



# Loomis

Remuneration Report 2021



## Introduction

This Remuneration Report briefly describes how Loomis AB's guidelines for remuneration of senior executives ("Remuneration Guidelines"), adopted by the Annual General Meeting 2021, have been applied in 2021. The report also provides details on remuneration of Loomis AB's President and CEO, and contains a summary of Loomis AB's outstanding share-based incentive schemes. The report has been prepared in accordance with the Swedish Companies Act and the *Rules on Remuneration of the Board and Executive Management and on Incentive Programmes* issued by the Swedish Corporate Governance Board.

For more information on remuneration of senior executives, see Note 7 Employees and remuneration on pages 105–108 of the Annual and Sustainability Report for 2021 ("2021 Annual Report"). Information on the work of the Remuneration Committee in 2021 can be found in the Corporate Governance Report on pages 34–51 of the 2021 Annual Report.

In addition to remuneration outlined in the Remuneration Guidelines, the Annual General Meeting of Loomis AB has set fees for the Board of Directors. Information on the Board's fees is not included in this report but is instead presented in Note 7 on page 107 of the 2021 Annual Report.

## Significant events in 2021

The President and CEO summarizes the Company's overall performance in his statement on pages 6–7 of the 2021 Annual Report.

## Overview of the Remuneration Guidelines' application in 2021

Under Loomis AB's Remuneration Guidelines, remuneration of senior executives who are part of the Loomis Group Management\* is to be on market terms and may consist of the following components:

- Fixed salary
- Variable remuneration
- Pension benefits
- Other benefits

The Remuneration Guidelines adopted by the Annual General Meeting in 2021 can be found on pages 88–89 of the 2021 Annual Report. There have been no derogations or deviations from the Remuneration Guidelines or from the procedure for applying the guidelines.

## Remuneration of the President and CEO Patrik Andersson (SEK 000)<sup>1)</sup>

| Financial year | Fixed remuneration        |                              | Variable remuneration           |                     | Extraordinary items | Pension expense <sup>5)</sup> | Total remuneration | Proportion of fixed and variable remuneration |
|----------------|---------------------------|------------------------------|---------------------------------|---------------------|---------------------|-------------------------------|--------------------|---|
|                | Base salary <sup>2)</sup> | Other benefits <sup>3)</sup> | One-year variable <sup>4)</sup> | Multi-year variable |                     |                               |                    |   |
| 2021           | 8,090                     | 94                           | 7,791                           | 240                 | 0                   | 2,303                         | 18,518             | 57/43   |
| 2020           | 7,822                     | 85                           | 0                               | 0                   | 0                   | 2,310                         | 10,217             | 100/0   |
| 2019           | 7,402                     | 97                           | 6,205                           | 0                   | 0                   | 2,191                         | 15,895             | 61/39   |

1) Except for multi-year variable remuneration, the table presents remuneration earned in each respective year. Multi-year variable remuneration is reported, if vested, in each respective year.

2) Includes vacation pay.

3) Includes other benefits such as company car, travel allowance and health care benefits.

4) Variable remuneration earned in the respective financial year but paid out the following year. For the Annual Incentive Plan (AIP), one third is paid in shares for the years 2019 and 2020. For 2021, the AIP payment will be made in cash the year after it is earned. (See the 2021 Annual Report, Note 7 Employees and remuneration, for more information).

5) Pension benefits are in the form of a defined contribution of 30 percent of annual basic salary excluding vacation pay.

The auditor's statement on whether the company has complied with these guidelines is available on the Company's website: <https://www.loomis.com/en>.

## Share-based remuneration

The Group currently has two types of incentive schemes – one short-term and two long-term share-based incentive schemes.

## Outstanding share-based incentive schemes in 2021

The short-term incentive scheme (AIP 2020) has around 350 participants and involves two thirds of variable remuneration being paid out in cash with the remaining one third in the form of an allotment of shares in Loomis AB, which are vested in the first quarter of 2022. No new share-based incentive scheme has been introduced since AIP 2020.

## Outstanding long-term incentive scheme 2021

In 2021 the performance period for a long-term share-based incentive scheme (LTIP 2018–2021) expired. The bonus is vested in the first quarter of 2022. The outcome of the LTIP 2018–2021 was zero and therefore no shares will be allotted within the framework of the scheme.

The shareholders' meeting on May 6, 2021 voted in favor of a new long-term share-based incentive scheme (LTIP 2021). LTIP 2021 is aimed at Group Management and a number of key individuals, and is based on the following principles: (i) the participants 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 pre-determined 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, Regional President USA, and the CFO, (ii) four performance shares per investment share for other members of Group Management and (iii) three performance shares per investment share for other scheme participants. LTIP 2021 has a maximum return limit for the participants, whereby if the average price paid for Loomis's shares on Nasdaq Stockholm during a period of five trading days immediately prior to the date of 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.

## Incentive scheme concluded in 2021

In 2021 the short-term share-based incentive scheme AIP 2019 concluded as the allotment, the vesting deadline and the end of the retention period all fell in the first quarter of 2021. The principles are

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



## Remuneration for the President and CEO Patrik Andersson in the form of shares

| The main conditions of share award plans |                    |            |              |                         | Information regarding the reported financial year 2021 |                      |                     |   |   |                                      |
|--|--------------------|------------|--------------|-------------------------|--|----------------------|---------------------|---|---|--------------------------------------|
|  |                    |            |              |                         | Opening balance  | During the year      |                     | Closing balance                           |   |                                      |
| Share plan                               | Performance period | Award Date | Vesting Date | End of retention period | Shares held at the beginning of the year               | Shares awarded       | Shares vested       | Shares subject to a performance condition | Shares awarded and unvested at year end | Shares subject to a retention period |
| AIP 2019                                 | 2019               | Q1 2020    | Q1 2021      | Q1 2021                 | 0  | 0                    | 7,106 <sup>1)</sup> | 0   | 0                                       | 0                                    |
| AIP 2020 <sup>2)</sup>                   | 2020               | Q1 2021    | Q1 2022      | Q1 2022                 | 0  | 0                    | 0                   | 0   | 0                                       | 0                                    |
| LTIP 2018–2021 <sup>3)</sup>             | 2018–2021          | Q2 2018    | Q1 2022      | Q1 2022                 | 0  | 0                    | 0                   | 0   | 0                                       | 0                                    |
| LTIP 2021–2023                           | 2021–2023          | Q2 2021    | Q1 2024      | Q1 2024                 | 0  | 22,665 <sup>4)</sup> | 0                   | 22,665                                    | 22,665                                  | 0                                    |
| Total                                    |                    |            |              |                         | 0  | 22,665               | 7,106               | 22,665                                    | 22,665                                  | 0                                    |

1) Value as of the vesting date: SEK 1,816,000, calculated as the market price per share multiplied by the number of shares vested. 2) The outcome the AIP 2020 was zero for the President and CEO and therefore no shares will be allotted.

3) The outcome of the LTIP 2018–2021 was zero and therefore no shares will be allotted. See Note 7 Employees and remuneration on pages 105–108 of the 2021 Annual Report for further information on performance criteria and outcomes.

4) Value as of the allotment date: SEK 5,749,000 calculated as the market price per share less the present value of expected dividends per share during the vesting period multiplied by the number of shares allotted.

described in Note 7 Employees and remuneration on pages 105–108 of the 2021 Annual Report.

### Exercising the right to reclaim remuneration

No variable remuneration was reclaimed for 2021.

### Compliance with remuneration guidelines and application of performance criteria

In order to successfully implement Loomis AB's business strategy and to protect the Company's long-term interests, including its sustainability, it is important for the Company to be able to recruit and retain qualified personnel. The Company must therefore be able to offer competitive remuneration. Loomis AB's Remuneration Guidelines provide a way to offer Group Management, including the President and CEO, competitive compensation. The President and CEO's total remuneration in 2021 was in line with the Remuneration Guidelines.

### Performance of the President and CEO in financial year 2021

The performance management process for the President and CEO includes setting financial targets to ensure that the President and CEO delivers on the Company's strategy and to promote behavior that is in the long-term interests of the shareholders. One-year and multi-year variable remuneration for the President and CEO is currently based on earnings per share. The table below shows how the criteria for payment of variable, short-term remuneration have been applied during the 2021 financial year.

| Share plan | Description of the criteria related to the remuneration component | Relative weighting of the performance criteria | Information on Performance Targets             |  |   |
|------------|---|--|--|--|---|
|            |   |  | a) Minimum target performance and              | a) Maximum target performance and              | a) Measured performance and                     |
|            |   |  | b) corresponding award/remuneration (SEK 000') | b) corresponding award/remuneration (SEK 000') | b) actual award/remuneration outcome (SEK 000') |
| AIP 2021   | Earnings per Share <sup>1)</sup>                                  | 100%   | a) 10.08 SEK/share<br>b) 0                     | a) 17.60 SEK/share<br>b) 7,950                 | a) 98% of range<br>b) 7,791                     |

1) Earnings per share is adjusted for currency effects and items affecting comparability.

### Comparative information on change in remuneration and company performance

Change in remuneration and company performance over the past three financial years

|   | Change<br>2020 vs. 2019 | Change<br>2021 vs. 2020 | Financial year<br>2021 |
|---|-------------------------|-------------------------|------------------------|
| Remuneration for the CEO and President (SEK 000')               |                         |                         |                        |
| Patrik Andersson, CEO and President                             | –5,678 (–36%)           | 8,301 (+81%)            | 18,518                 |
| Loomis Group's performance (SEK 000 000')                       |                         |                         |                        |
| EBITA   | –826 (–32%)             | 186 (+10%)              | 1,961                  |
| Average remuneration on a full-time equivalent basis (SEK 000') |                         |                         |                        |
| All employees of Loomis Group <sup>1) 2)</sup>                  | –14 (–7%)               | –28 (–8%)               | 308                    |

1) All employees excluding the President and CEO. 2) Includes currency effects upon translation to SEK.