HIGHLIGHTS H1/Q2 2020

-4% (5) organic sales growth in Q2, -1% (6) in H1

Operating income MSEK 1 075 (1 377) in Q2, supported by short term cost saving actions, government grants and support of MSEK 350 and hampered by increased provisioning level of MSEK 300

Operating margin 4.0% (5.0), with impact from all business segments but primarily from Europe

Price and wage balance on par

Strong operating cash flow, remains a focus area in all business segments

Significant uncertainty due to the corona pandemic. Continuously assessing and implementing proactive measures

Cost savings program in the Group initiated. Estimated restructuring of MSEK 350-500, payback time app. 2 years
<table>
<thead>
<tr>
<th>RESPONSE</th>
<th>IMPACT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Crisis response team</strong></td>
<td><strong>Security demand</strong></td>
</tr>
<tr>
<td>- Activated end of January</td>
<td>- Negative impact: Aviation, Electronic security (installation business), Event security</td>
</tr>
<tr>
<td>- Group, divisions and country level</td>
<td>- Demand increase: Temporary services – healthcare, retail, protection of idle assets, corp. risk management</td>
</tr>
<tr>
<td><strong>Main priorities</strong></td>
<td><strong>Commercial</strong></td>
</tr>
<tr>
<td>1. Employee health and safety</td>
<td>- Reduced sales activity and solutions conversions</td>
</tr>
<tr>
<td>2. Business continuity – deliver services to clients</td>
<td>- Risk of bad debt – monitoring exposures</td>
</tr>
<tr>
<td>3. Cash flow control</td>
<td><strong>People</strong></td>
</tr>
<tr>
<td>4. Cost control</td>
<td>- 7 000 employees on temporary unemployment</td>
</tr>
</tbody>
</table>

Tremendous response from the Securitas team during a challenging time.

Increased provisions in light of continued uncertainty.
Security Solutions and Electronic Security

No acquisitions in Q2 due to corona pandemic

Security Solutions and Electronic Security

Real sales growth 0% (12)

• Sales MSEK 5 684 (5 768)

• Two important acquisitions of electronic security companies closed in Q1: Fredon Security in Australia and Techco Security in Spain

• Plan to continue the acquisition strategy when the situation normalizes

• Our ambition is to double the security solutions and electronic security business to BSEK 40 by 2023
Security Services North America

Decline on a strong comparative

**Q2: Organic sales growth -2% (5)**

- Decline related to Electronic Security and Critical Infrastructure Services, mainly due to the corona pandemic
- Stable growth in Guarding, reduced service levels were compensated by increased extra sales, both corona-related
- Client retention was 92% (90)
- Security solutions and electronic security represented 18% (18) of total sales in H1
Operating margin decline within Electronic Security and SCIS, and increased levels of provisioning

Q2: Operating margin 5.6% (6.3)

- Cost saving actions taken to limit negative leverage from reduced sales
- Operating margin declined within Electronic Security and Critical Infrastructure Services.
- Increased levels of provisioning to reflect increased risks in the business environment
- The operating margin in Guarding supported by the corona-related change in business mix
Security Services Europe

Organic sales growth decline due to reduced airport security

Q2: Organic sales growth -6% (1)

- Decline mainly explained by significant negative impact from airport security due to the corona pandemic
- The previously communicated contract losses in France, the UK and the Aviation contract in Norway hampered
- Client retention was 90% (91)
- Security solutions and electronic security represented 23% (22) of total sales in H1
Q2: Operating margin 3.6% (5.0)

- Decline primarily due to effects from corona pandemic with reduced airport security
- Negative impact on cost levels due to idle time to some extent offset by corona-related government grants in several countries
- Increased levels of provisioning to reflect increased risks in the business environment

Security Services Europe
Effects from the corona pandemic behind the decline
Security Services Ibero-America

The corona pandemic primary reason behind the development

Q2: Organic sales growth -1% (16)

- Development primarily related to effects from corona pandemic, mostly in Spain, and reductions of short-term security solutions as previously communicated
- Impact in Latin America showed a mixed picture, with significant impact from reduced airport security in several countries
- Client retention was 93% (91)
- Security solutions and electronic security represented 29% (28) of total sales in H1
Security Services Ibero-America

Operating margin primarily affected by the corona pandemic

Q2: Operating margin 3.9% (4.6)

- The decline was primarily due to the effects from the corona pandemic
- The operating margin was to some extent supported by corona-related government grants and support in certain countries off-setting costs for idle time
- Increased levels of provisioning to reflect increased risks in the business environment also impacted
FINANCIALS
Bart Adam
CFO
Financial Highlights

Corona-related government grants and increased provisioning impacted operating income

<table>
<thead>
<tr>
<th>MSEK</th>
<th>Q2 2020</th>
<th>Q2 2019</th>
<th>H1 2020</th>
<th>H1 2019</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>26 556</td>
<td>27 684</td>
<td>54 976</td>
<td>54 428</td>
<td>110 899</td>
</tr>
<tr>
<td>Organic sales growth, %</td>
<td>-4</td>
<td>5</td>
<td>-1</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Operating income before amort</td>
<td>1 075</td>
<td>1 377</td>
<td>2 161</td>
<td>2 667</td>
<td>5 738</td>
</tr>
<tr>
<td>Operating margin, %</td>
<td>4.0</td>
<td>5.0</td>
<td>3.9</td>
<td>4.9</td>
<td>5.2</td>
</tr>
<tr>
<td>Amort of acq related intang assets</td>
<td>-69</td>
<td>-70</td>
<td>-141</td>
<td>-136</td>
<td>-271</td>
</tr>
<tr>
<td>Acquisition related costs</td>
<td>-63</td>
<td>-17</td>
<td>-80</td>
<td>-29</td>
<td>-62</td>
</tr>
<tr>
<td>Items affecting comparability</td>
<td>-61</td>
<td>-46</td>
<td>-106</td>
<td>-66</td>
<td>-209</td>
</tr>
<tr>
<td>Operating income after amortization</td>
<td>882</td>
<td>1 244</td>
<td>1 834</td>
<td>2 436</td>
<td>5 196</td>
</tr>
<tr>
<td>Financial income and expenses</td>
<td>-137</td>
<td>-150</td>
<td>-281</td>
<td>-289</td>
<td>-578</td>
</tr>
<tr>
<td>Income before taxes</td>
<td>745</td>
<td>1 094</td>
<td>1 553</td>
<td>2 147</td>
<td>4 618</td>
</tr>
<tr>
<td>Tax, %</td>
<td>26.8</td>
<td>27.4</td>
<td>27.0</td>
<td>27.6</td>
<td>27.2</td>
</tr>
<tr>
<td>Net income for the period</td>
<td>545</td>
<td>794</td>
<td>1 133</td>
<td>1 554</td>
<td>3 362</td>
</tr>
<tr>
<td>EPS, SEK</td>
<td>1.50</td>
<td>2.18</td>
<td>3.11</td>
<td>4.25</td>
<td>9.20</td>
</tr>
<tr>
<td>EPS, SEK before IAC</td>
<td>1.62</td>
<td>2.27</td>
<td>3.32</td>
<td>4.39</td>
<td>9.61</td>
</tr>
</tbody>
</table>

- Operating income positively affected by MSEK 350 through corona-related government grants and support, off-setting increased cost levels to some extent
- Operating income negatively impacted by increased provisioning levels of MSEK 300 to reflect increased risks
- Acquisition related costs entirely related to the earlier closed acquisitions
- Items affecting comparability of MSEK -61 in Q2, relating to the transformation programs
- Q2 tax rate of 26.8 percent – FY 27.0 percent
Securitas Group
Limited impact from FX development

**SALES**

MSEK 26 556 (27 684)
- Total change -4%
- Real change -3% (incl. acq. and adj. F/X)

**OPERATING INCOME**

MSEK 1 075 (1 377)
- Total change -22%
- Real change -19%

**EARNINGS PER SHARE**

<table>
<thead>
<tr>
<th></th>
<th>Q220</th>
<th>Q219</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>9.29</td>
<td>9.27</td>
<td>+0.2</td>
</tr>
<tr>
<td>EUR</td>
<td>10.49</td>
<td>10.55</td>
<td>-0.6</td>
</tr>
<tr>
<td>ARS</td>
<td>0.13</td>
<td>0.22</td>
<td>-40.9</td>
</tr>
</tbody>
</table>

**F/X SEK END RATES**

SEK 1.50 (2.18)
- Total change -31%, real -28%

SEK 1.62 (2.27) before IAC
- Total change -29%, real -26%
Cash Flow Highlights

**Strong cash flow, also when excluding corona-related effects**

<table>
<thead>
<tr>
<th>MSEK</th>
<th>Q2 2020</th>
<th>Q2 2019</th>
<th>H1 2020</th>
<th>H1 2019</th>
<th>FY 2019</th>
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<td>1 075</td>
<td>1 377</td>
<td>2 161</td>
<td>2 667</td>
<td>5 738</td>
</tr>
<tr>
<td>Net investments in non-current assets</td>
<td>-4</td>
<td>-120</td>
<td>-61</td>
<td>-187</td>
<td>-320</td>
</tr>
<tr>
<td>Change in accounts receivable</td>
<td>857</td>
<td>-266</td>
<td>203</td>
<td>-399</td>
<td>-239</td>
</tr>
<tr>
<td>Change in other operating capital employed</td>
<td>741</td>
<td>-45</td>
<td>738</td>
<td>-1 202</td>
<td>-277</td>
</tr>
</tbody>
</table>

| Cash flow from operating activities | 2 669   | 946     | 3 041   | 879     | 4 902   |
| Cash flow from operating activities, % | 248     | 69      | 141     | 33      | 85      |
| Financial income and expenses paid | -41     | -55     | -331    | -344    | -443    |
| Current taxes paid                  | -189    | -275    | -595    | -525    | -1 191  |
| Free cash flow                      | 2 439   | 616     | 2 115   | 10      | 3 268   |

- Net investments of MSEK –61 in H1 results from:
  - investments of MSEK –1 429
  - depreciation of MSEK 1 368

- Capital expenditure app. 3% of Group sales annually, including IFRS 16

- Cash-flow positively impacted by collections and by lower organic sales growth

- Corona-related government support measures of app. MSEK 900 in Europe and the US
  - Neutral European effect on FY basis
  - Positive US effect on FY basis as payments are due 2021/22
Net debt development

The strong free cash flow lowered net debt - withdrawn dividend

<table>
<thead>
<tr>
<th>MSEK</th>
<th>Net debt Jan 1, 2020</th>
<th>-17 541</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Free cash flow</td>
<td>2 115</td>
</tr>
<tr>
<td></td>
<td>Acquisitions</td>
<td>-428</td>
</tr>
<tr>
<td></td>
<td>IAC</td>
<td>-139</td>
</tr>
<tr>
<td></td>
<td>Lease liabilities</td>
<td>-31</td>
</tr>
<tr>
<td><strong>Change in net debt</strong></td>
<td><strong>1 517</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revaluation</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Translation</td>
<td>90</td>
</tr>
<tr>
<td><strong>Net debt Jun 30, 2020</strong></td>
<td><strong>-15 932</strong></td>
<td></td>
</tr>
</tbody>
</table>

Net debt to EBITDA ratio well in line

- Net debt before IFRS 16
- Net debt after IFRS 16
- EBITDA before IFRS 16
- EBITDA after IFRS 16
We are backed up by solid financing

- BBB, stable outlook (S&P, April 30)
- 5.9 BSEK in Liquid Funds
- RCF renewed April 6 for 5 years, maturing 2025
- Significant undrawn committed funding BSEK 10
- No financial covenants

Committed to solid investment grade rating
No significant maturities in 2020
In good shape for renewing the 2021 maturity

Strong group of banks in new RCF

<table>
<thead>
<tr>
<th>BBVA</th>
<th>CIC</th>
<th>Citibank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commerzbank</td>
<td>Danske</td>
<td>DNB</td>
</tr>
<tr>
<td>ING</td>
<td>KBC</td>
<td>SEB</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unicredit</td>
</tr>
</tbody>
</table>

Commitment Funding Maturity Profile

- EUR bond
- USD PP
- 2025 RCF (undrawn)
SECURITAS AND COVID-19

Magnus Ahlqvist
President and CEO
COVID-19: Priorities and actions H1 and onwards

Continued focus on four areas...

- Health and safety of employees
- Business continuity - delivery to clients
- Cash flow control
- Cost control

...while maintaining strong focus on driving the modernization and strategic transformation programs
COVID-19: Priorities and actions during H1 and onwards

**Business continuity and re-starting client operations**

**HEALTH & SAFETY - EMPLOYEES**

- Crisis response teams and frequent communication from end January
- Continuous sharing protective practices and measures. Coordinated PPE procurement.
- Leveraging decentralized leadership, close to employees and clients, to optimize work

**CLIENTS**

- Strong focus on business continuity
- Near-term:
  - Protective services to support new requirements - social distancing, crowd control, employee health and safety and how we can leverage technology
  - Re-start commercial and solutions conversions activity
- Long term: Use our protective services capabilities to support clients with solutions for new normal

We help make your world a safer place
COVID-19: Priorities and actions during H1 and onwards

Preparing for a strong future

**COST**

### Measures implemented
- Company-wide indirect hiring freeze
- 7,000 employees on temporary unemployment
- Supplier contracts being re-negotiated
- Group cost savings program initiated

### Focus areas
- Monitoring government relief programs – temporary unemployment and sickness
- Health and safety measures: PPE and others
- Scenario planning – ensure readiness
- Protect strategic transformation programs

**CASH FLOW**

### Measures implemented
- Close monitoring accounts receivable
- Paused acquisitions – since early March
- Postponing discretionary projects
- Renewed 5-year RCF
- Cash impact of government grants

### Focus areas
- Continued strong monitoring and strict collection procedures

Ensuring readiness and resilience for the coming 12-24 months
GROUP COST SAVINGS PROGRAM TO MANAGE COVID-19 IMPACT AND UNCERTAINTY

- Main part in Security Services Europe
- Address direct and structural costs where needed
- Restructuring costs estimated to MSEK 350-500, to be recognized as items affecting comparability over the next 4 quarters
- Payback time app. 2 years
- Expect first positive impact in Q4 2020
SUMMARY Q2/H1 2020

- Organic sales growth: -4% in Q2, -1% in H1
- Operating income real change: -19%
- Challenging conditions and significant uncertainty due to the corona pandemic
- Clear priorities to ensure resilience during the coming 12-24 months
THANK YOU