act as a catalyst for change and drive innovation with a long-term perspective. Continuing to innovate to ensure the safety of employees and customers will be at the centre of Loomis’ sustainability work for years to come.



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Loomis’ 2024 sustainability commitment

Loomis’ Sustainability Areas

Loomis has chosen to structure its work within sustainability into three areas: environmental sustainability, social sustainability, and sustainable governance. The sustainability areas and their respective visions are presented on the right.

These areas are reflected in Loomis’ Sustainability Policy, which was established and approved by the Board and available on Loomis’ website, www.loomis.com.

Nine focus areas to drive Loomis’ sustainability work forward

Three focus areas within each of the sustainability areas have been identified as key to reaching the targets of the strategy period.

While the focus areas and their respective global key initiatives and activities have been developed at the group-level, the implementation takes place locally within Loomis’ decentralized organization. The conditions differ in each of Loomis’ markets and there is no single solution that is optimal for all. It is up to each country management team to find the best solutions and actions within each area without compromising the safety of employees and the quality of operations.



Environmental sustainability

We aim to reduce climate impact across the global organization by **reducing our usage** and **switching to renewable fuels** and **energy**, and through **collaborating** with our vendors and customers.

Social sustainability

We have **a zero vision on injuries and harm** and aim to build a company where **inclusiveness, fairness** and **diversity** is at the heart of our business.

Sustainable governance

We are committed to being a trusted partner and to uphold the **highest standards of integrity and compliance** – throughout our own business as well as in **our value chain**.

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Loomis' sustainability framework

Sustainability areas	Focus areas	Governing policies	Alignment with UN sustainable development goals
E Environmental sustainability	Fuel emissions Energy emissions Collaboration	• Sustainability Policy	7 7 AFFORDABLE AND CLEAN ENERGY 8 8 DECENT WORK AND ECONOMIC GROWTH 11 11 SUSTAINABLE CITIES AND COMMUNITIES 12 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
S Social sustainability	Health and safety Inclusion Fairness and diversity	• Sustainability Policy • Code of Conduct • Operational Risk Policy	5 5 GENDER EQUALITY 10 10 REDUCED INEQUALITIES 8 8 DECENT WORK AND ECONOMIC GROWTH
G Sustainable governance	Integrity Compliance Value chain impact	• Sustainability Policy • Code of Conduct • Anti-Bribery Policy • Anti-Money Laundering Policy • Compliance Policy • Information Security Policy • Tax Policy	11 11 SUSTAINABLE CITIES AND COMMUNITIES 12 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

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Environmental sustainability

The largest portion of Loomis’ carbon footprint and environmental impact is derived from transportation. Loomis has a long-term goal of ending its dependence on both fossil fuels and fossil energy sources. To reach this goal, Loomis has set clear emissions reduction targets.

Focus areas	Key global initiatives
Fuel emissions	• Reduce fuel emissions • Switch to lighter vehicles • Transition to electric vehicles
Energy emissions	• Energy efficiency programs • Switch to renewable energy
Collaboration	• Top suppliers with SBTi-targets Scope 1





Vision

We aim to reduce climate impact across the global organization by reducing our usage and switching to renewable fuels and energy, and through collaborating with our vendors and customers.

Main target

15%

reduction of CO₂e in Scope 1 & 2
(2024 compared to 2019)

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Reduce fuel emissions – change vehicles and optimize routes

To reduce Loomis’ fuel emissions, several key initiatives and activities have been identified and implemented. At the group-level, the main initiatives can be summarized as follows:

- 1. Install route planning systems in operational vehicles
- 2. Switch to lighter vehicles to reduce emissions
- 3. Transition to electric and hybrid vehicles

Implementing route planning systems – fuel efficiency improvement

To promote more fuel-efficient driving behavior, in 2022 Loomis continued to install route planning systems in the vehicle fleet. The software enables drivers to better plan their routes by monitoring and measuring the vehicle’s fuel consumption based on a chosen route. This creates a win-win situation where reduced mileage leads to lower fuel consumption and also reduced vehicle wear and tear. This is a successful initiative that proves how using resources more efficiently can decrease environmental impact and simultaneously increase profitability. By the end of 2022, 69 per-cent of the fleet had route planning systems installed. In the USA 100 percent of the vehicles have now installed the systems and the implementation will continue in 2023 in Europe and Latin America.

Some of Loomis’ products are also driving the change towards smarter routes and lower fuel consumption. The SafePoint solution, where retailers deposit their cash into a secure unit on their own premises and Loomis collects the cash on a need-to basis instead of on a daily route, is a good example. Read more about SafePoint on [>pages 9–11](#).

Lighter vehicles

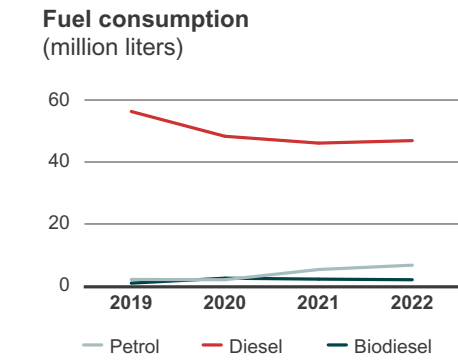
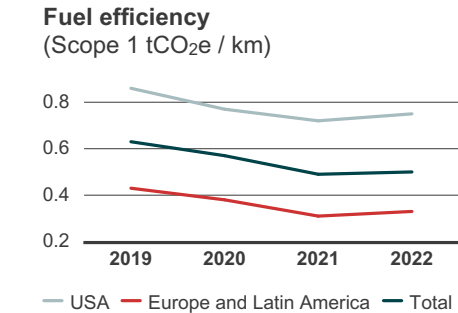
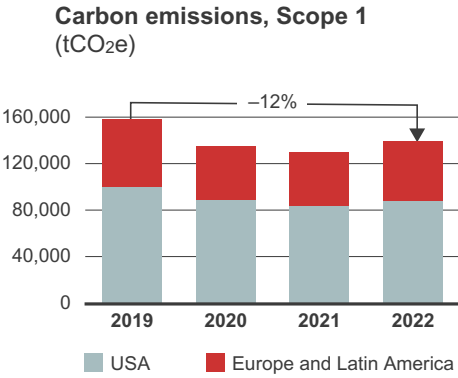
Switching to lighter vehicles is another key factor in improving fuel efficiency. Local laws and regulations set the frame-work for the vehicles used in operations. Wherever possible, Loomis aims to switch to vehicles that meet the same or high-er safety standards but that weigh less. This can be done by, for example, using new armoring technology or shifting from two-person operated vehicles to one-person operated vehicles.

Diversifying the fleet – transitioning to electric and hybrid vehicles

Transitioning to an electric fleet is an essential part of Loomis’ emissions reduction plan. In several markets, transporting valuables and cash requires armored vehicles, leading to a fleet of heavy vehicles. Historically, technical solutions for electrification have not been available at full scale due to diffi-culties in meeting required safety criteria and load capacity. Loomis has set out to be a pioneer within this area by invest-ing in electric and fuel-efficient vehicles without compromis-ing on safety and security.

By the end of 2022, there were 20 electric vehicles in operation in the US and 32 in Europe. In addition, 67 hybrid vehicles were also in use. The plan is to accelerate the rollout of electric and hybrid vehicles in 2023 across the global organization.

The emissions in Scope 1 (see graph to the right) was reduced with 12 percent compared to base year 2019. The increase of 7 percent compared to 2021 is derived from higher business volumes.



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Energy emissions – save and switch to renewable energy

The emissions from energy production accounts for a small portion, 15 percent, of Loomis' total volume of carbon emissions (Scope 1 and 2 combined). Nevertheless, to reduce these emissions is an important part of lowering the total impact. Loomis focuses on two main activities: (1) implementing energy efficiency programs and (2) buying renewable energy either from green energy providers or by installing solar panels for own production.

Energy efficiency programs

Loomis works actively to minimize dependence on fossil energy sources and to reduce energy consumption within the Group.

In 2022, emissions from purchased energy in Loomis' operations continued to decrease. Total emissions for 2022 in Scope 2 (using the market based methodology) summarizes to just above 23,000 tCO₂e, representing a reduction of 21 percent since 2021 and 26 percent since 2019.

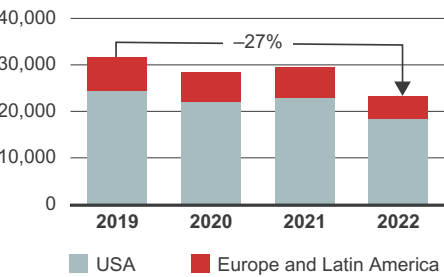
Shifting to renewable energy – installing solar panels

Loomis has a target that 100 percent of purchased energy should be renewable. This means every country and branch must make the shift. In 2022, 30 percent of the purchased energy was from renewable sources, which is an increase of 5 percent since 2021.

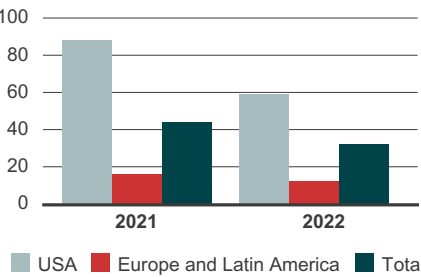
The installation of solar panels to produce energy for own operational needs has continued during the year. Loomis has reviewed and evaluated the opportunities to install solar panels on multiple buildings – and this journey has just begun. In 2022 the branches in Alicante, Malaga and Madrid installed solar panels.

Local branches in other European countries have also been evaluated for solar panel installation. In 2023 installations are planned in at least four additional countries in Europe. Similar initiatives are being evaluated at US branches.

Carbon emissions, Scope 2 (tCO₂e Market Based)



Energy emissions efficiency (CO₂e Scope 2 / m²)



Case Spain in the lead for renewable energy

Utilizing the sun as an infinite resource of the sun is one way to increase renewable energy use. Loomis Spain has taken the lead in powering operations with solar power.

In addition to the solar panels installed 2021 at the local office in Barcelona, Loomis has in 2022 installed panels at branches in Alicante, Malaga and Madrid, with a combined installed effect of 340 kW. The panels are calculated to produce 525 MWh annually, covering 10 percent of the annual consumption in Spanish operations and 4 percent of Loomis' total energy needs today.

“Solar panels and other sustainable solutions help to reduce both CO₂ emissions and costs.”

Javier Laguna, Head of Procurement and Infrastructure Loomis Europe and Latin America

Solar power is expected to become even more important going forward. The need for renewable energy will increase as Loomis phases out fossil fuels by switching to more sustainable, electrified solutions and vehicles.

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Collaboration – ensuring a sustainable value chain

Involving all parts of the value chain

Reducing Loomis’ Scope 3 emissions requires involvement from all parts of the value chain. To make the necessary transition to lower emissions, collaboration and active dialogue with suppliers are needed. During the year Loomis continued to identify and evaluate actors in the value chain to gain a deeper understanding of the Company’s Scope 3 emissions. This is an ongoing process and it will continue in 2023 with the aim of setting targets within the Science Based Targets Initiative (SBTi).

Working with responsible suppliers

Choosing responsible suppliers who share Loomis’ values and sustainability ambitions is key in the process of reducing Loomis’ emissions in the wider value chain. To achieve this, Loomis aims to increase the proportion of suppliers who have set emission reduction targets aligned with the Science Based Target initiative (SBTi), and thus have goals that are in line with the Paris Agreement as well as with Loomis’ overall emissions targets.

Reducing the use of plastics

The security bags used in the transportation of cash are made of plastic. The plastic used is durable material and meets industry standards and safety requirements. While alternatives are limited, reducing the use of plastics is an important activity to decrease Loomis’ environmental impact.

During the previous strategic period 2017–2021 Loomis had a target to reduce the use of plastics by 30 percent. This goal was achieved in 2021 and reducing plastics is therefore no longer a formalized external target in the current strategic period. The initiatives and ambitions are still in place, and the progress is followed up in the reporting.

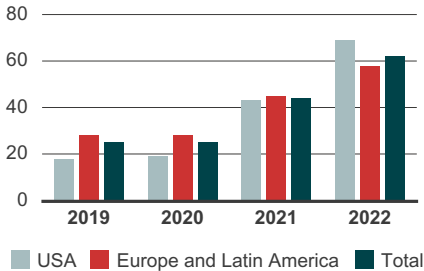


Loomis is working actively with the following initiatives to increase resource efficiency and reduce plastic volumes:

- Reduce and streamline the total volume of plastic used
- Increase the percentage of recycled plastic
- Create a cycle for used plastic, i.e. through sorting for recycling

In 2022, the percentage of plastic bags made from recycled materials increased to 62 percent.

Plastic bags made from recycled materials (%)



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Case

Rollout of electric armored vehicles in Loomis USA

Interview with Eric Rickard, Vice President of Procurement and Fleet Loomis USA

A key initiative to reduce emissions is improving fuel efficiency in the vehicle fleet and transitioning to electric vehicles (EVs), including armored vehicles. Loomis USA is a pioneer in the development of safe electric vehicles that protect employees and valuables while also reducing environmental impact.

– We knew we wanted to meet our shared Group goal to reduce emissions, and to do that we examined different ways to accomplish the goal. We concluded that one of the best ways for us to make a significant impact was through the utilization of EVs,” says Eric Rickard, Vice President of Procurement and Fleet at Loomis USA.

A few years ago Loomis USA started a dialogue with EV manufacturers with the capacity to meet Loomis’s detailed safety, range and weight requirements. Eventually a partner was found in Xos. A partnership was initiated and began with the purchase and evaluation of a number of test units.

– We were very pleased with the functionality of the vehicles after initial testing and decided to purchase more units. Due to supply chain constraints following the pandemic, the delivery was partly delayed. Finally, in 2022, the electric vehicles and charging infrastructure were completed.

Today Loomis USA has 20 EVs on the road in several states and has ordered an additional 150 armored EVs for delivery in 2023. The new vehicles will provide

Loomis USA with a more diverse fleet tailored to local conditions. The US team is continuing to explore more options to expand the EV program into vehicles of different sizes.

– Driving the new vehicles is both a smooth experience and a game changer in terms of emissions reduction. The EVs are easy to drive and extremely quiet. Our customers are also very happy about the new EVs and the fact that they are helping us to reduce our emissions,” continues Eric Rickard.



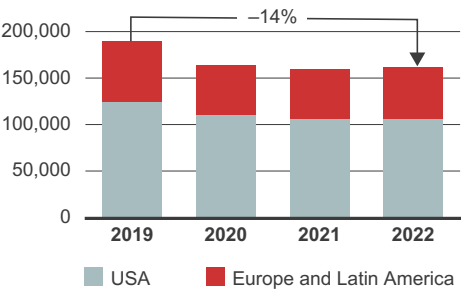
Targets

Outcome 2022

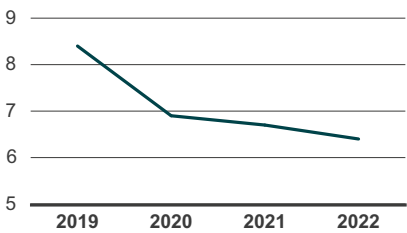
The overall target for the Group’s emissions, Scope 1 and 2 combined, is at least a reduction of 15 percent by the end of 2024 compared to the base line of 2019.

By the end of 2022, Loomis’ carbon emissions for Scope 1 and 2 using the market based methodology was reduced by 14 percent compared to 2019. This was achieved despite the growth of the business operations, showing that Loomis has succeeded in decoupling the growth of the business from its emissions.

Carbon emissions, Scope 1 & 2
(tCO₂e Market based)



Carbon intensity,
(Scope 1 & 2 tCO₂e / employee)



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Social sustainability

Loomis has a fundamental role to play in supporting central banks to ensure that cash is available and payment flows are functioning in society. As a global actor across 23 markets, Loomis has a great responsibility as an organization in this industry.

Loomis aims to be the most attractive employer in the industry and strives to continuously improve the work environment by promoting inclusivity, fairness and diversity. Loomis’ employees are its most important resource, and Loomis has several responsibilities as an employer. The commitment to zero injuries and harm is one of the most important pillars.

Focus areas	Key global initiatives
Health & Safety	• Aligned with health & safety standards • Health & safety measures • Installation of software for safety in operational vehicles
Inclusion	• Facilitating access to cash in society • Training in Loomis purpose, vision & products • Training in inclusion
Fariness & Diversity	• Training in diversity • Mapping gender balance of senior management positions • Mapping pay equity & promotion processes



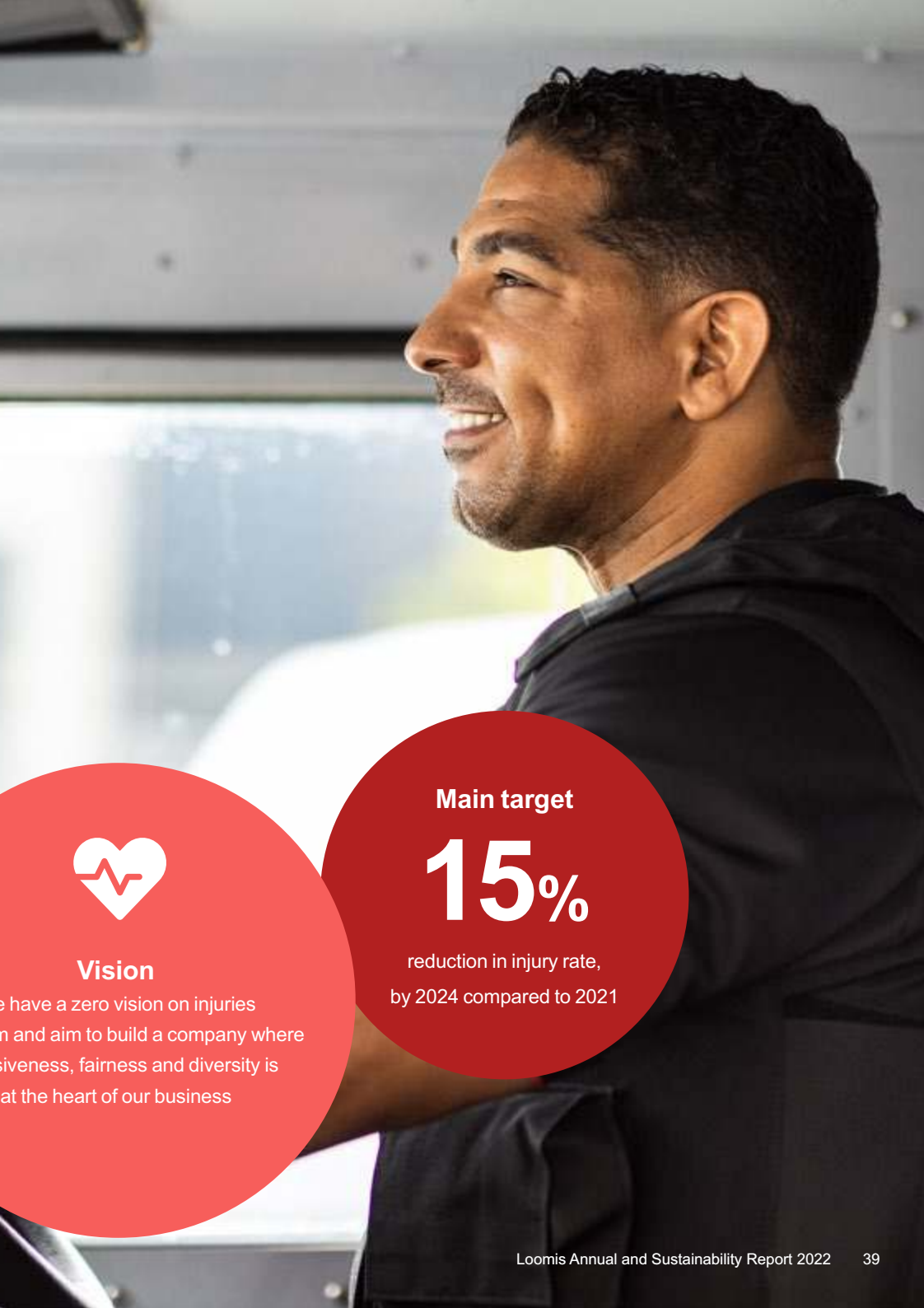
Vision

We have a zero vision on injuries and harm and aim to build a company where inclusiveness, fairness and diversity is at the heart of our business

Main target

15%

reduction in injury rate, by 2024 compared to 2021



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Health & Safety

– protecting Loomis’ most valuable resource

Working in alignment with standards on health and safety

The employees are Loomis’ most valuable resource and providing a healthy and safe work environment for all employees is always a priority. Regardless of where Loomis operates, processes are always managed and carried out in compliance with the health and safety laws in the respective market. Internal and external audits are performed on a regular basis.

Loomis is a decentralized organization and the systems for health and safety therefore vary from market to market. Loomis strives to align with several of the international standards. See [>page 51](#) for an overview of health and safety certifications in each country.

A strong safety and risk culture

Minimizing risk requires proactive and efficient processes and routines. The continuous review of risk management also enables Loomis to identify opportunities. Loomis’ risk management is regulated in the Operational Risk Management Policy, guaranteeing that Loomis’ processes are robust. Loomis’ operational risk management follows rigorous processes and routines that are implemented to proactively and systematically identify, take stock of, evaluate, classify, manage, act on, follow up and prevent various types of risk.

More information on Loomis’ risk management processes can be found on [>pages 25–26](#) and [>74](#).

Focus on health and safety training and education

Employees at all levels must understand and be able to manage the risks associated with their respective daily work. Employees handling cash and valuables work in accordance with strict and robust safety routines, carefully designed to minimize injuries from strains, violence or in traffic. To educate employees on the risks associated with their job, theoretical and practical trainings are offered on an ongoing basis. These cover areas such as handling acute, dangerous and unexpected situations, defense tactics and how weapons should be handled in the safest way. Employees’ uniforms, safety equipment and vehicles are also tested regularly.

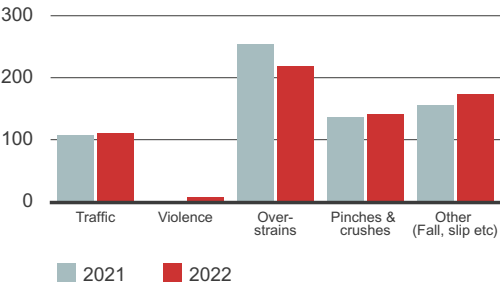
Providing frequent risk trainings is considered important to inform and remind both new recruits and experienced employees on the latest in this area. During the year, an average 17 hours of training per employee took place. This was in addition to operational on-the-job training.

New software improves the safety of our vehicles

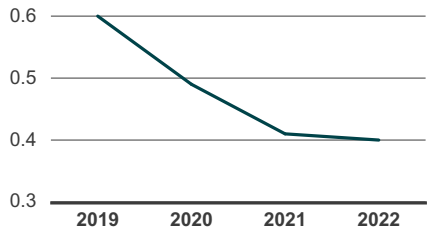
The vehicles in operation are an important working tool for employees at Loomis. To minimize risks and injuries related to driving, the installation of vehicle software that collects data on driving behavior continued during the year. The software has been installed in 100 percent of the vehicles in the US and 54 percent of the European fleet.



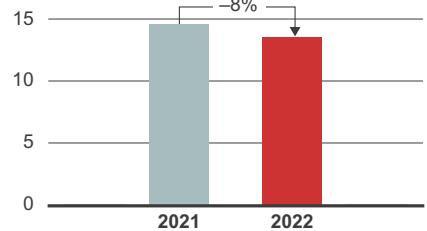
Workplace Injuries, 2021 vs 2022



Injuries from traffic / 1 000 000 km



Lost time injury rate (per million worked hours)



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Inclusion – as an employer and a service provider

Being an inclusive employer

Loomis’ responsibility as an employer involves offering a safe, open and transparent work environment. A key aspect of this is maintaining zero tolerance for any form of discrimination or special treatment. Loomis continuously provides training in the company’s purpose, vision, and product offerings to promote an organizational culture where everyone has a sense of belonging.

Everyone should be able to use payment services

Inclusion is not only important for Loomis as an employer, but also as a provider of payment solutions. Through its business operations, Loomis is helping to build an inclusive and resilient society by providing payment infrastructure that welcomes all types of payments. Facilitating access to financial services is an important sustainable development goal that Loomis is dedicated to fulfilling.

Case

Loomis France brings cash closer to people

Loomis has continued to expand its own Cash 24/7 ATMs in order to grant accessibility to cash. After years of banks choosing to close local branches and ATMs, the need for initiatives to increase access to cash is steadily growing in France. With Cash 24/7, Loomis offers a fully integrated solution in rural areas, boosting the local economy and community. Around large cities such as Lyon and Paris, Loomis’ ATMs are also being installed in shopping malls, airports, hotels, theme parks, grocery stores and in banks.

Loomis offers a full comprehensive solution that includes ATM, cash logistics, security, maintenance and services. Adapted to the customer’s needs, our ATMs are suitable for most locations and requirements; in kiosks, in a hotel lobby or in the wall of a shopping center.

Loomis has a successful cooperation with Confédération des buralistes and traction is growing among the stores. The association represents over 23,000 stores and reaches more than 10 million people.

“Equal access to payment methods is an essential part of an inclusive society. Loomis brings cash and payments closer to people.”

Michel Tresch, Regional Vice President Loomis France

In 2022 Loomis installed over 130 Cash 24/7 ATMs across various locations in France. Continued expansion is expected in 2023. ATMs have also been installed in Belgium, and Switzerland is next in line. Loomis continues to open ATMs in locations where people live their everyday lives – bringing cash closer to people.



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Fairness & diversity – all are welcome at Loomis

Employees – our first priority

Everyone should feel welcome to work at Loomis. As an employer, Loomis aims to offer equal opportunities based on the employees' skills and abilities. An important part of this work is the annual employee survey. This helps Loomis to track the development of Loomis' initiatives within inclusion, fairness, diversity and unbiased treatment.

The results from the 2022 annual employee survey shows that 85 percent of the company's employees agree with the statement: "At Loomis we are treated fairly regardless of age, ethnic affiliation, sexual orientation, disability or gender." 86 percent of employees also agree with the statement "I consider Loomis to be a responsible and equal-opportunity employer."

Upcoming fairness and diversity program

In an effort to improve awareness of fairness and diversity among managers and employees a new program will be launched in 2023. The program will include global training on diversity which will be launched during the year. Training will be mandatory for all senior managers.

Global mapping of gender balance

To continue efforts to ensure equal rights and eliminate any potential risk of discrimination, Loomis will conduct mapping of gender balance in senior management positions globally across the Group. In 2023 this process will include pay equity and promotion processes. The results will support efforts to develop new processes in this area going forward.



Case

Loomis UK – best practices within fairness & diversity

Inclusion within our workplaces has been identified as a key success factor at Loomis. It facilitates growth and development for all within the Company. With a new strategy launched in 2022 around inclusion, diversity and inclusion, Loomis UK showcases best practice in the area.

“Inclusion in the workplace is no longer nice to have – it is something you must have. With relevant training, we increase awareness.”

Kim Knight, HR Director Loomis UK

The strategy rests on three pillars – Culture, Community and Commitment and includes concrete actions and KPIs. To support the strategy, Loomis UK's regular company newsletter each month is now strongly focusing on inclusivity, and providing information on the resources and support available. Also, inclusion is now at the heart of the introduction experience for new

employees, where inclusion ambitions are shared and the importance of Inclusion is emphasized.

Inclusion in the workplace is a necessity for building a healthy organization and a key component in improving recruitment and retention of both employees and customers.

To achieve this, relevant training will continue to be provided to increase knowledge and awareness across the organization. Additionally, there are several inclusivity events taking place throughout the year, ranging from Mental Health Awareness Month, World Menopause Day and an Inclusivity Month in June.

In the year ahead Loomis UK will continue its journey to becoming an even more inclusive workplace.

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Sustainable governance

The nature of Loomis’ services demands the utmost integrity and the highest standards of compliance and sustainable governance. Being a trusted partner is crucial to Loomis – both for current business and potential new ventures. Corruption and bribery are profoundly serious issues for a company whose business model is based on trust. Loomis’ customers rely on Loomis to manage their cash and valuables.

Loomis’ Code of Conduct and Anti-Bribery Policy provide guidelines on how to avoid unethical practices within the Company. Loomis constantly strives to develop its integrity management and compliance – an effort that can never be considered fully finished.

Focus areas	Key global initiatives
Integrity	• Code of Conduct training for all employees
Compliance	• Compliance training for all employees
Value chain impact	• Policies and legal contract templates



Vision

We are committed to being a trusted partner and to uphold the highest standards of integrity and compliance throughout our own business as well as in our value chain.

Main target

Continue focusing on openness and transparency



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Integrity – the heart of Loomis

Zero tolerance for unethical behavior

At Loomis, integrity means being accountable, responsible and truthful. This is of importance in all parts of Loomis' value chain – and for all employees. Loomis will always strive to ensure the highest standards of integrity and has zero tolerance for unethical behaviour. A business dependent on customer confidence and trust requires a constant focus on anti-corruption and anti-bribery. Loomis works continuously to identify and take corrective action to ensure that risk and ethics remain a focus in day-to-day activities.

Annual training in the Code of Conduct

Loomis' Code of Conduct is an essential tool for all employees, providing a framework for the company' values. All new recruits are introduced to the policy document during onboarding and mandatory training for all employees – full-time and part-time employees alike – is provided annually. For senior managers within Loomis, completing the Code of Conduct training is one of the criteria to receive variable compensation.

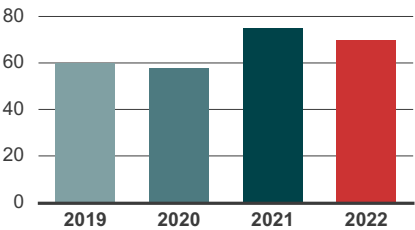


Loomis Integrity Line – every voice is heard

The anonymous whistle blower hotline, Loomis Integrity Line, has since 2010 been an important tool. By using the line, employees can anonymously alert management on suspected unethical behavior at the workplace. The whistle blower system is managed by a third party and all cases are reported to the Group's Chief Human Resources Officer and Chief Risk Officer. Incidents can also be reported directly to the Chair of the Audit Committee.

All reports received are followed up and investigated and appropriate action is taken. Most of the reports received involve concerns about situations at local levels. In 2022, no reported case required the involvement of the President and CEO or the Board of Directors.

Employees trained in the Code of Conduct, %



Value chain impact – regular dialogue with customers and suppliers

Continuous dialogue with customers and suppliers

A key component to ensure that Loomis sustainability commitments are implemented across the entire value chain is having continuous dialogue with customers and suppliers to evaluate and develop the sustainability efforts. Loomis believes that it is through collaboration that a real difference can be made. We therefore strive to involve and work closely with our customers and suppliers.

Policies and legal contract templates

To secure the commitment and involvement of our suppliers', it is important to ensure that all policies and legal templates are regularly updated and are in line with Loomis' sustainability ambitions. Loomis is in the process of updating all policies and legal contract templates to include these ambitions. This will at the latest be completed by the end of the strategic period.

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Loomis' responsibilities – Compliance and Human Rights

Running a compliant business

Loomis has zero tolerance for non-compliant behavior. Being a compliant business means having a constant and dedicated focus on ensuring that procedures and documents are up-to-date and in accordance with current laws and regulations. Loomis strives to take all necessary steps to comply with the high expectations of the industry and has a well-functioning compliance structure with the overall task is to ensure compliance risks are identified and adequately mitigated. Read more about the compliance function on [page 70](#).

Anti-money laundering (AML) and countering the financing of terrorism (CTF)

Loomis works continuously to develop its ability to prevent financial crime by improving routines, processes and system support, as well as strengthening internal controls. Loomis provides continual staff training to raise awareness of the risks of financial crime.

To prevent Loomis from being used as a tool for financial crime, the Company has a clear internal regulatory framework, processes, partnerships and support functions. The group-wide



policy for countering money laundering and terrorism financing is adopted by the Board of Directors and revised annually.

Loomis has implemented a long-term AML/CTF and Sanctions Transformation Program that strives for international best practices in the industry. The transformation program includes the development and improvement of control functions as well as ensuring a strong governance model and organizational approach to managing risks within Loomis. This is made possible through integrated systems, data and infrastructure that create a solid and transparent foundation for Loomis's efforts for anti-money laundering and countering the financing of terrorism.

During the year Loomis continued to invest in improved routines, processes and system support to strengthen the Company's ability to identify and counteract financial crime. Loomis has evaluated and strengthened the corporate governance model and framework to ensure that the Company has an effective corporate governance model where efficient group-wide governance, control and risk management are maintained.

Mandatory training on compliance

To support the work of ensuring that Loomis meets all requirements, compliance training will be launched for all employees before the end of the strategy period. This course is in addition to the Code of Conduct training which is already compulsory. The aim is to raise knowledge and awareness around compliance. It will be a part of the onboarding program for new employees and compulsory for all employees, including full-time and part-time employees employed for more than 12 months. The course will be offered on an annual basis.



Human rights and international undertakings

One of Loomis' core values is *People*, which involves a commitment to developing quality people and treating everyone with respect.

Loomis supports the right to freedom of association and is committed to respecting union rights. Since 2013 a global agreement has been in place stipulating Loomis's commitments. Collective agreements are entered into, maintained and developed locally in each country. This is the responsibility of the Country President, based on each country's local laws. Loomis has aligned its efforts with the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. In addition, Loomis follows the principles of the UN Global Compact through a commitment letter signed by the Group's President and CEO.

Loomis regularly consults with unions, has union representatives serving on the Board of Loomis AB and has a well-functioning European Works Council (EWC) with employee representatives. Loomis convenes a EWC meeting annually to promote dialogue between trade unions and management. At the local level, Loomis also has regular dialogue with the unions in the countries where agreements are in place.

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Loomis’ Sustainability Financing Report 2022

Loomis has issued Sustainability-linked bonds since 2021 under its Sustainability-Linked Finance Framework. By integrating sustainability into the business and in the financing of the company, Loomis aims to create value not only for shareholders but also for customers, employees, partners, and society at large. The bonds are linked to the target of a 20 percent reduction in Loomis’ absolute carbon emissions by the end of 2025, compared with the 2019 level.

Background

The transport sector stands for about 25 percent of Europe’s greenhouse gas emissions and is the main cause of air pollution in cities.¹⁾ A large share of Loomis total greenhouse gas emissions are derived from its transportation of cash in society. Reducing carbon emissions from transportation is therefore a key aspect of the company’s environmental responsibility.

One core component in integrating sustainability into the business is to incorporate Loomis’ sustainability targets into the company’s financing, thereby reflecting Loomis’ overall commitment to sustainable contributions to society.



The Sustainability-Linked Finance Framework

A Sustainability-Linked Finance Framework has been developed to connect Loomis’ Climate Change Mitigation target to the terms of the company’s debt solutions. The Framework, which can be downloaded from the Loomis website, >www.loomis.com/en/investors/bond-market, was developed in alignment with the International Capital Market Association (ICMA) Sustainability-Linked Bond Principles 2020, and the Loan Market Association (LMA)/Asia Pacific Loan Market Association (APLMA)/Loan Syndications and Trading Association (LSTA) Sustainability-Linked Loan Principles 2021.

Sustainalytics has provided a second party opinion of Loomis’ Sustainability-Linked Finance Framework. Sustainalytics’ second-party opinion is available at: > www.loomis.com/en/investors/bond-market

Deloitte has performed a limited assurance of the Sustainability Finance report, including the performance of Sustainability Performance Target, in line with ISAE 3000. See >[page 60](#) for the Limited Assurance Report.

Sustainability KPI and Performance Target

The key performance indicator (KPI) target is a reduction in absolute tCO₂e from Loomis’ own operations (Scope 1 and 2). The sustainability performance target (SPT) is a total reduction of 20 percent by the end of 2025 in Scope 1 and 2 emissions combined, compared to the baseline year 2019.

Terms and conditions of the bonds

The bonds have been issued within the framework of Loomis’ SEK medium term note (MTN) program and comprises of SEK 1,500 million of notes, whereof SEK 1,200 million were issued in 2021 together with a tap issue of SEK 300 million in 2022, with a floating interest rate of STIBOR 3m + 1.35% and maturing on 30 November 2026. The bonds are listed on the Nasdaq Stockholm exchange. Loomis has also undertaken a private placement and issued SEK 300 million of bonds towards Svensk Exportkredit in 2022. There are no other outstanding instruments linked to the framework.

The proceeds from the instruments are used for general corporate purposes.

1) https://ec.europa.eu/clima/policies/transport_en Performance evaluation

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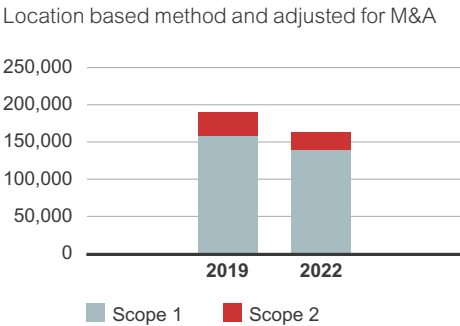
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Status at year-end

There was a positive development in terms of emissions reduction between 2019 and 2022 with a 16 percent decrease in carbon emissions combined from Scope 1 and 2. This trend is the result of the continuous efforts of the organization to limit negative climate impact from Loomis' operations. The negative effect that the pandemic on the business volumes has decreased and operations are back to pre-pandemic levels.

Carbon emissions 2022 compared to 2019, tCO₂e



Note that the emissions target set in the strategic plan and communicated in other parts of the Annual and Sustainability Report 2022 is measured without adjustments for mergers and using the market based methodology, thus showing a 14 percent reduction compared to 2019.

Measure methodology

Scope 1 has been calculated by applying emission factors, primarily to the volume consumed, to the respective fuels used by the vehicle fleet. For diesel consumption, a general blend is applied for all regions applying an average share of biodiesel. Scope 2 follows the location based methodology, consisting of consolidated data reported by the subsidiaries. All emissions factors are calculated based on emissions factors from IEA and DEFRA. For more information on the reporting methodology and the assumptions applied, see >page 58.

In 2022, focus has been on validating historical data and strengthening the quality of the reporting. In order to validate the data submitted, an in-depth analysis of emissions from transport was performed. This revealed reporting errors in five European countries. It was discovered that certain types of transportation within the CIT operations were counted twice. Furthermore, a minor adjustment was made to fuel consumption for ATM-related transportation in France. An inconsistency in market based compared to location based data for Scope 2 was discovered as well.

Furthermore, adjustments to the baseline was made due to two acquisitions, in accordance with the methodology in the framework.

As a result of this validation process and adjustments due to acquisitions, the baseline was restated as follows:

- Former baseline 2019 (location based): 205 070 tCO₂e
- Restated baseline 2019 (location based): 187 389 tCO₂e

This results in a restated baseline that is lower is lower than the original baseline.

Loomis will continue to evaluate the measurement methodology to improve accuracy in reporting. The current methodology applied may be subject to change in certain areas as a result of improved expertise in Scope 1 and Scope 2 calculation and granularity of the data reported. The baseline may also be restated in the case of future acquisitions.



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Task Force on Climate Related Financial Disclosures

Through climate scenario analysis, Loomis assesses the climate risks and opportunities that may affect the company, its operations and investments, both in the current situation and in the future. Loomis can thus communicate with investors, customers and employees about how the company handles the consequences of climate change.

Loomis has conducted a climate risk analysis according to the recommendations of the Task Force on Climate Related-Financial Disclosures (TCFD). This analysis was based on two different climate scenarios defined by IPCC (RCP2.6 and RCP6.0) and covers markets and technology, reputation, policies and rules, as well as physical risks.

The page references in the table to the right show where more information can be found the Annual and Sustainability Report 2022.

Governance	Strategy	Risk management	Metrics and targets
a) The board's oversight of climate-related risks and opportunities >Pages 67–70	a) Climate-related risks and opportunities the organization has identified >Pages 74–78	a) The organization's processes for identifying and assessing climate-related risks. >Pages 67–70	a) The metrics used by the organization to assess climate related risks and opportunities. >Page 15
b) Management's role in assessing and managing climate-related risks and opportunities >Pages 67–70	b) The impact of climate-related risks and opportunities on the organization's business, strategy and financial planning >Pages 67–70	b) The organization's processes for managing climate-related risks. >Pages 67–70	b) Emissions of Scope 1, 2 and 3 greenhouse gas (GHG). >Pages 35–36, >Page 38, >Page 57
	c) Resilience of the organization's strategy, taking into consideration different climate-related scenarios >Pages 67–70	c) Integration of above-mentioned processes into the organization's overall risk management. >Pages 67–70	c) Targets used to manage climate-related risks and opportunities. >Page 15

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Climate Risk Scenario Analysis

The TCFD framework’s strategy pillar includes a climate scenario analysis. The analysis was based on two different climate scenarios defined by the IPCC (RCP2.6 and RCP6.0) and includes: market and technology, reputation, policy and regulations and physical risks. Identified opportunities and risks are presented below.

Opportunities	Description	Actions to realize the opportunities
New payment habits	- New products and service offerings, including new methods of payment and for transporting cash/ valuables. - Large-scale migration of climate refugees from areas that are too hot and not suitable to live in. This leads to more cash being used in the affected countries/regions. - Social unrest due to climate change increases the demand for Loomis' services.	- Development of new products and services that create “The optimal payment ecosystem”. - Loomis offers more accurate forecasts in ATMs.
Global knowledge	Loomis operates in areas where there is social unrest or extreme weather conditions, and can use this experience if it needs to. This gives Loomis a competitive edge.	Global experience is an advantage when Loomis acquires local businesses or enters new markets.
Cost savings	- New engines reduce fuel costs through lower fuel consumption. - Lower tax/fees. - Loomis contributes to technical progress through its requirements of/cooperation with suppliers.	- Reduced CO2 emissions and costs savings through route optimization. - From an early stage, Loomis set its own standards in the supply chain regarding fleet procurement to get ahead of new rules/laws. This provides a competitive advantage when new rules and taxes are implemented.
Risks	Description	Actions to mitigate risks
Extreme weather	- Operational restrictions, such as not allowing the vehicles to circulate in city centers. - If energy systems collapse some of Loomis' services will not be able to function, i.e. Loomis Pay. - Infrastructure damage can cause operational stoppages. - Heat and other climate change effects can lead to health problems, distractions resulting in more injuries/damage and high legal costs.	- The risk of extreme weather events is part of Loomis' ongoing risk management as this is common in several markets. - Floods, hurricanes and other vulnerable situations are managed on an ongoing basis in training and continuity planning established in all of Loomis' markets.
Reduced consumption	Global events that impact the economy and lead to reduced consumption affect Loomis' business.	Loomis has ambitious targets to ensure the business is socially, financially and environmentally sustainable. By offering sustainable payment solutions in a diversified product portfolio, Loomis is equipped for changes in consumer behavior.
Social unrest	Increased social unrest due to climate change may make it difficult to keep employees safe and may present a talent supply challenge.	- Loomis' decentralized organization is well equipped to quickly identify any social unrest in various markets. The Company has experience of markets where there is social unrest. - Robust safety routines and good communication with employees reduce the risk of injuries and damage.
Product shortages	Shortages of metals/materials needed for Loomis' vehicle fleet.	- Loomis' ongoing fleet diversification is reducing dependence on individual suppliers. - Loomis operates in 23 countries and therefore has access to suppliers in different markets
Damage to property	Damage to buildings and vehicles from extreme weather events.	The risk of extreme weather events is part of Loomis' ongoing risk management as this is common in several markets.
Reputation	- Risk that cash is not regarded as a sustainable payment method and that digital payment solutions are better. - May lead to higher legal and compliance costs due to opinions on emissions. - Increased insurance costs due to higher risk. - Negative opinion of cash impacts investment priorities as well as policy and legislation.	- Cash is important from an inclusivity perspective. A large percentage of the global population does not have access to digital payment solutions and Loomis is one of only a few actors that can offer payment solutions that cover all types of payments. - Loomis' comprehensive sustainability work shows that it is possible to reduce carbon emissions, plastics usage and the number of accidents in payment solution operations. - Loomis is carefully monitoring regulatory developments.

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GRI Index

The following index presents the Global Reporting Initiative (GRI) standards that are deemed material to Loomis’ operations and where in the Annual and Sustainability Report more information is available. The GRI standards are those published in 2021 unless otherwise indicated. Loomis’ reporting is in reference to GRI standards.

GRI standards	Comment or page
GRI 2: GENERAL DISCLOSURES 2021	
2-1 Organizational details	Loomis AB; Stockholm, Sweden. Ownership and Legal form >Page 27–28 Countries of Operations >Pages 18–21
2-2 Entities included in the organization’s sustainability reporting	>Page 58
2-3 Reporting period, frequency and contact point	Jan 1 – Dec 31, 2022
2-4 Restatements of information	Yes, Sustainability Linked Bond, >Pages 46–47
2-5 External assurance	No, >Page 58
2-6 Activities, value chain and other business relationships	>Pages 9–14 Significant changes in Administration Report >Page 85
2-7 Employees	>Page 24, >Page 100
2-9 Governance structure and composition	>Pages 62–66
2-10 Nomination and selection of the highest governance body	>Page 63
2-11 Chair of the highest governance body	>Page 71
2-12 Role of the highest governance body in overseeing the manage- ment of impacts	>Pages 62–66; >Pages 67–72
2-13 Delegation of responsibility for managing impacts	>Pages 67–70
2-14 Role of the highest governance body in sustainability reporting	>Page 59
2-15 Conflicts of interest	>Page 66
2-16 Communication of critical concerns	>Pages 67–70 ; >Pages 74–78
2-17 Collective knowledge of the highest governance body	>Page 72
2-18 Evaluation of the performance of the highest governance body	>Pages 62–66
2-19 Remuneration policies	>Pages 65–66; >Pages 83–84
2-20 Process to determine remuneration	>Page 65
2-21 Annual total compensation ratio	See Remuneration Report on Loomis’ website, www.loomis.com
2-22 Statement on sustainable development strategy	>Pages 6–7
2-23 Policy commitments	>Page 68; >Page 53
2-24 Embedding policy commitments	>Page 53; >Pages 67–70
2-25 Processes to remediate negative impacts	>Pages 67–70
2-26 Mechanisms for seeking advice and raising concerns	>Pages 67–70; >Page 44
2-27 Compliance with laws and regulations	>Page 70; >Page 76; >Pages 124
2-29 Approach to stakeholder engagement	>Pages 30–31
2-30 Collective bargaining agreements	>Page 24

GRI standards	Comment or page
GRI 3: MATERIAL TOPICS 2021	
3-1 Process to determine material topics	>Pages 30–31
3-2 List of material topics	>Pages 32–33
3-3 Management of material topics	>Pages 34–35
GRI 201: ECONOMIC PERFORMANCE 2016	
3-3 Management of material topics	>Pages 34–45
201-1 Direct economic value generated and distributed	>Pages 4–5; >Page 34–45; >Page 85; >Page 100
GRI 205: ANTI-CORRUPTION 2016	
3-3 Management of material topics	>Pages 43–45
205-1 Operations assessed for risks related to corruption	>Page 77
205-2 Communication and training about anti-corruption policies and procedures	>Pages 44–45; >Page 53
GRI 301: MATERIALS 2016	
3-3 Management of material topics	>Page 37
301-1 Materials used by weight or volume	>Page 37
GRI 302: ENERGY 2016	
3-3 Management of material topics	>Page 36; >Page 38
302-1 Energy consumption within the organization	>Pages 35–36
302-3 Energy intensity	>Page 36; >Page 38
302-4 Reduction of energy consumption	>Pages 35–36
GRI 305: EMISSIONS 2016	
3-3 Management of material topics	>Pages 34–36
305-1 Direct (Scope 1) GHG emissions	>Page 57
305-2 Energy indirect (Scope 2) GHG emissions	>Page 57
305-4 GHG emissions intensity	>Page 38
305-5 Reduction of GHG emissions	>Pages 35–36; >Page 38

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GRI standards	Comment or page
GRI 403:OCCUPATIONAL HEALTH AND SAFETY 2018	
3-3 Management of material topics	>Page 40
403-1 Occupational health and safety management system	>Pages 39–40; >Page 51
403-2 Hazard identification, risk assessment, and incident investigation	>Page 40; >Pages 77–78
403-3 Occupational health services	>Page 40; >Pages 77–78
403-4 Worker participation, consultation, and communication on occupational health and safety	>Page 40; >Page 51
403-5 Worker training on occupational health and safety	>Page 40
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	>Pages 25–26
403-8 Workers covered by an occupational health and safety management system	>Page 40; >Page 51
403-9 Work-related injuries	>Page 40
GRI 404: TRAINING AND EDUCATION 2016	
3-3 Management of material topics	>Page 40
404-1 Average hours of training per year per employee	>Page 24; >Page 40
404-3 Percentage of employees receiving regular performance and career development reviews	>Page 24
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	
3-3 Management of material topics	>Pages 41–42
405-1 Diversity of governance bodies and employees	>Page 24; >Page 66

Health and Safety certifications

The systems for health and safety and meeting various standards, such as ISO 45001 and OHSAS, vary in the different markets. Regardless of where Loomis is operating, processes are always managed and carried out in compliance with the health and safety laws in the respective market.

Entity	Health and Safety certifications, beyond legal requirements	Health and Safety Committee	Ethics Committee
Loomis Argentina	–	Yes	–
Loomis Austria	–	–	–
Loomis Belgium	–	Yes	–
Loomis Chile	–	Yes	Yes
Loomis Czech Replublic	–	–	–
Loomis Denmark	–	Yes	Yes
Loomis Finland	–	Yes	–
Loomis France	–	Yes	Yes
Loomis Germany	DIN 77210-1:2018 Money and Value Services, ISO 9001:2015	Yes	–
Loomis Norway	–	Yes	–
Loomis Portugal	–	–	–
Loomis Slovakia	ISO 9001:2015, ISO 14001:2015, ISO 27001:2013, ISO 45001:2018	Yes	Yes
Loomis Spain	–	Yes	Yes
Loomis Sweden	–	Yes	–
Loomis Switzerland	–	Yes	–
Loomis Turkey	ISO 45001 H&S Management Standard	Yes	Yes
Loomis UK	Alcumus Safe Contractor, NSI Cash Services Gold Standards	Yes	Yes
Loomis USA	SSH - Specialist in Safety & Health, OHSAS 18001, Occupational Health & Safety Assessment Series	Yes	Yes

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EU Taxonomy Regulation – Report 2022

Introduction

This is Loomis' second taxonomy report based on the EU Taxonomy Regulation which sets out a framework to facilitate sustainable investments (the EU Taxonomy). The purpose of the EU Taxonomy is to establish common reporting practices and definitions for economic activities to determine which activities are in line with the EU's environmental objectives. This is to prevent greenwashing and to help investors identify economic activities that contribute to environmental and climate targets. The EU Taxonomy Regulation describes which economic activities should be covered and how they meet the technical screening criteria to align with the taxonomy requirements according to the EU's objectives. Since certain parts of the EU Taxonomy are still being developed, this report is limited to disclosures for the environmental objectives that are currently covered in the delegated acts. The report's content will be developed over time as more aspects of the EU Taxonomy become established.

Activities covered

Loomis offers distribution, handling, storage and recycling of cash and other valuables. In the 2021 report the eligible activity¹⁾ reported was freight transport services by road. The parts of Loomis' service that involve transport and fall within the taxonomy are in the business areas: Cash in Transit (CIT), SafePoint, ATM and International Valuables Logistics (Valuables in Transit, VIT).

Methodology and findings / Screening procedures for alignment

This year, Loomis has started building a methodology, based on Loomis' interpretation of the existing delegated acts and guidance, to be able to report how much of the above mentioned eligible activity can be considered as aligned²⁾. The methodology is based on the following technical screening criteria: (1) Make a substantial contribution to at least one environmental objective, (2) Do no significant harm to any other environmental objective and (3) Meet minimum social safeguards.

1. Make a substantial contribution to at least one environmental objective

Loomis can make a substantial contribution to the climate change mitigation objective through choices made when investing in transportation. Today the fleet contains hybrids, electric vehicles (EVs), and fossil-driven vehicles. The first step of this analysis was to examine emissions from the various vehicle types. From that screening, Loomis found that the only part within scope is the electrical vehicle fleet.

Today EVs make up less than two percent of the total fleet. The main reason for this is that many vehicles are armored due to the nature of the business. In partnership with its supplier Xos, Inc., Loomis has successfully developed an electrical armored vehicle for the US market and is therefore at the forefront within its sector. Due to a multitude of local regulations and legal requirements, there are currently no options for armored EVs in many markets. In Europe and Latin America, the main focus is to electrify the soft skin vehicle fleet.

2. Do no significant harm to any other environmental objectives

EU regulators introduced the principle of Do No Significant Harm (DNSH) to prevent myopic investment processes that would focus on a particular environmental or social objective without sufficient consideration for the other objectives. For Loomis' activities which fall under "Freight transport services by road" to be aligned with the EU Taxonomy, there are criteria for DNSH in the areas of: (1) Climate adaptation, (2) Circular economy and (3) Pollution.

2.1 Climate adaptation

Loomis as a company needs to constantly monitor and react to changes in society and factors in the external environment. In 2021 Loomis conducted a climate risk analysis based on the recommendations from the Task Force on Climate Related-Financial Disclosures (TCFD). Loomis has assessed the risk analysis and has found it to be valid and accurate for the 2022. The methodology and identified opportunities and risks are presented on [pages 48–49](#).

As extreme weather is common in several markets, the impact of climate risks is included in Loomis' business continuous risk management processes. These risks are dealt with in the business continuity plans (BCP) established in all Loomis' markets. A successful BCP implements measures to protect human life and to recover from minor to major disruptions of services to operations and Loomis' customer base. All BCPs are tested on a regular basis and at least once a year.

1)Eligible: an economic activity that is described and has technical screening criteria set out in the taxonomy. Such an activity is 'eligible' under the taxonomy and all revenue, CAPEX and OPEX for this economic activity is therefore taxonomy eligible.
2) Aligned: an eligible economic activity that is making a substantial contribution to at least one of the climate and environmental objectives, while also doing no significant harm to the remaining objectives and meeting minimum standards on human rights and labor standards. The revenue, CAPEX and OPEX for such an activity is therefore aligned or in alignment. An economic activity that is eligible and does not meet the technical screening criteria and minimum social safeguards is not aligned.

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2.2 Circular economy

To meet the technical criteria for doing no harm in regard to a circular economy, a company needs to both be able to collect data from its suppliers and have processes in place to manage company waste. Loomis considers that the technical criteria is met.

2.3 Pollution

Loomis has performed a screening of the tires in the electric vehicle fleet to ensure that they pass the technical standards for wet grip, rolling noise and fuel efficiency. The tire screening was carried out using the EPREL Product database³⁾. Data was collected for each vehicle (model, technical specifications, weight, year of purchase, emissions, tire model and size) and analyzed to determine if the criteria for alignment are met.

It was found that no vehicle was in alignment due to non-compliance with DNSH-criteria on noise pollution prevention from tires, even though most vehicles were bought in the last two years, with tires from major, well-known brands.

3. Meet minimum safeguards

The minimum safeguards (MS) ensure that companies engaging in sustainable activities meet certain standards regarding human and labor rights, bribery, taxation, and fair competition. For each of the four areas there is a two-fold assessment of compliance: a) Processes and b) Performance/outcome requirements.

Loomis considers that it fulfills the criteria for minimum safeguards. There are processes in place for each of the four areas, to ensure that Loomis is in compliance with regulations in each area. Internal audits are performed regularly for all

3) <https://eprel.ec.europa.eu/screen/product/tyres3>.

processes within compliance and risk management at Loomis. Read more about the control environment in the Corporate Governance Report on pages >67–70.

3.1 Human rights (including labor rights)

Human and labor rights are part of Loomis’s sustainability platform adopted by the Board of Directors. Human and labor rights are also part of Loomis’s commitment to employees in the Company’s Code of Conduct.

Loomis is committed to always respecting human rights and operating the business in accordance with universal human rights as defined in the principles of the United Nations Universal Declaration of Human Rights. Loomis is also committed to applying the UN Guiding Principles on Business and Human Rights. Furthermore, Loomis has also undertaken to respect the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work. Loomis complies with all national employment laws, collective agreements, health and safety regulations, as well as other applicable laws and internationally recognized human rights, in every market in which Loomis operates. Loomis is committed to paying fair wages, providing reasonable working hours, fair working conditions and offering equal opportunities throughout the Loomis Group. Loomis is prepared to demonstrate compliance to customers and regulators upon request.

If there is an ethical issue that the employee does not feel comfortable addressing with their supervisor or manager, they may report it anonymously through Loomis Integrity Line. Loomis strives to continuously evolve and working with responsible suppliers is a key factor in this. Loomis is in the process of establishing a Code of Conduct for suppliers, which will be rolled out across the organization.

Loomis considers that the minimum safeguard is met.

3.2 Corruption/Bribery

Loomis’ Anti-Bribery Policy is intended to supplement and expand the Loomis Code of Conduct. In the event a local law differs from the Code or policy, the more stringent measures prevail. Loomis has zero tolerance for non-compliance.

Each country provides appropriate training to its employees and board members, as needed, on the policy and on applicable laws. Annual Code of Conduct training is provided to all employees.

Loomis considers that the minimum safeguard is met.

3.3 Taxation

Loomis is a responsible taxpayer. Taxes are paid according to laws and regulations in all countries where Loomis operates. Loomis acts with integrity and transparency to enable relevant stakeholders to understand the Company’s tax affairs.

Country Presidents are fully responsible for identifying and reporting tax risks within their area of responsibility. Tax risks are reported on a quarterly basis in a web-based tool disclosing details of all tax exposures and provisions. The Head of Group Tax monitors the locally reported tax risks. To act in accordance with Loomis’ Tax Policy, tax guidelines are provided and apply to all companies within the Loomis Group. Loomis’ Tax Policy is available on Loomis website, >www.loomis.com/en/tax-policy.

Loomis considers that the minimum safeguard is met.

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3.4 Fair competition

It is the policy of the Loomis Group to strictly comply with all regulatory requirements, including competition laws. The Loomis Group Competition Law Compliance Program (the “Compliance Program”) defines the responsibility within the Group for compliance with applicable competition laws. The compliance program is further intended to be used as a tool within the Group to ensure that relevant employees have sufficient knowledge of applicable competition laws. Refer also to the Corporate Governance Report.

Loomis considers that the minimum safeguard is met.

4. Alignment rate and methodology

The fleet in scope for technical screening consists of all electrical vehicles (EVs). A total of 45 vehicles were identified as part of the economic activity *Freight transport services by road*. A total of 25 EVs in Europe and 20 EVs in the US were in scope. The electrical fleet is presently less than 1 percent of the total fleet and the turnover corresponding would be negligible in comparison to the total turnover for the eligible activity, even if all technical criteria were met.

It was found that no vehicle was in alignment due to non-compliance with DNSH-criteria on noise pollution prevention from tires, even though most vehicles were bought in the last two years, with tires from major, well-known brands.

This results in a 0 percent alignment of the economic activity in scope for 2022, despite Loomis’ ambition to lead the electrification of heavy and light-armored vehicles in its branch. Loomis has nevertheless made sure to elaborate this methodology for further investments in electrical vehicles.

5. Methodology to calculate Turnover, CapEx, OpEx

For non-financial undertakings, the Regulation requires, among other information, reporting the share of Taxonomy-aligned activities contributing to turnover, capital expenditures (CapEx) and operating expenses (OpEx).

A methodology for this calculation has been developed, despite not meeting all criteria for alignment during 2022. The results are displayed in the tables on the following pages.

5.1 Turnover

Eligible turnover is part of the Group’s net sales derived from the services Cash In Transit (CIT), SafePoint, ATM and Valuables in Transit (VIT). All VIT operations are reported within the International service offering in the financial reports. Refer to Note 3, >pages 95–96.

5.2 CapEx

Eligible CapEx is the year’s investments in transport vehicles and includes acquisitions of operations and right-of-use assets. The portion of this that relates to the services CIT, SafePoint, ATM and VIT transport vehicles is included in intangible fixed assets, property, plant and equipment and right-of-use assets. See also >Note 13 Goodwill and intangible fixed assets, >Note 14 Property, plant and equipment and >Note 15 Right-of-use assets.

5.3 OpEx

Eligible OpEx are defined as the expenses relating to Loomis’s transport vehicles within CIT, SafePoint, ATM and VIT.

Operating expenses within the framework of the EU taxonomy and according to the Regulation, are defined as direct, non-capitalised research and development (R&D) costs, building renovation work, short-term lease costs, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets, i.e. not the total cost of operations. Accordingly, in this report, expenses relating to Loomis’s transport vehicles within CIT, SafePoint, ATM and VIT are included, fuel costs are not included.

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Turnover				Substantial contribution criteria	DNSH criteria (Does Not Significantly Harm')								
Economic activities	Code(s)	Absolute turnover SEK m	Proportion of turnover %	Climate change mitigation %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and Marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safe-guards Y/N	Taxonomy-aligned proportion of turnover, 2022 Percent	Category (enabling or transitional) E or T
A. TAXONOMY-ELIGIBLE ACTIVITIES													
A.1. Environmentally sustainable activities (Taxonomy-aligned)													
Freight transport service by road	6.6	0	0%	0%	Y	Y	N/A	Y	N	N/A	Y	0%	E
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	–	–	–	–	–	–	–	0%	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)													
Freight transport service by road	6.6	16,317	64%										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		16,317	64%										
Total (A.1 + A.2)		16,317	64%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES													
Turnover of Taxonomy-non-eligible activities (B)		8.998	36%										
TOTAL (A + B)		25,315	100%									0%	

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CapEx

CapEx				Substantial contribution criteria	DNSH criteria (Does Not Significantly Harm')								
Economic activities	Code(s)	Absolute CapEx SEK m	Proportion of CapEx %	Climate change mitigation %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and Marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safe-guards Y/N	Taxonomy-aligned proportion of CapEx, 2022 Percent	Category (Enabling or Transitional) E
A. TAXONOMY-ELIGIBLE ACTIVITIES													
A.1. Environmentally sustainable activities (Taxonomy-aligned)													
Freight transport service by road	6.6	0	0%	0%	Y	Y	N/A	Y	N	N/A	Y	0%	E
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	–	–	–	–	–	–	–	0%	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)													
Freight transport service by road	6.6	453	17%										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		453	17%										
Total (A.1 + A.2)		453	17%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES													
Turnover of Taxonomy-non-eligible activities (B)		2,231	83%										
TOTAL (A + B)		2,684	100%										

OpEx

OpEx				Substantial contribution criteria	DNSH criteria (Does Not Significantly Harm')								
Economic activities	Code(s)	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change mitigation	Climate change adaptation	Water and Marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safe-guards	Taxonomy-aligned proportion of OpEx, 2022	Category (Enabling or Transitional)
		SEK m	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	E
A. TAXONOMY-ELIGIBLE ACTIVITIES													
A.1. Environmentally sustainable activities (Taxonomy-aligned)													
Freight transport service by road	6.6	0	0%	0%	Y	Y	N/A	Y	N	N/A	Y	0%	E
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	—	—	—	—	—	—	—	0%	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)													
Freight transport service by road	6.6	3,397	66%										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3,397	66%										
Total (A.1 + A.2)		3,397	66%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES													
Turnover of Taxonomy-non-eligible activities (B)		1,734	34%										
TOTAL (A + B)		5,131	100%										

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Four-year overview and sustainability targets

For the current strategic period 2022–2024, key performance indicators (KPIs) and targets have been set for Loomis’ sustainability work. The KPIs helps Loomis follow up on it’s key initiatives. Since some KPIs are new there is not always a historic measurement for comparison in the four-year overview. Since there are local differences in how to reach the overall group-targets, not all reported KPIs have a defined global target. Nevertheless, the KPIs are an important indicators and followed closely.

	2019	2020	2021	2022	TARGET 2024
ENVIRONMENTAL SUSTAINABILITY					
Emissions					
Emissions in Scope 1, (tCO ₂ e)	157,967	135,023	129,780	139,038	–
Emissions in Scope 2, (tCO ₂ e, location based)	25,933	24,688	23,782	18,475	–
Emissions in Scope 2, (tCO ₂ e, market based)	31,649	28,312	29,483	23,088	–
Reduction emissions, Scope 1 & 2 Combined (compared to 2019, market based methodology)	–	–14%	–16%	–14%	–15%
Transportation					
% of fleet with Route Planning System	68%	68%	75%	69%	100%*
Fuel efficiency (CO ₂ /km)	0.63	0.57	0.49	0.50	–
% of Fleet EV/Hybrid	0.0%	0.0%	0.7%	1.9%	–
Energy					
Energy emissions efficiency (CO ₂ e Scope 2 / m ²)	–	–	44	32	–
kW installed effect	–	–	–	339	–
% of kWh renewable, solar panels	–	–	26%	30%	100%*
SOCIAL SUSTAINABILITY					
Alignment with international standards (% of regions, by revenue)	–	–	–	See >page 51	–
% of vehicles using software for driver safety	83%	70%	77%	75%	100%
Reduction in injury rate (LTIFRI)	–	–	–	–8%	–15%
Employees agreeing with statement “At Loomis we are treated fairly regardless of age, ethnicity, gender, sexual orientation and disabilities”	85%	85%	86%	85%	100%
Employees agreeing with statement “I consider Loomis to be a fair and equal-opportunity employer”	84%	83%	83%	86%	100%
SUSTAINABLE GOVERNANCE					
Code of Conduct training (completion rate)	60%	58%	75%	70%	100%

* of relevant vehicles

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Accounting principles for sustainability reporting

Data collection, validation and calculation

Since 2018, the Group has been using a third-party system to handle all sustainability data. The system is tailored for reporting of data and KPIs. This facilitates and validates the process of systematically collecting, confirming, calculating, and reporting all sustainability data in the areas of health and safety, the environment and corporate governance. Each market reports data quarterly so that outcomes can be calculated and compared to the Group's KPIs. The data is verified by Loomis centrally.

All climate reporting in Scope 1, 2 and 3 is based on the international Greenhouse Gas Protocol Initiative (the GHG Protocol) and is done through a third-party system. In 2022 the emissions factors in the system's database were updated based on normal procedures. Calculations of carbon emissions from purchased energy are carried out according to both the GHG location-based method and the market-based method. Location-based data provides information on each country's emissions from electricity production, regardless of whether they purchase for renewables or not. The market-based method takes into account whether the reporting units have purchased renewable energy certificates.

Transparent indicators include calculations on changes in carbon emissions in relation to operational volume and emissions from the fleet in relation to distance travelled.

All data on gender distribution, job distribution, age distribution and collective agreements is based on the number of employees at year-end. Absence is calculated as the number of hours of absence due to illness in relation to planned work hours.

Independent review

Loomis' Sustainability-Linked Finance Framework follows ICMA's principles for sustainable bonds and LMA/APLMA/LSTA principles for sustainable loans. Sustainalytics has provided a second-party opinion on the framework. Loomis's auditors review the monitoring processes and reporting related to the sustainability-linked bonds.

Loomis' auditors perform a statutory examination to verify that the Company has prepared a sustainability report in compliance with the Annual Accounts Act. The Sustainability Report is, however, not currently subject to a full review or audit.

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Signatures

Stockholm, date according to electronic signature		
The Board of Directors and the President of Loomis AB		
Alf Göransson Chair of the Board	Jeanette Almberg Board member	Cecilia Daun Wennborg Board member
Liv Forhaug Board member	Johan Lundberg Board member	Lars Blecko Board member
Santiago Galaz Board member	Chalanja Henningsson Board member, employee representative	Aritz Larrea President and CEO

Auditor's Report on the statutory Sustainability Report

To the general meeting of the share- holders in Loomis AB (publ.), corporate identity number 556620-8095.	regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.
Engagement and responsibility It is the board of directors who is respon- sible for the statutory sustainability report for the year 2022 on >pages 29–59 and that it has been prepared in accordance with the Annual Accounts Act.	
Scope and focus of the examination Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion	Opinion A statutory sustainability report has been prepared.

Stockholm, date according to electronic signature
Deloitte AB

Peter Ekberg
Authorized Public Accountant

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Auditor’s Limited Assurance Report on Loomis AB’s Sustainability Financing Report

To Loomis AB (publ),
corporate identity number 556620-8095

Introduction

We have been engaged by Loomis AB (publ) (“Loomis”) to undertake a limited assurance engagement of the Sustainability Financing Report for 2022 as set out on [>pages 46–47](#) in this document (“the Reporting”).

Responsibilities of Management

Loomis Management is responsible for the preparation of the Reporting in accordance with the applicable criteria, as explained in the Loomis Sustainability-Linked Finance Framework dated October 2021 (available at <https://www.loomis.com/en/investors/bond-market>), and in the section measure methodology on [>page 47](#), as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of the Reporting that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Reporting based on the limited assurance procedures we have performed. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Reporting, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Loomis in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

Accordingly, the conclusion of the procedures performed do not express a reasonable assurance conclusion. Our procedures are based on the criteria defined by Loomis Management as described above. We consider these criteria suitable for the preparation of the Reporting.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Reporting for 2022, is not prepared, in all material respects, in accordance with the applicable criteria, as explained in the Loomis Sustainability-Linked Finance Framework.

Stockholm, date according to electronic signature
Deloitte AB

Peter Ekberg
Authorized Public
Accountant

Lennart Nordqvist
Expert Member of FAR



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Corporate Governance

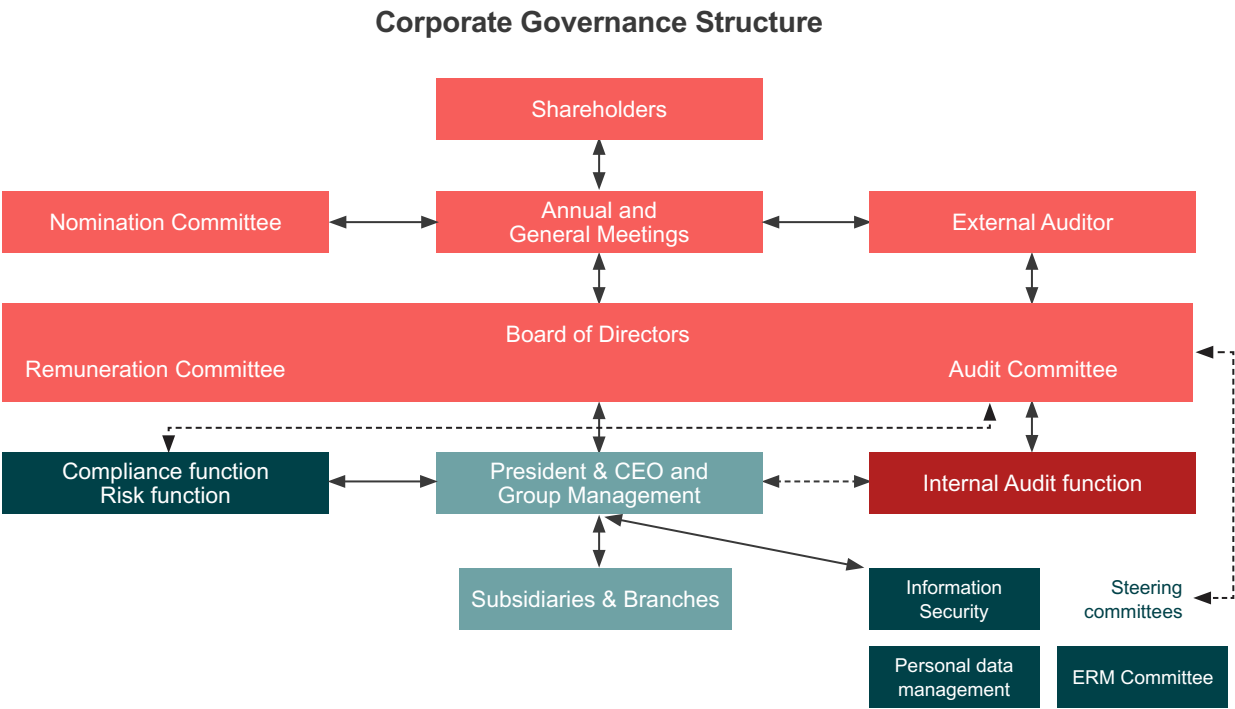
The primary aim of Loomis’ corporate governance is to create clear goals, strategies and values that effectively protect shareholders and other stakeholders by minimizing risk, and that also form a solid foundation from which to generate value. To achieve this, Loomis has developed a clear and efficient structure to delegate responsibility and governance.

Besides relevant laws and regulations, Loomis also adheres to the Nasdaq Stockholm’s Rule Book for Issuers, as well as the Swedish Corporate Governance Code (“the Code”). Loomis has not reported any deviations from the Code for the 2022 financial year.

Loomis shareholders exercise their influence by voting at the general meetings of Loomis AB, which is the Parent Company of the Group. They resolve on the composition of the Board of Directors and the election of auditors based on recommendation from the Nomination Committee. The Board of Directors is responsible for the overall organization and administration of the Company’s affairs. The CEO is responsible for ensuring that the ongoing administration of the Company is in accordance with the Board’s guidelines and instructions. To support its work, Group Management has established steering groups to handle the Group’s management of personal data and information security and also has a Risk Committee.

Loomis’ corporate governance structure is presented in the chart to the right. The governance principles are described in detail in the coming pages.

Operationally, Loomis is structured as a three-line organization and applies the three line model for the division and roles and responsibilities. Read more on [page 67](#).



The Corporate Governance Report has been prepared in accordance with the Annual Accounts Act and the Code as a separate report from the Administration Report. The Company’s external auditors have reviewed this report and an auditor’s statement is included in this Report.

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Share and Shareholders

The Loomis share has been traded on Nasdaq Stockholm since 2008 and is part of the Large Cap segment. Loomis has one class of share carrying equal voting rights and entitlement to dividends. The total number of shares and votes in the Company per December 31, 2022 was 75,279,829. The number of Loomis shareholders at year end was 18,165. Read more about the Loomis share and shareholders on >pages 27–28.

General meetings

Loomis' highest decision-making body is the general meeting which is the forum where the shareholders exercise their right to vote on company matters. The ordinary general meeting (Annual General Meeting, AGM) is held once a year and resolves on matters such as approval of the income statement and balance sheet, appropriation of profits, the composition of the Board of Directors, external auditors, board fees and, at least once every four years, guidelines for remuneration to Group Management. All registered shareholders, who have registered to attend by the deadline, have the right to attend general meetings and cast votes corresponding to the number of shares they hold.

Annual General Meeting 2022

Loomis' AGM 2022 was held on May 4, 2022 in Stockholm, Sweden. Shares equivalent to a total of around 53 percent of the capital and votes in the Company were represented. The minutes are available on the Loomis website.

The Annual General Meeting 2023 will be held on May 4, 2023 at 5.00 PM CEST in Stockholm

For more information, see >www.loomis.com/en/corporate-governance/general-meetings.

Nomination Committee

Loomis' Nomination Committee is a body established by the AGM. The AGM has adopted instructions for the Nomination Committee describing the Committee's tasks and the process by which the Committee members are appointed. The Committee is to be composed of representatives from the four largest shareholders in terms of voting power as of August 31 each year. If, three months prior to the AGM, a shareholder is no longer among the four largest shareholders, the member appointed by this shareholder is to resign and the shareholder who has become one of the five largest shareholders is entitled to appoint their representative. The Chair of the Board is to be co-opted to the Committee. The Committee's term continues until the composition of the next Nomination Committee has been announced.

The Committee is tasked with preparing for the election of the Chair for the shareholders' meeting, election of board members and the Chair of the Board, proposals on board fees, any changes to the Committee's instructions following consultation with the Board and Audit Committee, election of external auditors and decisions regarding auditors' fees. The shareholders may submit proposals to the Committee.

The Committee applies rule 4.1 of the Code as its Diversity Policy. Diversity is an important consideration in the Committee's nomination process. The Committee constantly strives to maintain a gender balance and to achieve a breadth of qualifications, experience and backgrounds among the board members. This is reflected in the composition of the current Board.

No fees are paid to the members of the Nomination Committee. However, any necessary expenses in connection with the Committee's work are covered by Loomis.

Loomis Nomination Committee ahead of the 2023 AGM, as announced in December 2022, is composed of:

Member	Representing
Elisabeth Jamal Bergström (Chair)	SEB Investment Management
Bernard Horn	Polaris Capital Management
Jacob Lundgren	Andra AP-fonden
Tobias Shute	Paradice Investment Management
Alf Göransson (Co-opted member)	Chair of Loomis AB

The Nomination Committee's proposals to the 2023 AGM are included in the notice convening the meeting, available on the Loomis website, see > www.loomis.com/en/corporate-governance/general-meetings.

Board of Directors

The Board's Work Procedures and responsibilities

Loomis' Board of Directors has ultimate responsibility for the Company's organizational structure, operations and administration. The Board appoints the President and CEO who is responsible for the Company's day-to-day operations in accordance with the guidelines issued by the Board. The President and CEO ensures that the Board is informed on a regular basis about matters of importance for Loomis. The duties of the Board and division of responsibilities between the Board and Group Management are stipulated in the written Work Procedures for the Board, which are adopted at least once a year.

The Board takes decisions on matters such as the Group's overall strategy, financial reporting, matters relating to sustainability, acquisitions and divestments, sizeable investments and financing, and establishes a framework for the Group's operations by approving the Group's budget.

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The Work Procedures also prescribe an annual evaluation of the work of the Board. On an annual basis, all board members respond to a questionnaire provided by the Nomination Committee on the quality of the Board’s work. The aim is to obtain a sound basis for the Board’s own evaluation process and to provide the Nomination Committee with information for its nomination tasks. The result of the evaluation is presented to the Board and the Nomination Committee.

The Board is also responsible for ensuring that the Company has good internal control and for ongoing evaluation of the effectiveness of the Company’s internal control systems.

The Board is to ensure that the Company has formal routines to guarantee compliance with the adopted principles for financial reporting and internal control. The Board has also adopted a number of policies for areas of key importance to Loomis. See >page 68 for more information.

Chair of the Board

The Chair of the Board is responsible for ensuring that the Board performs its duties in accordance with the Swedish Companies Act and other relevant laws and regulations. This includes monitoring operating activities and ensuring that all of the board members receive the information and supporting documents they require. The Chair monitors operations by being in regular contact with the President and CEO. The Chair also ensures that the above-mentioned annual evaluation of the work of the Board and the President and CEO takes place. The Chair represents the Company in owner related matters.

Composition and Independence of the Board

The Board is to consist of at least five and no more than 10 members elected by the AGM, with no deputies. The Board may also have two employee representatives and two deputies for these members. Board members are elected to serve for the period until the end of the next AGM.

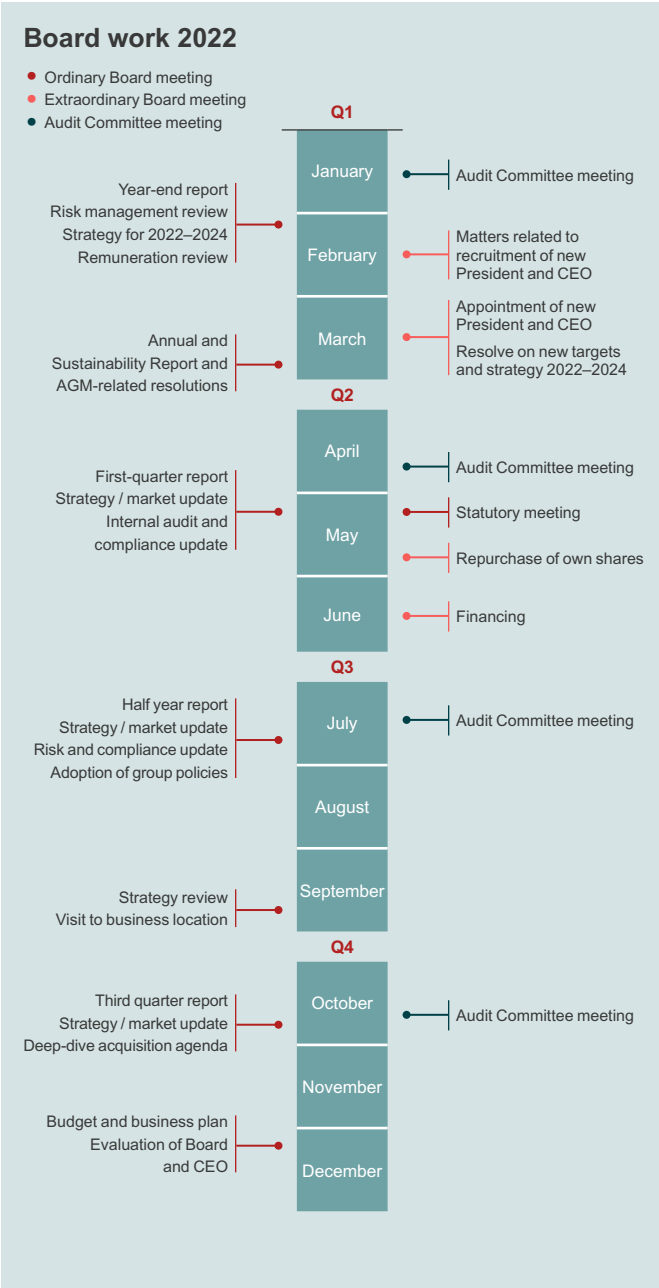
At the 2022 AGM Alf Göransson (Chair), Cecilia Daun Wennborg, Lars Blecko, Johan Lundberg, Jeanette Almberg and Liv Forhaug were re-elected to the Board and Santiago Galaz was elected as new Board member. Three of the AGM-elected Board members are women and four are men.

Six of the seven board members are considered independent of the Company and its management. All of the board members elected by the 2022 AGM are considered independent of the Company’s major shareholders. This has been determined by the Nomination Committee in accordance with the Code. For information on the Loomis Board members, see >pages 66 and >71.

Work of the Board

The Board is to meet at least five times a year, including at the statutory meeting following the AGM. Additional meetings are convened if the situation requires this. Each board meeting is also attended by the President and CEO, the CFO and the Secretary of the Board. The Company’s auditors attend the board meeting held in conjunction with the closing of the annual accounts. When reporting is required on specific matters, other officials from the Group may participate as well.

In 2022, the Board convened a total of 13 meetings including the statutory meeting. Matters of importance dealt with during the year are summarized in the chart to the right.



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Remuneration Committee

The Board has appointed a Remuneration Committee consisting of two board members instructed to address all matters relating to salaries, variable remuneration, pension benefits and other forms of compensation for Group Management and, if the Board so decides, other levels of management as well. The Committee is also tasked with monitoring and evaluating remuneration structures and levels, variable remuneration programs that are ongoing or were concluded during the year for senior executives, and monitoring and evaluating the application of the remuneration guidelines for senior executives which, by law, are to be decided on by the AGM. The Committee presents its proposals to the Board in preparation for board decisions.

Board members Alf Göransson (Chair) and Jeanette Almberg have served on the Committee since the 2022 AGM. In 2022 one meeting was held by the Committee.



Audit Committee

The Board has appointed an Audit Committee as an independent body consisting of three board members instructed to review financial reports submitted to the Board by Group Management, and to submit recommendations regarding their adoption. The work of the Committee is regulated by instructions in an appendix to the Board's Work Procedures. They stipulate, among other things, the Committee's purpose, responsibility, composition and reporting requirements. The Committee's tasks include:

- Examining the Company's financial reports, including the integrated sustainability reporting
- Monitoring internal control and corporate governance
- Overseeing the control functions: Internal Audit, Risk and Compliance
- Addressing auditing and accounting issues
- Evaluating and monitoring the auditors' independence

The Committee discusses specific and significant accounting principles as well as the estimates and assessments made when the reports are compiled. The Committee also reviews the interim and annual reports before recommending that the Board approves the reports for publication.

Board members Cecilia Daun Wennborg (Chair), Johan Lundberg and Liv Forhaug have served on the Committee since the 2022 AGM. All are regarded as independent of the Company and its management. The Committee meetings are normally also attended by the Company's auditors, the President and CEO, the CFO and the Committee's secretary. When reporting is required on specific matters, other officials from the Group may participate as well. The Audit Committee held four meetings in 2022.

External auditors

The AGM appoints auditors who review the annual accounts, accounting and consolidated financial statements, the Board of Directors and the President and CEO's management of the Company. The auditors are elected at the AGM for the period until the end of the next AGM.

The 2022 AGM voted to re-elect Deloitte AB as the external auditor for the period until the end of the 2023 AGM, with Peter Ekberg as auditor in charge.

The auditors perform their duties in accordance with an audit plan established in consultation with the Audit Committee and the Board of Directors. The auditors attend all Audit Committee meetings and present their audit conclusions to the entire Board at the board meeting held in conjunction with the closing of the annual accounts. During the year, the auditors met with the Audit Committee when no members of Group Management were present.

For more information on audit fees and other remuneration, see [>Note 6](#).

Peter Ekberg
Deloitte AB
Auditor in charge since 2018.
Authorized Public Accountant and member of FAR.
Born: 1971
Other audit assignments: Fabege AB, SJ AB, Swedish Match AB and Telia Company AB.
Shareholding in Loomis AB: 0

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President & CEO and Group Management

Loomis' Group Management has overall responsibility for ensuring that Loomis ongoing operations are in accordance with the strategies and long-term goals established by the Board of Directors and that risk management, governance, organizational structures and processes are satisfactory. Read more about these measures on >pages 67–70.

See >page 72 for information about Group Management.

Guidelines for remuneration

The 2021 AGM resolved to adopt guidelines for remuneration to Group Management. Remuneration consists of a fixed salary, variable remuneration, pension benefits and other benefits. Variable remuneration is to be based on results in relation to performance targets and growth targets within the individual areas of responsibility. Variable remuneration may also be linked to individual performance targets. All variable remuneration is to be consistent with the interests of the shareholders.

Variable remuneration is to correspond to a maximum of 100 percent of fixed annual salary for the President and CEO and a maximum of 112 percent of fixed annual salary for other members of Group Management.

The Board of Directors has the right to deviate from the guidelines, in full or partially, if there are particular reasons for doing so in an individual case and a deviation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. The Board of Directors has during 2022 resolved to derogate from the Remuneration Guidelines in relation to one member of Group Management. Refer to >Note 7.

For details on remuneration for the President and CEO and other members of Group management, see >Note 7.

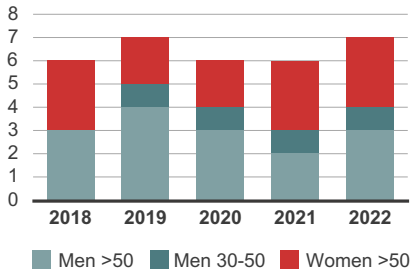
At the end of 2022 Loomis had one share-based long-term incentive program, LTIP 2021, for senior executives and a number of key individuals within Loomis. Each participant made an investment in Loomis' shares. The participants are thereby entitled to receive so-called performance shares on condition that, among other things, the performance target for cumulative earnings per share growth is reached. A determination will be made in connection with the publication of the full-year report for 2023 on whether the performance target has been met. See >Note 7 for more information.

The Board's composition since the 2022 Annual General Meeting

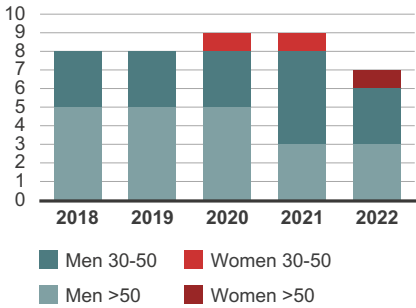
Board member	Elected	Board fees ¹⁾ (SEK)	Committee fees ¹⁾ (SEK)	Board meetings (13 total)	Remuneration Committee (1 total)	Audit Committee (4 total)	Independent of major shareholders	Independent of the Company
Alf Göransson (Chair)	2007	1,100,000	100,000	13	1	–	Yes	Yes
Cecilia Daun Wennborg	2013	470,000	250,000	13	–	4	Yes	Yes
Lars Blecko	2019	470,000	–	11	–	–	Yes	No ²⁾
Johan Lundberg	2019	470,000	125,000	13	–	4	Yes	Yes
Jeanette Almberg	2020	470,000	50,000	12	1	–	Yes	Yes
Liv Forhaug	2021	470,000	125,000	13	–	4	Yes	Yes
Santiago Galaz ³⁾	2022	470,000	–	6	–	–	Yes	Yes
Chalanja Henningsson ⁴⁾	2021	–	–	4	–	–	–	–

1) Fees approved by the 2022 Annual General Meeting. The fees are compensation for the period between the 2022 AGM and the 2023 AGM. For fees expensed in 2022, refer to Note 7.
2) Lars Blecko previously served in an executive position in the Loomis Group and provided consulting services for Loomis Armored US LLC until December 31, 2020.
3) Elected to the Board on May 4, 2022. term of 7 Board meetings.
4) Employee representative.

Board of Directors by age and gender



Group Management by age and gender



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Key control measures embedded in the organization

Internal control is an integrated part of Loomis’ governance and includes risk management and compliance as these are key factors in the Company’s operations. Loomis applies a three-line governance model for the division of risk management roles and responsibilities.

In accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, the Board of Directors has overall responsibility for ensuring that the Group has an efficient system for internal control and risk management. The Board continuously examines the efficiency of internal control of financial reporting, compliance and risk management, and takes action to promote improved internal control. The Board evaluates future business opportunities and risks and establishes a strategy for the Group.

Loomis’ Group Management has overall responsibility for ensuring that Loomis’ ongoing operations are in accordance with the strategies and long-term goals established by the Board, and that risk management, governance, organizational structures and processes are satisfactory. Group Management consists of the President and CEO, Regional President USA, Regional President Europe and Latin America, Chief Financial Officer, Chief Human Resources Officer, Chief Risk Officer, and Chief Compliance Officer.

Country Presidents and individuals responsible for risk management in each country are to ensure that risk management is an integral part of local operations at all levels in the country.

Three-line governance model



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First line – Risk Ownership and Management

The control environment forms the foundation for internal control and risk management by creating the culture and the values in which Loomis operates. The internal control structure includes Loomis' core values and how authority and responsibility structures are communicated and documented in governing documents, such as internal policies and instructions. The Board has adopted a number of policies for areas of key importance for Loomis. They are evaluated and updated annually or when there is a need or requirement.

Group Management is responsible for identifying, assessing, and managing risk, and for implementing and maintaining risk control systems in line with the policies adopted by the Board.

Each segment and country management team is responsible for ensuring that there is a process in each country aimed at promoting risk awareness. Branch managers and individuals responsible for risk management in each country are to ensure that risk management is an integral part of local operations at all levels in the country's organizational structure. Loomis' employees play a crucial role in controlling and reporting on the operational risks that the Company has decided are acceptable.

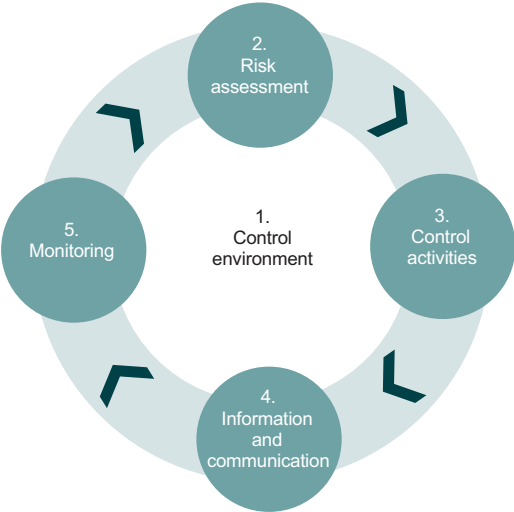
Risk management routines are integrated into the Group's business planning and performance monitoring processes. The annual risk assessment and the resulting risk register are coordinated and maintained at the Group level. Read more about risks associated with Loomis' business, including mitigating actions and opportunities for identified key risks, on >pages 74–78.

Operational Risk Management is at the core of Loomis' business. The strategy rests on two pillars: No loss of life and a reasonable balance between risk of theft and robbery and the cost of mitigating such events. Read more about the operational risk management on >pages 25–26.

Through internal routines and procedures, Loomis strives to minimize its operational risk exposure. To support the Group's risk management, an appropriate insurance coverage is also in place.

Internal control over financial reporting

Loomis' internal control is designed to ensure that the processes for preparing financial reports are highly reliable and that Loomis, as a listed company, complies with all relevant accounting standards and other requirements. The internal control system is designed to manage risks, rather than eliminate them, and can only provide reasonable, but not absolute, assurance that no material errors or shortcomings will arise in financial reporting. The framework includes the following areas:



Loomis' policies and key internal control documents

- Anti-Money Laundering Policy and Anti-Terrorism Financing Policy
- Authorization matrix
- Code of Conduct and Anti-Bribery Policy
- Communication Policy
- Competition Law Compliance Policy
- Compliance Policy
- Customer Contract Policy
- Financial Policy
- Information Security Policy
- Insider Policy
- Internal Audit Policy
- Internal Control Requirements
- Operational Risk Management Policy
- Personal Data Management Policy
- Prior Approval of Auditing and Non-Auditing Services Policy
- Purchase procedures
- Sustainability Policy
- Tax policy
- Trade sanction routines

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1. Control environment

Loomis’ group-wide internal control of financial reporting is managed by the Group Finance department and the finance departments of the reporting segments. Group Management and the Group Finance department have joint responsibility to oversee and verify that the Group has local routines to meet the provisions in both global and local laws and regulations, and to ensure that financial reporting is correct. Loomis has a segment structure for monitoring and guiding the countries in each segment. Responsibility for the application of laws and regulations in financial reporting, compliance with the Group’s routines and procedures, and internal control rests with each subsidiary and country management team.

Group Management and the Group Finance department are responsible for following up on the work of external auditors. Observations and recommendations from the external auditors are discussed with the subsidiary in question and any action plans and action owners are communicated to the relevant individuals who takes the necessary actions, which are thereafter followed up. The results of internal control work are reported to the Audit Committee upon request.

2. Risk assessment

An assessment of the risks associated with financial reporting is conducted annually. If necessary, further control activities are introduced or existing ones are strengthened.

3. Control activities

Control activities are the actions established through Loomis’ policies and procedures that help to ensure that management’s directives on risk mitigation are carried out in order to achieve the objectives. Control activities have been developed and implemented to mitigate financial reporting risks.

Control activities are performed at all levels, and at different stages of the business processes.

4. Information and communication

Each operating entity within the Group regularly conducts a self-assessment of insights into and compliance with the specific parts of the Group’s internal control requirements. The Group’s external auditors validate the self-assessments carried out. This system enables comparisons to be made between countries and for results to be compiled at the Group and country levels. Reports are made available to each country management team, segment management, Group Management and the Audit Committee.

5. Monitoring activities – roles and responsibilities

The Board, President and CEO and CFO monitor internal control of financial reporting. The Board has appointed an Audit Committee tasked with, among other things, ensuring independent oversight of the effectiveness of the Group’s internal control systems and financial reporting process. The procedures used by the Board to examine the efficiency of the internal control system include:

- Discussions with Group Management or the functions responsible on risk areas identified by Group Management and the risk analysis performed.
- Addressing material observations made in the external audit and issues arising in other reviews/investigations.
- Review of Group Management’s monthly reconciliations where an entity’s actual results are compared to the budget, deviations are identified, and key performance indicators and forecasts are analyzed.

Second Line – support and control functions

Loomis has established independent support and control functions with the task to support management and oversee the work of the first line on risk management and compliance in order to ensure that risks and controls are effectively managed.

The second line consists of the risk control function, the compliance function, the ERM committee and the steering committees for data privacy and information security.

Risk control function

In addition to risk management carried out by the subsidiaries (first line), Loomis has established a Group risk control function that works independently from business operations. The risk control function reports directly to the Group Chief Risk Officer and the Board, primarily through the Audit Committee. The risk control function supervises and supports risk management at all levels within Loomis, prioritizing work in local risk control functions for regulated subsidiaries.

The most significant duties of the Group risk control function are to:

- Ensure that there is an appropriate risk management framework and that all risks are identified, assessed, measured, monitored, managed and properly reported on by the relevant units within Loomis
- Inform Group Management, and the Board on an ongoing basis of significant risks and any risk control deficiencies

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Compliance function

Loomis has established a Group compliance function that works independently from business operations. The compliance function reports directly to the President and CEO and the Board, primarily through the Audit Committee. The compliance function supervises that compliance risks are identified and adequately mitigated and ensures that Loomis complies with both internal and external regulations. The group compliance function is primarily focusing on the group's regulated subsidiaries.

The most significant duties of the Group compliance function are to:

- Identify and monitor the risk that the Company does not fulfil its obligations according to applicable rules and regulations
- Supervise and verify compliance with rules and regulations, and with the Group's internal rules
- Review and assess on a regular basis whether the Group's routines within compliance are appropriate and effective
- Provide advice and support to the organization and its employees, executives and Board on the rules and regulations that apply to the operations, as well as the Group's internal rules
- Inform and report to the Company's Board and CEO on a regular basis of identified risks within compliance

Enterprise risk management (ERM) committee

The ERM committee acts as a steering- and decision forum on risk and insurance related topics in the Group. The committee consists of Chief Risk Officer (Chair), President and CEO, Chief Financial Officer, Head of IT, Chief Human Resources Officer, and Chief Compliance Officer.

Steering committee on data privacy protection

Loomis' processes to ensure data privacy are based on the principle that responsibility for being compliant with data privacy regulations lies with the operations within each Group entity, including the responsibility to establish the necessary local guidelines and structure.

Although the entities have the local responsibility, Loomis recognizes the value of coordination within the Group. For that purpose, Loomis has a Steering Committee tasked with following the application of data privacy regulations in the Group.

Steering committee on information security

Loomis manages information security through the office of the Chief Information Security Officer (CISO). The CISO office has three main subfunctions – Information security, IT security and Information security compliance; each managed through dedicated resources.

To support the rollout of systematic information security processes in the Group, the CISO office has established an Information Security Management System (ISMS) that is rolled out to the subsidiaries through the local CISO network.

In order to further protect Loomis' initiatives, especially in the area of digitalization, but also to enable new business, the intention is for the ISMS to be certified according to the ISO 27001 standard.

Third line – Internal Audit

Loomis has a Group internal audit function that reports to the Board through the Audit Committee. The internal audit function assists the Board and Group Management in achieving corporate objectives and discharging their duties and responsibilities by bringing a systematic and disciplined approach, providing independent assurance that Loomis' risk management, governance and internal control processes are operating effectively.

The internal audit function is responsible for performing audit work throughout the Group, covering a vast span of processes and projects, providing insight how Group entities are performing, areas for improvement and how to prepare for the future.

The most significant duties of the group internal audit function are to review and regularly evaluate that:

- Operations are effective and efficient
- Financial reporting is reliable and in compliance with laws and regulation
- The business is operated in accordance with Loomis' established corporate governance model and with policies and guidelines issued by the Board
- There is an effective and sound control environment
- Appropriate risk management processes are in place and analysis is carried out to ensure risks are aligned with the organization's risk appetite
- Assets are appropriately safeguarded

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Board of Directors

							
	Alf Göransson	Cecilia Daun Wennborg	Lars Blecko	Johan Lundberg	Jeanette Almberg	Liv Forhaug	Santiago Galaz
	Member of the Board of since 2007 and Chair of the Board since 2009. Remuneration Committee Chair.	Member of the Board since 2013. Audit Committee Chair.	Member of the Board since 2019.	Member of the Board since 2019. Member of the Audit Committee.	Member of the Board since 2020. Member of the Remuneration Committee.	Member of the Board since 2021. Member of the Audit Committee.	Member of the Board since 2022
Born	1957	1963	1957	1977	1965	1970	1959
Education	International Economics, University of Gothenburg.	Bachelor of Science in Business and Economics, Stockholm University.	Master of Science, Karlstad University	Master of Science in Business, Stockholm School of Economics.	Master of Science in Business and Economics, Linköping University. Studies in psychology, Linköping University.	Master of Science in Business, Stockholm School of Economics.	Business and Marketing ESIC (Madrid, Spain)
Current position and other appointments	Chair of the boards of Hexpol AB, NCC AB and Axfast AB. Board member of Attendo AB, Sweco AB, Melker Schörling AB, Sandberg Development Group and Anticimex AB.	Board member of Bravida Holding AB, Getinge AB, Atvexa AB, Hotel Diplomat AB, the Oxfam Foundation in Sweden, Oncopeptides AB and CDW Konsult AB. Member of the Swedish Securities Council.	Chair of Sortera AB. Board member of Ramudden Acquisition AB and Axel Johnson Inc.	Chair of Betson AB. Board member of Ölands Bank AB, Svolder and Coinshares. Deputy board member of NFT Ventures AB.	Head of Business Support & Operations SEB.	CEO Martin & Servera. Board member of Hufvudstaden AB, Svensk Handel and Svenskt Näringsliv.	Chair Securitas North America, Board member of Grupo Lar and Vesta Capital.
Previous experience	Board member and President and CEO of Securitas AB, President and CEO of NCC AB, CEO of Svedala Industri AB, Business Area Manager at Cardo Rail and President Swedish Rail System.	Vice President of Ambea AB, President of Carema Vård och Omsorg AB, CFO of Ambea AB and Carema Vård och Omsorg AB, Acting President at Skandiabanken, Head of Swedish Operations at Skandia and President of Skandia Link.	Regional President Loomis USA, President and CEO of Loomis AB, CEO of Rottneros AB, Senior Vice President Sales and Marketing Cardo Rail AB and Managing Director Radiopharmaceuticals within the DuPont Group in Belgium, Switzerland, Germany and the UK.	Founder and CEO of NFT Ventures AB. CEO of Betalo/ PFC AB. Management positions at Paytech and Mastercard International.	CEO SEB Kort, Head of Operations SEB, Head of HR SEB, Director Customer Operations, Tele2.	Partner McKinsey & Company and Chief Strategy Officer at ICA Gruppen AB. Board member of Thule Group AB.	Divisional President Securitas North America, Divisional President Securitas Cash Handling Services Europe, Country President Securitas Spain, has previously led various organizations in the service sector in Spain.
Shares in Loomis as of Dec. 31, 2022	6,000	1,400	51,668	1,500	500	1,000	9,250
Other information	Independent of major shareholders. Independent of the Company.	Independent of major shareholders. Independent of the Company.	Independent of major shareholders. Not independent of the Company.	Independent of major shareholders. Independent of the Company.	Independent of major shareholders. Independent of the Company.	Independent of major shareholders. Independent of the Company.	Independent of major shareholders. Independent of the Company.

Chalanja Henningsson Born: 1977. Member of the Board of Loomis AB since 2021. Employee representative, appointed by Swedish Transport Worker’s Union. Shareholding in Loomis: 0

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As of March 2023

							
	Aritz Larrea	Kristian Aceby	Georges López	Björn Züger	Mårten Lundberg	Sara Björkman	Stellan Abrahamsson
	President & CEO Loomis Group	Chief Financial Officer	President and CEO Loomis Europe and Latin America	President and CEO Loomis USA	Chief Human Resources Officer	Chief Compliance Officer	Chief Risk Officer
Born	1973	1977	1965	1970	1965	1971	1976
Employed since	2014	2018	1985	1990	2014	2020	2022
Principal Education	Executive Master in Business Administration, Instituto de Empresa.	Bachelor of Science in Business and Economics*, University of Skövde.	Master of Science in Business and Economics*.	Swiss Commercial Degree, Swiss Business Economics program.	Bachelor of Applied Science in HR from Stockholm University and Executive Master in HRM from Bocconi University, Milan.	Master of Laws, University of Stockholm.	Masters of Science in Economics and Business Administration*, Stockholm School of Economics.
Experience	President & CEO Loomis USA, Country President Loomis Spain, CEO of Grupo Segur, Spain.	CFO Lindab, Vice President Corporate Control at Autoliv Group and Financial Manager of Coop Inköp & Kategori.	Regional President Southern Europe, Country President for France and Spain, Manager in Spain and Cash Center Manager Securitas CHS.	Regional Vice President Loomis Germany/Austria/Switzerland, Managing Director MAT SECURITAS EXPRESS AG Switzerland and Managing Director & Partner O. Lisboa Despachos LTDA, Brazil.	HR Manager, Market Units, at Eniro AB, HR Director Skandia Nordic, HR Manager Swedbank International, Head of Compensation & Benefits Swedbank, HR If P/C Insurance, Sales and marketing Skandia.	Head of Compliance Services and HR at zeb Consulting, Head of the Banking law division for Credit Institutions at the Swedish Financial Supervisory Authority, Head of Corporate Credit and Collection department Nordic at American Express.	Founder and CEO Niramis Consulting, Banking Supervisor at the Swedish Financial Supervisory Authority, Assistant Vice President Fixed Income Portfolio Management Swiss RE, Associate Director Market Risk Control UBS Investment Bank.
Shareholding in Loomis as of Dec. 31 2022	29,282	8,487	23,567	8,963	5,968	1,134	0

* Or equivalent education

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Board Signatures

Stockholm, date according to electronic signature

Board of Directors of Loomis AB

Alf Göransson
Chair of the Board

Jeanette Almberg
Member of the Board

Cecilia Daun Wennborg
Member of the Board

Liv Forhaug
Member of the Board

Johan Lundberg
Member of the Board

Lars Blecko
Member of the Board

Santiago Galaz
Member of the Board

Chalanja Henningsson
Member of the Board,
employee representative

Auditor’s Report on the Corporate Governance Report

To the general meeting of the shareholders in Loomis AB (publ.) corporate identity number 556620-8095

Engagement and responsibility
It is the board of directors who is responsible for the corporate governance statement for the financial year 2022-01-01–2022-12-31 on >pages 61–73 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR’s auditing standard RevR 16 The auditor’s examination of the corporate governance statement. This means that our examination of the corporate governance

statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, date according to electronic signature
Deloitte AB

Peter Ekberg
Authorized Public Accountant

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Risk Management

Sound risk management is one of Loomis’ most important success factors. Given Loomis’ history and the nature of the service offering, the Company has extensive experience in managing risk and takes a structured and proactive approach throughout the organization – at both the local and central levels. Well-managed risk can create opportunities and add value to the business, while risk that is not efficiently managed can cause negative incidents and losses.

Risk management process

Loomis’ systematic risk management is an iterative process. The risk management framework includes the following steps:

- 1. **Identify** the risk, its nature and its root causes.
- 2. **Assess** the level of priority of the risk and how it may affect the Company. Usually, this risk assessment is done by estimating the probability of the risk occurring and its potential consequences.
- 3. **Evaluate** to what extent the risk is acceptable in relation to the overall risk universe that the Company is exposed to.
- 4. **Respond** by managing the risk to bring it to an acceptable level. This may involve risk transfer or risk mitigation actions.
- 5. **Monitor** the risk level after responding to it, verify that the risk is under control and **report** to relevant stakeholders.

Loomis’ risk management is not a one-time procedure but rather an ongoing and iterative process. The risk environment changes over time and it is therefore necessary to continuously revisit, update and identify new risks.

Risk management routines are integrated into the Group’s business planning and performance monitoring. Significant processes are documented and any material risks associated with a specific process are identified and defined in a risk register. The annual risk assessment and the resulting risk register are coordinated and maintained at Group level.

Risks identified within Loomis’ operations are described on the following pages. The risks described are not in any order of significance. There are risks that pertain to Loomis itself and the industry as well as risks that are more general in nature. Certain risks are deemed to be of key significance. The risk mitigation actions for these, as well as the opportunities they bring are described in more detail.

Loomis has a global Operational Risk Management Policy, as adopted by the Board of Directors, which stipulates how the Group is to work proactively and manage operational risk in accordance with other established policies and the Company’s Code of Conduct. For more information, see [>pages 25–26](#) and [>67–70](#).



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Overview of risks relating to Loomis’ business

Strategic risks

- Acquisitions

Acquisitions are part of Loomis’ strategy and a way of growing the business in selected areas. However, there is no guarantee that these acquisitions will be or will remain successful, nor that they will deliver the expected benefits.
- Competition

Loomis operates globally in a market that is highly competitive and in which there are benefits from economies of scale. The Company faces competition from both global and local industry peers. It is possible that competitors will be more successful in bringing new products and service solutions to market or offering more attractively priced services.
- Economy

A potential economic downturn could have an impact on demand for Loomis’s products and services. Inflationary trends may increase the cost of purchased goods and services, as well as payroll expenses, which could have an impact on margins. Loomis can often pass on increased costs to customers, with a timing effect, and has a history of navigating changing macro economical situations well.
- Global risks

Due to Loomis’ global operations, the Company may be affected by world events outside its direct control, for example in the event of a global pandemic or changing geopolitical situations.
- Payment market changes

➤

Loomis and its customers are exposed to changes in preferred payment methods. Changes in consumer purchasing behavior could impact the demand for Loomis products and services. As the market changes, it is necessary to adapt the business to stay relevant and meet customer needs.
- Operational risks
- Customers

While Loomis does not have any individual customers that account for a significant portion of revenues on a global basis, the loss of a customer could have an impact on the business or service offerings within local operations.
- Data privacy

➤

Despite the Group’s efforts to protect data privacy and the security measures the Group has in place, there is a risk that the Group’s activities that involve personal data will not sufficiently comply with applicable data privacy rules and regulations.
- Employee-related risks

➤

Employees are among the most important assets for Loomis and it is necessary to attract and employ motivated employees. Low motivation increases the risk of underperformance and human error. In addition, it is necessary to have processes in place to minimize exposure to internal theft or employee misconduct.
- Information security and IT-infrastructure

➤

As Loomis advances up the value chain by introducing digital payments, the Company’s exposure to cyber threats could increase. This makes Loomis’s information security work even more important. Since IT systems are used in the Company’s operations, IT disruptions could have a negative impact.
- Physical security

➤

Given the nature of Loomis’s product offering it is necessary to maintain superior risk management procedures. If physical security measures are insufficient or insurance polies do not provide adequate coverage, this could lead to inadequate protection of Loomis’s employees and assets.

Climate change and the environment

- Loomis provides information on the risks and opportunities that climate change may have on the business in accordance with the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD). See >pages 48–49.

Compliance risks

- Loomis’ global operations require compliance with the provisions in various laws and regulations, including regulations on anti-money laundering and countering the financing of terrorism in many countries where the Company operates. Non-compliance or deviations may result in fines or other sanctions from authorities.

Legal risks

Through its operations Loomis could be exposed to disputes and legal actions as well as risks associated with the application of existing laws, other regulations and changes in legislation.

Financial risks

- Exposure to risks associated with financial instruments are a natural part of Loomis’ business, where Loomis accepts financial risks that are deemed to contribute to Loomis’ long-term objectives. Financial risks are managed by Group Treasury in accordance with the Group Financial Policy and Instructions adopted by the Board of Directors. Loomis’ exposure to financial risks and how they are managed are described in detail in Note 22 on >pages 113–117.

➤

Represents identified key risks and are described in more detail either on the following pages or where referenced.

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Key risks, mitigation and opportunities*

Risk	Mitigation	Opportunities
Compliance risks		
Compliance		
Loomis' global operations require compliance with the provisions in various laws and regulations. A potential incident or deviation from external requirements in licensed business areas may impact operations by having brand and trust implications, and could also result in sanctions from authorities.	The Group Compliance function is responsible for oversight of compliance within the Group, and for aligning and coordinating compliance work. Group Compliance provides support to entities in the form of advice on laws and regulation, and ensures that governing documents, such as policies and guidelines, are in place. There is a focus on compliance throughout the organization, and routines and processes are in place to prevent and identify deviations. Compliance tools are used to ensure regulatory compliance.	➤ Complying with external and internal regulations minimizes costs, increases business opportunities and strengthens Loomis' reputation.
Money laundering (ML) and terrorist financing (TF)		
Loomis' operations require compliance with regulations on anti-money laundering (AML) and counter-terrorist financing (CTF) regulations in many markets of operations. Non-compliance or deviation from the requirements could result in fines or other sanctions from authorities.	There are routines and processes in place to ensure compliance to AML and CTF regulations. Through the implementation of AML/CTF tools, Loomis assures compliance with regulations. Loomis conducts training in AML/CTF for relevant employees on a regular basis.	➤ Complying with external and internal regulations minimizes costs, increases business opportunities and strengthens Loomis' reputation.
Data privacy		
In the normal course of business the various Group entities collect, process and retain personal data on, or relating to, individuals (both employees and external parties). Despite the Group's data privacy work and the security measures in place, there is a risk that the Group's activities relating to personal data could be in breach of applicable data privacy rules and regulations.	Loomis has a structured process for its data privacy work and has security measures in place for the Company's facilities and systems and those of third-party service providers and business partners. Ultimate responsibility for data protection rests with the local operations within each group entity (Country President or entity CEO). Loomis has a Data Privacy Steering Committee at the Group level to coordinate group-wide data protection processes and initiatives. The committee's focus is on understanding the risks involved, producing governing documents and implementing internal controls.	➤ A global approach makes Loomis prepared for future data privacy initiatives

* Key risks are listed in alphabetical order and not in order of significant

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Risk	Mitigation	Opportunities
Employee-related risks		
Attract and retain		
Loomis’ ability to provide superior services, ensure unsurpassed security and achieve its strategy is closely linked to the Company’s ability to attract and retain talented and motivated employees. Competition for talent is fierce and Loomis recognizes the need to focus on this area to continue to be recognized as an attractive and reliable employer.	Loomis works with four key components to attract and retain talent: (1) strategy/business plan, (2) organizational structure, (3) job roles and (4) personal attributes. There is a wide range of activities and initiatives in each sub-area at the central and local levels and these are coordinated between the levels.	➤ Motivated and skilled employees enable Loomis to achieve or exceed strategic and tactical targets
Health and Safety		
Keeping employees safe is one of the highest priorities. Accidents and inadequate safety measures can result in injuries.	Given the risk that handling valuables and cash involves, an assessment of employee health and safety is a natural aspect of every assignment. Loomis has established rigorous health and safety routines and procedures to protect its employees. Different measures are in place depending on the employees’ tasks. Loomis’ risk department continuously audits security and safety measures to ensure that they are meticulously followed.	➤ By investing in health and safety measures, Loomis can successfully protect its employees and assets.
Internal fraud, corruption and other staff misconduct		
As a provider of infrastructure for the payment ecosystem, Loomis’ success is based on the Company’s solid reputation as a trustworthy company with integrity. Any perceived or actual failures in our ability to conduct our business ethically, securely and responsibly constitute a risk. Employees who use their position within Loomis to commit fraudulent activities, or knowingly or unknowingly breach Loomis’s Code of Conduct requiring ethical and professional behavior could harm Loomis, both in terms of direct financial damage and indirectly through reputational damage.	Loomis has processes in place to prevent fraud and other misconduct. • There is zero-tolerance on bribery and corruption. Loomis works actively on further strengthening the Company’s culture of high ethical standards. • All Loomis employees are subject to background checks and are screened on a regular basis for early detection of any indication of risky behavior. • All Loomis employees have access to an anonymous whistleblower system • There are internal control routines in place to prevent and detect deviations, see >pages 67–70.	➤ Professionalism, integrity and ethical behavior are prerequisites for a fruitful relationship with any Loomis stakeholders, such as customers employees, suppliers or investors. Further strengthening the culture and the controls in place to foster correct behavior will therefore also strengthen and facilitate Loomis’s relationships with these stakeholders and will ultimately be a competitive advantage. ➤ Working against corruption and bribery improves Loomis’ credibility and transparency and creates more ways to improve and uphold stakeholders relations. ➤ The Code of Conduct and Group policies help maintain stakeholder trust in Loomis

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Risk	Mitigation	Opportunities
Information security		
As Loomis advances up the value chain by introducing digital payments, the exposure to cyber threats may increase.	Loomis has implemented routines and processes to detect deviations and attempts to disturb the Company's IT infrastructure. Information security is dealt with in cross functional forums to ensure data protection across the organization. There are programs and training initiatives to educate and increase cyber security awareness among Loomis employees and suppliers. Loomis is also in the process of establishing an Information Security Management System in accordance with established industry standards (ISO27001) which will enable systematic work to mitigate cyber risks. If Loomis were to be subject to a cyber-attack there are strong controls in the Loomis Datacenter to ensure the availability of IT services. This is tested on a regular basis together with internal stakeholders within the business. These controls are also incorporated in Business Continuity Plans.	➤ A robust information security framework with strong cyber security controls enables Loomis to main the trust of all stakeholders, including customers and investors. The intention is to certify the information security frame-work in accordance with industry standards, which is something more and more stakeholders expect and require. This will also lead to new business opportunities
Payment market changes		
Both Loomis and its customers are exposed to changes in payment methods that could require changes in the processes of financial institutions and retailers. Changing consumer behaviors relating to purchases and payments could impact the demand for Loomis' products and services. As the market changes, it is necessary to adapt the business to stay relevant and meet customer needs.	By maintaining a close relationship with customers, delivering a high level of service, and understanding customer needs, Loomis can develop new products and services to stay relevant. Loomis continuously adapts solutions to the changing market conditions and innovates to better solve the challenges faced by customers. Loomis invests in the development of comprehensive and digital solutions that meet customers' needs.	➤ Loomis holds a strong position as one of only a few providers that offer both cash management and digital payment methods.
Physical security		
Loomis' business is to a large extent based on assuming the physical risk associated with handling cash, valuables and payments on behalf of its customers. This makes exposure to external risks such as the risk of robbery an inevitable part of Loomis' business operations.	Loomis has a systematic risk management process where the risk of each activity is assessed and appropriate risk mitigating measures are implemented accordingly. Loomis educates customers on mitigation strategies that they can adopt to minimize the risk of falling prey to external threats. Loomis has established policies, standards and guidelines as well as local procedures to minimize risks. There are robust processes and routines in place to proactively and systematically identify, take stock of, evaluate, classify, manage and follow-up on risks. As an additional safety net, Loomis has extensive insurance coverage for liability and loss of valuables.	➤ Superior management of physical risk gives Loomis a competitive edge with customers, ensuring that they continue to trust Loomis to handle their cash and valuables. This enables us to maintain customer satisfaction and gives us the potential to grow our market share. ➤ Excellent management of physical risk also results in lower losses, which in turn lowers insurance costs, enabling Loomis to offer even more competitive pricing to customers.



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Administration Report Loomis AB

The Board of Directors (the Board) and the President of Loomis AB (publ) corporate identity number 556620-8095, registered office in Stockholm, hereby present the annual financial statements and consolidated financial statements for the 2022 financial year.

The Group's operations

Loomis offers national cash handling services in the North America, in major parts of Europe and in some parts of South America, as well as cross-border transportation of cash and precious metals and storage of valuables. Since the autumn of 2020, Loomis also offers digital payment solutions, Loomis Pay, which are primarily aimed at small and medium-sized merchants. The traditional services are mainly aimed at central banks, commercial banks, retailers, other commercial enterprises and the public sector.

Loomis' operations involve taking over the customers' risks associated with managing, transporting and storing cash, precious metals and valuables. In light of the nature of the business, there is a risk of the loss of cash and valuables due to criminality or failures in procedures, and a risk of personal injury. Managing and controlling these risks is therefore a key aspect of the Company's operations, and a total of 250 individuals work on operational risk management at the Group, regional and national levels. Common risk management structures, processes and systems are established at the Group level and employed by all of the local operations and branches. Tools and processes have been established to identify, take action and monitor risk. The risk management organization works both proactively and reactively. This includes implementing preventive measures, monitoring the external environment and carrying out crisis management. The safety of the employees is always the main focus of risk management and employees at all levels must understand and be able to manage the risks associated with their particular operations. A focus on ethics and values as well as well-defined work routines are key aspects of the employees' professional development. Actively monitoring the external environment also enables Loomis to anticipate possible incidents.

Significant events during the year

On February 9, it was announced that Patrik Andersson, the President and CEO of Loomis at the time, would conclude his operational career and leave his role at Loomis.

On March 19, the Board of Directors of Loomis AB appointed Aritz Larrea as new President and CEO of the company. Aritz took up his position on May 23.

On March 23, Loomis held a virtual Capital Markets Day, at which new financial and sustainability targets for the 2022–2024 strategic period were presented.

At the beginning of 2022, Loomis made a change to the organizational structure whereby the mergers and acquisition (M&A) function was placed under the Chief Financial Officer for the Group. In connection with this change, Johannes Bäckman, who was previously Head of M&A and a member of Group Management, left Loomis.

On April 12 it was announced that Loomis AB had issued an additional SEK 300 million of sustainability-linked bonds (SLBs). The interest on the bonds is variable and based on three months' Stibor plus a credit margin of 1.48 percentage points. The proceeds are to be used for operating activities and to refinance loans. This new issue involved an increase in the existing SLB program which matures on November 30, 2026. As with the SLBs issued previously, the bonds were listed on Nasdaq Stockholm Sustainable Bond List.

On May 4 Loomis AB held its Annual General Meeting. The Meeting resolved in accordance with the proposals presented by the Board and Nomination Committee, respectively. For information on the decisions made by the Annual General Meeting please refer to the press release published on the same day, which is available on Loomis' website, www.loomis.com.

On May 4 it was announced that Björn Züger had been appointed as new President and CEO for Loomis USA. Björn took up his position during the third quarter.

On June 28 it was announced that Loomis AB issued a sustainability-linked bond loan to Svensk Exportkredit (SEK) of SEK 300 million. The bond loan has a term of 4 years maturing in June 2026 and a floating interest rate. The proceeds will be used for general corporate purposes.

On September 7 it was announced that Loomis AB has signed a SEK 600 million loan agreement with the Nordic Investment Bank. The loan has an eight-year term with a linear amortization starting four years after disbursement. Loomis will use the proceeds from the loan to finance investments, in the period up to 2025, supporting its ongoing digital transformation, including for example investments in IT infrastructure and further enhancing Loomis' customer offering.

The Board of Directors resolved on three occasions, as communicated on May 5, July 21 and October 27, to use the authorization granted by the 2022 Annual General Meeting to repurchase own shares. A total of 2,189,000 shares were repurchased during the year for approximately SEK 600 million. The company's total holding of own shares as per December 31 2022, hereby amounts to 3,622,782, which corresponds to 4.81% of the outstanding shares. The total number of shares in the company, including the company's own shares, amounts to 75,279,829.

On December 30, Loomis announced the following: The composition of the Nomination Committee of Loomis AB ahead of the Annual General Meeting 2023, which was announced through a press release on 27 September 2022, has changed as a result of changes in ownership.

Accordingly, the following representatives of Loomis AB's shareholders will be members of the Nomination Committee for the Annual General Meeting 2023:

- Elisabet Jamal Bergström, appointed by SEB Investment Management, Chairperson of the Nomination Committee
- Bernard Horn, appointed by Polaris Capital Management, LLC
- Jacob Lundgren, appointed by Andra AP-fonden
- Tobias Shute, appointed by Paradise Investment Management LLC

The Chair of the Board, Alf Göransson, is co-opted to the Nomination Committee.

Other events

As disclosed in the interim report for the second quarter, a Spanish court rendered in June 2022 a decision to fully uphold Loomis' appeal and annulled the Spanish national competition authority's decision from 2016 to impose fines on Loomis amounting to approx. EUR 7 million for alleged market sharing. Loomis recovered the amount of the fines plus interest during the fourth quarter.

Revenue and income

The Group

Revenue for the full year amounted to SEK 25,315 million (19,723). Real growth was 15.9 percent (9.9), of which organic growth was 14.4 percent (5.6). Revenue was positively affected by higher sales in both Europe and Latin America as well as the USA,

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and by the acquisitions of Swiss Post in Switzerland and ATM Response in USA. Societies have gradually opened after the pandemic leading to strong growth in cash volumes including foreign exchange for tourists. Revenues increased from all business lines but above all revenues increased for SafePoint and FXGS. The FXGS business grew a reported 103 percent for the full year.

Recurring revenue increased for the full year. Revenue from SafePoint and ATM amounted to 34 percent (34) of the Group's total revenues, of which revenues from SafePoint amounted to 13 percent (12) of total revenue and the corresponding proportion for ATMs was 21 percent (22).

The operating income (EBITA) amounted to SEK 2,735 million (1,961) and the operating margin was 10.8 percent (9.9). The exchange rate effect on operating income was approximately SEK 329 million (–115).

The operating income (EBIT) for the full year amounted to SEK 2,532 million (1,738), which includes amortization of acquisition related intangible assets of SEK –113 million (–126) and acquisition-related costs of SEK –67 million (–45). The operating income included an item affecting comparability in Q2 amounting to SEK –23 million from additional remuneration cost in connection with the change of CEO.

Income before tax was SEK 2,172 million (1,545) and includes a net financial expense, including a loss on monetary net assets, of SEK –360 million (–193). The tax expense for the full year was SEK –570 million (–440), which represents a tax rate of 26 percent (28). Earnings per share before dilution amounted to SEK 21.93 (14.74) and after dilution to SEK 21.92 (14.73).

The segments
Europe and Latin America

Revenue for the full year amounted to SEK 12,255 million (10,178). Real growth, which was 16.3 percent (7.5), was positively affected by revenue attributable to the acquisition of the cash handling operations of Swiss Post in May 2021. Organic growth was 14.3 percent (–0.5). The start of the year was challenging, with covid-19 impacting many of Loomis markets. The situation improved gradually and with the opening of societies and the return of consumers to shops and restaurants, volumes returned and came back to pre-pandemic levels. However, imposed restrictions in Asia had a slight impact on the international business as well as less Asian tourism during the year.

SEK m	2022	2021	2020	2019	2018
Consolidated statement of income					
Total revenue	25,315	19,723	18,813	21,044	19,168
Operating income (EBITA) ¹⁾	2,735	1,961	1,775	2,601	2,200
Net income for the year	1,602	1,104	716	1,646	1,538
Consolidated statement of cash flows					
Cash flow from operations	3,645	2,758	2,993	3,362	2,835
Cash flow from investment activities	–1,372	–1,386	–1,839	–1,989	–2,852
Cash flow from financing activities	–2,153	–1,489	–621	–1,049	473
Cash flow for the year	121	–117	533	325	456
SEK m	2022	2021	2020	2019	2018
Consolidated balance sheet					
Capital employed	19,948	17,070	15,392	16,924	12,727
Net debt	7,484	7,007	6,619	7,332	4,305
Shareholders' equity	12,465	10,063	8,773	9,592	8,422

1) Earnings before interest, taxes, amortization of acquisition-related intangible fixed assets, acquisition-related costs and revenue, and Items affecting comparability.

Recurring revenue increased for the full year. Revenue from SafePoint and ATM amounted to 25 percent (26) of the segment's total revenue, of which revenue from SafePoint amounted to 7 percent (7) of the segment's total revenue. The corresponding proportion for ATMs was 18 percent (19).

The operating income (EBITA) amounted to SEK 1,317 million (846) and the operating margin was 10.7 percent (8.3). Increased revenue in combination with the steps that Loomis took early on to compensate for the temporarily lower volumes after the pandemic broke out provided clear results. The impact of inflation and issues with supply chain have not yet been fully compensated. The operations acquired in Switzerland in 2021 are being integrated according to plan and providing synergies.

USA
Revenue amounted to SEK 13,211 million (9,643). Real growth, which was 15.9 percent (12.6), was positively affected by revenue attributable to the acquisition of ATM Response at the end of 2021. Organic growth amounted to 15.0 percent (12.3). Revenue from all offerings grew and SafePoint in particular saw increased volumes.

Recurring revenue increased for the full year. Revenue from SafePoint and ATM amounted to 43 percent (43) of the segment's

total revenue, och which revenue from SafePoint accounted 19 percent (18) of the segment's revenue, and ATMs accounted for around 24 percent (25).

The operating income (EBITA) amounted to SEK 1,822 million (1,452) and the operating margin was 13.8 percent (15.1). The lower operating margin is primarily due to the current challenges in the labor market and issues with the supply chain. In order to maintain both a high growth rate and a high level of service, overtime cost have temporarily been high. The turnover of employees has been high during 2022. The situation gradually improved throughout the year where the US operations have hired and are training new employees. Cost for fuel amounted to 4 percent (3) of revenue.

Loomis Pay
Revenue amounted to SEK 21 million (11). The transaction volumes grew 82 percent during the year. The business has gradually grown during the year, and by the end of the fourth quarter Loomis Pay had doubled the number of customers compared to the first quarter. Focus during the year has been on further developing the Loomis Pay product, both to have a platform that can be passported to additional markets, but also local adaptations to the product for individual markets. The most recent adaptation has been for the launch in

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the Spanish market. The segment's operating income (EBITA) amounted to SEK (−178) million (−149).
Cash flow
Cash flow from operating activities, excluding the IFRS 16 effects, amounted to SEK 2,316 million (1,620), equivalent to 87 percent (85) of operating income (EBITA). Net investments in fixed assets for the year amounted to SEK −1,365 million (−1,156), which can be compared with depreciation (excluding the effect of IFRS 16) of SEK 1,359 million (1,240). Investments made during the year were mainly in buildings, vehicles, machinery and equipment. Investments in relation to depreciation (including IFRS 16) for the year amounted to 0.6 (0.6).
The Group's liquid funds at the end of the year amounted to SEK 6,203 million (5,156), of which SEK 3,940 million (3,146) pertains to liquid funds within the cash processing operations.
Capital employed
The total capital employed as of December 31, 2022 amounted to SEK 19,948 million (17,070 as of December 31, 2021), which is equivalent to approximately 79 percent (87) of revenue. Return on capital employed amounted to 13.7 percent (11.5).
Shareholders' equity and financing
Shareholders' equity increased during the year by SEK 2,402 million, amounting to SEK 12,465 million as of December 31, 2022 (10,063 as of December 31, 2021). The increase is largely explained by translation differences of SEK 2,004 million, net profit for the year of SEK 1,602 million and actuarial gains of SEK 189 million less dividend of SEK 628 million and share repurchase of SEK 600 million. The return on shareholders' equity was 12.9 percent (11.0) and the equity ratio was 39.2 percent (37.0).
Net debt amounted to SEK 7,484 million as of December 31, 2022 (7,007 as of December 31, 2021) and net debt/EBITDA amounted to 1.5 (1.8 as of December 31, 2021).
As of December 31, 2022 the long-term loan facilities totaled SEK 8.2 billion and the short-term loan facilities totaled SEK 2.0 billion. Unutilized loan facilities amounted to SEK 4.9 billion, of which SEK 0.8 billion are used as back-up for outstanding commercial papers. Available liquid funds amounted to around SEK 2.3 billion.
Employees
In 2022, the average number of full-time employees was 24,894 (23,286) in 24 countries (24). The gender distribution was 33

percent (32) women and 67 percent (68) men. Due to the nature of Loomis' operations, the Group's employees assume a considerable amount of responsibility every day. Based on the demands of the Company's operations, Loomis places great emphasis on recruiting the right employees and ensuring that they receive the necessary training. All employees undergo basic training as well as subsequent, regular additional training. The training programs have been adapted to each country and region where Loomis operates. Managers at various levels are offered leadership training to support them in their roles. Loomis also places great emphasis on all employees complying with the Group's core values.
Parent Company
Loomis AB is a holding company with subsidiaries in Argentina, Austria, Belgium, Canada, Chile, China, Czech Republic, Denmark, Finland, France, Germany, Hong Kong, Ireland, Norway, Portugal, Singapore, Slovakia, Spain, Sweden, Switzerland, Turkey, the UK, United Arab Emirates and the USA. Loomis AB is providing Group Management and support functions. The average number of full-time employees at the head office during the year was 41 (33). Net income for the year amounted to SEK 1,868 million (64). In 2022 a total of SEK 1,228 million (801) was returned to the shareholders, through a dividend of SEK 8.50 per share (6.00) and repurchases of shares.
Targets for the strategic period 2022–2024
<i>Financial targets</i>
- Revenue: Average currency-adjusted growth of 5–8 percent per year - Operating margin EBITA: 12–14 percent for 2024
<i>Sustainability targets</i>
- Reduce carbon emissions by 15 percent compared to 2019. Refers to Scope 1 & 2 combined. - Reduction of the occupational injury frequency by 15 percent compared to 2021
Outlook
The market for payment solutions is undergoing change and Loomis is developing comprehensive and digital payment solutions to complement the existing core business. The view is that cash handling services continue to grow in the majority of markets where Loomis operates. Continued outsourcing of cash handling, as well as interest among customers in reviewing the risk posed to their own personnel is also expected to drive Loomis' business. Loomis is also able to manage the flow of cash more efficiently, resulting in cost savings for customers. No forecast is being provided for 2023.

Risks and uncertainties
Sound risk management is one of Loomis' most important success factors. Given Loomis' history and the nature of the service offering, Loomis has extensive experience in managing risks, with a structured and proactive approach throughout the organization, both locally and centrally. Well-managed risks can create opportunities and add value to the business, while risks that are not well-managed may cause incidents and losses.
The routines for managing risks are integrated into the Group's business planning and performance monitoring processes. Risks associated with Loomis' business, including mitigating actions and opportunities for identified key risks, are found on >pages 74–78 .
Information on financial risk management and the use of financial instruments in risk management can be found in Note 22. Information regarding ongoing disputes and valuation of contingent liabilities, see >Note 27 .
The covid-19 pandemic that broke out in early 2020 had a negative effect on the world economy during 2020 and 2021. The postpandemic economic recovery during 2022 coupled with geopolitical uncertainties have led to higher inflation and interest rates in many markets where Loomis operates. The exact impact that the changing macroeconomic situation will have is unforeseeable, but it cannot be ruled out that it may have a negative effect on Loomis' earnings and financial position. Changes in the general economic conditions and market trends can have various effects on demand for cash handling services; for example, through changes in the proportion of cash purchases relative to card purchases, changes in consumption levels, the risk of robbery and bad debt losses, and staff turnover rates.
Information regarding the Loomis share
The total number of shares and votes in the Company excluding treasury shares amount to 71,657,047 (73,846,047) and each share carries 1 vote. The Loomis share is listed on Nasdaq Stockholm stock exchange on the Large Cap list. As of December 31, 2022 the Company held 3,662,782 (1,433,782) treasury shares. For further information on the number of shares issued and the quota value, refer to Note 20. For information on Loomis' shareholders, see >pages 27–28 .
Sustainability Report for 2022
A Sustainability Report has been produced according to the Annual Accounts Act, Chapter 6 Section 10, which is included in the Annual and Sustainability Report 2022 on >pages 29–59 .

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Subsequent events

On 9 January, 2023 Erik Zingmark assumed the position as Head of Loomis Pay, succeeding Kristoffer Labuc who has decided to leave Loomis and pursue his career outside the group. Erik brings extensive experience from the financial industry, most recently from the position as Head of Transaction Banking at Nordea.

In January 2023 Loomis signed an agreement to acquire AIB Express Logistics, a third-party shipping provider of valuables. The company, which is primarily based in the US, had a total revenue of more than SEK 100 million in 2021 and approximately 20 employees. The acquisition was closed during the first quarter 2023. The acquired business will be a part of the Segment USA.

On January 27, 2023 it was announced that Loomis AB signed a three year agreement for a syndicated, revolving credit facility for the amount of EUR 150 million. The facility replaces an existing revolving credit facility maturing in January 2024 and can be extended for an additional one plus one year. The facility can be used for financing of working capital, investments and other general corporate purposes.

On February 1, 2023 it was announced that Loomis signed an agreement with Xos, Inc for the delivery of 150 electric armored vehicles for the US market. The ordered vehicles will be delivered and entered into operations gradually during the year from the second half of 2023.

On February 1, 2023 it was announced that the Board of Directors of Loomis AB resolved to continue to repurchase own shares. The repurchase may commence on February 3, 2023 end not later than March 31, 2023 and comprise an amount up to a maximum of SEK 200 million.

On March 24, 2023 it was announced that Kristian Aceby has resigned from his role as Loomis' Chief Financial Officer and member of Group Management for a new assignment outside of Loomis. Kristian Aceby continues in his current role until a successor is in place, however, will leave his role not later than during the third quarter 2023.

Proposed appropriation of profits

The Board has decided to propose to the Annual General Meeting a dividend of SEK 860 million and to propose May 8, 2023 as the record day for the dividend. It is the Board's assessment that the proposed dividend will allow the Group to fulfill its obligations and make necessary investments.

The Parent Company’s and the Group’s statements of income and balance sheets are subject to adoption by the AGM on May 4, 2023.

At the disposal of the Annual General Meeting, before the proposed dividend, is SEK 4,749,417,760.

The Board proposes that the profits be appropriated as follows:

Dividend to shareholders (12,00 SEK/share)	859,884,564 ¹⁾
To be carried forward	3,889,533,196
Total	4,749,417,760

1) Calculated based on the number of outstanding shares excluding treasury shares at the balance sheet date.

Guidelines for remuneration for Group Management

The following guidelines were adopted by the 2021 Annual General Meeting (AGM)

Scope of the guidelines

These guidelines concern remuneration and other employment benefits to individuals who are part of the Loomis group management team, below referred to as the “Group Management”. Furthermore, these guidelines only apply to agreements entered into after the adoption by the AGM and to any changes in existing agreements after the AGM.

If a Board member performs work for Loomis in addition to the assignment as Board member, the Board member shall receive cash remuneration on market terms, with consideration given to the nature of the assignment and the work effort. Such remuneration is resolved by the Board of Directors (or, if provided by law, by the general meeting).

Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Basic principles and forms of remuneration

The overall strategy of Loomis is to lead the transition of cash management in society. A part of this strategy is that Loomis shall maintain and evolve the Loomis way of working by developing and stimulating new capabilities and skills. This, in turn, requires that Loomis is able to attract and keep competent management employees. For that reason, Loomis is working on the basis of the fundamental principle that remuneration and other terms of employment to Group Management are to be competitive and on market

terms, which is made possible by these guidelines. Thus, these guidelines are expected to contribute to fulfilling Loomis’ business strategy, long-term interests and sustainability. Further information regarding Loomis’ business strategy is available on Loomis’ website www.loomis.com.

The total remuneration to members of Group Management shall consist of fixed salary, variable remuneration, pensions and other benefits, as further elaborated in section *Principles of different types of remuneration* below. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

Loomis has an annual short-term incentive program which includes approximately 350 key personnel, including Loomis’ Group Management. The short-term program is cash-settled and does not include shares. In addition to the short-term incentive program, Loomis has a long-term savings share-based incentive program for Group Management and certain key people. Since the incentive schemes have been resolved by the general meeting, they are excluded from these guidelines. For more information regarding these incentive schemes, including the criteria which the outcome depends on, please see Loomis’ website, www.loomis.com and [>Note 7 Employees and remuneration](#).

Principles of different types of remuneration

Fixed salary

The fixed salary for the Group Management within Loomis is to be competitive and on market terms and based on the individual executive's area of responsibility, powers, competence and experience.

Variable remuneration

In addition to a fixed basic salary, the Group Management may also receive a variable remuneration, which is to be based on the outcome in relation to financial goals and growth targets within the individual area of responsibility (Group, region or subsidiary). Variable remuneration may also be linked to individual performance targets. All variable remuneration shall be in accordance with the interests of the shareholders and is thereby expected to contribute to Loomis’ business strategy, long-term interests and sustainability. For the President and CEO, the variable remuneration shall amount to a maximum of 100 percent of the total fixed cash salary during the measurement period for the criteria for awarding variable cash remuneration. For other individuals of the Group Management, the variable remuneration shall amount to a maximum of 112 percent of the total fixed cash salary during the measurement period for the criteria for awarding variable cash remuneration.

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The Remuneration Committee shall, for the Board of Directors, prepare, monitor and evaluate matters regarding variable cash remuneration to the Group Management. Ahead of each measurement period for the criteria for awarding variable cash remuneration, which can be one or several years, the Board of Directors shall, based on the work of the Remuneration Committee, establish which criteria that are deemed to be relevant for the upcoming measurement period. After a measurement period has ended, it shall be determined to which extent the criteria have been satisfied. The Remuneration Committee is responsible for the assessment regarding variable remuneration to the CEO. With respect to variable remuneration to other members of Group Management, the CEO is responsible for the assessment, after consulting the Remuneration Committee. Evaluations regarding fulfilment of financial targets shall be based on established financial information for the relevant period.

Variable cash remuneration can be paid after the measurement period has ended or be subject to deferred payment. The Board of Directors shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration, for example when it has been paid on incorrect grounds.

Pension
The pension rights of the Group Management shall be applicable as from the age of 65, at the earliest, and shall, to the extent the Group Management is not subject to pension benefits pursuant to collective agreements (ITP-plan), be provided pursuant to a defined contribution pension plan equivalent to maximum 30 percent of the fixed annual salary. For members of the Group Management who are not subject to collective agreements (ITP-plan), variable remuneration shall not be pension qualifying.

Other benefits
Other benefits, such as company car, life insurance, supplementary health insurance or occupational health service are to be provided to the extent this is considered to be on market terms in the market concerned for each member of the Group Management. Premiums and other costs relating to such benefits may amount to not more than 10 percent of the fixed cash salary. Furthermore, housing allowance benefit may be added in line with Loomis' policies. Costs relating to housing allowance benefit may amount to not more than 25 percent of the fixed cash salary. Premiums and other costs relating to other benefits and housing allowance benefit may, however, amount to no more than 30 percent of the fixed cash salary.

Terms at dismissal/resignation
Members of the Group Management are to be employed until further notice. At dismissal, the notice period for the Group Management is to amount to a maximum of 12 months with a right to redundancy payment after the end of the notice period, equivalent to a maximum of 100 percent of the fixed salary for a period not exceeding 12 months. At resignation, the notice period shall amount to maximum 6 months, without a right to redundancy pay. Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to redundancy pay. The remuneration shall amount to not more than 60 percent of the monthly income at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than 12 months following termination of employment.

Preparation by the Board and decision-making in connection with matters regarding salaries and other benefits for the Group Management
The Remuneration Committee appointed among the members of the Board of Directors prepares matters regarding salaries and other terms of employment for the Group Management, which includes preparing the Board of Directors' resolution on proposal for guidelines for remuneration to Group Management. The Committee has no authority to decide but merely presents its proposal to the Board of Directors for adoption. Resolution on remuneration to the President and CEO is made by the entire Board of Directors. For other members of the Group Management, the decision is made by the President and CEO after consultation with the Remuneration Committee. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the AGM. The guidelines shall be in force until new guidelines are adopted by the general meeting.

Salaries and employment conditions for employees
In the preparation of the Board of Directors' proposal for these guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to the Group Management and remuneration to other employees will be disclosed in the remuneration report.

Derogation from the guidelines
The Board of Directors may resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Against this background, the Board of Directors has during 2022 resolved to derogate from the Remuneration Guidelines in relation to one of the company's members of Loomis Group Management. The derogation has been done for the purpose of ensuring that competences and industry experience that is valuable for the company and the group can be secured long-term, and to benefit from significant experience and business understanding, which in the opinion of the Board of Directors is of particular importance since the company during the year appointed a new President & CEO. Refer to Note 7 Employees and remuneration for more information.

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Consolidated statement of income

Consolidated statement of income

SEK m	Note	2022	2021
Revenue	3, 4	25,315	19,723
Production expenses	5, 7	-18,540	-14,492
Gross income		6,775	5,231
Selling and administrative expenses	5, 7	-4,152	-3,396
Other income and expenses	5, 12	-67	-45
Items affecting comparability	9	-23	-52
Operating income (EBIT)		2,532	1,738
Financial income	10	137	71
Financial expenses	10	-351	-209
Loss on monetary net assets/liabilities		-146	-56
Income before taxes		2,172	1,545
Income tax	11	-570	-440
Net income for the year ¹⁾		1,602	1,104
Other comprehensive income			
Items that will not be reclassified to the statement of income			
Remeasurment of defined benefit pension plans		189	87
Items that may be reclassified to the statement of income			
Translation differences		2,004	981
Revaluation of participation in associated companies		11	-
Hedging of net investments, net of tax		-189	-90
Other comprehensive income and expenses for the year, net after tax		2,015	978
Total comprehensive income and expenses for the year ²⁾		3,617	2,083

1) Net income for the year is entirely attributable to the owners of the Parent Company.
2) Comprehensive income is entirely attributable to the owners of the Parent Company.

For explanation and reconciliation of alternative performance measures please refer to >pages 130–133.

In connection with the introduction of the change in the format of presentation, SEK 126 million relating to amortization of intangible assets has been moved from sales and administration costs to production costs and thereby reduced gross profit by the corresponding amount in 2021.

Data per share

SEK	Note	2022	2021
Earnings per share before dilution		21.93	14.74
Earnings per share after dilution	20	21.92	14.73
Dividend paid during the year		8.50	6.00
Number of outstanding shares (million)		71.7	73.8
Average number of outstanding shares before dilution (million)		73.0	74.9
Average number of outstanding shares after dilution (million)	20	73.1	75.0

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SEK m	Note	Dec. 31, 2022	Dec. 31, 2021
ASSETS			
Fixed assets			
Goodwill	12, 13	8,075	7,185
Intangible assets	12, 13	1,021	1,147
Buildings and land	14	1,139	970
Machinery and equipment	14	5,018	4,463
Right-of-use assets	15	3,763	3,008
Contract assets	3	254	164
Deferred tax assets	11	388	449
Pension plan assets	23	245	225
Interest-bearing financial fixed assets	22	557	466
Other long-term receivables		327	273
Total fixed assets		20,788	18,349
Current assets			
Accounts receivable	16	3,311	2,686
Other current receivables		309	236
Current tax assets	11	303	263
Prepaid expenses and accrued income	17	851	527
Interest-bearing financial current assets	22	14	13
Liquid funds	18	6,203	5,156
Total current assets		10,992	8,880
TOTAL ASSETS		31,780	27,228

SEK m	Note	Dec. 31, 2022	Dec. 31, 2021
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	20		
Capital and reserves attributable to the owners of the Parent			
Share capital		376	376
Other capital contributed		4,594	4,594
Other reserves		2,122	894
Retained earnings including net income for the year		5,372	4,199
Total shareholders' equity		12,465	10,063
Long-term liabilities			
Interest-bearing non-current lease liabilities		2,987	2,348
Loans payable	22	4,270	5,636
Deferred tax liabilities	11	487	436
Provisions for claims reserves	24	472	451
Provisions for pensions and similar commitments	23	560	724
Other provisions	24	144	118
Other long-term liabilities	3	162	126
Total long-term liabilities		9,082	9,839
Current liabilities			
Interest-bearing current lease liabilities		879	701
Loans payable	22	1,867	311
Accounts payable		859	687
Provisions for claims reserves	24	327	231
Current tax liabilities	11	212	274
Liabilities, cash processing operations	19	3,453	2,818
Accrued expenses and prepaid income	25	1,906	1,689
Other provisions	24	53	45
Other current liabilities	26	676	569
Total current liabilities		10,233	7,326
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		31,780	27,228

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Consolidated statement of cash flows

SEK m	Note	Dec. 31, 2022	Dec. 31, 2021
Operations			
Income before taxes		2,172	1,545
Depreciation and amortization		2,361	2,027
Items not affecting cash flow	28	352	141
Financial items received		84	29
Financial items paid		–379	–223
Income tax paid		–592	–375
Change in accounts receivable		–319	–341
Change in other operating capital employed and other items		–34	–45
Cash flow from operations		3,645	2,758
Investing activities			
Investments in fixed assets	13,14	–1,426	–1,162
Disposals of fixed assets		54	6
Acquisition of operations	12	–	–230
Cash flow from investing activities		–1,372	–1,386
Financing activities			
Dividend paid	20	–628	–451
Acquisition of own shares		–600	–350
Issuance of bonds		600	1,200
Issuance of commercial papers and other long-term borrowing		4,867	4,489
Redemption of commercial papers and other long-term borrowing		–5,388	–5,758
Change in other interest-bearing net debt		–1,004	–619
Cash flow from financing activities		–2,153	–1,489
Cash flow for the year		121	–117
Liquid funds at beginning of year¹⁾			
Translation differences on liquid funds		134	71
Liquid funds at end of year¹⁾	18	2,264	2,009

1) Excluding liquid funds in cash processing operations. See also Note 18 Liquid Funds.

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Consolidated statement of changes in equity

2021	Attributable to the owners of the Parent Company					
SEK m	Share capital	Other contributed capital	Other reserves	Retained earnings incl. net income for the year	Non-controlling interest	Total
Opening balance, January 1, 2021	376	4,594	344	3,458	1	8,773
Comprehensive income						
Net income for the year	–	–	–	1,104	–	1,104
Other comprehensive income						
Remeasurment of defined benefit pension plans, net of tax	–	–	–	87	–	87
Translation differences	–	–	981	–	–	981
Revaluation of participation in associated companies	–	–	–	–	–	–
Hedging of net investments, net of tax	–	–	–90	–	–	–90
Total other comprehensive income	–	–	891	87	–	978
Total comprehensive income	–	–	891	1,192	–	2,083
Transactions with shareholders						
Dividend	–	–	–	–451	–	–451
Share-based remuneration and swap agreements	–	–	9	–	–	9
Acquisition of own shares	–	–	–350	–	–	–350
Non-controlling interest	–	–	–	–	–1	–1
Total transactions with shareholders	–	–	–341	–451	–1	–793
Closing balance, December 31, 2021	376	4,594	894	4,199	–	10,063

2022	Attributable to the owners of the Parent Company				
SEK m	Share capital	Other contributed capital	Other reserves	Retained earnings incl. net income for the year	Total
Opening balance, January 1, 2022	376	4,594	894	4,199	10,063
Comprehensive income					
Net income for the year	—	—	—	1,602	1,602
Other comprehensive income					
Remeasurment of defined benefit pension plans, net of tax	—	—	—	189	189
Translation differences	—	—	2,004	—	2,004
Revaluation of participation in associated companies	—	—	—	11	11
Hedging of net investments, net of tax	—	—	–189	—	–189
Total other comprehensive income	—	—	1,815	199	2,015
Total comprehensive income	—	—	1,815	1,801	3,617
Transactions with shareholders					
Dividend	—	—	—	–628	–628
Share-based remuneration and swap agreements	—	—	12	—	12
Acquisition of own shares	—	—	–600	—	–600
Non-controlling interest	—	—	—	—	—
Total transactions with shareholders	—	—	–588	–628	–1,215
Closing balance, December 31, 2022	376	4,594	2,122	5,372	12,465

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Parent Company statement of income

SEK m	Note	2022	2021
Other revenue		812	574
Administrative expenses	6, 7	-449	-293
Items affecting comparability	9	-23	-
Operating income (EBIT)		339	281
Result from financial investments			
Result from participations in Group companies	10	1,823	-151
Financial income	10	1,678	988
Financial expenses	10	-1,985	-1,094
Total result from financial investments		1,516	-257
Income after financial items		1,855	25
Appropriations		9	-7
Income tax	11	5	45
Net income for the year		1,868	64

Parent Company statement of comprehensive income

SEK m	2022	2021
Net income for the year	1,868	64
Other comprehensive income	-	-
Total comprehensive income for the year	1,868	64

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Parent Company balance sheet

SEK m	Note	Dec. 31, 2022	Dec. 31, 2021
ASSETS			
Fixed assets			
Intangible fixed assets		7	61
Machinery and equipment	14	11	15
Shares in subsidiaries	21	9,373	9,405
Interest-bearing long-term receivables from subsidiaries	30	2,497	3,091
Other long term receivables		90	60
Deferred tax assets		15	2
Total fixed assets		11,993	12,634
Current assets			
Current receivables from subsidiaries	30	74	21
Interest-bearing current receivables from subsidiaries	30	2,008	877
Other current receivables		30	38
Current tax assets		112	101
Prepaid expenses and accrued income	17	162	46
Liquid funds		785	471
Total current assets		3,169	1,554
TOTAL ASSETS		15,163	14,188

SEK m	Note	Dec. 31, 2022	Dec. 31, 2021
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
<i>Restricted equity</i>			
Share capital	20	376	376
Total restricted shareholders' equity		376	376
<i>Non-restricted equity</i>			
Other capital contributed		5,673	5,673
Retained earnings		–2,792	–1,654
Net income for the year		1,868	64
Total non-restricted shareholders' equity		4,749	4,083
Total shareholders' equity		5,123	4,459
Untaxed reserves			
		6	15
Long-term liabilities			
Loans payable, external	22	4,267	5,618
Other long-term liabilities external		35	12
Total long-term liabilities		4,302	5,630
Current liabilities			
Current liabilities to subsidiaries	30	63	103
Loans payable to subsidiaries	30	3,662	3,572
Interest-bearing current liabilities, external		1,734	198
Accounts payable		25	25
Other current liabilities		59	46
Accrued expenses and prepaid income	25	186	140
Total liabilities		5,729	4,084
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		15,163	14,188

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Parent Company statement of cash flows

SEK m	Note	2022	2021
Operations			
Income after financial items		1,855	25
Depreciation and amortization		14	13
Items not affecting cash flow	28	291	411
Income tax paid		–22	–13
Change in other capital employed		1	–12
Cash flow from operations		2,138	425
Investing activities			
Investments in fixed assets		–	–41
Shares in subsidiaries		–15	–204
Cash flow from investing activities		–15	–244
Financing activities			
Other changes in fixed assets		590	49
Decrease/increase in current financial investments		–2,182	–101
Decrease/increase in liabilities		1,886	197
Issued commercial papers		–904	534
Dividend paid		–628	–451
Acquisition of own shares		–600	–350
Share swap agreement		21	49
Share related remuneration		7	–
Cash flow from financing activities		–1,810	–73
Cash flow for the year		314	108
Liquid funds at beginning of year		471	363
Liquid funds at end of year¹⁾		785	471

1) Liquid funds include interest-bearing financial current assets with maturity shorter than 90 days.

Parent Company statement of changes in equity

SEK m	Share capital	Other contributed capital	Retained earnings including Net Income for the year	Total
Opening balance, January 1, 2021	376	5,673	–902	5,147
Comprehensive income				
Net income for the year	–	–	64	64
Total comprehensive income	–	–	64	64
Total transactions with shareholders				
Dividend	–	–	–451	–451
Share-related remuneration	–	–	2	2
Acquisition of own shares	–	–	–350	–350
Share swap agreement	–	–	48	48
Total transactions with shareholders	–	–	–752	–752
Opening balance, January, 2022	376	5,673	–1,590	4,459
Comprehensive income				
Net income for the year	–	–	1,868	1,868
Total comprehensive income	–	–	1,868	1,868
Total transactions with shareholders				
Dividend	–	–	–628	–628
Share-related remuneration	–	–	7	7
Acquisition of own shares	–	–	–600	–600
Share swap agreement	–	–	21	21
Total transactions with shareholders	–	–	–1,199	–1,199
Closing balance, December 31, 2022	376	5,673	924	5,125

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NOTE 1 Accounting principles

Loomis AB (Parent Company, corporate identity number 556620-8095) and its subsidiaries offer comprehensive solutions for cash handling in the USA, large parts of Europe, and in Argentina and Chile, as well as cross-border transportation of cash and precious metals and storage of valuables. Loomis also provides payment platforms for retailers.

The Parent Company is a limited liability company with its registered office in Stockholm. The visiting address of the head office is Drottninggatan 82, 111 36 Stockholm, Sweden. The Parent Company is a holding company with the primary purpose of holding and managing shares in a number of subsidiaries, and engaging in group-wide management and administration. The consolidated accounts are subject to adoption by the Annual General meeting on May 4, 2023.

Basis of preparation of the financial statements

The Group applies the International Financial Reporting Standards, IFRS (formerly IAS), as adopted by the European Union (EU), the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups, and the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the cost method, with the exception of available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) measured at fair value through profit or loss. For information on critical estimates and assessments, see Note 2.

The most important accounting principles applied in the preparation of this Annual Report are described below. Loomis adds a description of accounting principles to every note to provide a better understanding of the respective accounting area. Loomis focuses on describing the accounting decisions that the Group has made within the framework of the applicable IFRS standard and avoids reproducing the actual paragraph text, unless Loomis considers this of particular importance in order to understand the content of the note.

Unless otherwise stated, the accounting principles have been applied consistently for all the years presented. The same principles are normally applied by both the Parent Company and the Group. In certain cases, the Parent Company applies different principles than the Group and this is indicated in the section "Parent Company accounting principles".

The Group has adopted the Interest Rate Benchmark Reform – Phase 2, as of January 1, 2021. This makes it possible to reflect the effects of transitioning from Interbank Offered Rates (IBOR) to Alternative Reference Rates (ARR). The Group has applied the Phase 2 amendments retroactively, but has not had any changes to previous periods. The amendments to the reform are relevant to the Group because it has loan agreements in CHF and GBP, and certain

amendments to these have been made based on the reform. The Group has, however, made the assessment that this has not had any material impact on the Group and that adequate steps have been taken to manage the risks.

New or amended accounting standards applied in 2022

The following new or amended standards were applicable as of January 1, 2022: IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous contracts – Cost of fulfilling a contract (endorsed by EU on 28 June 2021), Annual Improvements 2018–2020, IAS 16 Property, Plant and Equipment: Proceeds before Intended use (endorsed by EU on 28 June 2021), IFRS 3 Business Combinations: Reference to conceptual framework (endorsed by EU on 28 June 2021). The new or amended standards have not had any material impact on Loomis' financial statements.

New or amended accounting standards to be applied after 2022

The following new or changed reporting standards have been published but are not mandatory for 2022, and have not been early-adopted by Loomis: IFRS 17 Insurance contracts: Insurance contracts (endorsed by EU on November 19, 2021), IAS 1 Presentation of Financial Statements: Disclosure of accounting policies (endorsed by EU on March 2, 2022), IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates (endorsed by EU on March 2, 2022), IAS 12 Income taxes: Deferred tax relating to assets and liabilities arising from a single transaction (endorsed by EU on August 11, 2022), IFRS 17 Insurance contracts: Initial application of IFRS 17 and IFRS 9 - comparative information (endorsed by EU on September 8, 2022), IFRS 16 Leases: Lease liability in a sale and leaseback, IAS 1 Presentation of Financial Statements: Classification of liabilities as current and non-current, IAS 1 Presentation of Financial Statements: Non-current liabilities with covenants. These new or amended standards have not been adopted by the EU unless specifically stated otherwise, and they are not expected to have any material impact on Loomis' financial statements.

Scope of consolidated financial statements

The consolidated financial statements cover the Parent Company Loomis AB and all of the subsidiaries. Subsidiaries are all companies over which the Group has a controlling interest. The Group controls a company when Loomis is exposed to or has the right to variable returns from its holding in the company and has the ability to affect those returns through its influence over the company. Subsidiaries are consolidated into the accounts from the date on which the controlling influence is transferred to the Group. They are deconsolidated from the date the controlling influence ceases to exist.

Translation of foreign subsidiaries

The functional currency of the Parent Company and the presentation currency of the Group, i.e. the currency in which the financial statements are presented, is the Swedish Krona (SEK). The financial statements of foreign subsidiaries are translated according to the following principle: each month's statement of income is translated applying the exchange rate in effect on the last day of that month. The income for each month is therefore not affected by foreign exchange fluctuations during subsequent periods, except in the case of countries with hyperinflation.

Balance sheets are translated using the exchange rates in effect on the balance sheet date. The translation difference arising as a result of statements of income being translated at average rates while the balance sheets are translated at the exchange rates in effect on each balance sheet date is reported in other comprehensive income. When a foreign operation or part thereof is sold, the translation differences recognized in shareholders' equity are recognized in the statement of income as part of the capital gain or loss on the sale.

Significant exchange rates used in the consolidated accounts

		Weighted average 2022	Dec. 31, 2022	Weighted average 2021	Dec. 31, 2021
EUR-countries	EUR	10.67	11.12	10.16	10.25
Switzerland	CHF	10.65	11.29	9.44	9.93
UK	GBP	12.46	12.53	11.85	12.21
USA	USD	10.19	10.42	8.61	9.05

Receivables and liabilities in foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates in effect at the transaction date. Foreign exchange gains and losses resulting from the settlement of these transactions, and from the translation at balance sheet date exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of income. The exception is transactions in which gains or losses are recognized in other comprehensive income as qualifying cash flow hedges or qualifying net investment hedges.

Translation differences on non-monetary financial assets and liabilities, such as shares measured at fair value through profit or loss, are recognized in the statement of income as part of fair value gains/losses.

Financial reporting in hyperinflationary economies

As of April 1, 2022, Loomis has implemented IAS 29 Financial Reporting in Hyperinflationary Economies for the operations in Turkey. The financial statements of the subsidiary in Turkey have therefore been

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adjusted for inflation to reflect the change in purchasing power. The inflation adjustment has been made with the Turkish consumer price index with the base period 2003=100, the consumer price index was 1,128.5 as of December 31, 2022 and 686.9 as of December 31, 2021. As the Loomis Group’s reporting currency is SEK and thus not a currency in a hyperinflationary economy, the comparative figures have not been adjusted.

Argentina is considered a hyperinflationary economy since July 1, 2018 and the financial statements of the subsidiary in Argentina have been adjusted for inflation. The inflation adjustments have been made in accordance with the Argentine Consumer Price Index, National CPI. The consumer price index as of December 31, 2022 was 1,134.6 with the base period being December 2016. As of December 31, 2021, the consumer price index was 582.5.

The loss on net monetary assets/liabilities is reported in the income statement as financial expenses.

Intra-group transactions

Pricing of intra-group transactions is based on normal business principles. Intra-group receivables and liabilities, as well as transactions between companies in the Group, and any related gains/losses, are eliminated. Unrealized losses are also eliminated, but any losses are regarded as an indication of impairment of the transferred asset. All subsidiaries report to the Group according to the Group’s accounting principles.

Group companies are all companies owned or controlled by Loomis AB according to the definition provided in the section “Scope of consolidated financial statements” above.

Other information

Amounts in tables and other combined amounts have been rounded off on an individual basis. Minor differences due to this rounding-off may therefore appear in the totals.

Parent Company accounting principles

The Parent Company’s financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The Parent Company thus applies the same accounting principles as the Group, where this is appropriate, except in the cases described below. Differences between the Parent Company’s and the Group’s accounting principles arise as a result of limits in applicability of IFRS to the Parent Company based on the Swedish Annual Accounts Act, the Swedish act on safeguarding pension commitments (“Tryggandelagen”) and the alternatives provided in RFR 2.

IFRS 16 Leases

Leases went into effect on January 1, 2019. RFR 2 contains an exception whereby all leases in which the Parent Company is the lessee are recognized as operating leases.

Employee benefits

According to RFR 2 the provisions in IAS 19 regarding defined benefit pension plans do not need to be applied by legal entities. However, disclosures are required with respect to applicable part of IAS 19. RFR 2 references the Swedish act on safeguarding pension commitments (“Tryggandelagen”) for rules on recognizing provisions for pensions and similar obligations.

Financial instruments

The Parent Company reports financial instruments in accordance with IFRS 9 with consideration of RFR 2. The Parent Company applies RFR 2 exemptions regarding IFRS 7 p. 1 and thus does not provide information in accordance with IFRS 7 and IAS 1 p. 124 A – 124 C. The Parent Company further applies the exemption in the application of IFRS 9 which relates to accounting and valuation of financial guarantee agreements for the benefit of subsidiaries. The Parent Company reports the financial guarantee agreements as contingent liabilities.

Group contributions

The Parent Company applies the alternative rule in RFR2 IAS 27 for group contributions, which means that group contributions received and provided are recognized as year-end appropriations.

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NOTE 2 Critical accounting estimates and assessments

The preparation of financial statements and the application of various accounting standards are often based on assessments made by management or on estimates and assumptions that are deemed reasonable under the prevailing circumstances. These estimates and assumptions are generally based on historical experience and other factors, including expectations of future events. With different estimates and assumptions, the result could vary and by definition, the estimates will seldom equal actual outcomes.

The estimates and assumptions that Loomis deems, at December 31, 2022, to have greatest impact on its results, assets and liabilities are discussed below.

Valuation of accounts receivable and provision for expected credit losses

Accounts receivable constitutes one of the largest items on the balance sheet. Accounts receivable is reported at net value, after provision for expected credit losses. The provision for expected credit losses is subject to critical estimations and assessments. For additional information on credit risk in the accounts receivable refer to Note 16 Accounts receivable and Note 22 Financial instruments and risk management.

Valuation of identifiable assets and liabilities in connection with the acquisition of subsidiaries/operations

The valuation of identifiable assets and liabilities in conjunction with the acquisition of subsidiaries or operations, as part of the purchase price allocation, requires that items in the acquired company's balance sheet, as well as items that have not been reported in the acquired company's balance sheet, such as customer relations, should be valued at fair value. Under normal circumstances, as listed market prices are not available for the valuation of the assets and liabilities to be valued, different valuation methods must be applied. These valuation methods are based on a number of assumptions. Other items that may be difficult to, both to identify and measure, are contingent liabilities that may have arisen in the acquired company, for example as a result of disputes.

Deferred considerations that mature in the future and contingent considerations are reported as part of the purchase price and is recorded based on an assessment assuming that the appropriate terms and conditions agreed upon in connection with the acquisition will be complied with. Deferred considerations and contingent considerations are reported at present value in the statement of income and the valuation is subject to assessment on each reporting occasion. For further information regarding valuation refer to Note 22 Financial instruments and risk management, and for more information

regarding acquisitions refer to Note 12 Acquisitions of subsidiaries and note 13 for impairment testing.

Impairment testing of goodwill and other acquisition-related intangible assets

In connection with the impairment testing of goodwill and other acquisition-related intangible assets, the carrying amount is compared with the recoverable amount. The recoverable amount is determined by the greater of either an asset's net realizable value or its value in use. As under normal circumstances, no listed market prices are available to assess an asset's net realizable value, the carrying amount is normally compared with the value in use. The calculation of the value in use is based on assumptions and assessments. The most important assumptions are organic growth, development of the operating margin, the utilization of operating capital employed and the relevant WACC rate used to discount future cash flows, and defining the cash generating units. All in all, this implies that the valuation of the balance sheet item Goodwill and of Acquisition related intangible assets is subject to critical estimates and assessments. A sensitivity analysis regarding organic growth, operating margin and WACC is provided in Note 13 Goodwill, Intangible assets and Impairment testing.

Reporting of income tax, VAT and other taxes

Reporting of income tax, VAT and other taxes is based on the applicable regulations in the countries in which the Group operates. Due to the overall complexity of all rules concerning taxation and reporting of taxes, the implementation and reporting is based on interpretations and assessments of possible outcomes.

Deferred tax is measured on temporary differences between the carrying amounts and tax base of assets and liabilities. There are two main types of assumptions and judgements that impact recognized deferred tax. These are assumptions and judgements to establish the carrying amount of various assets and liabilities, and those relating to future taxable profits in cases where future utilization of deferred tax assets is dependent on this.

Significant assumptions and judgements are also made in the recognition of provisions and contingent liabilities relating to tax risk and potential effects of ongoing tax audits. Tax audits are often lengthy processes lasting for several years. It is therefore not possible to provide any detailed information regarding the timeline for tax outflows. For further information on taxes, refer to Note 11 Income tax.

Actuarial calculations regarding employee benefits such as pensions

Employee benefits are normally an area in which estimates and assessments are not critical. However, for defined benefit plans, particularly as regards pension benefits, and where the payments to the employee is several years into the future, actuarial assessments are required. These calculations are based on assumptions concerning economic variables, such as the discount rate, salary increases, inflation rates, pension increases, but also on demographic variables, such as expected life span. These assumptions are subject to critical estimates and assessments. For further information on pensions and on sensitivity analysis, refer to Note 23 Provisions for pensions and similar commitments.

Actuarial calculations regarding claims reserves

The Group is exposed to various types of risks in the day-to-day operation of its business. These operational risks can result in the need to report provisions for damages resulting from property claims and personal injuries claims from the Cash handling operations, and workers' compensation claims relating to the Group's employees.

Claims reserves are recognized based on actuarial calculations conducted on an ongoing basis. The actuarial calculations are based on information on open claims and historical data on incurred but not reported (IBNR) claims and on a number of different assumptions. This means that the total claims reserves are subject to critical estimates and judgements. For further information, please refer to Note 24 Provisions for claims reserves and other provisions.

NOTE 3 Revenues

ACCOUNTING PRINCIPLES

The basic principle is that revenue is recognized as a means of expressing the transfer of promised goods and services with an amount that reflects the compensation the Company is expected to be entitled to in return for these goods and services.

Revenue distribution

The Group receives revenue from sales of goods and services over time and at certain points in time for the following main product lines: Cash in Transit services (CIT), Cash Management Services (CMS), cross-border transportation of cash and precious metals and storage of valuables (International) and Other. When SafePoint equipment is used as part of a service delivery to a customer, this is sometimes referred to as sales of SafePoint. The service, however, consists of providing cash in transit services, cash management services and

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a storage service to the customer, see also under “Significant assessments”.

Revenue recognition

Loomis’ performance obligations and the transaction price for the respective obligation is derived from the customer contract. The transaction price usually consists of both fixed and variable amounts, where the variable portion may either increase or decrease the transaction price. The variable components in Loomis’ customer contracts are primarily incentives and performance bonuses, but may also include discounts and penalties. Each customer contract is regarded as a single performance obligation and no allocation is made of the transaction price. See also under “Significant assessments” below.

In the case of revenue from CIT, CMS, ATM and SafePoint, Loomis is entitled to payment for services already rendered if the customer chooses to cancel the contract for a reason other than that Loomis has not met its obligations. Loomis’ revenue from these services is recognized over time as the services are provided. Certain other revenue items, including cross-border transportation of cash and precious metals and storage of valuables, are recognized on a given date. Payment terms follow industry practice and without longer credit periods.

Dividend income is recognized when the right to receive the dividend is established. Other financial income is recognized when the right to receive the income is established.

Significant assessments

SafePoint solution

When providing services Loomis sometimes uses an equipment called SafePoint. When selling this solution the service normally consists of providing the customer with transport services, cash management services and a storage service. The customer deposits cash into the SafePoint unit and the funds are then deposited on the customer’s bank account. The cash is collected, transported, processed, and verified as the amount deposited earlier and stored in Loomis’ vault. SafePoint equipment is part of Loomis’ delivery of the SafePoint service. SafePoint equipment at the customer’s premises is owned by Loomis and can be replaced with new SafePoint equipment by Loomis if this is deemed necessary. The contract is therefore not related to a specific asset. In exceptional cases, the SafePoint equipment is sold to the customer so that the customer owns the equipment. In this case, the service is the same as when Loomis owns the equipment and the equipment does not have an alternative use for the customer other than to be part of Loomis’ service delivery. Loomis controls the software and has the key to the SafePoint unit. If a contract ends, the proprietary software is removed and the customer is given the key. For this reason, no difference is made in the accounts depending on whether Loomis or the customer owns the equipment.

Revenue distribution

	Europe and Latin America 2022	USA 2022	Loomis Pay 2022	Other and eliminations 2022	Total 2022
SEK m					
Cash in transit (CIT)	4,487	4,986	–	–	9,473
Cash management services (CMS)	2,815	2,030	–	–	4,845
ATM	2,255	3,107	–	–	5,363
SafePoint	838	2,521	–	–	3,359
International	1,099	439	–	–	1,539
FXGS	515	–	–	–	515
Loomis Pay	–	–	21	–	21
Revenue, other and internal	245	128	–	–173	200
Total revenue	12,255	13,211	21	–173	25,315
Timing of revenue recognition, external					
At a point in time	2,578	473	8	–	3,059
Over time	9,579	12,664	13	–	22,256
Total external revenue	12,156	13,137	21	–	25,315

Revenue distribution

	Europe and Latin America 2021	USA 2021	Loomis Pay 2021	Other and eliminations 2021	Total 2021
SEK m					
Cash in transit (CIT)	3,895	3,445	–	–	7,341
Cash management services (CMS)	2,391	1,593	–	–	3,984
ATM	1,942	2,405	–	–	4,347
SafePoint	672	1,752	–	–	2,424
International	843	356	–	–	1,199
FXGS	254	–	–	–	254
Loomis Pay	–	–	11	–	11
Revenue, other and internal	181	90	–	–109	163
Total revenue	10,178	9,643	11	–109	19,723
Timing of revenue recognition, external					
At a point in time	1,969	334	4	–	2,307
Over time	8,143	9,266	7	–	17,415
Total external revenue	10,112	9,600	11	–	19,723

Loomis’ performance obligation involves performing services for the term of the contract for which it is paid on a monthly basis, but this requires Loomis to perform a variety of tasks every day. The services are essentially performed on a straight-line basis over time. From both Loomis’ and the customer’s perspective the Safe Point equipment is included as part of the service that is delivered. These are not separate services and the SafePoint equipment is considered the same as any other equipment used to provide CIT and CMS services. For this reason, no allocation is made of the transaction price.

Revenue is recognized throughout the term of the contract and invoiced on a monthly basis.

Storage services

Loomis provides storage services to its customers. Depending on local rules and business models, these services are provided as part of the CIT/CMS operations in some countries. Storage is also a separate service offered within the International segment where Loomis stores gold, other precious metals or similar items for its customers.

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When considering the effects of IFRS 15 and of providing a storage service, Loomis has determined that storage services provided as part of CIT/CMS operations have no distinct performance obligation, unlike storage services provided within the International segment.

This conclusion is based on the fact that the storage service within CIT/CMS is strongly linked to the CIT/CMS services as stated in the contract. The customer cannot avoid purchasing the storage portion of the service because it is a part of the delivery of Loomis' CIT/CMS service. In the International segment, storage is the service offered and is therefore by definition a distinct performance obligation. The storage services revenues are recognized over time during the contract period.

Loomis Pay

Loomis delivers a payment solution to the customer. This is a cloud-based solution consisting of a payment device and access to a portal, as well as a digital service where the payment made by the end-customer is debited to the end-customer's account and credited to the customer's account. All parts of the service are fully interconnected and performed simultaneously. The customer buys a payment solution and not separate parts. The customer pays a fee per transaction for the digital payment and a fee per month for a fixed period for the payment device and access to the portal. The payment device is owned by Loomis and can be replaced by a new device if needed. The contract is not related to a specific asset. The income is recognized over time, i.e. when the service is performed.

Revenues per significant geographical market

SEK m	2022	2021
USA	13,211	9,643
France	3,348	2,737
Switzerland	1,715	1,320
Spain	1,553	1,345
UK	1,166	941
Sweden	768	676
Other countries and eliminations	3,553	3,061
Total revenue	25,315	19,723

Revenue from external customers in Sweden amounts to SEK 760 million (653), in the USA to SEK 13,086 million (9,600), and total revenue from external customers in other countries amounts to SEK 11,469 million (9,470). No single customer represents more than 5 percent of the total revenue.

Contract assets and contract liabilities

Loomis has identified the following revenue-related contract assets and liabilities. Loomis has no contract-specific contractual expenses.

	Dec. 31, 2022	Dec. 31, 2021
SEK m		
Contract assets related to SafePoints	252	162
Contract assets relating to costs to fulfil contracts	2	2
Total contract assets	254	164
Contract liabilities – expected volume discounts	14	16
Contract liabilities – expected refunds to customers or penalties	13	11
Contract liabilities – prepaid income related to subscription fees	110	86
Contract liabilities related to SafePoints	261	198
Total contract liabilities	398	310
Whereof Non-current contract liabilities	162	126
Whereof Current contract liabilities	236	184
Total contract liabilities	398	310

Contract liabilities reversed and recognized as revenue in 2022 amounted to around SEK 136 million (119).

Loomis is expecting around SEK 163 million (144) of the total contract liabilities to be reversed to revenue in 2023, which correspond to 41 percent (47). Remaining SEK 233 million (164) is expected to be reversed and recognized as revenue in the years after 2023.

NOTE 4 Segment reporting

ACCOUNTING PRINCIPLES

Operating segments are reported in accordance with the internal Loomis reporting, submitted to Loomis' CEO who has been identified as the most senior executive decision-maker within Loomis. Loomis has the following segments: Europe and Latin America, USA, Loomis Pay and Group-wide functions. Europe and Latin America includes Argentina and Chile which are part of the segment president's responsibility in accordance with how Loomis is organized. Segment presidents are responsible for following up the segments' operating income before amortization of acquisition-related intangible assets, acquisition-related costs and revenue and items affecting

comparability (EBITA), according to the manner in which Loomis reports its consolidated statement of income. This then forms the basis for how the CEO monitors development, allocates resources etc. Loomis has therefore chosen this structure for its segment reporting.

National cash handling services (Cash in Transit and Cash Management Services) are split between the segments Europe and Latin America, and USA. The split is based on the similarities between European countries in important areas relating to, for example, market conditions, political circumstances, laws and regulations that affect Loomis' operations. Operations in the USA are affected to a significant degree by other market conditions and political circumstances, as well as by laws and regulations relevant to Loomis' operations, even if the services provided can be considered similar to those provided in Segment Europe and Latin America.

Segment Group-wide functions consists of the head office and the Parent Company, the risk management function and other functions managed at Group level and which are related to the Group as a whole.

The Loomis Pay payment platform was introduced in autumn 2020 and the rollout to countries in Europe has started. The Loomis Pay segment is supervised by a segment president.

The internal monitoring of earnings and financial position is reported in accordance with the same accounting principles as applied in Loomis' external reporting. Interest income and interest expense are not allocated amongst the segments, but are transferred to Group-wide functions as these items are affected by measures taken by the Group's Treasury function. The same principle is applied to taxes and tax-related items, as these are handled by a group-wide function. The operating segments' assets and liabilities are allocated according to the segment's operations and the physical location of the assets and liabilities. The Group's interest-bearing liabilities are not considered to be segment liabilities and have therefore been included in Other in the table below.

Segment information that is delivered to the executive managers of Europe and Latin America, USA, and Loomis Pay, concerning those segments for which information is to be provided, can be found in the following table. This table also includes disclosures concerning selected earnings measures, and also assets and liabilities for the segments.

Total fixed assets, apart from financial instruments and deferred tax assets located in Sweden, amount to SEK 101 million (116), in the USA to SEK 2,803 million (2,347), and the total for the fixed assets located in other countries amounts to SEK 3,251 million (2,970).

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SEK m	Europe and Latin America	USA	Loomis Pay	Group-wide functions	Eliminations	Total
Revenue, continuing operations	12,052	13,129	21	–	–173	25,030
Revenue, acquisitions	203	82	–	–	–	285
Total revenue	12,255	13,211	21	–	–173	25,315
Production expenses	–9,052	–9,582	–69	–10	173	–18,540
Gross income	3,203	3,630	–48	–10	–	6,775
Selling and administrative expenses	–1,969	–1,825	–131	–227	–	–4,152
Other income and expenses	–60	–4	–	–3	–	–67
Items affecting comparability	–	–	–	–23	–	–23
Operating income (EBIT)	1,173	1,800	–178	–263	–	2,532
Financial income	–	–	–	137	–	137
Financial expense	–	–	–	–351	–	–351
Loss on monetary net assets/liabilities	–	–	–	–146	–	–146
Income before taxes	1,173	1,800	–178	–623	–	2,172
Income tax	–	–	–	–570	–	–570
Net income for the year	1,173	1,800	–178	–1,193	–	1,602

In connection with the introduction of the change in the format of presentation, amortization of intangible assets has been moved from sales and administration costs to production costs. Acquisition-related expenses and income has been moved to Other income and expenses.

SEK m	Europe and Latin America	USA	Group-wide functions	Eliminations	Total
Segment assets					
Goodwill	3,754	4,314	8	–	8,075
Other intangible assets	798	89	135	–	1,021
Fixed assets	3,324	2,803	29	–	6,156
Right-of-use assets	1,297	2,445	21	–	3,763
Accounts receivable	1,858	1,497	80	–124	3,311
Pension plan assets	245	–	–	–	245
Assets, cash processing operations	3,855	85	–	–	3,940
Other segment assets	679	2,581	226	–1733	1,753
Undistributed assets					
Deferred tax assets	–	–	388	–	388
Current tax assets	–	–	303	–	303
Interest-bearing financial fixed assets	–	–	557	–	557
Other financial assets valued at fair value via statement of income	–	–	2,267	–	2,267
Total assets	15,809	13,814	4,014	–1,858	31,780

Segment reporting 2022

SEK m	Europe and Latin America	USA	Group-wide functions	Eliminations	Total
Segment liabilities					
Accounts payable	576	358	50	–124	859
Accrued expenses and prepaid income	1,348	422	136	–	1,906
Liabilities, cash processing operations	3,453	–	–	–	3,453
Provisions for pensions	560	–	–	–	560
Other liabilities	566	411	1,791	–1,733	1,035
Provisions for claims reserves	10	703	86	–	799
Undistributed liabilities					
Current loans payable	–	–	1,867	–	1,867
Long-term loans payable	–	–	4,270	–	4,270
Interest-bearing current lease liabilities	–	–	879	–	879
Interest-bearing non-current lease liabilities	–	–	2,987	–	2,987
Deferred tax liability	–	–	487	–	487
Current tax liabilities	–	–	212	–	212
Shareholders' equity	–	–	12,465	–	12,465
Total liabilities and shareholders' equity	6,513	1,894	25,231	–1,858	31,780
Other information					
Investments in fixed assets, net	681	637	47	–	1,365
Depreciation and amortization	1,142	1,153	67	–	2,361

Revenue split by service, %

	Europe and Latin America	USA
Cash in Transit	37	38
Cash management services	23	15
ATM	18	24
SafePoint	7	19
Other services	15	4
Total	100	100

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SEK m	Europe and Latin America	USA	Loomis Pay	Group-wide functions	Elimina- tions	Total
Revenue, continuing operations	9,392	9,617	8	–	–109	18,908
Revenue, acquisitions	786	26	3	–	–	815
Total revenue	10,178	9,643	11	–	–109	19,723
Production expenses	–7,810	–6,735	–49	–5	109	–14,492
Gross income	2,367	2,907	–38	–5	–	5,231
Selling and administrative expenses	–1,635	–1,466	–111	–184	–	–3,396
Other income and expenses	–35	–2	–	–8	–	–45
Items affecting comparability	–52	–	–	–	–	–52
Operating income (EBIT)	646	1,439	–150	–198	–	1,738
Financial income	–	–	–	71	–	71
Financial expense	–	–	–	–209	–	–209
Loss on monetary net assets/liabilities	–	–	–	–56	–	–56
Income before taxes	646	1,439	–150	–391	–	1,545
Income tax	–	–	–	–440	–	–440
Net income for the year	646	1,439	–150	–831	–	1,104

In connection with the introduction of the change in the format of presentation, amortization of intangible assets has been moved from sales and administration costs to production costs. Acquisition-related expenses and income has been moved to Other income and expenses.

SEK m	Europe and Latin America	USA	Group-wide functions	Elimina- tions	Total
Segment assets					
Goodwill	3,424	3,753	8	–	7,185
Other intangible assets	848	95	203	–	1,147
Fixed assets	3,060	2,347	26	–	5,433
Right-of-use assets	1,311	1,669	28	–	3,008
Accounts receivable	1,554	1,156	30	–55	2,686
Pension plan assets	225	–	–	–	225
Assets, cash processing operations	3,077	69	–	–	3,146
Other segment assets	414	1,855	92	–1,161	1,199
Undistributed assets					
Deferred tax assets	–	–	449	–	449
Current tax assets	–	–	263	–	263
Interest-bearing financial fixed assets	–	–	466	–	466
Other financial assets valued at fair value via statement of income	–	–	2,022	–	2,022
Total assets	13,915	10,943	3,587	–1,216	27,228

Segment reporting 2021

SEK m	Europe and Latin America	USA	Group-wide functions	Elimina- tions	Total
Segment liabilities					
Accounts payable	427	273	42	–55	687
Accrued expenses and prepaid income	1,158	439	92	–	1,689
Liabilities, cash processing operations	2,818	–	–	–	2,818
Provisions for pensions	724	–	–	–	724
Other liabilities	482	343	1,195	–1,161	858
Provisions for claims reserves	12	599	71	–	682
Undistributed liabilities					
Current loans payable	–	–	311	–	311
Long-term loans payable	–	–	5,636	–	5,636
Interest-bearing current lease liabilities	–	–	701	–	701
Interest-bearing non-current lease liabilities	–	–	2,348	–	2,348
Deferred tax liability	–	–	436	–	436
Current tax liabilities	–	–	274	–	274
Shareholders' equity	–	–	10,063	–	10,063
Total liabilities and shareholders' equity	5,621	1,654	21,169	–1,216	27,228

Other information

Investments in fixed assets, net	612	466	79	–	1,157
Depreciation and amortization	1,117	864	46	–	2,027

Revenue split by service, %

	Europe and Latin America	USA
Cash in Transit	38	36
Cash management services	23	17
ATM	19	25
SafePoint	7	18
Other services	13	5
Total	100	100

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NOTE 5 Operating expenses

Distribution of operating expenses by type

SEK m	2022	2021
Personnel costs	13,100	10,450
Risk, claims and insurance expenses	608	436
Vehicle and fuel expenses	2,122	1,599
Costs of premises	1,253	964
Costs of technical equipment	1,506	1,159
Costs for subcontractors	898	697
Items affecting comparability	23	52
Other expenses	3,272	2,627
Total expenses by type	22,783	17,984

Depreciation, amortization and impairment

SEK m	2022	2021
Acquisition-related intangible assets	123	126
Other intangible assets	91	95
Buildings	58	49
Machinery and equipment	1,186	1,075
Right-of-use assets	903	682
Total depreciation, amortization and impairment	2,361	2,027

Depreciation, amortization and impairment for the year are reported in the statement of income as follows:

SEK m	2022	2021
Production expenses	2,009	1,696
Selling and administrative expenses	229	205
Acquisition-related intangible assets	123	126
Total depreciation, amortization and impairment	2,361	2,027

> For more information see Note 13 Goodwill, Intangible assets and Impairment testing and Note 14 Tangible fixed assets.

NOTE 6 Audit fee

Audit fees and other fees

	Group		Parent company	
SEK m	2022	2021	2022	2021
Audit assignments	21	18	3	3
Auditing activities other than audit assignments	–	–	–	–
Tax advice	–	–	–	–
Other services	1	0	1	–
Total elected auditors	22	18	4	3
Other auditors				
Audit assignments	1	2	–	–
Total	23	20	4	3

Other services than audit relate mainly to accounting advice, support with statement of tax returns and value added tax. Services in addition to audit relate to no statutory assignments.

NOTE 7 Employees and remuneration

ACCOUNTING PRINCIPLES

The Group currently has two types of incentive programs, one short-term and one long-term saving share-based incentive scheme.

In the short-term incentive scheme, the participants receive a cash-regulated bonus paid out the year after the earning year.

The cost for Loomis is reported during the vesting period and is reported in the statement of income. The share-related reserve is reported as part of equity and not as a liability. At the end of the scheme, any deviations from the original estimates, e.g., due to an employee leaving the group and not receiving their allotted shares, are reported in the statement of income and corresponding adjustments are made in equity.

The Group's average number of full-time equivalent employees by gender

	Women		Men		Total	
Number	2022	2021	2022	2021	2022	2021
Europe	4,629	4,462	9,730	9,485	14,359	13,947
USA	3,584	3,070	6,951	6,269	10,535	9,339
Total	8,213	7,532	16,681	15,754	24,894	23,286

The Parent company's average number of full-time equivalent employees by gender

	2022	2021
Number of employees	41	33
(of which men)	(26)	(22)

In 2022, the number of board members and Presidents for all legal entities within the Group was 70 (64), of which 14 (14) were women.

Personnel costs: Board of Directors and Presidents

	Salaries		Social security contributions		(of which pensions)		(of which bonuses)	
SEK m	2022	2021	2022	2021	2022	2021	2022	2021
Europe	144	124	14	21	(5)	(7)	(24)	(16)
USA	15	21	1	1	(1)	(1)	(11)	(10)
Total	159	145	15	22	(6)	(8)	(35)	(26)

Personnel costs: Other employees

	Salaries		Social security contributions		(of which pensions)	
SEK m	2022	2021	2022	2021	2022	2021
Europe	4,958	4,310	1,459	1,261	(282)	(251)
USA	5,368	3,843	1,141	870	(64)	(48)
Total	10,326	8,153	2,600	2,131	(346)	(299)

Total personnel costs: Board of Directors, Presidents and other employees

	Salaries		Social security contributions		(of which pensions)	
SEK m	2022	2021	2022	2021	2022	2021
Europe	5,102	4,434	1,474	1,281	(287)	(258)
USA	5,383	3,864	1,141	871	(65)	(49)
Total	10,485	8,298	2,615	2,152	(351)	(307)

The Parent company's total personnel costs: Board of Directors, Presidents and other employees

	Salaries		Social security contributions		(of which pensions)	
SEK m	2022	2021	2022	2021	2022	2021
Board of Directors and Presidents	27	20	4	9	(2)	(2)
Other employees	68	56	49	35	(22)	(14)
Total	95	76	53	44	(24)	(16)

In 2022 the President and CEO Aritz Larrea received variable remuneration amounting to SEK 7.2 million, this was based on the performance of region USA. Former President and CEO Patrik Andersson

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received variable remuneration amounting to SEK 3.1 million (7.9), of which SEK 3.1 million (7.9) pertains to the company's short-term incentive program. For the former President/CEO Patrik Andersson a provision amounting to 23 million was posted for future remunerations to be paid out during 2022 and 2023. This was considered a item affecting compabarabilitiy.

For further information on the Group's pensions and other long-term benefits to employees see Note 23 Provisions for pensions and similar commitments.

Remuneration to the President, Board of Directors and Group Management

The Chairman and members of the Board receives remuneration in accordance with the decision by the Annual General Meeting. Decisions on guidelines for salaries and other remuneration to the President/CEO and other members of Group Management are made by the Annual General Meeting, following a proposal from the Board of Directors.

Principles of remuneration to the Board of Directors

Remuneration to Loomis' current Board of Directors was adopted at the Annual General Meeting on May 4, 2022. The members are appointed for the period until the Annual General Meeting in 2023. The fees reported on >page 100 refers to the remuneration expensed in the financial year. For information on the fee and the distribution between the members, see table on >page 102.

Principles for remuneration to the President/CEO and other members of Group Management as adopted at the Annual General Meeting

The principles for remuneration to Group Management as described below, were adopted at the Annual General Meeting on May 6, 2021. The guidelines apply to agreements entered into after the AGM decision and to any changes made to existing agreements after this date. The Board has the right to deviate from the guidelines if there are special grounds to do so in an individual case.

Remuneration for the President/CEO and other members of Group Management consists of a fixed salary, variable remuneration, pension benefits and other benefits. Variable remuneration is based on the outcome in relation to performance targets and growth targets within the individual area of responsibility, determined individually for each executive. Variable remuneration can also be linked to individual performance targets. Variable remuneration for the President / CEO shall correspond to a maximum of 100 percent of the total fixed salary during the measurement period for awarding variable remuneration. For other members in Group management, variable remuneration shall not exceed 112 percent of the total fixed annual salary. In addition to the above variable remuneration, long-term incentive programs may be decided from time to time.

Pension rights for members of Group Management apply from the age of 65 at the earliest, and shall, to the extent that executives are not

covered by pension benefits according to a collective agreement (ITP plan), be paid according to a defined contribution pension plan corresponding to a maximum of 30 percent of the fixed annual salary. For members of Group Management who are not covered by collective agreements (ITP plan), variable remuneration is not pensionable. Members of Group Management residing outside Sweden may be offered pension solutions that are competitive in the country where the individuals reside.

If notice of termination is given by the Company, the notice period for members of the Group Management shall not exceed 12 months with the right to severance pay after the end of the notice period equivalent to a maximum of 100 percent of the fixed salary for a maximum of 12 months. For own terminations, a notice period of a maximum of 6 months shall apply, without the right to severance pay. In addition, compensation may be paid for any commitment to restrict competition. Such compensation shall compensate for any loss of income and shall only be paid to the extent that the previous executive is not entitled to severance pay. The compensation shall amount to a maximum of 60 percent of the monthly income at the time of termination and be paid during the period in which the commitment to restrict competition applies, which shall be a maximum of 12 months after the termination of employment.

Other benefits, such as company car, life insurance, supplementary health insurance or occupational health care, may be provided if this is considered customary in the market for senior executives in equivalent positions in the job market where the executive is active. However, the total value of these benefits shall constitute a minor part of the total remuneration.

Pursuant to the Remuneration Guidelines, the Board of Directors may resolve to temporarily derogate from the Remuneration Guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. Against that background, the Board of Directors has during 2022 resolved to derogate from the Remuneration Guidelines in relation to one of the company's members of Loomis Group Management. The derogation has been done for the purpose of ensuring that competences and industry experience that is valuable for the company and the group can be secured long-term, and to benefit from significant experience and understanding of the company's business, which in the opinion of the Board of Directors is of particular importance since the company during the year appointed a new President & CEO. The derogations follow from the company entering into an addendum agreement to the senior executive's existing employment agreement. The addendum agreement has been approved by the Board of Directors. The amended employment agreement has a term until 31 December 2030, at which time the employment will be terminated with pension. Loomis has the right to terminate the agreement only if the senior executive becomes long-term ill or commits a material breach of agreement, including breaches of Loomis' code of conduct or other similar governance documents. The company's limited possibilities to

terminate the agreement derogates from the remuneration guidelines which state that the notice period at dismissal by the company shall not exceed 12 months. In addition to what is stated above, the board has in relation hereto also considered, among other things, that the senior executive according to the original employment agreement was entitled to, in accordance with applicable local legislation, severance pay of 42 months' salary at dismissal. Furthermore, at own resignation by the senior executive, the notice period is 12 months which is a derogation from the remuneration guidelines which state that the notice period in such cases shall not exceed 6 months. The senior executive's fixed yearly salary for 2022 amounted to approximately SEK 8,553,595. No derogations have been made from the decision process which shall be applied according to the remuneration guidelines in order to determine the remuneration. The auditor's statement on the company's compliance with the remuneration guidelines is available at www.loomis.com.

Long-term share-based incentive scheme approved by the Annual General Meeting

LTIP 2021–2023

The AGM held on May 6, 2021, voted in favor of a new long-term share-based incentive scheme (LTIP 2021). LTIP 2021 is aimed at executive management and a number of key individuals, and is based on the following principles: (i) investors must invest in shares in Loomis or allocate certain shares already earned, (ii) the participants must be employed within the Group for the duration of the scheme, and (iii) the outcome of LTIP 2021, in the form of allotment of so-called performance shares, is linked to a predetermined performance target for growth in earnings per share being met. If all of the scheme criteria are met, the members of Group Management will receive the following: (i) five performance shares per investment share each for the CEO, Regional President Europe and Latinamerica, Regional President USA, and the CFO (ii) four performance shares per investment share each for other members of Group Management and (iii) three performance shares per investment share each for other scheme participants. LTIP 2021 has a maximum return limit for the participants, whereby if the average price paid for Loomis' shares on NASDAQ Stockholm during a period of five trading days immediately prior to the date for allotment of performance share exceeds SEK 800 per share, the number of performance shares to which each participant is entitled will be reduced based on the maximum limit. The performance target that must be met for allotment of performance shares is the cumulative earnings per share (EPS) during the period January 1, 2021 – December 31, 2023. A determination will be made in connection with the publication of the full-year report for 2023 on whether the performance target has been met, and allotment of performance shares will take place after the end of the vesting period. The Board of Directors intends to communicate the adopted performance target in the 2023 Annual Report. LTIP 2021 will result in personnel costs over the vesting period in the form of payroll costs recognized in the accounts, and social security contributions.

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Number of performance shares

	Scheme LTIP 2021	
	2022	2021
Outstanding at the beginning of the period	197,898	–
Granted during the period	–	197,898
Forfeited during period	–38,449	
Outstanding at the end of the period	159,449	197,898

Valuation parameters for instruments granted during the period

	Scheme LTIP 2021	
	2022	2021
Share price at grant, SEK	–	267.70
Share price at reporting period end, SEK	–	240.70
Maturity, year	–	2.7
Fair value per share, SEK	–	254.21

No instruments have been granted during the period.

Remuneration for 2022:

SEK thousand	Fixed salary/Remuneration for Board of Directors	Variable remuneration ¹⁾	Share-based remuneration ⁴⁾	Other benefits	Pension costs	Total
Alf Göransson, Chairman ²⁾	1,183	–	–	–	–	1,183
Cecilia Daun Wennborg, board member ²⁾	712	–	–	–	–	712
Jeanette Almberg, board member ²⁾	512	–	–	–	–	512
Lars Blecko, board member ²⁾	462	–	–	–	–	462
Johan Lundberg, board member ²⁾	578	–	–	–	–	578
Liv Forhaug, board member ²⁾	578	–	–	–	–	578
Santiago Galaz, board member ²⁾	313	–	–	–	–	313
Aritz Larrea, President ^{2) 5)}	7,959	7,166	796	111	1,010	17,041
Patrik Andersson, President ^{2) 5)}	3,120	3,120	–	39	903	7,182
Other members of Group Management ^{2) 3)}	35,269	21,812	2,154	1,418	7,015	67,667
Total	50,686	32,098	2,949	1,568	8,927	96,229

1) Refers to variable remuneration. In 2023 a total of SEK 16 524 thousand is to be paid.

2) For holdings of shares in Loomis, refer to >pages 71–72.

3) Refers to Stellan Abarhamsson (Mar–Dec), Kristian Ackeby, Sara Björkman, Kristoffer Labuc, Aritz Larrea (Jan–May), Georges López Periago, Mårten Lundberg and Björn Züger (Oct–Dec)

4) Refrers to the cost of the share based long term incentive programme (LTIP 2021).

5) Patrik Andersson resigned in May 2022 and was replaced with Aritz Larrea, who was previously CEO region USA. In connection with the resignation, SEK 23,351 thousand was provided for compensation for advisory services until the end of August 2023.

Remuneration for 2021:

SEK thousand	Fixed salary/Remuneration for Board of Directors	Variable remuneration ¹⁾	Share-based remuneration ⁴⁾	Other benefits	Pension costs	Total
Alf Göransson, Chairman ²⁾	1,133	–	–	–	–	1,133
Cecilia Daun Wennborg, board member ²⁾	688	–	–	–	–	688
Jan Svensson, board member ²⁾	158	–	–	–	–	158
Jeanette Almberg, board member ²⁾	505	–	–	–	–	505
Lars Blecko, board member ²⁾	438	–	–	–	–	438
Johan Lundberg, board member ²⁾	538	–	–	–	–	538
Liv Forhaug, board member ²⁾	363	–	–	–	–	363
Patrik Andersson, President ²⁾	8,090	7,791	240	94	2,303	18,518
Other members of Group Management ^{2) 3)}	36,087	25,069	857	1,186	6,636	69,835
Total	48,002	32,860	1,097	1,280	8,939	92,178

1) Refers to variable remuneration. In 2022 a total of SEK 32,860 thousand is to be paid.

2) For holdings of shares in Loomis, refer to >pages 71–72. For the Incentive Scheme 2020, Aritz Larrea received 6,649 shares and Kristoffer Labuc 886 shares in 2021.

3) Refers to Kristian Ackeby, Johannes Bäckman, Aritz Larrea, Georges López Periago, Mårten Lundberg, Martti Ojanen, Sara Björkman and Kristoffer Labuc.

4) Refrers to the cost of the share based long term incentive programme (LTIP 2021).

LTIP 2018–2021

In the long-term share-based incentive scheme adopted in 2018 (LTIP 2018–2021) the established performance target of cumulative earnings per share for 2018–2021 was not met and there was there-fore no allotment to the participants. Reserves booked for this were reversed already in 2020 when the Board determined that Loomis would not reach the minimum limit in the performance target.

LTIP 2018–2021

	Performance target			Allotment of shares		
	Minimum	Maximum	Result	Result %	Ratio, %	Granted, %
Earning per share, SEK	85	100	67	0	100	0

For 2022, a cost regarding employer contributions has been booked for the program, last year the total cost amounted to SEK 2.5 million, including social security contributions.

Remuneration and employment terms for the President and CEO

Remuneration to the President/CEO consists of fixed salary, variable remuneration, pension and insurance benefits and a company car. The annual bonus program is maximized at 100 percent of base salary. Variable remuneration is not pensionable. In the event of termination of the employment agreement by the company, the CEO is entitled to twelve months’ notice and a severance pay correspond-ing to twelve months’ salary, unless the termination is based on a serious breach of contract. If the President/CEO resigns, the notice period is six months.

Aritz Larrea is bound by a non-compete clause during the notice period. Remuneration to the President/CEO is shown in the table.

Other information regarding other members of the Group Management

All of the current Swedish members of Group Management are entitled to a pension in accordance with the ITP plan, which in one case also includes a supplement of 2 percent. A foreign member of Group Management is not entitled to a Swedish pension solution.

The notice period for other members of Group management varies between 6 to 12 months in the event of termination by Loomis and between 3 to 6 months in the event of termination by the respective executives. The members of Group management are entitled to severance pay in the event of termination by the company comprising of 12 months’ salary. As a general rule, severance pay is not paid in the event of own termination, with the exception of cases where termination is due to a serious breach of contract by Loomis.

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The employment agreement of one member of Group Management was amended in 2022 and has a term until 31 December 2030, at which time the employment will be terminated with pension. Loomis has the right to terminate the agreement only if the senior executive becomes long-term ill or commits a material breach of agreement, including breaches of Loomis' code of conduct or other similar governance documents. The company's limited possibilities to terminate the agreement derogates from the remuneration guidelines which state that the notice period at dismissal by the company shall not exceed 12 months. Furthermore, at own resignation by the senior executive, the notice period is 12 months which is a derogation from the remuneration guidelines which state that the notice period in such cases shall not exceed 6 months.

The other members of Group Management are bound by a non-compete clause for one and two years after the termination of employment. In the event of self-termination, in lieu of receiving severance pay, compensation is paid corresponding to the difference between the fixed monthly salary upon termination of employment and the lower income subsequently received by the individual. However, the compensation in the event of own termination is paid only on condition that the non-compete clause is applicable and complied with.

Short-term incentive schemes
Scheme 2022

In 2022 Loomis' Board of Directors decided to introduce a short-term incentive scheme for around 350 employees where allotment will be based on the outcome of a number of financial key ratios for the full year 2022. The variable remuneration will be paid out in cash the year after it is earned.

Scheme 2021

In 2021 Loomis' Board of Directors decided to introduce a short-term incentive scheme for around 350 employees where allotment was based on the outcome of a number of financial key ratios for the full year 2021. The variable remuneration was paid out in cash in beginning of 2022.

Scheme 2020

The Annual General Meeting on May 6, 2020, voted in favor of introducing an incentive scheme (Incentive Scheme 2020). Under the payment terms of the scheme, two thirds of the variable remuneration has been paid out in cash after the year it is earned. The remaining one third was in the form of shares in Loomis AB which were allotted to the employees at the beginning of 2022.

For information on shareholdings, other board assignments, etc., refer to the section on the Board of Directors and Group Management, >pages 71–72.

NOTE 8 Government grants

ACCOUNTING PRINCIPLES

Government grants are recognized at fair value when it is reasonably certain that the grant will be received and that Loomis will meet the requirements for receiving the grant. Government grants are recognized on an accrual basis in the statement of income over the same periods as the costs the grants are intended to cover and they are recognized as a reduction of these costs.

In 2022 government grants were received amounting to SEK 3 million (46), mainly as relief for furloughed employees in France and Switzerland. Tax relief received in the USA in the form of permitted delayed payment, were fully paid in 2022 (SEK 70m December 31, 2021).

NOTE 9 Items affecting comparability

ACCOUNTING PRINCIPLES

Items affecting comparability are reported events and transactions whose impact are important to note when the period's results are compared with previous periods, such as capital gains and capital losses from divestments of significant cash generating units, material write-downs or other significant items affecting comparability.

Earnings for 2022 include an item affecting comparability of SEK –23 million relating to a provision for remuneration cost in connection with change of the CEO. Earnings for 2021 include an item affecting comparability of SEK –52 million relating to a write-down of goodwill in an operation within segment Europe and Latin America.

SEK m	2022	2021
Provision for remuneration cost in connection with change of CEO	–23	–
Write-down of goodwill in an operation within segment Europe and Latin America	–	–52
Total items affecting comparability	–23	–52

SEK m	2022	2021
Production expenses	–	–52
Selling and administrative expenses	–23	–
Total	–23	–52

NOTE 10 Financial income and expenses, net

	Group		Parent company	
SEK m	2022	2021	2022	2021
Interest income	82	32	145	102
Foreign exchange gains	45	30	1,533	885
Other financial income	9	10	–	–
Financial income	137	71	1,678	988
Interest expenses	–292	–177	–200	–86
(of which interest expenses for leasing)	(–112)	(–91)	–	–
Foreign exchange losses	–46	–14	–1,762	–997
Bank charges	–8	–15	–1	–9
Other financial expenses	–5	–4	–21	–3
Financial expenses	–351	–209	–1,985	–1,094
Loss on monetary net assets/liabilities¹⁾	–146	–56	–	–
Financial income and expenses, net	–360	–194	–307	–106

1) Relates to hyperinflation accounting in Argentina and Turkey.

Parent company		
SEK m	2022	2021
Dividends	1,927	131
Impairment	–53	–217
Group contributions	–52	–65
Total result from participations in Group companies	1,823	–151

Pricing of transactions between Parent Company and subsidiaries are undertaken according to business principles.

These transactions have Loomis AB, registration number 556620-8095, as a parent company.

> For more information and accounting principles see Note 22 Financial instruments and risk management.

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NOTE 11 Income tax

ACCOUNTING PRINCIPLES

Income taxes include current and deferred taxes. Income tax is recognized in income for the year unless the underlying transaction is recognized in other comprehensive income, in which case the corresponding tax is reported according to the same principle.

Current tax is measured based on the tax rules that apply in the countries where the Parent Company and subsidiaries are operating and is for the current year, with any adjustment to current tax from earlier periods.

Tax expense								
	Group				Parent company			
SEK m	2022	%	2021	%	2022	%	2021	%
Tax on income before taxes								
– current taxes	–492	–22.7	–486	–31.5	–8	–0.4	45	251.1
– deferred taxes	–78	–3.6	46	3	13	0.7		
Total tax expense	–570	–26.2	–440	–28.5	5	0.3	45	251.1

Reconciliation of effective tax expense

Group				
SEK m	2022	%	2021	%
Income before tax	2,172		1,545	
Tax based on Swedish tax rate	–447	–20.6	–318	–20.6
Effect from foreign tax rate	–167	–7.7	–256	–16.6
Tax related to prior years	5	0.2	34	2.2
Non-taxable income	42	1.9	6	0.4
Non-deductible expenses	–23	–1.1	36	2.3
Tax losses, previously not capitalized	–15	–0.7	–2	–0.1
Changed tax rate	–1	0.0	–4	–0.2
Other	36	1.7	64	4.1
Total tax expense	–570	–26.2	–440	–28.5

Deferred tax is recognized using the balance sheet method. Deferred tax is measured based on the differences between the carrying amount recognized in the balance sheet and the tax base amounts, so-called temporary differences. Deferred tax is measured applying the tax rates and tax laws that have been enacted or announced as of the balance sheet date, and that are expected to apply when the deferred tax asset in question is realized or the deferred tax liability is settled.

Deferred tax assets are recognized when it is probable that the amounts can be used against future taxable income. Deferred tax assets are measured on the balance sheet date and any past

Parent company				
SEK m	2022	%	2021	%
Income before tax	1,863		18	
Tax based on Swedish tax rate	–384	–20.6	–4	–20.6
Tax related to prior years	0	0.0	69	382.0
Non-taxable income	398	21.3	27	152.4
Non-deductible expenses	–22	–1.2	–46	–254.3
Tax related to items not included in the taxable result	0	0.0	–2	–8.2
Tax related to deferred tax	13	0.7		
Total tax expense	–5	0.3	45	251.1

Tax attributable to non-taxable income in the parent company is primarily related to received dividends from subsidiaries. Tax related to non-deductible expenses is primarily related to write-down of goodwill in an operation within segment Europe and Latin America. Tax related to prior years in 2021 is primarily related to denied deduction of internal group transactions in 2007–2009 between Sweden and Spain.

Provisions have been made for estimated tax charges that may arise as a result of tax audits.

> For further information refer to Note 27 Contingent liabilities.

deferred tax assets that have not been measured are reported when they are expected to be able to be utilized, and correspondingly, reduced when it is expected that these amounts, in their entirety or partly, will not be able to be utilized against future taxable income.

Deferred tax assets and deferred tax liabilities are offset when there is a legal right to offset current tax assets against current tax liabilities and when deferred taxes are levied by the same tax authority.

There was no major change in corporate income tax rates in the countries in which Loomis conducts the majority of its operations. The corporate income tax in Sweden remains at 20.6 percent (20.6).

The corporate tax rates in the countries in which Loomis has significant business operations are as follows:

Corporate tax rate, %	2022	2021
USA ¹⁾	24	26
Spain	25	25
France	26	28
Sweden	21	21
UK	19	19
Switzerland ²⁾	18–21	18–21

1) The corporate income tax rate includes federal as well as state tax. The federal tax is 21 percent. The state tax rates vary between states.

2) The Swiss corporate income tax rates comprise federal, cantonal and communal taxes. Federal tax is levied at a flat rate of 8.5 percent. Cantonal and communal tax rates vary.

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Balance sheet

Deferred tax assets and deferred tax liabilities were attributable to:

Group	Deferred tax assets		Deferred tax liabilities		Net	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Deferred taxes, SEK m						
Machinery and equipment	102	158	−183	−214	−91	−56
Pension provisions and employee-related liabilities	181	210	−10	−7	171	203
Liability insurance-related claims reserves	58	44	−	−	58	44
Provisions for restructuring	9	8	−	−	9	8
Intangible fixed assets	9	6	−349	−337	−340	−331
Tax loss carryforwards	131	105	−3	−3	128	102
Other temporary differences	838	499	−880	−456	−33	43
Total deferred taxes	1,328	1,030	−1,426	−1,017	−89	13
Netting	−939	−582	939	582	0	0
Deferred taxes, net	389	449	−478	−436	−89	13

Change analysis

Group, SEK m	Machinery and equipment	Pension provisions and personnel-related liabilities	Liability insurance-related claims reserves	Provisions for restructuring	Intangible fixed assets	Tax loss carryforwards	Other temporary differences	Total deferred tax	Total deferred tax
								2022	2021
Deferred tax assets								2022	2021
Opening balance	158	210	44	8	6	105	499	1,030	921
Change reported in statement of income	−68	−9	7	−1	3	17	37	−13	56
Change due to new-tax rates	−	−	−	−	−	−	−	−	−7
Change due to foreign currency effects	12	26	7	1	1	8	315	369	65
Change due to reclassification	−	−0	−	−	−	−	−13	−13	−12
Change reported in shareholders' equity	−	−45	−	−	−	−	−	−45	−8
Change due to acquisitions/disposals	−	−	−	−	−	−	−	−	15
Change due to new accounting principles	−	−	−	−	−	−	−	−	−0
Closing balance	102	181	58	9	9	131	838	1,328	1,030
Change during the year	−56	−29	14	1	3	26	339	298	109
Deferred tax liabilities									
Opening balance	214	7	−	−	337	3	456	1,017	848
Change reported in statement of income	−60	−0	−	−	7	−	92	39	−0
Change due to new tax rates	−	−	−	−	−	−	0	0	−2
Change due to foreign currency effects	24	1	−	−	6	−0	324	364	80
Change due to reclassification	−	0	−	−	−	−	−1	−1	28
Change reported in shareholders' equity	5	2	−	−	−	−	−	7	−4
Change due to acquisitions/disposals	−	−	−	−	−	−	−	−	67
Change due to new accounting principles	−	−	−	−	−	−	−	−	−
Closing balance	183	10	−	−	349	3	871	1,426	1,017
Change during the year	−30	3	−	−	13	−0	415	408	169

Tax loss carryforwards

The total tax loss carryforwards as of December 31, 2022, were SEK 1,007 million (700). The Loomis companies with large tax loss carryforwards are mainly found in Denmark, Belgium, France, UK and Germany as well as the international company in Hong Kong.

Deferred tax assets relating to tax losses are recognized to the extent that it is probable that they will be utilized against taxable income. As of December 31, 2022, tax loss carryforwards, for which deferred tax assets have been recognized, amounted to SEK 550 million (400), whereof SEK 9 million lapse within 1–5 years, while SEK 18 million lapse within 5–10 years. Deferred tax assets relating to these loss carryforwards amounted to SEK 131 million (105).

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NOTE 12
 Acquisitions of subsidiaries

ACCOUNTING PRINCIPLES

The Group applies the acquisition method to account for business combinations. All considerations transferred for the acquisition of an operation are reported at fair value on the acquisition date. Revaluation of any deferred considerations and contingent considerations over and above that which was assessed at the time of the acquisition are recognized through the statement of income. When the final outcome is available, any effect of contingent consideration/repayment of consideration is recycled to the statement of income. Holdings without a controlling interest in the acquired operations can, for each acquisition, either be valued at fair value, or at the proportional share of the acquired operations' net assets, held without a controlling interest. According to IFRS, transactions with non-controlling interests are recognized as a transaction within equity. There is, however, a lack of specific rules concerning revaluation of option liabilities for these holdings. Revaluations of option liabilities for non-controlling interests are recognized as transactions within equity. The accounting is thereby made similarly to other transactions with non-controlling interests.

The surplus arising from the difference between the acquisition price and the fair value of the Group's share of identifiable acquired assets, liabilities and contingent liabilities is reported as goodwill.

Acquisition-related costs

Acquisition-related costs attributable to transaction costs, revaluation of deferred considerations, final effects of contingent considerations/ repayments, restructuring and/or integration of acquired operations in the Group are included in Other income and expenses in the statement of income. The item includes acquisition-related costs attributable to ongoing, completed and discontinued acquisitions. Restructuring costs are expenses reported in accordance with the specific criteria for provisions for restructuring. Provisions for restructuring are made when a detailed formal plan of action is in place and a well-founded expectation has been created by the parties concerned. Restructuring costs may be expenses for various activities necessary in the preparation for the integration, for example, severance pay, provisions for leased premises which will not be utilized or leased at a loss, as well as other lease agreements which cannot be cancelled and will not be utilized. Integration costs normally consist of activities that cannot be reported as provisions. Such activities may include a change of brand name (new logo on buildings, vehicles, uniforms etc.) but may also be personnel costs related to, for example, training, recruitment, relocation and travel, certain customer-related costs and other costsrelated to the adaptation of the operations.

The following criterias must be fulfilled for costs to be classified as

restructuring/integration costs; i) the costs would not have been applicable if the acquisition had not taken place, and ii) the cost is attributable to a project that management has identified and monitored, either as a stage in the integration program implemented in conjunction with the acquisition, or as a direct result of an immediate review after the acquisition.

Acquisitions in 2022

Loomis did not acquire any new business in 2022.

Acquisitions in 2021

Loomis made two acquisitions in 2021.

Acquisition of SecurePost AG, Switzerland

Loomis AB has acquired the operations of SecurePost AG, Switzerland, through the wholly owned subsidiary Loomis Schweiz AG. The acquisition took form in a transfer of assets and liabilities. A final balance sheet is presented in the table below.

Summarized balance sheet from the acquisition of assets and liabilities of SecurePost AG, as of the acquisition date May 3, 2021.

SEK m	Final acquisition balance
Intangible assets	102
Tangible assets	24
Funds in cash processing operations	406
Financing of funds in cash processing operations	−406
Other assets and liabilities	−19
Net identifiable assets and liabilities	107
Purchase price paid	161
Goodwill	54

Acquisition of ATM Reponse, Inc., USA

Through its wholly owned subsidiary, Loomis Armored US, LLC, Loomis has acquired the operations of ATM Reponse Inc., USA. The acquisition took form in a transfer of assets and liabilities. A final balance sheet is presented in the table below.

Summarized balance sheet from the acquisition of assets and liabilities of ATM Response, Inc., as of the acquisition date December 17, 2021.

SEK m	Final acquisition balance
Intangible assets	23
Tangible assets	3
Net identifiable assets and liabilities	26
Purchase price paid	101
Deferred consideration	3
Goodwill	78

Other

As of December 31, 2022 the Group as a whole had deferred considerations totaling SEK 20 million. The deferred considerations are due in 2023 and later.

NOTE 13
 Goodwill, intangible assets and impairment testing

ACCOUNTING PRINCIPLES

Goodwill represents the positive difference between the consideration transferred and the fair value of the Group's share of identifiable net assets of the acquired subsidiary/operation at the date of acquisition. As goodwill has an indefinite useful life, it is tested annually for impairment and is reported as the consideration transferred less accumulated impairment losses. Gains and losses on the divestment of companies include the carrying amount of goodwill relating to the sold company. Impairment losses on goodwill are not reversed.

Other acquisition-related intangible assets arising from acquisitions may include various types of intangible assets, such as customer-related, contract-related and technology-based intangible assets. Other acquisition-related intangible assets have a definite useful life. These assets are reported at cost, less accumulated amortization and any accumulated impairment losses. Amortization takes place on a straight-line basis over the estimated useful life of the asset.

Loomis' acquisition-related intangible assets primarily refer to customer contract portfolios and the related customer relationships. The useful life of customer contract portfolios and the related customer relationships are based on the turnover rate of the acquired portfolio and are between 3 and 15 years, corresponding to annual amortization of between 6.7 percent and 33.3 percent. The amortization of acquisition-related intangible assets is recognized in the line item Amortization of acquisition-related intangible assets in the statement of income.

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A deferred tax liability is calculated at the local tax rate on the difference between the carrying amount and tax base of intangible assets with definite useful lives (accordingly, goodwill does not give rise to any deferred tax liability). The deferred tax liability is reversed over the same period as the intangible asset is amortized, and thereby neutralizes the impact of the amortization of the intangible asset on the full tax rate percentage on income after tax. This deferred tax liability is initially reported through a corresponding increase in goodwill.

Impairment testing

Assets with an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets subject to amortization are tested for impairment at least on each balance sheet date or when events or new circumstances indicate that the recoverable amount will not amount to at least the carrying amount.

For assets, other than goodwill, for which impairment losses have previously been recognized, an assessment is made on every balance sheet date to determine whether past impairment losses should be reversed. In such cases, a reversal is carried out to raise the carrying amount of the impaired asset to its recoverable amount. A reversal of a past impairment loss is recognized only when the new carrying amount does not exceed what the previous carrying amount would have been (after amortization) if the impairment loss had not been recognized. Previously recognized impairment losses – with the exception of goodwill impairment losses – are reversed only if there has been a change in the assumptions based on which the recoverable amount was determined when the impairment loss was recognized. Goodwill impairment losses are not reversed.

For the purpose of impairment testing, assets are allocated to the lowest levels for which there are identifiable cash flows (cash generating units), i.e. by country or several countries where there are integrated operations under joint management. This allocation is the basis for the yearly impairment testing. Goodwill divided between the cash generating units breaks down as follows:

Goodwill, SEK m			
	WACC, %	Dec. 31, 2022	Dec. 31, 2021
Chile	15.1 (11.7)	301	270
Denmark	7.5 (6.8)	32	30
Finland	7.4 (6.8)	182	168
France	9.5 (8.2)	1,096	1,010
Switzerland	8.3 (7.3)	1,245	1,095
Spain	8.6 (7.6)	516	476
UK	8.7 (7.7)	327	319
Sweden	7.2 (8.3)	47	47
USA	9.0 (8.3)	4,314	3,753
Other	9.6 – 87.6 (9.1 – 60.5)	14	17
Total		8,075	7,185

When impairment is indicated, the impairment loss to be recognized is the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. The value in use is the present value of the estimated future cash flows. The cash flows are based on financial plans established by Group Management and approved by the Board of Directors that normally cover a period of five years. Cash flows beyond this period have been extrapolated using an estimated growth rate. Wherever possible, Loomis uses external sources of information, however, past experience is also important as there are no official indexes or similar information that can be used directly as a basis for assumptions and assessments made in connection with impairment testing.

The calculation of value in use is based on assumptions and assessments. The most important assumptions relate to organic growth, development of the operating margin, utilization of operating capital employed and the relevant WACC (weighted average cost of capital) rate used to discount future cash flows. The discount rates used are stated after tax and reflect specific risks that apply to the various cash generating units.

The assumptions and assessments on which impairment testing is based are summarized below (broken down by Loomis' operating segments):

%	Estimated growth rate beyond forecast period	WACC
Europe and Latin America	2.0 ¹⁾ (2.0)	7.2 – 87.6
USA	2.0 (2.0)	9.0

1) For all cash generating units, except the Nordic countries, Turkey and Argentina, an annual estimated growth rate of 2.0 percent is used beyond the forecast period. For the Nordic countries, a rate of 0 percent was used, for Turkey 5 percent and for Argentina a rate of 7 percent was used.

The Group's annual impairment testing of all cash-generating units, except for acquisitions completed during the year, was carried out in the third quarter of 2022.

> See Note 9 Items affecting comparability.

As of the balance sheet date, a sensitivity analysis of the estimated value in use was carried out in the form of a general reduction of 1 percentage point of the organic growth and operating margin for the forecast period, and a general increase in the WACC of 1 percentage point. The sensitivity analysis indicated that none of the adjustments individually generates a need for an impairment loss to be recognized in any cash generating unit.

Accounting of Other intangible assets

Other intangible assets, that is, intangible assets other than goodwill and acquisition-related assets, are reported if it is probable that the expected future economic benefits attributable to the asset will accrue to the Group and that the cost of the asset can be reliably measured.

Other intangible assets have a definite useful life. These assets are reported at cost less accumulated amortization and any accumulated impairment losses.

Straight-line amortization over the estimated useful life is applied for all classes of assets, as follows:

Software licenses 3–8 years

The useful lives of assets are reviewed annually and adjusted, if appropriate.

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Goodwill

SEK m	Dec. 31, 2022	Dec. 31, 2021
Opening balance	7,335	6,981
Acquisitions	–	132
Reclassifications	–	–250
Translation differences	890	471
Closing accumulated balance	8,225	7,335
Opening impairment	–150	–97
Impairment losses for the year	–	–52
Closing accumulated impairment losses	–150	–150
Closing residual value	8,075	7,185

SEK m	Dec. 31, 2022	Dec. 31, 2021
Goodwill distributed by operating segment:		
USA	4,314	3,753
Europe	3,754	3,424
Loomis Pay	8	8
Total	8,075	7,185

Intangible assets 2022

SEK m	Acquisition-related intangible assets	Other intangible assets	Total
Opening balance January 1, 2022	1,639	952	2,591
Capital expenditures	–	76	76
Disposals/write-offs	–6	–31	–37
Impairments	–	–22	–22
Reclassifications	–	–65	–65
Translation differences	172	50	222
Closing accumulated balance December 31, 2022	1,805	960	2,765
Opening amortization	–905	–540	–1,445
Disposals/write-offs	6	31	37
Amortization for the year	–123	–91	–214
Impairments	–	3	3
Reclassifications	–	15	15
Translation differences	–105	–36	–141
Closing accumulated amortization December 31, 2022	–1,127	–617	–1,744
Closing residual value December 31, 2022	678	343	1,021

Intangible assets 2021

SEK m	Acquisition-related intangible assets	Other intangible assets	Total
Opening balance January 1, 2021	1,202	622	1,824
Acquisitions	361	–	361
Capital expenditures	–	124	124
Disposals/write-offs	–	–2	–2
Reclassifications	6	188	194
Translation differences	70	20	90
Closing accumulated balance December 31, 2021	1,639	952	2,591

Opening amortization	–716	–353	–1,069
Disposals/write-offs	–	–3	–3
Amortization for the year	–126	–95	–221
Reclassifications	–5	–72	–77
Translation differences	–58	–15	–73

Closing accumulated amortization December 31, 2021	–905	–540	–1,445
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Closing residual value December 31, 2021	734	413	1,147
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Acquisition-related intangible assets consists primarily of contract portfolios and other intangible assets primarily of software licenses.

NOTE 14
 Tangible fixed assets

ACCOUNTING PRINCIPLES

Tangible fixed assets are reported at cost, less accumulated depreciation and any accumulated impairment losses. Cost includes expenses directly attributable to the acquisition of the asset. Additional expenses are added to the reported value of the asset or are reported as a separate asset, as appropriate, only if it is likely that the Group will benefit from the future financial benefits associated with the asset, and if the cost of the asset can be reliably calculated. The reported value of the replaced part of the asset is eliminated from the balance sheet. All other types of repairs and maintenance are reported as costs in the statement of income in the period in which they arise. Depreciation is based on historical cost and the expected useful life of the asset. The residual values and useful lives of the assets are reviewed on each balance sheet date and adjusted as needed. An asset's reported value is written-down immediately to its

recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Straight-line amortization over the estimated useful life is applied for all classes of assets, as follows:

Machinery and equipment	4 – 10 years
Buildings and ground installations	25 – 67 years
Land is not depreciated.	

Gains and losses on disposals are determined by comparing proceeds from the sales with the asset's reported value, and are reported as production expenses or selling and administrative expenses, depending on the type of asset being sold.

Buildings and land

Group		
SEK m	Dec. 31, 2022	Dec. 31, 2021
Opening balance	1,437	1,334
Capital expenditure	67	25
Disposals/write-offs	12	–3
Reclassifications	50	14
Translation differences	201	68
Closing accumulated balance	1,768	1,437
Opening depreciation	–467	–392
Depreciation for the year	–58	–49
Disposals/write-offs	4	–
Reclassifications	–43	2
Translation differences	–66	–29
Closing accumulated depreciation	–629	–467
Closing residual value	1,139	970

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Machinery and equipment

	Group		Parent company	
SEK m	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Opening balance	16,862	14,852	24	21
Acquisitions	–	147	–	–
Capital expenditure	1,230	1,007	1	3
Disposals/write-offs	–299	–382	–	–
Reclassifications	77	77	–	–
Translation differences	2,028	1,162	–	–
Closing accumulated balance	19,899	16,862	25	24
Opening depreciation	–12,400	–10,694	–9	–5
Disposals/write-offs	299	335	–	–
Depreciation for the year	–1,186	–1,075	–5	–4
Reclassifications	–73	–84	–	–
Translation differences	–1,522	–881	–	–
Closing accumulated depreciation	–14,882	–12,400	–14	–9
Closing residual value	5,018	4,463	11	15

The closing residual value of land included in Buildings and land above amounted to SEK 209 million (183).

Machinery and equipment comprises vehicles, equipment, security equipment (including alarm systems) and IT and telecom equipment. No impairment has been undertaken.

Reclassifications mainly relating to Right-of use assets.

> See Note 15 Right-of use assets.

NOTE 15 Right-of use assets

ACCOUNTING PRINCIPLES

The Group's leases are mainly for the asset classes Buildings, SafePoints and Vehicles. The leases are normally contracted for fixed periods of between 3 and 20 years. The average contract duration is 52 months (57). Options to extend or terminate leases are included in some of the Group's leases, but lease extensions are included only where it is likely that these will be exercised.

In the majority of cases the option that provides the possibility of extending or cancelling the agreement can only be exercised by the Group and not by the lessors. The leases do not contain any specific terms or restrictions that could involve the agreements being cancelled if the lease terms are not met, but the leased assets may not be used as security for loans.

The leases are reported as right-of-use assets with the associated liability on the day the leased asset is available for use by the Group. Right-of-use assets are depreciated on a straight-line basis from the start date to the end of the underlying asset's useful life. Each lease payment is divided into amortization of debt and financial expense. The financial expense is to be distributed over the lease term so that in each reporting period an amount is recognized equivalent to a fixed interest rate for the recorded debt during the respective period. The Group's average incremental borrowing rate on lease liabilities for 2022 was approximately 2.02 percent (2.10).

Measurement of leased assets and lease liabilities

Right-of-use assets are measured at cost and include the following:

- The original value of the lease liability

SEK m	Buildings	Safepoints	Vehicles	Machinery	Other	Total
Opening balance as of January 1, 2022	3,158	1,399	437	5	45	5,043
Capital expenditures	451	642	217	–	1	1,311
Disposals/write-offs	–53	–	–70	–1	–0	–124
Translation differences	341	228	30	0	2	601
Closing accumulated balance as of December 31, 2022	3,897	2,269	615	4	47	6,832
Opening depreciation as of January 1, 2022	–1,197	–582	–240	–3	–13	–2,034
Disposals/write-offs	47	–	69	1	–	117
Depreciation for the year	–435	–382	–78	–1	–6	–903
Translation differences	–137	–95	–15	–0	–1	–248
Closing accumulated depreciation as of December 31, 2022	–1,723	–1,060	–264	–3	–20	–3,068
Closing residual value as of December 31, 2022	2,174	1,209	351	1	28	3,763

- Lease payments paid on or before the start date after deduction for any benefits received in connection with the signing of the lease
- Initial direct expenses
- Expenses to return the asset to the condition specified in the terms of the lease

Lease liabilities include the present value of the following lease payments:

- Fixed lease payments (including those that are substantially fixed)
- Variable lease payments that are determined by an index or a price
- Guaranteed residual value that the lessee expects to be required to pay to the lessor
- The exercise price of a purchase option if it is reasonably certain that the lessee will exercise the option
- Penalties for terminating the lease if the lease term reflects the assumption that the lessee will exercise this option

Lease payments are discounted by a discount rate based on the country's underlying currency, exchange rate, the length of the lease and underlying interest rate plus a company-specific risk premium. The discount rate is the same for all asset classes.

Subsequent measurement

All of Loomis' leases are measured according to the cost model, which means that right-of-use assets will be measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability that reflects a reassessment or amendment of the lease. The remeasurement amount is recognized as an adjustment of the right-of-use asset. If the carrying amount of the right-of-use asset is written down to zero and there is a

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SEK m	Buildings	Safepoints	Vehicles	Machinery	Other	Total
Opening balance as of January 1, 2021	2,700	847	397	5	41	3,991
Acquisitions	–	–	22	–	–	22
Capital expenditures	311	440	92	1	11	855
Disposals/write-offs	–15	–	–68	–1	–7	–91
Reclassifications	–6	–	–13	–	–2	–22
Translation differences	168	111	8	–1	2	288
Closing accumulated balance as of December 31, 2021	3,158	1,399	437	5	45	5,043
Opening depreciation as of January 1, 2021	–770	–292	–266	–3	–15	–1,347
Disposals/write-offs	–	–	64	1	6	70
Depreciation for the year	–381	–246	–50	–1	–5	–682
Reclassifications	–	–	13	–	2	15
Translation differences	–46	–44	–2	–	–	–91
Closing accumulated depreciation as of December 31, 2021	–1,197	–582	–240	–3	–13	–2,034
Closing residual value as of December 31, 2021	1,961	816	198	2	32	3,008

further reduction in the value of the lease liability, any remaining amount of the remeasurement is recognized in profit or loss.

Right-of-use assets amounted to SEK 3,763 million as of December 31, 2022 (3,008). Buildings account for 58 percent (65) of total right-of-use assets.

SEK m	Dec. 31, 2022	Dec. 31, 2021
Depreciation of right-of-use assets	–903	–682
Interest expense for lease liabilities	–112	–89
Costs attributable to short-term leases	–53	–41
Costs attributable to low-value leases	–10	–10
Principal payments for lease liabilities	–966	–724

As of December 31, 2022, the Group has obligations of SEK 52 million (41) relating to short-term leases. During 2022, the cost relating to short-term leases (lease term of 12 months or less) amounted to SEK 53 million (41) and leases for which the underlying asset has a low value (<USD 5,000) amounted to SEK 10 million (10).

NOTE 16 Accounts receivable

ACCOUNTING PRINCIPLES

Accounts receivables are reported at amortized cost.

> For further information about accounting principles and credit risk, refer to Note 22 Financial instruments and risk management.

Group		
SEK m	Dec. 31, 2022	Dec. 31, 2021
Accounts receivable before deduction of provisions for bad debt losses	3,430	2,798
Provision for bad debt losses, net	–120	–113
Total accounts receivable	3,311	2,686

Bad debt losses for the year amounted to SEK 25 million (2), net.

Ageing analysis for overdue accounts receivable

SEK m	Dec. 31, 2022	Dec. 31, 2021
Maturity date <30 days	711	497
Maturity date 30–90 days	283	235
Maturity date >90 days	178	201
Total overdue accounts receivable	1,173	934

Ageing analysis Dec. 31, 2021 has been corrected.

NOTE 17 Prepaid expenses and accrued income

ACCOUNTING PRINCIPLES

Prepaid expenses and accrued income are reported at amortized cost.

Group		
SEK m	Dec. 31, 2022	Dec. 31, 2021
Prepaid expenses for insurance and risk management	151	105
Prepaid expenses for right-of-use assets	43	45
Prepaid rent	23	21
Prepaid suppliers' invoices	14	4
Prepaid expenses for IT projects	105	–
SafePoint warranty	109	69
Other prepaid expenses	380	260
Other accrued income	28	23
Total prepaid expenses and accrued income	851	527

Parent company		
SEK m	Dec. 31, 2022	Dec. 31, 2021
Accrued income	14	25
Prepaid expenses for IT projects	105	–
Other	44	22
Total prepaid expenses and accrued income	162	46

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NOTE 18
 Liquid funds

ACCOUNTING PRINCIPLES

Liquid funds include interest-bearing securities with high liquidity, wich can easily be converted into cash and including interest-bearing current assets with a maturity of less than three months. Short-term liquid investments with a maturity from the acquisition date of more than three months are reported as short-term financial investments.

SEK m	Dec. 31, 2022	Dec. 31, 2021
Liquid funds	2,264	2,009
Funds in cash processing operations ¹⁾	3,940	3,146
Total liquid funds	6,203	5,156

1) Refer to Note 19 Funds in cash processing operations.

Reconciliation of liquid funds according to the consolidated balance sheet in the Group's cash flow statement is as follows:

SEK m	Dec. 31, 2022	Dec. 31, 2021
Liquid funds according to the Group's balance sheet	6,203	5,156
– Adjusted for inventory of cash at the cash processing operations ¹⁾	–2,956	–2,537
– Adjusted for prepayments from customers ¹⁾	–984	–609
Liquid funds according to the Group's cash flow statement	2,264	2,009

1) Refer to Note 19 Funds in cash processing operations.

NOTE 19
 Funds in cash processing operations

ACCOUNTING PRINCIPLES

Loomis' operations involve the transportation of cash and other valuables based on customer contracts. If stipulated in the customer contract, the transported cash is also counted at Loomis' cash centers. The cash received by Loomis is on consignment unless otherwise agreed with the customer. Consignment cash is accounted for by the other party and not by Loomis. In cases where Loomis, according to the customer contract, assumes ownership of the cash, it is recognized as inventories of cash. These inventories are financed by specific overdraft facilities and by prepayments from customers. The overdraft facilities and prepayments are used solely for this purpose.

Loomis recognizes the above-mentioned items in their gross amounts. Inventories of cash and prepayments from customers are recognized in the balance sheet as liquid funds. Credit facilities relating to cash processing operations, as well as liabilities relating to prepayments from customers and liabilities to customers, are reported in the balance sheet on the line liabilities, cash processing operations. Interest expense for overdraft facilities is recognized in "Production expenses" as it relates to financing of operating activities.

Inventories of cash are entirely separate from Loomis' other liquid funds and cash flow, and according to internal guidelines they are not used in Loomis' other operations or business. In the consolidated cash-flow statement, inventories of cash are therefore recognized net against the above-mentioned overdraft facilities and prepayments from customers. Cash funds in processing operations are not included in liquid funds in the consolidated cash flow.

Funds in cash processing operations

SEK m	Dec. 31, 2022	Dec. 31, 2021
Inventory of cash at the cash processing operations	2,956	2,537
Prepayments from customers	984	609
Total funds in cash processing operations	3,940	3,146

Liabilities in cash processing operations

SEK m	Dec. 31, 2022	Dec. 31, 2021
Liabilities related to prepayments from customers and liabilities to customers	1,205	1,144
Credit facility related to cash processing operations	2,247	1,674
Total liabilities in cash processing operations	3,453	2,818

NOTE 20
 Shareholder's equity

Number of outstanding shares in Loomis AB

	2022		2021	
	No. of shares	Quota value (SEK m)	No. of shares	Quota value (SEK m)
Total no. of shares	75,279,829	376.4	75,279,829	376.4
whereof treasury shares	3,622,782	18.1	1,433,782	7.2
Total no. of outstanding shares	71,657,047	358.3	73,846,047	369.2

Share capital

Share capital refers to the capital the owners have contributed to the company through the issued shares. All shares have a quota value of SEK 5, equal voting rights and an equal share in the company's profit and capital.

Other contributed capital

Other contributed capital refers to shareholder's contribution received.

Other reserves

Other reserves comprises translation differences, hedging of net investments net of tax, share-based remuneration and share swap agreements.

Non-controlling interest

In subsidiaries not wholly owned, the share of equity owned by external shareholders is recognized as non-controlling interest.

Earnings per share

Earnings per share before dilution is calculated by dividing profit for the year attributable to the owners of the parent company with the average number of outstanding shares. The average number of shares is the weighted number of outstanding shares during the year after repurchase of own shares. Earnings per share after dilution is calculated by adjusting the average number of shares with the estimated number of shares from share-based incentive programs. Shares from incentive programs are included in the calculation of the dilution from the start of each program. The dilution in the Group is a consequence of Loomis' long-term incentive programs. The average number of outstanding shares before dilution amounted to 73,034,619 (74,926,653) and after dilution to 73,077,145 (74,963,966).

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NOTE 21 Shares in subsidiaries

Subsidiary	Corporate Identification number	Countries where Loomis is registered and has operations	Operations	Share of capital directly owned by the Parent Company (%)	Carrying amount (SEK m)	Share of capital owned by the Group (%)
Loomis Holder Spain SL	B83379685	Spain	Holding company	100	872	100
Loomis Spain SA	A79493219	Spain	CIT and CMS company	—	—	100
Loomis Portugal SA	506632768	Portugal	CIT and CMS company	—	—	100
Transportadora de CaudalesVigencia Duque SA	30-68901181-7	Argentina	CIT and CMS company	—	—	100
Loomis Holding Chile SpA	768882347	Chile	Holding Company	—	—	100
Wagner Seguridad Custodia y	995052407	Chile	CIT and CMS company	—	—	100
Loomis Norge AS	983445381	Norway	CIT and CMS company	100	42	100
Loomis Holding UK Ltd	2586369	UK	Holding company	100	602	100
Loomis UK Ltd	3200432	UK	CIT and CMS company	—	—	100
Loomis Holding US Inc	47-0946103	USA	Holding company	100	693	100
Loomis Armored US LLC	75-0117200	USA	CIT and CMS company	—	—	100
Loomis Österreich GmbH	FN104649x	Austria	CIT and CMS company	99	134	100
Loomis Suomi Oy	1773520-6	Finland	CIT and CMS company	100	171	100
Loomis Value Solutions Oy	1811298-3	Finland	Comprehensive solutions for recycling of cash	100	186	100
Automatia Pankiautomaatit Oy	0974651-1	Finland	Comprehensive solutions for recycling of cash	100	587	100
Loomis Sverige AB	556191-0679	Sweden	CIT and CMS company	100	69	100
Loomis eStore AB	556197-6837	Sweden	Supplier of consumables	100	15	100
Loomis Digital Solution AB	556961-5312	Sweden	Digital payment solutions	100	213	100
Loomis Belgium NV	0834600965	Belgium	CIT and CMS company	100	99	100
Loomis Czech Republic a.s.	26110709	Czech Republic	CIT and CMS company	100	15	100
Loomis Danmark A/S	10082366	Denmark	CIT and CMS company	100	216	100
Loomis Güvenlik Hizmetleri A.S.	539774	Turkey	CIT and CMS company	98	72	100
Loomis Germany Holding GmbH	HRB 97274	Germany	Holding company	100	—	100
Loomis Holding France SASU	498543222	France	Holding company	100	877	100
Loomis France SASU	479048597	France	CIT and CMS company	—	—	100
Loomis FX Gold and Services	352572937	France	Foreign currency company	—	—	100
Loomis Logistique de Valeurs Azur SA	037020757	France	CIT and CMS company	—	—	100
Loomis Traitement de Valeurs Azur SA	312086739	France	CIT and CMS company	—	—	100
Loomis Reinsurance Ltd	152439	Ireland	Reinsurance company	100	110	100
Loomis SK a.s.	36 394 238	Slovakia	CIT and CMS company	100	24	100
Loomis UK Finance Company Ltd	7834722	UK	Investment company	100	2,724	100
Via Mat Holding AG	CHE-103.445.244	Switzerland	Holding company	100	1,651	100
Loomis International Corporate AG	CHE-106.825.583	Switzerland	Holding company	—	—	100
Loomis Schweiz AG	CHE-109.503.213	Switzerland	CIT and CMS company	—	—	100
Total shares in subsidiaries					9,373	

A complete detailed specification of subsidiaries can be obtained on request.

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All subsidiaries are consolidated into the Group. The percentage of voting rights in the subsidiaries owned directly by the Parent Company is the same as the percentage of shares held. There is no subsidiary that has a holder of non-controlling interests and that is of significance to the Group.

Shares in subsidiaries		
SEK m	Dec. 31, 2022	Dec. 31, 2021
Opening balance, January 1	9,405	9,421
Capital contributions	15	166
Acquisitions	–	33
Other	5	2
Impairment losses	–53	–217
Closing balance, December 31	9,373	9,405

The changes in shares in subsidiaries year 2022 were predominately related to a partial write down of the Norwegian, Slovakian and Turkish subsidiaries. Changes in 2021 is primarily due to impairment of the German subsidiary, and capital contributions to two subsidiaries.

NOTE 22

Financial instruments and risk management

ACCOUNTING PRINCIPLES

Recognition and derecognition from the statement of financial position

A financial asset or financial liability is recognized in the balance sheet when an entity becomes party to the contractual provisions of the instrument. Accounts receivable are recognized in the balance sheet when an invoice has been sent. A liability is recognized when the counterparty has performed services and there is a contractual obligation to pay, even if the invoice has not yet been received. Accounts payable are recognized when an invoice has been received.

Financial assets are derecognized from the balance sheet when the rights in the contract are realized or expire, or the entity has essentially transferred all risks and rewards associated with ownership. A financial liability is derecognized from the balance sheet when the contractual obligation is met or otherwise extinguished.

Financial assets and financial liabilities are offset and reported net in the balance sheet only where there is a legal right to offset the amounts and there is an intention to either settle the items on a net basis or where the asset will be realized and the liability settled simultaneously.

Acquisitions and divestments of financial assets are recognized on the transaction date, which is the date when the entity undertakes to acquire or divest the asset, except where the entity acquires or

divests listed securities, in which case the settlement date applies for recognition.

Classification and measurement

Financial assets are initially classified based on the business model the asset is managed under and the nature of the cash flow associated with it.

Financial assets recognized at amortized cost

Financial assets held to maturity within the framework of a business model the objective of which is to collect predetermined or determinable cash flows and where the payments consist solely of payment of principal and interest are recognized at amortized cost applying the effective interest method. The amortized cost of a financial asset is equivalent to the fair value upon acquisition less the principal and accumulated amortization and impairment losses.

This category of financial assets mainly consists of accounts receivable and liquid funds. Liquid funds consist of cash and deposits at banks and equivalent institutions that are immediately available, and short-term liquid investments with a maturity of less than three months from the acquisition date and which are subject to only an insignificant risk of fluctuation in value. Liquid funds include inventories of cash and prepayments from customers that constitute funds in cash processing operations.

Accounts receivable are recognized at the amounts expected to be received, after deductions for bad debt that are individually assessed. For accounts receivable, contract assets and lease receivables, impairment losses are recognized directly in profit/loss for the period for anticipated credit losses for the remaining term of the asset. A simplified model is used to calculate the credit losses on the Group's accounts receivable where accounts receivable are grouped based on the customers' credit rating. In certain cases, separate assessments are made of individual contract assets. The calculation is made using a provision matrix based on past events, current circumstances and forecasts of future economic conditions and the value of money.

Financial assets recognized at fair value through profit or loss

Financial assets held under other business models for which the purpose is speculation, held for trading or where the nature of the cash flow excludes the first two business models are recognized at fair value through profit or loss. The fair value is determined according to the fair value hierarchy described in more detail later in this note.

This category of assets includes contingent considerations for acquisitions and interest-bearing financial current assets and derivative instruments in the form of currency.

Financial assets recognized at fair value through other comprehensive income

Financial assets held within the framework of a business model the

objective of which can be achieved both by collecting predetermined cash flows and by selling the financial assets, and where the payments consist solely of principal and interest are recognized at fair value through comprehensive income.

Loomis currently has no assets in this category.

Financial liabilities recognized at fair value through profit or loss

Financial liabilities are recognized at fair value through profit or loss if they are 1) a contingent consideration to which IFRS 3 applies, 2) held for trading or 3) initially identified as a liability at fair value through profit or loss.

This category of liabilities includes contingent considerations and derivative instruments in the form of currency and share swaps for share-based payments, which are measured at fair value through profit or loss.

Financial liabilities recognized at amortized cost

Financial liabilities that do not meet one of the three criteria above are recognized at amortized cost using the effective interest method.

Accounts payable are measured at amortized cost. The expected maturities of the accounts payable are short and for this reason the liability is recognized at the nominal amount with no discounting. Interest-bearing bank loans, overdraft facilities and other loans are measured at amortized cost according to the effective interest method. Any difference between the loan amount (net after transaction costs) and debt repayment or amortization is reported over the term of the loan.

Hedge accounting

Hedge accounting is applied for investments in foreign operations. Net investments in foreign operations have been hedged by foreign currency loans being recognized on the closing day exchange rate. In hedge accounting, the asset (net investment in foreign operations) and the liability (foreign currency loan) are linked, which means that only gross changes in value are recognized through other comprehensive income.

Efficiency measurement

A prospective assessment of efficiency is made based on a qualitative analysis, and a hedge is considered effective if the hedging instrument's critical terms fully match the corresponding terms for the hedged item. The critical terms evaluated for the hedged item are nominal amount and currency.

As the Group's currency risk exposure is hedged using a financial liability or a currency swap, and the critical terms of the hedging instrument and the hedged item match, there is considered to be an economic link between the hedging instrument and the hedged item. The hedged instrument and the hedged item are expected to develop in opposite directions as a consequence of a change in the underlying hedged risk.

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Hedge ratio

The hedge ratio is the hedged instrument in relation to the hedged item. The Group's hedge ratio is 1:1 as the volume (nominal amount) of the hedging instrument is equivalent to the volume of the hedged item. No adjustment of the hedge ratio is expected.

Financial risk management

Loomis is exposed to risk associated with financial instruments, such as liquid funds, accounts receivable, accounts payable and loans. The risks related to these instruments are, primarily, the following:

- Interest rate risks associated with liquid funds and loans
- Exchange rate risks associated with transactions and recalculation of shareholder's equity
- Credit risks attributable to financial and commercial activities
- Financing risks relating to the Company's capital requirements
- Liquidity risks associated with short-term solvency
- Capital risks attributable to the capital structure
- Price risks associated with changes in raw material prices (primarily fuel)

Loomis' financial risk management is primarily coordinated centrally by Loomis AB's Treasury function. By concentrating the risk management and the financing, economies of scale can be used to obtain the best possible terms.

The aim of Loomis AB's Treasury function is to support the operating activities, optimizing the level of the financial risks, manage the net debt effectively and ensure compliance with the terms of loan agreements.

The Financial Policy, established by the Board of Directors, comprises a framework for the overall risk management. As a complement to the Financial Policy, the CEO of Loomis establishes instructions for Loomis AB's Treasury function which more specifically govern the manner in which the financial risks to which Loomis is exposed are to be managed and controlled. This instruction handles the principles and limits regarding market risks, credit risks, financing risks, liquidity risks and derivative insturments. Derivatives are not used for speculative purposes, but rather only to minimize the financial risks.

Financial risk factors

Interest rate risk

Interest rate risk is the risk that Loomis' earnings will be affected by changes in interest rates.

The average volume weighted fixed interest term as of December 31, 2022 was around 1 months. A permanent change in the interest rate of +1 percent as of December 31, 2022 would have an annual net effect on financial expense of SEK –100 million (–90). Loomis' borrowing as of December 31, 2022 amounted to SEK 6,293 million (5,945).

The average interest rate on the debt during the year was 2.28 percent (1.23), excluding arrangement costs for the existing credit facilities.

> For further information regarding assumptions on pension liabilities, refer to Note 23 Provisions for pensions and similar obligations.

Exchange rate risk – Translation risk

Translation risk is the risk that the value in SEK regarding assets and liabilities in foreign currencies fluctuates due to changes in exchange rates.

As a large number of subsidiaries operate in other countries, the Group's balance sheet and statement of income are affected by the translation of foreign currencies to SEK. This exposure gives rise to a translation risk, which means that unfavorable changes in exchange rates could have a negative impact on the Group's foreign net assets when translated into SEK. Loomis' capital employed as of December 31, 2022 amounted to SEK 19,949 million (17,070). If SEK had weakened/strengthened by 5 percent compared to USD, with all other variables being the same, Loomis' shareholders' equity would have been affected in the amount of SEK 462 million (320). The corresponding figures for GBP would be SEK 14 million (17), for EUR SEK 94 million (83) and for CHF SEK 108 million (82). Loomis uses hedge accounting according to the principle of hedging net investments to limit translation risk. Loomis had two hedges, which were both terminated during th year. One amounting to USD 0 million (107) where the hedged item is the net investment in the USA; the second one entered into in connection with an acquisition in CHF, the hedge amounting to CHF 0 million (20) where the hedged item is the net investment. The ineffectiveness of the hedges during the year was SEK 0 million (0). For other currencies, loans and currency swaps constitute hedges of corresponding receivables where hedge accounting is not applied.

The purpose of the Group's capital structure is to continue to generate a high return for the shareholders and to maintain an opti-

Dec. 31, 2022 SEK m	EUR	USD	GBP	CHF	SEK	Other	Total
Capital employed	4,930	10,046	754	2,221	754	1,243	19,949
Net debt	–3,042	–803	–477	–62	–2,814	–286	–7,484
Net exposure	1,888	9,244	277	2,159	–2,060	957	12,465

Dec. 31, 2021 SEK m	EUR	USD	GBP	CHF	SEK	Other	Total
Capital employed	4,479	7,893	828	1,994	794	1,081	17,070
Net debt	–2,824	–1,485	–495	–350	–1,628	–225	–7,007
Net exposure	1,655	6,408	333	1,644	–833	856	10,063

mal capital structure in order to keep the cost of capital as low as possible. The capital structure can be adjusted according to the needs that arise through changes in dividends to shareholders, the repurchase of own shares issuance of new shares or the sale of assets to decrease liabilities. Evaluation of the capital structure is based on relevant key ratios.

The table below shows how the Group's capital employed is broken down by currency (nominated in SEK m) and is financed, including derivative instruments:

Exchange rate risk – Transaction risk

Transaction risk is the risk that changes in exchange rates will negatively affect the Group's earnings. Since the majority of Loomis' subsidiaries operate outside Sweden, there are certain risks associated with financial transactions in different currencies. These risks are limited by the fact that both costs and income are generated in the local currency in the respective market. This is also the case for loans taken in foreign currencies where the risk of adverse fluctuations in interest payments due to currency fluctuations is limited by income being generated in the same currencies. Furthermore, Loomis acts on the principle of the internal lending in foreign currencies must be met by the corresponding external debt in foreign currency. Since Loomis' business is largely local, the transaction risk is not considered material.

Loomis has operations that involve trading in foreign currencies in cash. When currencies are traded based on purchase orders from customers, the exchange rate risk may be hedged using a forward exchange contract or by using an agreed credit facility. Loomis does not apply hedge accounting for these contracts, and revaluations are recognized in operating income.

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Financial credit risk

Credit risk is the risk of loss if a counterparty is unable to fulfill its commitments. Financial credit risk is divided into credit risk in accounts receivable and financial credit risk associated with loans and derivatives.

Financial credit risk in accounts receivable

The risk of credit losses is generally low within the Group due to a range of factors. For example, a large proportion of sales are based on contracts with well-known, medium-sized or large customers where the relationship is an established and long-term one. This results in stable payment inflows. New customers are checked for creditworthiness, furthermore Loomis performs its services for customers with a good geographical spread in multiple sectors. Exposure to a downturn in any particular sector or region is therefore relatively limited.

Also, although Loomis' services are vital in many respects, they are ancillary to the customers' total operations. This means that the cost of Loomis' services represents a small portion of the customers' total cost base, making Loomis less exposed to payment problems than suppliers of services or goods more directly included in the customer's value. All of this provides stable payment flows for sales generated – as evidenced by the low level of bad debts, which amounted to around 0.0 percent of sales in 2022.

The value of the outstanding accounts receivable was SEK 3,311 million (2,686) on December 31, 2022. Provisions are made for possible losses and amounted to SEK 120 million (113).

> For further information regarding bad debt refer to Note 16 Accounts receivable.

Financial credit risk relating to loans, derivatives and financial assets

The Group mainly uses banks with a high official credit rating to manage cash and for investment of any surplus liquidity. All banks are assigned a maximum exposure amount for outstanding bank balances, investments and derivatives with positive market value.

For cash balances and investments recognized at amortized cost, the general model is used to calculate expected credit losses, applying the exception for low credit risk. The rating of the banks is used to establish the probability of default and outstanding amounts are used as an approximation of exposure to default. Given that maturities are short and counterparties are stable, the amount of the credit reserve is insignificant. The counterparties are considered in default when they have a credit rating below B. The largest weighted exposure for all financial instruments to one and the same bank as of the balance sheet date was SEK 1,138 million (606).

The table below shows the credit ratings of financial assets¹⁾ on the balance sheet date according to Standard & Poor's or according to a similar rating institute with equivalent credit ratings:

SEK m	Dec. 31, 2022	Dec. 31, 2021
A -1+	27	999
A -1	2,007	995
Other holdings	735	439
Total	2,769	2,433

1) Excluding liquid funds in the cash processing operations. For information on funds in cash processing operations, see Note 19 Funds in cash processing operations.

Net debt

The tables below show the net debt and specifies the change in net debt during the year:

SEK m	Dec. 31, 2022	Dec. 31, 2021
Bank loans	17	209
MTN programme	1,750	–
Derivatives and other items	101	102
Current loans payable	1,867	311
Bond	1,412	1,025
Bank loans	600	–
MTN programme	1,499	2,950
Commercial papers	757	1,663
Derivatives and other items	3	–2
Non-current loans payable	4,270	5,636
Total loans payable	6,137	5,947
Liquid funds excluding funds in the cash processing operations	2,264	2,009
Other interest-bearing receivables	571	479
Financial net debt	3,302	3,459
Lease liabilities	3,866	3,049
Pension obligation, net	315	499
Net debt	7,484	7,007

Change in net debt during 2022

SEK m	Dec. 31, 2021	Change due to financing cash flows	Acquisition/ Divestment	Exchange rate effects	Change in fair value	Reclassification	Other	Dec. 31, 2022
Current liabilities	311	–193	–	–	–1	1,750	–	1,867
Non-current liabilities	5,636	299	–	86	–	–1,750	–	4,270
Defined benefit pension plans	724	–	–	–	–	–	–164	560
Lease liabilities	3,049	–	–	–	–	–	817	3,866
Total liabilities	9,720	106	–	86	–1	–	653	10,564
Liquid funds excluding funds in the cash processing operations	–2,009	–	–	–	–	–	–255	–2,254
Other interest-bearing liabilities	–479	–83	–20	–	10	–	–	–571
Defined benefit pension plans	–225	–	–	–	–	–	–20	–245
Total assets	–2,713	–83	–20	–	–	–	–275	–3,080
Net debt	7,007	23	–20	86	9	–	378	7,484

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Financing risk and liquidity risk

Financing risk is the risk that it will become more difficult or more expensive to finance outstanding loans. By maintaining a balanced maturity profile for the Group's borrowing, financing risk can be reduced. The Group's goal is for no more than 25 percent of its total external borrowing and credit obligations to mature within the coming 12-month period. All long-term financing and most short-term financing during the year was handled by Loomis AB's Treasury function.

The credit facilities have the usual terms and conditions, one of which sets a limit on the Group's net debt in relation to operating income before interest, tax, depreciation and amortization (EBITDA). Loomis met this condition with a good margin throughout 2022.

Liquidity risk is the risk that Loomis will not be able to meet its payment obligations. Loomis' liquidity risk is managed by maintaining

sufficient liquidity reserves (cash and bank balances, short-term investments and the unutilized portion of credit facilities) equivalent to a minimum of 5 percent of the Group's annual sales. The liquidity reserve in 2022 had a good margin in relation to the minimum requirement.

The following table shows Loomis AB's credit facilities and liquidity reserve.

The amounts presented in the table are the contractual discounted cash flows, which are the same as the nominal liabilities as the bank loans carry variable interest rates and the credit margins are deemed to be the same as would be obtained in the event of refinancing as of the closing date. The commercial papers issued are classified as long-term liabilities since the commercial paper program has a guaranteed long-term credit facility as security.

Programmes	2022-12-31	Currency	The facility amount	The facility amount (SEK m)	Utilized amount (SEK m)	Maturity date
Sustainability linked bond ¹⁾		SEK	1,500	1,500	1,500	2026
Bond ¹⁾		SEK	1,750	1,750	1,750	2023
Commercial papers ²⁾		SEK	757	757	757	2023
Facilities						
Syndicated loan facility 1		USD	140	1,458	0	2026
Syndicated loan facility 1		SEK	945	945	0	2026
Syndicated loan facility 1		EUR	55	611	0	2026
Syndicated loan facility 2		EUR	150	1,668	0	2024
Svensk Export Kredit Bond		EUR	100	1,112	1,112	2024–2026
Sustainability linked Svensk Export Kredit Bond		SEK	300	300	300	2026
Bilateral loan		CHF	600	600	600	2030
Credit facility		SEK	200	200	0	2023
Total				10,901	6,019	
Non-utilized facilities					4,882	
Adjustment for outstanding Commercial papers ³⁾					–757	
Cash and cash equivalents ⁴⁾					2,264	
Liquidity reserve					6,389	
Liquidity reserve as percentage of the Group's annual revenue					25%	

1) The MTN program framework amount to SEK 6,000 million, the issued amounts of which are indicated in the table.
2) Commercial papers amounts to SEK 3,000 million, the issued amounts of which are indicated in the table.
3) Outstanding commercial papers are excluded from the percentage of unutilized facilities as the long-term loan facility is a back-up for the issued volume of commercial papers.
4) Excludes liquid funds in the cash processing operations

The table below shows an analysis of the Group's financial liabilities and net derivative instruments recognized as financial liabilities, classified according to the time remaining from the balance sheet date until the contractual maturity date. The amounts presented in the table are the contractual discounted cash flows, which are the same as the nominal liabilities as the bank loans carry variable interest rates and the credit margins are deemed to be the same as would be obtained in the event of refinancing as of the closing date. The commercial papers issued are classified as long-term liabilities since the commercial paper program requires a long-term credit facility as security.

Dec. 31, 2022 SEK m	Less than 1 year	Between 1 and 5 years	More than 5 years
Bank loans	1,767	3,668	600
Accounts payable	1,003	–	–
Pension obligation	–	560	–
Lease liabilities IFRS 16	879	2,987	–
Derivatives	101	–	–
Other items	–	3	–
Total	3,749	7,218	600
Dec. 31, 2021 SEK m	Less than 1 year	Between 1 and 5 years	More than 5 years
Bank loans	209	5,633	–
Accounts payable	827	–	–
Pension obligation	–	724	–
Lease liabilities IFRS 16	701	1,404	944
Derivatives	102	–	–
Other items	–	3	–
Total	1,839	7,765	944

Credit relating to cash processing operations

The subsidiaries' total external credit granted for financing cash processing operations was SEK 4,257 million (3,772). The total credit utilized was SEK 2,069 million (1,603).

Price risk

The Group is exposed to price risks related to the purchase of certain raw materials (mainly fuel). The Group limits these risks through customer contracts containing fuel surcharges or annual general price adjustments to the largest extent possible.

Fair value of assets and liabilities

The carrying amounts of the assets and liabilities in Loomis' balance sheet are deemed to be a good approximation of the fair values. The fair value of liabilities and currency swaps that are included as hedging instruments in the hedging of net investments amounts to SEK 0 million (–199) and SEK 0 million (10) respectively.

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Financial instruments

Financial derivative instruments, such as forward exchange contracts and interest rate swaps, are aimed at limiting the financial risks to which Loomis is exposed. These types of instruments are never used for speculative purposes. For accounting purposes, financial instruments are classified based on the categories in IFRS 9. The following table shows Loomis' financial assets and liabilities, measurement categories and the fair value of each item. Loomis will continue to use derivative instruments in 2023 to limit exposure to the financial risks mentioned in this note.

Financial Instruments; reported values by category of valuation:

SEK m	IFRS 9 Category	Dec. 31, 2022 Carrying mount/ Fair value	Dec. 31, 2021 Carrying mount/ Fair value
Financial assets			
Interest-bearing financial fixed assets	1	568	466
Accounts receivable	1	3,311	2,686
Interest-bearing financial current assets	2	3	13
Liquid funds ¹⁾	1	2,264	2,009
Financial liabilities			
Current loans payable	4	955	763
Current loans payable	3	1,791	249
Long-term loans payable	4	7,257	5,657
Accounts payable	3	1,003	827

1) Excluding liquid funds in the cash processing operations. For more information about funds in the cash processing operations, refer to Note 19 Funds in cash processing operations.

Categories

- 1: Financial assets valued at amortized cost
- 2: Financial assets valued at fair value through profit or loss
- 3: Financial liabilities valued at amortized cost
- 4: Financial liabilities valued at fair value through profit or loss

Loomis' financial instruments are valued in accordance with the following levels:

- Unadjusted listed prices on active markets for identical assets or liabilities (level 1)
- Observed data for the asset or liability other than the listed prices included in level 1, either directly in accordance with listed prices or indirectly derived from listed prices (level 2)
- Data for the asset or liability that are not based on observable market data (level 3)

Dec. 31, 2022 SEK m	Level 1	Level 2	Level 3	Total
Financial assets				
– Derivative instruments held for trading	–	3	–	3
– Derivative instruments used for hedging	–	–	–	–
Total assets	–	3	–	3

Dec. 31, 2022 SEK m	Level 1	Level 2	Level 3	Total
Financial assets				
– Derivative instruments held for trading	–	101	–	101
– Derivative instruments used for hedging	–	–	–	–
Total assets	–	101	–	101

Dec. 31, 2021 SEK m	Level 1	Level 2	Level 3	Total
Financial assets				
– Derivative instruments held for trading	–	2	–	2
– Derivative instruments used for hedging	–	10	–	10
Total assets	–	12	–	12

Dec. 31, 2021 SEK m	Level 1	Level 2	Level 3	Total
Financial assets				
– Derivative instruments held for trading	–	101	–	101
– Derivative instruments used for hedging	–	–	–	–
Total assets	–	101	–	101

> Refer to Note 19 Funds in the cash processing operations.

Parent Company financial instruments

> For further information about the accounting principles of the parent company, refer to Note 1 Accounting principles.

Financial risks

Loomis uses hedge accounting according to the principle of hedging net investments to limit translation risk. Loomis had two hedges, one amounting to USD 0 million (107) where the shares in subsidiaries were hedged. In connection with the acquisition of VIA MAT, Loomis entered into a hedge amounting to CHF 0 million (20) where the net investment is hedged. The ineffectiveness of the hedges during the year was SEK 0 million (0).

For other currencies, loans and currency swaps constitute hedges of corresponding receivables where hedge accounting is not applied.

The table below presents an analysis of the Parent Company's financial liabilities classified according to the time remaining from the balance sheet date until the contractual maturity date. The amounts stated in the table are the contractual, undiscounted cash flows.

Dec. 31, 2022 SEK m	Less than 1 year	Between 1 and 5 years	More than 5 years
Bank loans	1,767	3,652	600
Accounts payable	25	–	–
Derivatives	101	–	–
Other items	–	–	–
Total	1,893	3,652	600

Dec. 31, 2021 SEK m	Less than 1 year	Between 1 and 5 years	More than 5 years
Bank loans	198	5,618	–
Accounts payable	25	–	–
Derivatives	–102	–	–
Other items	–	–	–
Total	121	5,618	–

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NOTE 23	Provisions for pensions and similar commitments
	ACCOUNTING PRINCIPLES
The Group operates, or otherwise participates, in a number of defined benefit and defined contribution pension plans. These plans are structured in accordance with local rules and practices. The overall cost of these plans for the Group is detailed in Note 7.	
Defined contribution pension plans	
A defined contribution plan is a pension plan under which the Company pays fixed contributions to a separate legal entity and to which it has no legal or informal obligations to pay further contributions. In 2022 the cost for defined contribution plans amounted to SEK 250 million (219).	
Defined benefit pension plans	
Defined benefit plans are pension plans providing benefits after termination of service other than those benefits provided by defined contribution plans. Calculations for the defined benefit plans are carried out by independent actuaries on a continuous basis. Costs for defined benefit plans are estimated using the Projected Unit Credit method resulting in a cost distributed over the individual's period of employment. Obligations are valued at the present value of expected future cash flows applying a discount rate corresponding to the interest rate on first-class corporate bonds or government bonds with a duration that is approximately the same as that of the obligations. Plan assets are reported at fair value.	
Loomis recognizes gains and losses related to changes in actuarial assumptions via Other comprehensive income on the line Actuarial gains and losses. The actuarial gains and losses refers to changes due to experience, changes in financial assumptions and changes in demographic assumptions. These actuarial gains and losses are reported for all defined benefit plans relating to post-employment benefits in the period in which they occur.	
If the recognition of a defined benefit plan results in an asset, this is recognized as an asset in the consolidated balance sheet under Pension plan assets. If the net result is a liability, it is reported as a provision under Provisions for pensions and similar commitments. Pension plan assets and Provisions for pensions and similar commitments are included in net debt. The interest component relating to defined benefit plans is recognized as financial expense/income.	

Summary of defined benefit plans					
The defined benefit obligation and plan assets are composed by country as follows:					
Funded and unfunded benefit obligations					
	Dec. 31, 2022				
	France	Switzerland	UK	Other countries	Total
Funded plans					
Present value of funded defined benefit obligations	–	1,075	1,339	–	2,414
Fair value of plan assets	–6	–1,047	–1,523	–	–2,576
Funded plans, net	–6	28	–184	–	–161
Unfunded plans					
Present value of unfunded benefit obligations	460	–	–	16	476
Total funded and unfunded benefit obligations	454	28	–184	–16	315
Funded and unfunded benefit obligations					
	Dec. 31, 2021				
	France	Switzerland	UK	Other countries	Total
Funded plans					
Present value of funded defined benefit obligations	–	1,425	1,982	–	3,407
Fair value of plan assets	–5	–1,254	–2,161	–	–3,420
Funded plans, net	–5	171	–179	–	–13
Unfunded plans					
Present value of unfunded benefit obligations	494	–	–	18	512
Total funded and unfunded benefit obligations	488	171	–179	18	499
UK					
The Loomis UK Pension scheme represents approximately 46 percent (51) of the Group's total commitments in respect of Defined benefit obligations as of December 31, 2022. The plan is a funded defined benefit plan in which the assets are held separately from those of the employer. Under the Loomis UK pension scheme, employees are entitled to annual pensions paid directly from the					

scheme on retirement which are calculated as a percentage of the member's final pensionable salary multiplied by number of years of service. In payment, the pension is increased annually with increases typically being linked to inflation capped at a certain level. Benefits are also payable on death and following other events such as terminated employment.
The scheme is administrated by a board of trustees which is legally separated from the Company. The board of trustees is chaired by an Independent Trustee. The board of trustees are required by law to:
• Act in the best interest of all beneficiaries of the scheme • Ensure the scheme is operated in accordance with its rules and statutory requirements i.e the general law of trusts and specific UK law applying to pension schemes, including Acts of Parliament and regulations. • Be responsible for the investment strategy of the scheme's assets and • Be responsible for the day-to-day administration of the benefits
The board of Trustees rely on professional advice to help them meet the requirements stated above.
Under UK Regulations, the company and the board of Trustees must agree what contributions should be paid into the scheme after receiving advice from an actuary.
The UK pension scheme is required to perform a funding valuation every third year to ensure long-term financing and consolidation. The scheme has, since March 3, 2013 been closed for future accrual.
The Company and the board of Trustees are working together to help ensure the UK scheme's investment risk are reduced as and when appropriate. This includes holding a diversified asset portfolio to ensure there is no concentrated risk in one market, asset class or region.
Loomis AB has also provided a guarantee of GBP 85 million to the pension scheme to further show its commitment to meet any obligations that the scheme provides to its members.
Loomis UK also participates in various defined contribution pension plans.
Switzerland
In Switzerland there are two funded pension schemes which, combined, constituted around 37 percent (36) of the Group's total commitments as of December 31, 2022. The Swiss pension schemes are funded so that the assets in the schemes consist of assets in pension funds which are separate from the other assets of the entities. The Swiss pension schemes are open to new employees and benefits are accrued in the schemes. There are no previous employees as members with vesting rights in the schemes because the pension liability goes to the new employer when employment ends.
Both of the pension schemes include pension benefits, disability

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pension, and benefits in the event of death in service for surviving spouses and children. The pension benefits in these schemes are based on age, number of years in service, salary, and earned pension capital. The disability pension benefits amount to a percentage of the pensionable salary. The death benefits and benefits for surviving spouses are calculated on the pensionable salary while the survival coverage for children for one of the plans is based on a percentage of the anticipated pension capital and for the other plan based on the pensionable salary. Premiums increase with age and are shared equally between the employer and the employee.

Both of the pension plans in Switzerland are controlled by boards that consist of an equal number of representatives from the company and the employees. Loomis' pension plans in Switzerland are reinsured with an external party. This means that all of the risks associated with the pension liability, including the investment risk, are covered by an insurance contract. Under this insurance contract the third party guarantees the funding level, which is calculated based on local laws, at a rate of 100 percent. The third party activity is regulated by federal Swiss legislation and all risk management activities are covered by the Swiss Solvency Test.

France

In France there are mainly two unfunded plans, a Retirement indemnity plan that represents approximately 16 percent (12) of the Group's total commitments in respect of the defined benefit obligations as of December 31, 2022 and a Jubilee award plan that represents approximately 1 percent (1) of the total commitments. The retirement indemnity plan provides a one-off lump sum retirement benefit to employees who retire from Loomis with five or more years' service. The size of the benefit is based on amongst other, an employee's years of service, their salary at retirement and their role at the company.

The requirement for a one-off retirement indemnity is a legal obligation. The benefit from the plan is fixed by a collective bargaining agreement governed by industry representatives. A Council tribunal deals with any disputes between the employer and employees over the benefit payments. Benefits are paid directly by the company as and when they arise. The plan is open to future accrual and new members.

The Jubilee award plan is an unfunded arrangement and is paid to employees upon completion of a certain number of years of service.

Other countries

In addition to the plans mentioned above, there are unfunded defined benefit plans in Austria that represent approximately 1 percent (0) of the Group's total commitments as of December 31, 2022.

Sweden

Blue-collar employees of the Group in Sweden are covered by the SAF-LO collective pension plan, which was negotiated by the parties in the labor market for persons employed in the private sector under collective agreements. The plan is a multi-employer defined contribution arrangement. Professional employees of the Group are instead covered by the ITP plan, which is a collectively agreed plan for professional employees within the private sector. A number of years back ITP was split into ITP1 and ITP2. ITP1 is a multi-employer defined contribution plan. ITP2 is a defined benefit plan which, according to a statement (UFR 10) issued by the Swedish Financial Reporting Board, is a multi-employer defined benefit plan. Alecta, a mutual insurance company that manages the pension plan's benefits, is unable to provide Loomis, or other Swedish companies, with sufficient information with which to determine an individual company's share of the total commitment and its plan assets. Consequently, the ITP pension plan that is secured by insurance with Alecta is reported as a defined contribution plan. The cost for 2022 amounted to SEK 16 million (14). The cost for 2022 is expected to be at a similar level. Alecta's surplus may be distributed to the policy holders and/or the insured. At the end of 2022, Alecta's surplus in the form of the collective consolidation level amounted to 172 percent (172). The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance commitments calculated in accordance with Alecta's actuarial assumptions, which do not accord with IAS 19.

Dec. 31, 2022				
	France	Switzer-land	UK	Other coun-tries
Liability Active members (% of total obligation)	100	91		100
Deferred liability to members (% of total obligation)			50	–
	–	–	50	–
Liability Pensioner members (% of total obligation)	–	9	50	–
Total	100	100	100	100
Pension plan duration (years)	11	11	17	12

Dec. 31, 2021				
	France	Switzer-land	UK	Other coun-tries
Liability Active members (% of total obligation)	100	76	–	100
Deferred liability to members (% of total obligation)	–	–	50	–
Liability Pensioner members (% of total obligation)	–	24	50	–
Total	100	100	100	100
Pension plan duration (years)	11	12	17	12

Financial disclosures

The amounts recognized in the balance sheet are as follows:

Provisions for pensions and similar commitments, net		
SEK m	Dec. 31, 2022	Dec. 31, 2021
Plans included in pension plan assets	–245	–225
Plans included in provisions for pensions and similar commitments	560	724
Total provisions for pensions and similar commitments, net	315	499

The table below shows the total cost for defined benefit plans in 2022 and 2021.

Pension costs		
SEK m	2022	2021
Current service costs	60	64
Administration costs (excluding investment related expenses for funded plans)	1	3
Net interest cost/gain (–)	1	–2
Recognized actuarial gains (–)/ losses	–	–2
Past service costs/credits (–) and settlements	–	–25
Total pension costs	62	39

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The movement in the net defined benefit obligation during 2021–2022 were as follows:
Change in provisions for pensions and similar commitments, net

	Obligations	Plan assets	Net	Obligations	Plan assets	Net
SEK m	2022			2021		
Opening balance	3,919	–3,420	499	3,376	–2,846	530
Current service costs	60	–	60	64	–	64
Administration costs (excluding investment related expenses for funded plans)	1	–	1	3	–	3
Net interest cost/gain (–)	47	–46	1	34	–36	–2
Recognized actuarial gains (–)/losses	–	–	–	–2	–	–2
Past service costs/credits (–) and gain/losses (–) from settlements	–288	288	–	–98	74	–25
Total pension costs	–180	242	62	1	38	39
Remeasurment of defined benefit pension plans due to experience	125	–	125	–14	–	–14
Remeasurment of defined benefit pension plans from changes in financial assumptions	–1,008	–	–1,008	–66	–	–66
Remeasurment of defined benefit pension plans from changes in demographic assumptions	–19	–	–19	–30	–	–30
Changes in the asset ceiling, excluding amounts included in interest expense/interest income	–	–4	–4	–	–1	–1
Return on plan assets, excluding amounts included in Net interest cost / gain (–)	–	673	673	–	18	18
Total actuarial gains (–) and losses before tax	–901	669	–232	–109	17	–93
Employer contributions	–	–36	–36	–	–38	–38
Employee contributions	36	–36	–	31	–31	0
Benefits paid to participants	–273	231	–42	–249	215	–34
Administration costs paid over the year	–2	6	4	–3	7	4
Reclassifications	–	–	–	–	–	–
Acquisitions/Divestments	–	–	–	–	–	–
Translation differences	292	–232	59	872	–781	90
Closing balance	2,891	–2,576	315	3,919	–3 420	499

The contribution for 2023 is expected to be approximately SEK –79 million (–71).

Assumptions and sensitives

The significant actuarial assumptions used as of balance sheet day were as follows:

Main actuarial assumptions as per December 31, 2022 (%)	UK	Switzer-land	France	Other
Discount rate	4.75	2.25	3.8	3.75–4.15
Salary increases	n/a	1.50	3.00–3.50	4.0
Inflation	2.70	1.25	2.00	n/a
Pension increases	2.70	0.00	n/a	1.00

Main actuarial assumptions as per December 31, 2021 (%)	UK	Switzer-land	France	Other
Discount rate	1.95	0.20–0.43	0.80	1.00
Salary increases	n/a	1.00	2.10	1.80
Inflation	3.05–3.80	0.75	1.60	e/t
Pension increases	3.70	0.00	e/t	1.00

These assumptions are used in the valuation of the obligations of the defined benefit plans at the end of 2022 and 2021 and to determine the pension costs for 2023 and 2022. In the UK, the discount rate is based on iBoxx UK AA 15 years + with consideration given to duration of the liabilities. In Switzerland, the discount rate is based on discount rates published by Chamber of Pensions Actuaries, with consideration given to the duration of the liabilities. In the Eurozone, the discount rate is based on iBoxx Euro 10 years +, with consideration given to the duration of the liabilities.

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. The mortality tables used in France, Switzerland and UK as follows:

Mortality tables

	2022	2021
France	INSEE 2017–2019	INSEE 2017–2019
Switzerland	BVG2020GT	BVG2020GT
UK	SAPS3 base tables with scheme specific adjustments, CMI 2020 future improvements, a W2020 parameter of 10% and a 1% long term improvement rate	SAPS3 base tables with scheme specific adjustments, CMI 2020 future improvements, a W2020 parameter of 10% and a 1% long term improvement rate

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For Switzerland and the UK, the above assumptions mean the following average remaining life expectancy for a person retiring at the age of 65:

UK	Dec. 31, 2022
Life expectancy at 65 for a pensioner currently aged 65:	
Men	19.7
Women	22.6
Life expectancy at 65 for a pensioner currently aged 45:	
Men	21.0
Women	25.0

Switzerland	Dec. 31, 2022
Life expectancy at 65 for a pensioner currently aged 65:	
Men	22.7
Women	24.5
Life expectancy at 65 for a pensioner currently aged 45:	
Men	25.0
Women	26.5

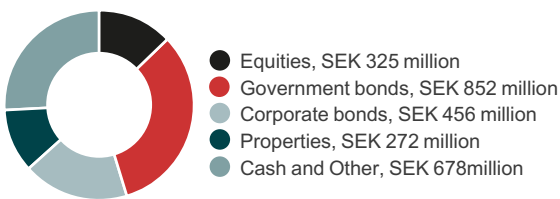
No average life expectancy in years are given for France as this is not a key assumption due to the nature of the plan (lump sum arrangement).

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is shown in the table below. The table shows the impact on the defined benefit obligation in SEK millions. The defined benefit obligation is decreasing when showing a negative (–) sign, whereas a positive (+) sign increases the obligation.

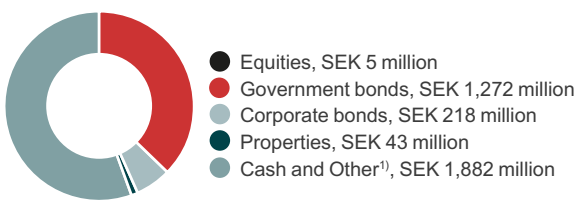
Sensitivity analysis	
SEK m	Dec. 31, 2022
0.1% increase in discount rate	–30
0.1% decrease in discount rate	29
0.1% increase in inflation rate	–14
0.1% decrease in inflation rate	14
1 year increase in life expectancy	62

The sensitivity analysis are based on a change in one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to changes in significant actuarial assumptions the same method, has been applied as when calculating the pension liability recognized in the balance sheet (the Projected Unit Credit method). The method and types of assumptions used in preparing the sensitivity analysis have not been changed compared to previous year. The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change.

Market value of plan assets by category, 2022



Market value of plan assets by category, 2021



1) Cash and other is mainly the two swiss pension schemes where insurance contracts exists. The assets in these plans are managed by an external party and the return that these assets generates are used to pay the employees' benefits.

Risks

Through its defined benefit pension plans and other post-employment benefits the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility	The majority of the scheme liabilities are calculated using a discount rate set with reference to investment grade bond yield curves. If return on scheme assets underperform the discount rate this will create a deficit. Equity instruments are expected to outperform liability matching bonds. Returns on equities are expected to be volatile relative to liability matching bonds thus introducing volatility and risk into the funding position.
Changes in yields	A decrease in the discount rate will increase the scheme liabilities, although this will for funded plans be partially offset by an increase in the value of the scheme's bond holdings.
Inflation risk	The majority of the pension obligations are linked to inflation, and higher inflation in insolation will lead to higher liabilities although, in most cases, caps on the level of inflationary increases are in place to protect the scheme against inflation. A majority of the assets are equity based where valuations have little predictable sensitivity to inflation meaning that an increase in inflation will be expected to increase the deficit.
Life expectancy	The obligations in some countries provide benefits for the life of the Member and/or their dependents, so increases in life expectancy will result in an increase in the scheme liabilities. In some countries, the benefit provided at retirement is a lump sum payment and therefore increases in life expectancy do not impact liabilities in these countries.
Legislative risk	Governments may consult on certain aspects on benefits. If changes are implemented by the Governments, the Company will reflect its impact on the accounting liabilities at the appropriate time.

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NOTE 24 Provisions for claims reserves and other provisions

ACCOUNTING PRINCIPLES

Provisions are reported when the Group has a present legal or constructive obligation as a result of past events, it is likely that an outflow of resources will be required to settle the obligation, and when a reliable estimation of this amount can be made.

Provisions regarding restructuring are made when a detailed, formal plan of measures exists and valid expectations have been raised among those who will be affected. No provisions are made for future operating losses.

Provisions for claims are calculated on the basis of a combination of claims reported, and IBNR (incurred but not reported) reserves. Actuarial calculations are performed on a continuous basis to assess the adequacy of the provisions. The calculations are based on open claims and estimates based on experience and historical IBNR data. There is a certain degree of uncertainty regarding dates of future payments and, in light of this, it is not possible to give any detailed information regarding the timeline for outflows from other provisions for claims reserves.

> For further information refer to Note 2 Critical accounting estimates and assessments.

SEK m	Total provisions for claims reserves	Total other provisions	Total
Opening balance Jan. 1, 2021	575	292	867
New provisions	343	24	367
Reclassifications	—	−19	−19
Utilized amount	−284	−134	−418
Provisions not used	−5	−18	−22
Translation difference	54	19	73
Closing balance Dec. 31, 2021	682	163	845
Opening balance Jan. 1, 2022	682	163	845
New provisions	467	77	544
Reclassifications	—	—	—
Utilized amount	−438	−42	−480
Provisions not used	−3	−9	−12
Translation difference	91	9	100
Closing balance Dec. 31, 2022	799	197	997

Other provisions refer primarily to provisions related to disputes. Disputes are often lengthy processes which extend over several years. It is, therefore, not possible to give any detailed information regarding the timeline for outflows from other provisions.

NOTE 25 Accrued expenses and prepaid income

SEK m	Group		Parent company	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Accrued personnel costs	1,443	1,262	66	50
Accrued interest expenses	17	8	110	86
Accrued rent expenses	50	39	—	—
Other accrued expenses	396	380	10	4
Total accrued expenses and prepaid income	1,906	1,689	186	140

Other accrued expense as per the above, relate to, amongst other things, accrued insurance expenses, accrued supplier invoices and accrued lease expenses.

NOTE 26 Other current liabilities

SEK m	Dec. 31, 2022	Dec. 31, 2021
Current liabilities attributable to VAT	265	224
Current contract liabilities	236	184
Other current liabilities	175	161
Total other current liabilities	676	569

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NOTE 27 Contingent liabilities

SEK m	Group		Parent company	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Securities and guarantees	2,602	2,411	6,868	5,556
Other contingent liabilities	—	—	74	54
Total contingent liabilities	2,602	2,411	6,942	5,610

Group

Contingent liabilities mainly relate to fulfillment of guarantees for customer contracts.

Parent company

Contingent liabilities mainly relate to payment and adequacy guarantees for subsidiaries. It is difficult to assess whether these contingent liabilities will result in any financial outflow. Loomis AB has a policy to support subsidiaries, if circumstances require such support. In addition to the guarantee commitments reported in the table above, Letters of Comfort have been issued on behalf of subsidiaries within the Group.

The impact on the Group's financial position of ongoing disputes and the valuation of contingent liabilities

Over the years, the Group has made a number of acquisitions in different countries. As a result of such acquisitions, certain contingent liabilities of the acquired businesses have been assumed.

Companies within the Group are also involved in a number of other legal proceedings and tax audits arising from ordinary operating activities.

During 2021, the Spanish tax authorities have denied deductions for intra-group transactions for the years 2017–2019 amounting to approx EUR 14 million excluding tax surcharges and interest. Loomis has launched a MAP (mutual agreement procedure) procedure for eliminating double taxation. Spain has also previously been denied deductions for intra-group transactions relating to the years 2007–2009 and 2013–2016. These disputes were settled in 2021 through MAP proceedings in which the double taxation was eliminated.

Loomis' Danish subsidiary was informed at the beginning of July 2018 that a competitor had filed a lawsuit with a Danish court. The amount in the lawsuit is DKK 125 million and the suit relates mainly to alleged misuse of a dominant position in the Danish market. In January 2020 the lawsuit was extended with additional DKK 102 million, hence the total claim is now DKK 227 million. Loomis is of the opinion

that it has acted in compliance with the laws in effect and has contested the lawsuit. No outflow of resources is deemed probable related to the lawsuit. Therefore, no provision has been recognized in the balance sheet regarding this dispute.

On October 20, 2021, Loomis was informed that the Chilean Competition Authority has filed a lawsuit in Chile against Loomis' Chilean subsidiary and two of Loomis' competitors on the Chilean market concerning illegal cartel formation. The authority has demanded that Loomis be ordered to pay a fine of USD 6.4 million. Proceedings were initiated in 2022. Loomis is taking charges about violations of the law most serious but will also respond to all claims. Loomis does not report any provision in the balance sheet regarding this case as an outflow of resource is not deemed probable, the criteria for allocation according to IAS 37 is not considered fulfilled.

NOTE 28 Items not affecting cash flow

SEK m	Group		Parent company	
	2022	2021	2022	2021
Items affecting comparability	10	–24	–13	52
Acquisition-related costs and revenue	–19	–29	—	—
Financial income	–82	–31	–748	–526
Financial expense	443	224	999	603
Result from participations in Group companies	—	—	53	282
Total items not affecting cash flow, items affecting comparability and acquisition-related costs and revenue	352	141	291	411

NOTE 29 Appropriation of profit

The Board has decided to propose to the Annual General Meeting a dividend of SEK 860 million and to propose May 4, 2023 as the record day for the dividend.

It is the Board's assessment that the proposed dividend will allow the Group to fulfill its obligations and make necessary investments.

The Parent Company's and the Group's statements of income and balance sheets are subject to adoption by the AGM on May 4, 2023.

At the disposal of the Annual General Meeting, before the proposed dividend, is SEK 4,749,417,757.

The Board proposes that the profits be appropriated as follows:	
Dividend to shareholders (12.0 SEK/share)	859,884,564 ¹⁾
To be carried forward	3,889,533,193
Summa	4,749,417,757

1) Calculated based on 71,657,047 outstanding shares at the balance sheet date.

> For the full proposed appropriation of profits, see the Administration Report.

> For information about the largest shareholders, refer to The Share on page 27–28.

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NOTE 30
 Transactions with related parties

ACCOUNTING PRINCIPLES

Related parties are considered to include members of the Parent Company's Board of Directors, Group Management and family members of these individuals. Related parties are also companies in which a significant portion of the votes are directly or indirectly controlled by these individuals, or companies in which these individuals can exercise a significant influence.

Transactions with related parties refer to license fees and other revenue from subsidiaries, dividends from subsidiaries, interest income and interest expenses to and from subsidiaries, as well as receivables and payables to and from subsidiaries. In accordance with IFRS, transactions with pension funds that have links to the Group are also to be regarded as related party transactions. There are pension funds for Loomis' defined benefit pension plans.

> For more information on Loomis' defined benefit pension plans, refer to Note 23 Provisions for pensions and similar commitments as well as Note 7 Employees and remuneration.

The Parent company's transactions with other companies within the Loomis Group are listed in the tables below:

Income from other companies within the Loomis Group		
SEK m	2022	2021
Fees related to management, trademark, licenses etc.	624	487
Interest income	109	145
Group contributions	–	–
Dividend	1,927	131

Expenses to other companies within the Loomis Group		
SEK m	2022	2021
Interest expenses	79	17
Group contributions	52	65

Receivables from other companies within the Loomis Group		
SEK m	Dec. 31, 2022	Dec. 31, 2021
Interest-bearing long-term receivables from subsidiaries	2,497	3,091
Current receivables from subsidiaries	74	21
Interest-bearing current receivables from subsidiaries	2,008	877

Liabilities to other companies within the Loomis Group		
SEK m	Dec. 31, 2022	Dec. 31, 2021
Current liabilities to subsidiaries	63	103
Interest-bearing current liabilities to subsidiaries	3,662	3,572

NOTE 31
 Events after the balance sheet date

On 9 January 2023, Erik Zingmark assumed the position as Head of Loomis Pay, succeeding Kristoffer Labuc who has decided to leave Loomis and pursue his career outside the group. Erik brings extensive experience from the financial industry, most recently from the position as Head of Transaction Banking at Nordea.

In January 2023 Loomis signed an agreement to acquire AIB Express Logistics, a third-party shipping provider of valuables. The company, which is primarily based in the US, had a total revenue of more than SEK 100 million in 2021 and approximately 20 employees. Closing is expected during the first quarter but subject to certain conditions being fulfilled. The acquired business will be a part of the Segment USA.

On January 27, 2023 it was announced that Loomis AB has signed a three year agreement for a syndicated, revolving credit facility for the amount of EUR 150 million. The facility replaces an existing revolving credit facility maturing in January 2024 and can be extended for an additional one plus one year. The facility can be used for financing of working capital, investments and other general corporate purposes.

On February 1, 2023 it was announced that Loomis signed an agreement with Xos, Inc for the delivery of 150 electric armored vehicles for the US market. The ordered vehicles will be delivered and entered into operations gradually during the year from the second half of 2023

On February 1, 2023 it was announced that the Board of Directors of Loomis AB resolved to continue to repurchase own shares. The repurchase commenced on February 3, 2023 end not later than March 31, 2023 and comprise an amount up to a maximum of SEK 200 million.

On March 24, 2023 it was announced that Kristian Aceby has resigned from his role as Loomis' Chief Financial Officer and member of Group Management for a new assignment outside of Loomis. Kristian Aceby continues in his current role until a successor is in place, however, will leave his role not later than during the third quarter 2023.

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The Parent Company's and the Group's statements of income and balance sheets are subject to adoption at the Annual General Meeting on May 4, 2023.

The Board of Directors and the President certify that the consolidated financial statements have been prepared in accordance with

International Financial Reporting Standards (IFRS) as adopted by the EU, and provide a true and fair view of the financial position and performance of the Group. The annual report has been prepared in accordance with generally accepted accounting principles, and provides a true and fair view of the financial position and performance of the Parent Company.

The administration report for the Group and Parent Company provides a true and fair view of the development of the activities, financial position, and performance of the Group and Parent Company, and describes the significant risks and uncertainties faced by the Parent Company and companies which form part of the Group.

Stockholm, date according to eletctronic signature

Alf Göransson
Chairman

Jeanette Almberg
Board member

Cecilia Daun Wennborg
Board member

Liv Forhaug
Board member

Johan Lundberg
Board member

Lars Blecko
Board member

Santiago Galaz
Board member

Chalanja Henningsson
Board member,
employee representative

Aritz Larrea
President and CEO

Our audit report was submitted on
Date according to eletctronic signature
Deloitte AB

Peter Ekberg
Authorized Public Accountant

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Auditor’s report

To the general meeting of the shareholders of Loomis AB (publ.) corporate identity number 556620-8095

Report on the annual accounts and consolidated accounts
Opinions

We have audited the annual accounts and consolidated accounts of Loomis AB (publ) for the financial year 2022-01-01 – 2022-12-31. The annual accounts and consolidated accounts of the company are included on **>pages 79–125** in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company’s audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions
We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and

belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters
Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Processes and controls related to Cash Management and valuation of cash stock.
Loomis Group offer cash management services and cross-border transportation of cash and precious metals and storage of valuables. The services are primarily aimed at central banks, commercial banks, retail stores, other commercial businesses and the public sector. The operations involve taking over the customer’s risks associated with managing, transporting and storing cash, precious metals and valuables. In the nature of the business as such there are risks of loss of cash and valuables due to crime or failures in procedures. If a difference between deposited amounts and physically counted cash stock is noted, Loomis may need to reimburse the difference regardless of the stock being owned by Loomis or by the customer. The management of cash and valuables are associated with extensive risks for both personnel and property which is why satisfactory operational risk management is of high importance for the Group. Processes and controls for cash management and cash stock valuation are of high importance, differences in cash stock may lead to significant costs for the Group.

Risk management is further described on **>pages 67–70**. The cash management business is described on **>page 80** in the Administration Report. A specification of cash stock is presented in Note 19.

- Our audit included, but was not limited to:
- visits to a selection of cash processing centers including participation in inventory counts for cash stock;
 - process walkthroughs to map routines and controls related to cash processing operations
 - review of compliance with Group procedures for reconciliation of cash stock and follow up on differences identified;
 - reconciliation of cash stock owned by Loomis against external confirmations and follow-up of central reporting of inventories of cash and identified differences as of the balance sheet date;
 - review of compliance with and disclosures in accordance with IFRS.

Valuation of intangible assets
The Group reports significant intangible assets. As part of the impairment test of goodwill and other acquisition related intangible assets the Group normally assess the recoverable amount based on a calculated value in use as it normally does not exist any applicable market prices to assess the net present value of the assets. The Group base the calculation of the value in use on estimates and assessments of organic growth, gross margin development, utilization of operating capital employed and the weighted average cost of capital which is used to discount future cash flows. Changes in these assumptions have a significant impact of the Groups future cash flows, and thus the estimated value in use for goodwill and other acquisition related intangible assets.

Critical estimates and assessments as well as the Group’s principles for impairment tests are described in Note 2. Disclosures regarding performed impairment tests are presented in Note 13.

- Our audit included, but was not limited to:
- review of the Group’s principles and processes for impairment tests;
 - review of the reasonableness of the cash generating units identified by management
 - review of the model used for calculation of future cash flows for arithmetic accuracy as well as tested managements critical estimates and assessments regarding future organic growth, gross

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margin development, weighted cost of capital and the sensitivity of changes in these assumptions;

- review of historical forecasts towards actual outcomes;
- review of compliance with and disclosures in accordance with IFRS.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts. The other information comprises the remuneration report as well as >pages 1–78 and 129–133. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the

Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Loomis AB (publ) for the financial year 2022-01-01 – 2022-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of

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Auditors website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of the auditor’s report.

The auditor’s examination of the Esef report

Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Loomis AB (publ) for the financial year 2022-01-01 – 2022-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion
We have performed the examination in accordance with FAR’s recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors’ responsibility section. We are independent of Loomis AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of The Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor’s responsibility
Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Deloitte AB, was appointed auditor of Loomis AB (publ) by the general meeting of the shareholders on the 2022-05-04 and has been the company’s auditor since 2018-05-03.

Stockholm, date according to electronic signature
Deloitte AB

Peter Ekberg
Authorized public accountant

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Revenue and income, summary

SEK m	2022	2021	2020	2019	2018
Revenue, continuing operations	25,030	18,908	18,454	20,411	18,300
Revenue, acquisitions	285	815	359	633	868
Total revenue	25,315	19,723	18,813	21,044	19,168
<i>Real growth, %</i>	16	10	−8	5	8
<i>Organic growth, %</i>	14	6	−9	2	3
<i>Operating income (EBITA)</i>	2,735	1,961	1,775	2,601	2,200
<i>Operating margin (EBITA), %</i>	10.8	9.9	9.4	12.4	11.5
Financial income	137	71	31	63	32
Financial expenses	−497	−265	−238	−275	−133
Income before taxes	2,172	1,545	1,096	2,210	2,057
Income tax	−570	−440	−380	−564	−519
Net income for the year	1,602	1,104	716	1,646	1,538

Financial position and return, summary

SEK m	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Goodwill	8,075	7,185	6,884	7,094	6,533
Tangible fixed assets	9,919	8,441	7,744	8,732	5,358
Interest-bearing fixed assets	802	691	665	565	500
Other fixed assets	1,991	2,031	1,601	1,503	1,189
Interest-bearing current assets	14	13	67	61	37
Liquid funds ¹⁾	6,203	5,156	4,802	5,073	6,140
Other current assets	4,774	3,711	3,134	3,536	3,173
TOTAL ASSETS	31,780	27,228	24,896	26,563	22,931
Shareholders' equity	12,465	10,063	8,773	9,592	8,422
Interest-bearing long-term liabilities	7,257	7,984	7,828	8,106	5,092
Other long-term liabilities	1,826	1,855	1,841	2,035	812
Interest-bearing current liabilities	2,747	1,012	745	589	1,058
Other current liabilities	7,486	6,314	5,709	6,241	7,547
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	31,780	27,228	24,896	26,563	22,931
<i>Equity ratio, %</i>	39	37	35	36	37
Interest-bearing net debt, SEK m	7,484	7,007	6,619	7,332	4,305
Capital employed, SEK m	19,948	17,070	15,392	16,924	12,727

%	2022	2021	2020	2019	2018
<i>Return on capital employed, %</i>	14	11	12	15	17
<i>Return on shareholders' equity, %</i>	13	11	8	17	18

1) During 2019, Loomis changed reporting of inventory of cash in the cash processing operations.

Share Data

	2022	2021	2020	2019	2018
Number of outstanding shares, million ¹⁾	71.7	73.8	75.2	75.2	75.2
Earnings per share before dilution, SEK ¹⁾	21.93	14.74	9.52	21.88	20.45
Earnings per share after dilution, SEK ¹⁾	21.92	14.73	9.52	21.88	20.45
Shareholders' equity per share, SEK	173.95	135.61	116.62	127.51	111.95

1) The number of outstanding shares, which constitutes the basis for calculation of earnings per share before dilution, is 73,034,619.
The number of treasury shares amount to 3,622,782.

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Use of alternative performance measures

To support Group Management and other stakeholders in analyzing the Group's financial performance, Loomis reports certain performance measures that are not defined by IFRS. Group Management believes that this information facilitates analysis of the Group's performance. The Loomis Group primarily uses the following alternative performance measures (see also Definitions on [page 133](#) for a full list of measures):

- Real growth and Organic growth in sales
- Operating income (EBITA) and Operating margin (EBITA), %
- Cash flow from operating activities as % of operating income (EBITA)
- Net debt and net debt/EBITDA
- Capital employed and return on capital employed
- Equity ratio, %
- Return on shareholders' equity

Operating income (EBITA) and operating margin (EBITA), %

Loomis's internal control of operating activities is focused on the operating income that is created within and can be impacted by local operating activities. For this reason Loomis has chosen to focus on earnings and margins before interest, taxes, amortization of acquisition-related intangible fixed assets, acquisition-related costs and revenue, and items affecting comparability.

Real growth and organic growth in sales

Since Loomis generates most of its revenue in currencies other than the reporting currency (i.e. Swedish kronor, SEK) and exchange rates have historically proved to be relatively volatile, and since the Group has made a number of acquisitions, sales growth is presented both as exchange rate adjusted and adjusted for both exchange rate fluctuations and effects from acquisitions. This makes it possible to analyze and explain growth excluding exchange rate effects and acquisitions.

	2022 Full year	2021 Full year	Growth	Growth,%
Recognized revenue	25,315	19,723	5,592	28.4
Organic growth			2,847	14.4
Revenue, acquisitions			285	1.4
Real growth			3,132	15.9
Exchange rate effects			2,460	12.5

	2022 Full year	2021 Full year	2020 Full year
Operating income (EBITA)	2,532	1,738	1,304
Adding back items affecting comparability	23	52	200
Adding back acquisition-related costs and revenue	67	45	163
Adding back amortization of acquisition-related intangible assets	113	126	109
Operating income (EBITA)	2,735	1,961	1,775
Calculation of operating margin (EBITA), %			
EBITA	2,735	1,961	1,775
Total revenue	25,315	19,723	18,813
EBITA/Total revenue, %	10.8	9.9	9.4

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Cash flow from operating activities as % of operating income (EBITA)

Loomis's main measure of cash flow (cash flow from operating activities) focuses on the current cash flow from operating activities based on EBITA adding back amortization/depreciation and the effect of changes in accounts receivable, as well as changes in other working capital and other items. Cash flow from operating activities reflects the cash flow that the operating activities generate before payments of financial items, income tax, items affecting comparability, acquisitions and divestments, as well as dividends and changes in the Group's net debt. Cash flow from operating activities as a percentage of operating income (EBITA) illustrates the cash conversion that Loomis has, i.e. how recognized earnings have resulted in cash flow.

Statement of cash flows, additional information

SEK m	2022	2021	2020	2019	2018
Operating income (EBITA)	2,648	1,896	1,718	2,548	2,200
Depreciation	1,359	1,240	1,266	1,265	1,183
Change in accounts receivable	−319	−341	268	−150	−6
Change in other operating capital employed and other items	−7	−19	−48	37	85
Cash flow from operating activities before investments	3,681	2,776	3,204	3,700	3,462
Investments in fixed assets, net	−1,365	−1,156	−986	−1,643	−1,449
Cash flow from operating activities	2,316	1,620	2,218	2,057	2,013
<i>Cash flow from operating activities as % of operating income (EBITA)</i>	<i>87</i>	<i>85</i>	<i>129</i>	<i>81</i>	<i>91</i>
Financial items paid and received	−183	−104	−109	−106	−101
Income tax paid	−592	−375	−483	−641	−472
Free cash flow	1,541	1,141	1,626	1,310	1,439
Cash flow effect of items affecting comparability	−13	−76	−39	−12	−1
Divestment of operations	−	−	−	38	−
Acquisition of operations	−	−230	−853	−384	−1,403
Acquisition-related costs and revenue, paid and received	−86	−73	−141	−75	−52
Dividend paid	−628	−451	−414	−750	−677
Acquisition of own shares	−600	−350	−	−	−
Issuance of bonds	600	1,200	−	2,795	−
Amortization of bonds	−	−	−	−1,000	−
Issuance of commercial papers and other long-term borrowing	4,867	3,714	2,181	730	1,753
Redemption of commercial papers and other long-term borrowing	−5,388	−4,783	−1,968	−2,483	−306
Change in other interest-bearing net debt	−173	−209	141	155	−296
Cash flow for the year	121	−117	533	325	456

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Net debt and net debt/EBITDA

Net debt is an important concept to understand a company's financing structure and leverage. Net debt is the net of interest-bearing liabilities and assets, and is used together with shareholders' equity to finance the Group's capital employed. Loomis excludes funds in cash processing operations and financing of funds in cash processing operations (so-called stock funding) from the definition of net debt. The financial leverage is measured by calculating net debt as a percentage of operating income after adding back amortization and depreciation, i.e. net debt/EBITDA.

Reconciliation of net debt and calculation of net debt/EBITDA		
	2022 Dec. 31	2021 Dec. 31
SEK m		
Short-term loans	1,867	311
Long-term loans	4,270	5,636
Total loans payable	6,137	5,947
Liquid funds excluding funds in cash processing operations	2,264	2,009
Other interest-bearing assets	571	479
Financial net debt	3,302	3,459
Lease liabilities	3,866	3,049
Pension liabilities, net	315	499
Net debt	7,484	7,007
	2022 Full year	2021 Full year
SEK m		
Operating income (EBITA)	2,735	1,961
Adding back depreciation/amortization	2,249	1,901
EBITDA	4,984	3,862
Net debt/EBITDA (number of times)	1.50	1.81

Capital employed and return on capital employed, %

Capital employed is a measure of how much capital is tied up in operating activities and therefore is expected to generate returns in the form of operating income. Capital employed is equivalent to the sum of all financing in the form of net debt and shareholders' equity. Loomis includes funds in cash processing operations and financing of funds in cash processing operations (so-called stock funding) in the definition of capital employed.

Reconciliation of capital employed and return on capital employed, %		
	2022 Dec. 31	2021 Dec. 31
SEK m		
Fixed assets		
Goodwill	8,075	7,185
Acquisition-related intangible assets	678	734
Other intangible assets	343	413
Buildings and land	1,139	970
Machinery and equipment	5,018	4,463
Right-of-use assets	3,763	3,008
Other operating fixed assets ¹⁾	970	885
Current assets		
Accounts receivable	3,311	2,686
Other operating current assets ²⁾	1,463	1,025
Funds in cash processing operations	3,940	3,146
Long-term liabilities		
Deferred tax liability	−487	−436
Provisions for claims reserves	−472	−451
Other provisions	−144	−118
Other long-term liabilities	−162	−126
Current liabilities		
Accounts payable	−859	−687
Liabilities in cash processing operations	−3,453	−2,818
Accrued expenses and prepaid income	−1,906	−1,689
Other operating current liabilities ³⁾	−1,269	−1,119
Capital employed	19,948	17,070
Operating income (EBITA)	2,735	1,961
Return on capital employed, %	13.7	11.5

1) Includes the items contract assets, deferred tax assets and other long-term receivables.

2) Includes the items other current receivables, current tax assets, and prepaid expenses and accrued income.

3) Includes the items provisions for claims reserves, current tax liabilities, other provisions and other current liabilities.

Equity ratio, %

The equity ratio is a measure that show the ratio of equity financing in relation to the company's total assets. The measure is used as an indication of financial strength and resilience to losses.

Reconciliation equity ratio, %		
	2022 Full year	2021 Full year
SEK m		
Shareholders' equity	12,465	10,063
Total assets	31,780	27,228
Equity ratio, %	39.2	37.0

Return on shareholders' equity

Return on shareholders' equity is a key measure to understand a company's return on the capital that the shareholders have injected and earned. The return is calculated based on the result for the period as a percentage of the closing balance of the shareholders' equity.

	2022 Full year	2021 Full year
SEK m		
Net income for the period	1,602	1,104
Shareholders' equity	12,465	10,063
Return on equity, %	12.9	11.0

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Definitions

Gross margin, %	Gross income as a percentage of total revenue.
Operating income (EBITA)	Earnings Before Interest, Taxes, Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and revenue and Items affecting comparability.
Operating margin (EBITA), %	Earnings Before Interest, Taxes, Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and revenue and Items affecting comparability, as a percentage of revenue.
Operating income (EBITDA)	Earnings Before Interest, Taxes, Depreciation, Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and revenue and Items affecting comparability.
Operating income (EBIT)	Earnings Before Interest and Tax.
Operating income (EBIT before items affecting comparability)	Earnings before interest, tax and items affecting comparability.
Items affecting comparability	Items affecting comparability are reported events and transactions whose impact are important to note when the period's results are compared with previous periods, such as capital gains and capital losses from divestments of significant cash generating units, material write-downs or other significant items affecting comparability.
Real growth, %	Increase in revenue for the period, adjusted for changes in exchange rates, as a percentage of the previous year's revenue.
Organic growth, %	Increase in revenue for the period, adjusted for acquisition/divestitures and changes in exchange rates, as a percentage of the previous year's revenue adjusted for divestitures.
Total growth, %	Increase in revenue for the period as a percentage of the previous year's revenue.
Net margin, %	Net income for the period after tax as a percentage of total revenue.
Earnings per share before dilution	Net income for the period in relation to the average number of outstanding shares during the period.
Earnings per share after dilution	Net income for the period in relation to the average number of outstanding shares after dilution during the period.
Cash flow from operations per share	Cash flow for the period from operations in relation to the number of shares after dilution.

Investments in relation to depreciation	Investments in fixed assets, net, for the period, in relation to depreciation, excluding the IFRS 16 impact.
Investments as a % of total revenue	Investments in fixed assets, net, for the period, as a percentage of total revenue.
Shareholders' equity per share	Shareholders' equity in relation to the number of shares before and after dilution.
Free cash flow	Operating income, EBITA, adjusted for depreciation, change in accounts receivable and other items , net investments in fixed assets, financial items paid and received and paid taxes. All items are exkluding IFRS 16 effects.
Cash flow from operating activities as % of operating income (EBITA)	Operating income, EBITA, adjusted for depreciation, change in accounts receivable and other items as well as net investments in fixed assets as a percentage of operating income, EBITA. All items are exkluding IFRS 16 effects.
Return on shareholders' equity, %	Net income for the period as a percentage of the closing balance of shareholders' equity.
Return on capital employed, %	Operating income (EBITA) as a percentage of the closing balance of capital employed.
Equity ratio, %	Shareholders' equity as a percentage of total assets.
Capital employed	Shareholders' equity with the addition of net debt.
Net debt	Interest-bearing liabilities less interest-bearing assets and liquid funds excluding funds for cash processing activities.
Net debt/EBITDA	Net debt divided with operating income (EBITA) including amortization and depreciation.
R12	Rolling 12 months.
Scope 1	Green House Gas (GHG) emissions from sources that an organization own or controls directly
Scope 2	Green House Gas (GHG) emissions that an organization causes indirectly when the energy it purchases, and uses is produced.
n/a	Not applicable.
Other	Amounts in tables and other combined amounts have been rounded off on an individual basis. Minor differences due to this rounding-off, may, therefore, appear in the totals.

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