

Remuneration Report 2023



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Introduction

This Remuneration Report briefly describes how Loomis AB's ("Loomis" or "company" and together with its subsidiaries "Group") *Guidelines for remuneration of senior executives* ("Remuneration Guidelines"), adopted by the Annual General Meeting 2021, have been applied in 2023. The report also provides details on remuneration of the company's President and CEO and a summary of the company's outstanding share-based incentive schemes in 2023.

The report has been prepared in accordance with the Swedish Companies Act and the *Rules on Remuneration of the Board and Executive Management and on Incentive Programmes* issued by the Swedish Stock Market Self-Regulation Committee.

For more information on remuneration of Loomis' Group Management, see *Note 7 Employees and remuneration* on pages 96–98 of the Annual and Sustainability Report for 2023 ("**2023 Annual Report**"). Information on the work of the Remuneration Committee in 2023 can be found in the Corporate Governance Report on page 59 of the 2023 Annual Report.

In addition to remuneration covered by the Remuneration Guidelines, the company's Annual General Meeting has determined the fees to the members of the Board of Directors. Information on the Board fees is not included in this report, but is instead presented in Note 7 of the 2023 Annual Report.

Significant events in 2023

The President and CEO summarizes the company's overall performance in the CEO statement on pages 6–7 of the 2023 Annual Report.

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The Annual General Meeting 2023 resolved to not approve the company's 2022 remuneration report. The company notes that no specific opinions regarding the 2022 remuneration report were expressed to the company by any shareholder in connection with the general meeting addressing the report.

Overview of the Remuneration Guidelines 2023 – application and compliance

Pursuant to the Remuneration Guidelines, remuneration to senior executives who are part of Group Management is to be on market terms. Remuneration of employees 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 the Remuneration Guidelines.

Remuneration may consist of the following components:

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

The Remuneration Guidelines can be found on page 97 of the 2023 Annual Report. During 2023, Loomis has complied with the Remuneration Guidelines and no derogations or deviations have been made from the Remuneration Guidelines or from the procedure which according to the Remuneration Guidelines shall be applied to determine remuneration.

The auditor's statement on the company's compliance with the Remuneration Guidelines is available at www.loomis.com.

Share-based remuneration

Outstanding share-based incentive scheme in 2023

During 2023, the Group had two outstanding share-based incentive schemes, resolved by the Annual General Meeting 2023 ("LTIP 2023") and the Annual General Meeting 2021 ("LTIP 2021"), respectively.

LTIP 2023 is a long-term share-based incentive scheme aimed at Group Management and a number of key individuals, and includes a performance share plan and a share matching plan. LTIP 2023 is based on the following principles: (i) the participants must invest in shares in Loomis or allocate shares already held (saving shares), and (ii) the participants must be employed within the Group for the duration of the scheme. The outcome of the performance share plan of LTIP 2023, in the form of allotment of so-called performance shares, is linked to the fulfillment of performance targets for development in earnings per share (EPS target) as well as reduction of CO₂ emissions (CO₂ target) during the period 1 January 2023–31 December 2025. The EPS target is established yearly during the term of the program. The relative distribution between the EPS target and the CO₂ target is 90 percent and 10 percent, respectively. The performance targets, which are decided by the Board of Directors, must indicate a minimum level and an upper target level for each performance target. If the upper target level is reached or exceeded, full allocation of performance shares shall take place, corresponding to: (i) five performance shares per saving share for the CEO, Regional President Europe, Regional President USA and the CFO, (ii) four performance shares per saving share for other members of Group Management and (iii) three performance shares per saving share for other scheme participants. In the share matching plan, the participant

may be awarded a so-called matching share for each savings share held, free of charge. LTIP 2023 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 and matching shares exceeds SEK 800 per share, the number of performance shares and matching shares to which each participant is entitled will be reduced based on the maximum limit. Achievement of the EPS target is determined yearly during the performance period (where each year during the performance period is compared to the previous year), and achievement of the CO₂ target at one time after the end of the performance period (for the full performance period). Allotment of performance shares and matching shares will take place after the end of the vesting period. The Board of Directors intends to communicate the adopted performance targets in the 2025 Annual Report. The principles are described in Note 7 of the 2023 Annual Report.

In 2023, the performance period for LTIP 2021 expired. The established performance target of cumulative earnings per share (EPS) during the period 1 January 2021 – 31 December 2023 was met at 67.9 percent. The, by the Board of Directors determined, minimum target level was SEK 47 and the maximum target level was SEK 70. Allotment of shares took place after the end of the vesting period which expired on 28 February 2024. The principles of allotment are described in Note 7 of the 2022 Annual Report and the outcome in Note 7 of the 2023 Annual Report.

Remuneration for the President and CEO in the form of shares

Remuneration to the President and CEO in the form of shares is presented in the table on page 2 below.

Exercising the right to reclaim remuneration

No variable remuneration has been reclaimed in 2023.

Performance of the President and CEO in 2023

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. Multi-year share-based variable remuneration for the President and CEO is currently based on earnings per share and reduction of CO₂. The table on page 2 below shows how the criteria for payment of variable short-term remuneration have been applied during 2023.

Remuneration of the President and CEO (SEK 000)¹⁾

Financial Year	President and CEO ¹⁾	Fixed remuneration		Variable remuneration		Extra ordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration
		Base salary ²⁾	Other benefits ³⁾	One-year variable	Multi-year variable ⁴⁾				
2023	Aritz Larrea	12,652	6,698 ⁵⁾	11,934	5,397	0	0	36,681	53/47
2022	Aritz Larrea	7,959	111	7,166 ⁶⁾	796	0	1,010	17,041 ⁷⁾	53/47
2022	Patrik Andersson	3,120	39	3,120 ⁶⁾	0	0	903	7,182	57/43
2021	Patrik Andersson	8,090	94	7,791	240	0	2,303	18,518	57/43
2020	Patrik Andersson	7,822	85	0	0	0	2,310	10,217	100/0
2019	Patrik Andersson	7,402	97	6,205	0	0	2,191	15,895	61/39

1) Artiz Larreta took the position as CEO in May 2022 and then replaced Patrik Andersson.

2) Includes vacation pay, excluding vacation pay paid to Artiz Larrea as President and CEO up to and including July 2023 paid out from the USA. Such vacation pay is included under "Other benefits".

3) Includes benefits such as company car, health care benefits, medical insurance etc.

4) Refers to the cost of the long-term share-based incentive schemes (LTIP 2021 and LTIP 2023, as applicable) in each respective year.

5) Includes certain one-off payments, including approximately 310 KUSD in vacation pay earned in Artiz Larrea's previous position as Regional President USA and paid out during 2023.

6) Paid out during 2023.

7) Refers to the period May 23 - December 31, 2022.

Remuneration for the President and CEO in the form of shares

Information regarding the reported financial year 2023										
The main conditions of share award plans					Opening balance	During the year		Closing balance		
Share plan	Performance period	Award date ¹⁾	Vesting date	End of retention period	Share rights held at the beginning of the year	Share rights awarded ²⁾	Shares vested	Share rights subject to performance conditions	Share rights awarded and unvested at year end	Shares rights subject to a retention period ³⁾
LTIP 2023-2025										
Performance share rights	2023-2025	Q2 2023	Q1 2026	Same as vesting date	-	31,080	-	31,080	31,180	-
Matching share rights	-	Q2 2023	Q1 2026	Same as vesting date	-	6,216	-	-	6,216	-
LTIP 2021-2023										
Performance share rights	2021-2023	Q2 2021	Q1 2024	Same as vesting date	31,355	-	-	31,355	31,355	-
Totalt					31,355	37,296	-	62,435	68,651	-

1) Refers to the date when the share rights were awarded to the participant.

2) Share rights for the entire duration of the share plan are awarded at the start of the performance period.

3) Neither the share rights nor the share to be received upon vesting are subject to any post-vesting retention.

Compensation for the President and CEO in the form of variable, short-term remuneration (1 January–31 December 2023)

Incentive program	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	Information on performance targets		
			a) Minimum target performance, and b) Corresponding award/ remuneration (SEK 000')	a) Maximum target performance, and b) Corresponding award/ remuneration (SEK 000')	a) Measured performance, and b) Actual award/remuneration outcome (SEK 000')
AIP 2022	Revenue	30%	a) 25,315	a) 26,590	a) 100% of range
			b) 0	b) 3,676	b) 3,676
	EBIT	70%	a) 2,532	a) 2,800	a) 97.4% of range
			b) 0	b) 8,576	b) 8,258

Comparative information on change in remuneration and company performance

	Change 2020 vs. 2019	Change 2021 vs. 2020	Change 2022 vs. 2021	Change 2023 vs. 2022	Financial year 2023
Remuneration for the President and CEO (SEK 000')	-5,678 (-36%)	8,301 (+81%)	5,705 (+31%) ¹⁾	12,457 (+51%)	36,681
Loomis Group's performance (SEK 000 000')					
EBITA	-826 (-32%)	186 (+10%)	774 (+39%)	342 (+13%)	3,077
Average remuneration on a full-time equivalent basis (SEK 000')					
All employees of Loomis group ^{2) 3)}	-14 (-4%)	20 (+6%)	65 (+18%)	48 (+11%)	468

1) Patrik Andersson President and CEO, January 1–May 22, 2022, Aritz Larrea President and CEO May 23–December 31, 2022.

2) All employees excluding the President and CEO.

3) Includes currency effects upon translation to SEK.