



Interim Report January–March 2021

1

January–March 2021

25 814

Total sales, MSEK

4.9%

Operating margin

1.86

Earnings per share, SEK

- Total sales MSEK 25 814 (28 420)
- Organic sales growth 0 percent (2)
- Operating income before amortization MSEK 1 256 (1 086)
- Operating margin 4.9 percent (3.8)
- Items affecting comparability (IAC) MSEK –136 (–45), relating to transformation programs and the cost-savings program in the Group
- Earnings per share SEK 1.86 (1.61)
- Earnings per share, before IAC, SEK 2.11 (1.70)
- Net debt/EBITDA 2.1 (2.4)
- Cash flow from operating activities 102 percent (34)

CONTENTS

Comments from the President and CEO	3	Other significant events	12
January–March summary	4	Risks and uncertainties	12
Group development	5	Parent Company operations	13
Development in the Group's business segments	6	Consolidated financial statements	14
Cash flow	9	Segment overview	18
Capital employed and financing	10	Notes	19
Acquisitions and divestitures	11	Parent Company	25
		Financial information	26

Comments from the President and CEO



“A good start to the year while continuing the transformation journey”

A RESILIENT BUSINESS

The Group’s organic sales growth in the first quarter was 0 percent (2), with all business segments showing positive organic sales growth in the month of March. Although we are seeing signs of commercial activity picking up throughout the Group, the corona pandemic continues to hamper organic sales growth.

The airport security business remains significantly negatively impacted, primarily in Security Services Europe, but we continue to improve profitability through contract reviews.

Sales reductions in the contract portfolio, primarily related to the corona pandemic, were partly offset by the increased level of corona-related extra sales, which continued from 2020 into the first quarter.

The installation business within electronic security continued to be burdened by the corona pandemic, while the strategic acquisitions of STANLEY Security in five countries and FE Moran Security Solutions in the US contributed positively to both sales and profitability in the quarter with the integration work progressing according to plan. Security solutions and electronic security sales was 22 percent (22) of total Group sales in the first quarter.

The operating result for the Group, adjusted for changes in exchange rates, increased by 30 percent and the operating margin was 4.9 percent (3.8) with improvements in all business segments and also supported by the cost-savings program initiated during 2020.

Support from government grants relating mostly to employees on temporary unemployment continued, and total price adjustments in the Group were on par with wage cost increases in the first quarter.

Profitability improvement is a key focus area and we are thus working actively with contract portfolio management across the Group.

The Group delivered a strong cash flow, albeit at lower organic sales growth, supported by a strong focus on accounts receivable.

CORONA PANDEMIC

The corona pandemic continues to be a substantial challenge in our day-to-day operations as we close the first quarter of 2021. Our priorities remain the same since January 2020 and are to protect our people, to handle our clients’ changing needs in the most professional way possible, to control our costs and to carefully manage cash.

While there is still significant uncertainty regarding the long-term consequences of the pandemic, we are coming out stronger thanks to having taken action early. Together with a clear focus and solid finances we have strength and leverage to tackle further challenges.

COMMITTED TO TRANSFORMATION TARGETS

The business transformation program in Europe and Ibero-America that was announced in the beginning of the year is progressing according to plan, as do our other transformation programs. During the first quarter we also announced an update to our brand to reflect our transformation journey, and to support our position as the leading Intelligent Protective Services Partner.

We are confident that these programs will change the business mix and we are fully committed to achieve the related margin targets.

Securitas entered 2021 stronger and more focused, with a clear commitment to continue the transformation journey despite continued global uncertainty. The performance in the first quarter of 2021 confirms the direction and ambition for the years ahead.

Magnus Ahlqvist
President and CEO

January–March summary

FINANCIAL SUMMARY

MSEK	Q1		Change, %		Full year	Change, %
	2021	2020	Total	Real	2020	Total
Sales	25 814	28 420	-9	1	107 954	-3
<i>Organic sales growth, %</i>	0	2			0	
Operating income before amortization	1 256	1 086	16	30	4 892	-15
<i>Operating margin, %</i>	4.9	3.8			4.5	
Amortization of acquisition-related intangible assets	-65	-72			-286	
Acquisition-related costs	-29	-17			-137	
Items affecting comparability*	-136	-45			-640	
Operating income after amortization	1 026	952	8	19	3 829	-26
Financial income and expenses	-94	-144			-500	
Income before taxes	932	808	15	27	3 329	-28
Net income for the period	680	588	16	28	2 416	-28
Earnings per share, SEK	1.86	1.61	16	27	6.63	-28
EPS before items affecting comparability, SEK	2.11	1.70	24	36	8.02	-17
<i>Cash flow from operating activities, %</i>	102	34			147	
Free cash flow	796	-324			5 944	
<i>Net debt to EBITDA ratio</i>	2.1	2.4			2.1	

* Refer to note 7 on page 22 for further information.

ORGANIC SALES GROWTH AND OPERATING MARGIN DEVELOPMENT PER BUSINESS SEGMENT

%	Organic sales growth		Operating margin	
	Q1		Q1	
	2021	2020	2021	2020
Security Services North America	3	2	5.9	5.2
Security Services Europe	-1	0	5.1	3.6
Security Services Ibero-America	-2	9	5.2	4.4
Group	0	2	4.9	3.8

Group development

QUARTERLY SALES DEVELOPMENT



— Organic sales growth, %

QUARTERLY OPERATING INCOME DEVELOPMENT



— Operating margin, %

JANUARY–MARCH 2021

Sales development

Sales amounted to MSEK 25 814 (28 420) and organic sales growth to 0 percent (2). All business segments were negatively impacted by the corona pandemic, but to some extent offset by increased extra sales which amounted to 16 percent (14) of total sales. Organic sales growth in Security Services North America was 3 percent (2), supported by Guarding and Pinkerton Corporate Risk Management. Security Services Europe had -1 percent (0), hampered primarily by corona-related impact from reduced airport security. Security Services Ibero-America declined to -2 percent (9), with negative organic sales growth in several countries. All business segments showed positive organic sales growth in the month of March.

Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 1 percent (4).

Sales of security solutions and electronic security sales amounted to MSEK 5 738 (6 148) or 22 percent (22) of total sales in the first quarter. Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 2 percent (10).

Operating income before amortization

Operating income before amortization was MSEK 1 256 (1 086) which, adjusted for changes in exchange rates, represented a real change of 30 percent (-19). The operating income was supported by corona-related government grants and support measures of MSEK 205 in the first quarter, mostly within Security Services Europe. These grants and support measures relate primarily to partial unemployment support and compensate for increased cost levels due to idle time.

The Group's operating margin was 4.9 percent (3.8), an improvement seen in all business segments. High-margin extra sales and cost-saving measures supported the development in Security Services North America. In Security Services Europe, lower level

of provisioning supported the development as did the cost-savings program initiated in 2020. The cost-savings program also supported the operating margin improvement in Security Services Ibero-America, as did recovery of some bad debt. Total price adjustments in the Group were on par with wage cost increases in the first quarter.

Operating income after amortization

Amortization of acquisition-related intangible assets amounted to MSEK -65 (-72).

Acquisition-related costs totaled MSEK -29 (-17). For further information refer to note 6.

Items affecting comparability were MSEK -136 (-45), related to the cost-savings program and to the transformation programs in the Group. The decided exit from 11 countries, as communicated in the fourth quarter of 2020, resulted in a net gain of MSEK 36 during the quarter, which was included in items affecting comparability. For further information refer to Acquisitions and divestitures on page 11 and note 7.

Financial income and expenses

Financial income and expenses amounted to MSEK -94 (-144). The financial income and expenses were positively impacted by the favorable net debt development, lower interest rates and the exchange rates for interest income and expenses.

Income before taxes

Income before taxes amounted to MSEK 932 (808).

Taxes, net income and earnings per share

The Group's tax rate was 27.0 percent (27.2). The tax rate before tax on items affecting comparability was 27.8 percent (27.3).

Net income was MSEK 680 (588).

Earnings per share amounted to SEK 1.86 (1.61). Earnings per share before items affecting comparability amounted to SEK 2.11 (1.70).

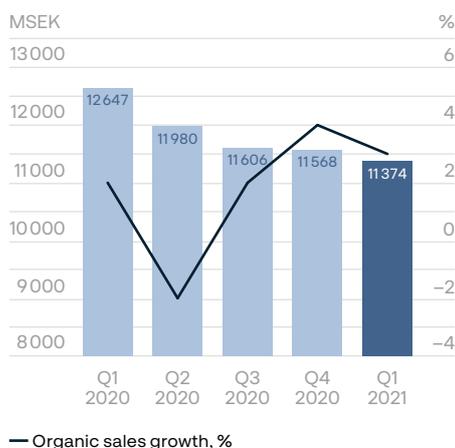
Development in the Group's business segments

Security Services North America

Security Services North America provides protective services in the US, Canada and Mexico. The operations in the US are organized in four specialized units – Guarding, Electronic Security, Pinkerton Corporate Risk Management and Critical Infrastructure Services. There is a unit for global and national clients and specialized client segment units, such as aviation, healthcare, manufacturing and oil and gas.

MSEK	Q1		Change, %		Full year
	2021	2020	Total	Real	2020
Total sales	11 374	12 647	-10	3	47 801
Organic sales growth, %	3	2			2
Share of Group sales, %	44	45			44
Operating income before amortization	675	652	4	18	2 800
Operating margin, %	5.9	5.2			5.9
Share of Group operating income, %	54	60			57

QUARTERLY SALES DEVELOPMENT



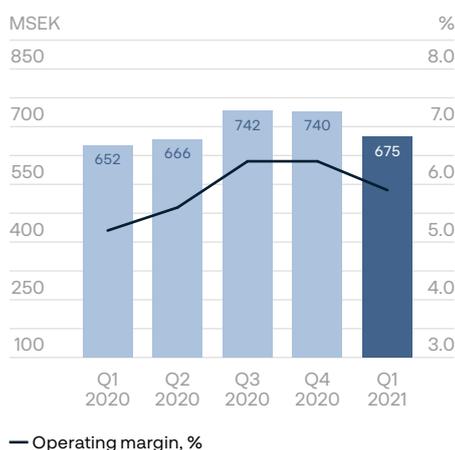
JANUARY–MARCH 2021

Organic sales growth was 3 percent (2), supported by the business units Guarding and Pinkerton Corporate Risk Management. The level of corona-related extra sales within Guarding remained high in the quarter. Critical Infrastructure Services and Electronic Security hampered organic sales growth due to impacts from the corona pandemic, although Electronic Security showed positive organic sales growth in the month of March. The client retention rate was 90 percent (92), excluding the effect of corona-related temporary reductions.

Cost-saving measures also supported Electronic Security, as did the acquisition of FE Moran Security Solutions. The improvement in Pinkerton was primarily driven from leverage from the sales growth.

The Swedish krona exchange rate strengthened against the US dollar, which had a negative effect on operating income in Swedish kronor. The real change was 18 percent (–6) in the first quarter.

QUARTERLY OPERATING INCOME DEVELOPMENT



Security solutions and electronic security sales represented MSEK 2 039 (2 304) or 18 percent (18) of total sales in the business segment in the first quarter.

The operating margin was 5.9 percent (5.2), an improvement supported by all business units. Guarding improved as a result of the corona-related change in the business mix with an increased share of extra sales. Critical Infrastructure Services improved compared to the first quarter last year primarily due to cost-saving measures.

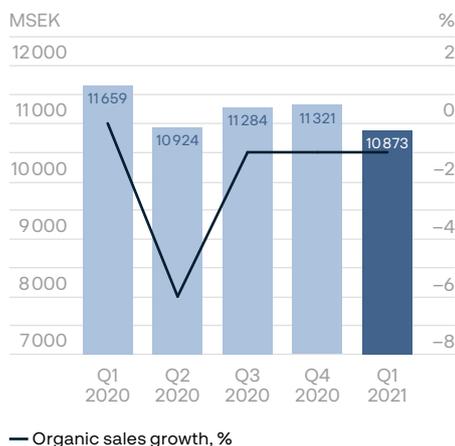
— Operating margin, %

Security Services Europe

Security Services Europe provides protective services with operations in 22 countries. The full range of protective services includes on-site, mobile and remote guarding, electronic security, fire and safety services and corporate risk management. In addition there is a specialized unit for global clients and one for security solutions.

MSEK	Q1		Change, %		Full year
	2021	2020	Total	Real	2020
Total sales	10 873	11 659	-7	0	45 188
Organic sales growth, %	-1	0			-2
Share of Group sales, %	42	41			42
Operating income before amortization	556	418	33	41	2 069
Operating margin, %	5.1	3.6			4.6
Share of Group operating income, %	44	38			42

QUARTERLY SALES DEVELOPMENT



— Organic sales growth, %

QUARTERLY OPERATING INCOME DEVELOPMENT



— Operating margin, %

JANUARY–MARCH 2021

Organic sales growth was -1 percent (0). The decline was mainly explained by the significant negative impact on airport security due to the corona pandemic that started in March 2020. Organic sales growth in the business segment was positive in the month of March, while airport security remained negative. A few countries had positive organic sales growth, including Sweden, Denmark and the guarding business in Turkey. The client retention rate was 92 percent (89), excluding the effect of corona-related temporary reductions.

Security solutions and electronic security sales represented MSEK 2 640 (2 679) or 24 percent (23) of total sales in the business segment.

The operating margin was 5.1 percent (3.6), where the comparative was significantly impacted by the corona pandemic that started in March 2020. Corona-related government grants in several countries have reduced the negative impact from the corona pandemic. The improvement was supported by the cost-savings program that was initiated in the Group in 2020

and by returning to lower cost levels of provisioning for any bad debt. Change in the business mix, including lower airport security sales, also supported the operating margin. Most countries in the business segment contributed to the operating margin development.

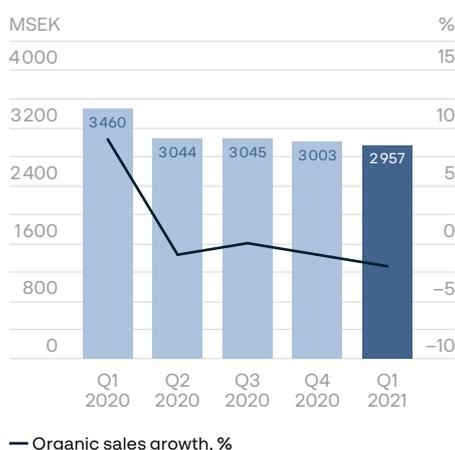
The Swedish krona exchange rate strengthened against foreign currencies, primarily the euro, which had a negative effect on operating income in Swedish kronor. The real change was 41 percent (-27) in the first quarter.

Security Services Ibero-America

Security Services Ibero-America provides protective services in seven Latin American countries as well as in Portugal and Spain in Europe. The offered services include on-site, mobile and remote guarding, electronic security, fire and safety services and corporate risk management.

MSEK	Q1		Change, %		Full year
	2021	2020	Total	Real	2020
Total sales	2 957	3 460	-15	-2	12 552
Organic sales growth, %	-2	9			2
Share of Group sales, %	11	12			12
Operating income before amortization	153	152	1	13	570
Operating margin, %	5.2	4.4			4.5
Share of Group operating income, %	12	14			12

QUARTERLY SALES DEVELOPMENT



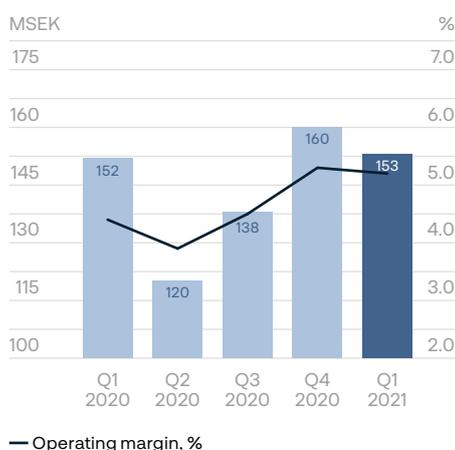
JANUARY–MARCH 2021

Organic sales growth was –2 percent (9), a decline primarily related to impacts from the corona pandemic with a significant negative impact on airport security in several countries. Organic sales growth in Spain was –1 percent and declined due to effects of the corona pandemic, but was positive in the month of March. The impact from the corona pandemic also hampered organic sales growth in Latin America, as did portfolio refinement programs in Argentina and Peru. The client retention rate was 92 percent (92) excluding the effect of corona-related temporary reductions.

portfolio refinement programs in Argentina and Peru. The improvement in the business segment was also supported by the cost-savings program that was initiated in the Group in 2020.

The Swedish krona exchange rate strengthened against the Argentinian peso and the euro, which had a negative impact on operating income in Swedish kronor. The real change in the segment was 13 percent (0) in the first quarter.

QUARTERLY OPERATING INCOME DEVELOPMENT



Security solutions and electronic security sales represented MSEK 889 (1 000) or 30 percent (29) of total sales in the business segment.

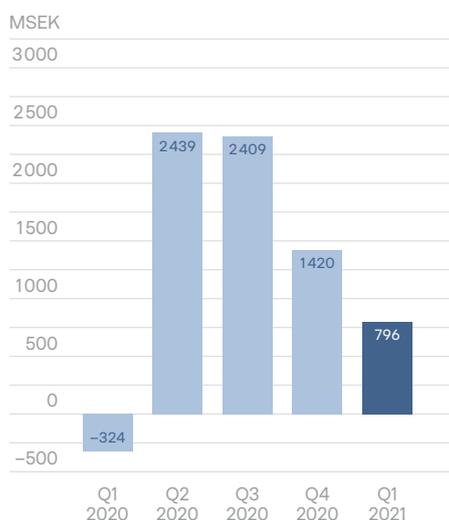
The operating margin was 5.2 percent (4.4) and the improvement derived from several countries in the business segment. The operating margin improved in Spain, supported by efficiency gains from the integration of Techco Security. In Latin America, the operating margin also improved which primarily derived from some bad debt recovery and

Cash flow

FREE CASH FLOW

MSEK	Jan–Mar 2021
Operating income before amortization	1 256
Net investments	5
Change in accounts receivable	140
Change in other operating capital employed	-118
Cash flow from operating activities	1 283
Financial income and expenses paid	-242
Current taxes paid	-245
Free cash flow	796

QUARTERLY FREE CASH FLOW



JANUARY–MARCH 2021

Cash flow from operating activities amounted to MSEK 1 283 (372), equivalent to 102 percent (34) of operating income before amortization. This is a strong cash flow, especially for a first quarter in the year, resulting from a strong focus on accounts receivable and also due to lower organic sales growth.

The impact from changes in accounts receivable was MSEK 140 (–654). Changes in other operating capital employed were MSEK –118 (–3). While some of the previously postponed payments under various government support schemes have been made, the large amount in the North American operations of approximately MSEK 1 300 is only due to be paid later in the year and in 2022.

Financial income and expenses paid was MSEK –242 (–290) and current taxes paid was MSEK –245 (–406).

Cash flow from operating activities includes net investments in non-current tangible and intangible assets, amounting to MSEK 5 (–57), also including capital expenditures in equipment

for solutions contracts. The net investments result from investments of MSEK –638 (–753) and reversal of depreciation of MSEK 643 (696).

Free cash flow was MSEK 796 (–324), equivalent to 92 percent (–47) of adjusted income.

Cash flow from investing activities, acquisitions and divestitures, was MSEK –179 (–354). Refer to note 6 for further information.

Cash flow from items affecting comparability amounted to MSEK –170 (–60). Refer to note 7 for further information.

Cash flow from financing activities was MSEK 225 (1 646) due to a net increase in borrowings.

Cash flow for the period was MSEK 672 (908). The closing balance for liquid funds after translation differences of MSEK 49 was MSEK 5 441 (4 720 as of December 31, 2020).

Capital employed and financing

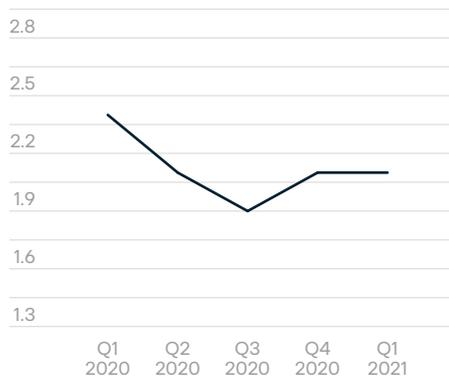
CAPITAL EMPLOYED AND FINANCING

MSEK	Mar 31, 2021
Operating capital employed	9 408
Goodwill	22 378
Acquisition-related intangible assets	1 646
Shares in associated companies	329
Capital employed	33 761
Net debt	14 502
Shareholders' equity	19 259
Financing	33 761

NET DEBT DEVELOPMENT

MSEK	Jan–Mar 2021
Opening balance	-14 335
Free cash flow	796
Acquisitions/divestitures	-179
Items affecting comparability	-170
Lease liabilities	-5
Change in net debt	442
Revaluation	-64
Translation	-545
Closing balance	-14 502

NET DEBT TO EBITDA RATIO



CAPITAL EMPLOYED AS OF MARCH 31, 2021

The Group's operating capital employed was MSEK 9 408 (8 893 as of December 31, 2020), corresponding to 9 percent of sales (8 as of December 31, 2020), adjusted for the full-year sales figures of acquired units. The translation of foreign operating capital employed to Swedish kronor increased the Group's operating capital employed by MSEK 432.

The Group's total capital employed was MSEK 33 761 (32 042 as of December 31, 2020). The translation of foreign capital employed to Swedish kronor increased the Group's capital employed by MSEK 1 462. The return on capital employed was 13 percent (13 as of December 31, 2020).

FINANCING AS OF MARCH 31, 2021

The Group's net debt amounted to MSEK 14 502 (14 335 as of December 31, 2020). The net debt was positively impacted mainly by the free cash flow of MSEK 796, while it was negatively impacted mainly by translation differences of MSEK -545, net payments for acquisitions and divestitures of MSEK -179 and payments for items affecting comparability of MSEK -170.

The net debt to EBITDA ratio was 2.1 (2.4). The free cash flow to net debt ratio amounted to 0.49 (0.18). The interest coverage ratio amounted to 10.2 (9.0).

Securitas has a Revolving Credit Facility with its ten key relationship banks. The credit facility comprises one tranche of MEUR 938 originally maturing in 2025. In April 2021, the maturity was extended to 2026 and there is a possibility to extend for another year in 2022. It was undrawn on March 31, 2021.

In February 2021, Securitas issued a MEUR 350 Eurobond in a 7-year deal under its existing MEUR 4 000 EMTN (Euro Medium Term Note) program. The coupon rate was set at 0.250 percent and the maturity date is February 22, 2028. The proceeds will be used to refinance existing credit facilities and for general corporate purposes. The joint lead managers were BBVA, Citi, ING, KBC and SEB.

Standard and Poor's rating for Securitas is BBB/A-2 with a stable outlook.

Further information regarding financial instruments and credit facilities is provided in note 9.

Shareholders' equity amounted to MSEK 19 259 (17 707 as of December 31, 2020). The translation of foreign assets and liabilities into Swedish kronor increased shareholders' equity by MSEK 917. Refer to the statement of comprehensive income on page 14 for further information.

The total number of shares amounted to 365 058 897 (365 058 897) as of March 31, 2021. Refer to page 17 for further information.

Acquisitions and divestitures

ACQUISITIONS AND DIVESTITURES JANUARY–MARCH 2021 (MSEK)

Company	Business segment ¹⁾	Included from	Acquired share ²⁾	Annual sales ³⁾	Enterprise value ⁴⁾	Goodwill	Acq. related intangible assets
Opening balance						21 414	1 424
Dansk Brandteknik, Denmark	Security Services Europe	Feb 22	100	81	148	80	75
Other acquisitions and divestitures ^{5, 6)}		–	–	–92	–5	–98	152
Total acquisitions and divestitures January–March 2021				–11	143⁷⁾	–18	227
Amortization of acquisition-related intangible assets						–	–65
Translation differences and remeasurement for hyperinflation						982	60
Closing balance						22 378	1 646

¹⁾ Refers to business segment with main responsibility for the acquisition.

²⁾ Refers to voting rights for acquisitions in the form of share purchase agreements. For asset deals no voting rights are stated.

³⁾ Estimated annual sales.

⁴⁾ Purchase price paid/received plus acquired/divested net debt but excluding any deferred considerations.

⁵⁾ Related to other acquisitions for the period and updated previous year acquisition calculations for the following entities: FE Moran Security Solutions, the US, Protector i Sundsvall and Polar Park (contract portfolio), Sweden, SAMCA Vagt, Denmark, KONTROLL DATA-SERVICE Gesellschaft für Sicherheit und Kontrollwesen, Austria, STANLEY Security, Singapore and Fredon Security, Australia. Related also to divestitures of Securitas Estonia, Securitas Slovenia, Securitas Panama (asset deal), Securitas Sri Lanka and Securitas Egypt as well as to deferred considerations paid in the US, Germany, Austria and Australia.

⁶⁾ Deferred considerations have been recognized mainly based on an assessment of the future profitability development in the acquired entities for an agreed period. The net of new deferred considerations, payments made from previously recognized deferred considerations and revaluation of deferred considerations in the Group was MSEK –25. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 277.

⁷⁾ Cash flow from acquisitions and divestitures amounts to MSEK –179, which is the sum of enterprise value MSEK –143 and acquisition-related costs paid MSEK –36.

All acquisition calculations are finalized no later than one year after the acquisition is made. Transactions with non-controlling interests are specified in the statement of changes in shareholders' equity on page 17. Transaction costs and revaluation of deferred considerations can be found in note 6 on page 21.

DANSK BRANDTEKNIK, DENMARK

Securitas has acquired Dansk Brandteknik A/S, a leading Danish fire and safety company that specializes

in fire and safety services and equipment, including related consulting and training services. The acquisition will significantly enhance Securitas' protective services capabilities in Denmark and is in line with the Group's strategy of doubling its security solutions and electronic security sales by 2023.

In 2020, Dansk Brandteknik's annual sales were more than MDKK 60 (MSEK 81), of which 70 percent were on a recurring monthly revenue basis.

The company has a nationwide presence in Denmark with 40 employees and approximately 7 500 business clients, mainly in the small- and medium-sized enterprise (SME) segment, with high client retention rates.

The acquisition-related costs are expected to be MSEK 6, to be recognized in 2021 and 2022, respectively. The acquisition is expected to be accretive to EPS as of 2021 and was consolidated in Securitas as of February 22, 2021.

Other significant events

For critical estimates and judgments, provisions and contingent liabilities refer to the 2020 Annual Report and to note 12 on page 24. If no significant events have occurred relating to the information in the Annual Report, no further comments are made in the Interim Report for the respective case.

SECURITAS' NOMINATION COMMITTEE PROPOSES NEW CHAIR AND MEMBERS OF THE BOARD OF DIRECTORS

The Nomination Committee of Securitas proposes the election of Jan Svensson as the new Chair of the Board of Directors at the Annual General Meeting on May 5, 2021.

The Committee also proposes the election of Gunilla Fransson, Harry Klagsbrun and Johan Menckel as new members of the Board. Carl Douglas, currently Vice-Chair of the Board, and Anders Böös and Dick Seger, currently members of the Board, have informed the Committee that they will not be available for re-election. In November 2020, Marie Ehrling, currently Chair of the Board, informed the Committee that she will not be available for re-election. In addition, the Committee proposes the re-election of Sofia Schörling Högberg, Ingrid Bonde, John Brandon and Fredrik Cappelen as members of the Board.

CHANGES IN GROUP MANAGEMENT

As previously announced, Andreas Lindback, Divisional President for AMEA since 2017 and with Securitas since 2011, will take over the role of CFO on August 16, 2021, as Bart Adam steps down. Brett Pickens, COO AMEA and with Securitas since 2018, took over the role of Divisional President AMEA and became a member of Group Management on April 1, 2021. All other Group Management members continue in their present roles.

Risks and uncertainties

Risk management is necessary for Securitas to be able to fulfill its strategies and achieve its corporate objectives. Securitas' risks fall into three main categories; contract and acquisition risks, operational assignment risks and financial risks. Securitas' approach to enterprise risk management is described in more detail in the Annual Report for 2020.

In the preparation of financial reports, the Board of Directors and Group Management make estimates and judgments. These impact the statement of income and balance sheet as well as disclosures such as contingent liabilities. The actual outcome may differ from these estimates and judgments under different circumstances and conditions.

Securitas as well as other companies continue to face the challenge of the corona pandemic. As disclosed in earlier reports and further in this interim report, the corona pandemic has in different ways impacted the Group's result, and poses an additional challenge when making estimates and judgments. It is currently unclear when certain service levels will return to normal levels and to what extent any costs will be further supported by government grants. Government grants and other relief measures include requirements that need to be fulfilled in order to be eligible for the grants. Together with the valuation of accounts receivable and certain employee benefits, these are key elements in relation to estimates and judgments in preparing the statement of income and balance sheet as well as disclosures.

Further, increased risks are noticed related to the general macro economic environment, and it is unclear what type of impact the corona pandemic will have on the mid- and longer term economical development of the different markets and geographies in which we operate.

For the forthcoming nine-month period, the financial impact of the corona pandemic as well as certain items affecting comparability, provisions and contingent liabilities, as described in the Annual Report for 2020 and, where applicable, under the heading Other significant events above, may vary from the current financial estimates and provisions made by management. This could affect the Group's profitability and financial position.

Parent Company operations

The Group's Parent Company, Securitas AB, is not involved in any operating activities. Securitas AB consists of Group Management and support functions for the Group.

JANUARY–MARCH 2021

The Parent Company's income amounted to MSEK 326 (271) and mainly relates to license fees and other income from subsidiaries.

Financial income and expenses amounted to MSEK 1 391 (-194). The increase compared with last year is mainly explained by higher dividends received from subsidiaries. Income before taxes amounted to MSEK 1 532 (-82).

AS OF MARCH 31, 2021

The Parent Company's non-current assets amounted to MSEK 45 735 (45 822 as of December 31, 2020) and mainly comprise shares in subsidiaries of MSEK 44 201 (44 233 as of December 31, 2020). Current assets amounted to MSEK 7 318 (4 052 as of December 31, 2020) of which liquid funds accounted for MSEK 1 594 (151 as of December 31, 2020).

Shareholders' equity amounted to MSEK 30 428 (28 999 as of December 31, 2020). The Parent Company's liabilities and untaxed reserves amounted to MSEK 22 625 (20 875 as of December 31, 2020) and mainly consist of interest-bearing debt.

For further information, refer to the Parent Company's condensed financial statements on page 25.

Stockholm, May 5, 2021

Magnus Ahlqvist
President and Chief Executive Officer

This report has not been reviewed by the company's auditors.

Consolidated financial statements

STATEMENT OF INCOME

MSEK	Note	Jan–Mar 2021	Jan–Mar 2020	Jan–Dec 2020
Sales		25 533	28 016	106 642
Sales, acquired business		281	404	1 312
Total sales	3	25 814	28 420	107 954
<i>Organic sales growth, %</i>	4	0	2	0
Production expenses		-21 192	-23 693	-89 046
Gross income		4 622	4 727	18 908
Selling and administrative expenses		-3 384	-3 662	-14 100
Other operating income	3	10	9	39
Share in income of associated companies		8	12	45
Operating income before amortization		1 256	1 086	4 892
<i>Operating margin, %</i>		4.9	3.8	4.5
Amortization of acquisition-related intangible assets		-65	-72	-286
Acquisition-related costs	6	-29	-17	-137
Items affecting comparability	7	-136	-45	-640
Operating income after amortization		1 026	952	3 829
Financial income and expenses	8, 9	-94	-144	-500
Income before taxes		932	808	3 329
<i>Net margin, %</i>		3.6	2.8	3.1
Current taxes		-295	-251	-1 048
Deferred taxes		43	31	135
Net income for the period		680	588	2 416
Whereof attributable to:				
Equity holders of the Parent Company		679	588	2 419
Non-controlling interests		1	0	-3
Earnings per share before and after dilution (SEK)		1.86	1.61	6.63
Earnings per share before and after dilution and before items affecting comparability (SEK)		2.11	1.70	8.02

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Note	Jan–Mar 2021	Jan–Mar 2020	Jan–Dec 2020
Net income for the period		680	588	2 416
Other comprehensive income for the period				
Items that will not be reclassified to the statement of income				
Remeasurements of defined benefit pension plans net of tax		141	-62	-78
Total items that will not be reclassified to the statement of income	10	141	-62	-78
Items that subsequently may be reclassified to the statement of income				
Remeasurement for hyperinflation net of tax	8	23	16	62
Cash flow hedges net of tax		-48	-64	-22
Cost of hedging net of tax		-2	10	34
Net investment hedges net of tax		-264	-621	528
Other comprehensive income from associated companies, translation differences		15	7	-40
Translation differences		1 166	1 642	-3 087
Total items that subsequently may be reclassified to the statement of income	10	890	990	-2 525
Other comprehensive income for the period	10	1 031	928	-2 603
Total comprehensive income for the period		1 711	1 516	-187
Whereof attributable to:				
Equity holders of the Parent Company		1 710	1 518	-180
Non-controlling interests		1	-2	-7

STATEMENT OF CASH FLOW

Operating cash flow MSEK	Note	Jan–Mar 2021	Jan–Mar 2020	Jan–Dec 2020
Operating income before amortization		1 256	1 086	4 892
Investments in non-current tangible and intangible assets		–638	–753	–2 787
Reversal of depreciation		643	696	2 690
Change in accounts receivable		140	–654	123
Change in other operating capital employed		–118	–3	2 289
Cash flow from operating activities		1 283	372	7 207
<i>Cash flow from operating activities, %</i>		102	34	147
Financial income and expenses paid		–242	–290	–401
Current taxes paid		–245	–406	–862
Free cash flow		796	–324	5 944
<i>Free cash flow, %</i>		92	–47	178
Cash flow from investing activities, acquisitions and divestitures	6	–179	–354	–1 801
Cash flow from items affecting comparability	7	–170	–60	–405
Cash flow from financing activities		225	1 646	–2 762
Cash flow for the period		672	908	976

Change in net debt MSEK	Note	Jan–Mar 2021	Jan–Mar 2020	Jan–Dec 2020
Opening balance		–14 335	–17 541	–17 541
Cash flow for the period		672	908	976
Change in lease liabilities		–5	–94	–139
Change in loans		–225	–1 646	1 010
Change in net debt before revaluation and translation differences		442	–832	1 847
Revaluation of financial instruments	9	–64	–70	17
Translation differences		–545	–851	1 342
Change in net debt		–167	–1 753	3 206
Closing balance		–14 502	–19 294	–14 335

Cash flow MSEK	Note	Jan–Mar 2021	Jan–Mar 2020	Jan–Dec 2020
Cash flow from operations		1 197	313	8 072
Cash flow from investing activities		–523	–812	–3 438
Cash flow from financing activities		–2	1 407	–3 658
Cash flow for the period		672	908	976

Change in liquid funds MSEK	Note	Jan–Mar 2021	Jan–Mar 2020	Jan–Dec 2020
Opening balance		4 720	3 948	3 948
Cash flow for the period		672	908	976
Translation differences		49	39	–204
Closing balance		5 441	4 895	4 720

CAPITAL EMPLOYED AND FINANCING

MSEK	Note	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Operating capital employed		9 408	14 612	8 893
<i>Operating capital employed as % of sales</i>		9	13	8
<i>Return on operating capital employed, %</i>		47	38	39
Goodwill		22 378	23 673	21 414
Acquisition-related intangible assets		1 646	1 673	1 424
Shares in associated companies		329	328	311
Capital employed		33 761	40 286	32 042
<i>Return on capital employed, %</i>		13	13	13
Net debt		-14 502	-19 294	-14 335
Shareholders' equity		19 259	20 992	17 707
<i>Net debt equity ratio, multiple</i>		0.75	0.92	0.81

BALANCE SHEET

MSEK	Note	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
ASSETS				
Non-current assets				
Goodwill		22 378	23 673	21 414
Acquisition-related intangible assets		1 646	1 673	1 424
Other intangible assets		1 851	1 938	1 788
Right-of-use assets		3 440	3 568	3 334
Other tangible non-current assets		3 280	3 639	3 262
Shares in associated companies		329	328	311
Non-interest-bearing financial non-current assets		1 836	1 898	1 835
Interest-bearing financial non-current assets		421	503	686
Total non-current assets		35 181	37 220	34 054
Current assets				
Non-interest-bearing current assets		21 801	25 491	20 209
Other interest-bearing current assets		248	202	144
Liquid funds		5 441	4 895	4 720
Total current assets		27 490	30 588	25 073
TOTAL ASSETS		62 671	67 808	59 127

MSEK	Note	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Attributable to equity holders of the Parent Company		19 248	20 977	17 697
Non-controlling interests		11	15	10
Total shareholders' equity		19 259	20 992	17 707
<i>Equity ratio, %</i>		31	31	30
Long-term liabilities				
Non-interest-bearing long-term liabilities		287	426	265
Long-term lease liabilities		2 642	2 668	2 554
Other interest-bearing long-term liabilities		11 945	14 460	11 694
Non-interest-bearing provisions		2 350	2 600	2 477
Total long-term liabilities		17 224	20 154	16 990
Current liabilities				
Non-interest-bearing current liabilities and provisions		20 163	18 896	18 793
Current lease liabilities		906	980	876
Other interest-bearing current liabilities		5 119	6 786	4 761
Total current liabilities		26 188	26 662	24 430
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		62 671	67 808	59 127

CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Mar 31, 2021			Mar 31, 2020			Dec 31, 2020		
	Attributable to equity holders of the Parent Company	Non-controlling interests	Total	Attributable to equity holders of the Parent Company	Non-controlling interests	Total	Attributable to equity holders of the Parent Company	Non-controlling interests	Total
Opening balance January 1, 2021 / 2020	17 697	10	17 707	19 569	30	19 599	19 569	30	19 599
Total comprehensive income for the period	1 710	1	1 711	1 518	-2	1 516	-180	-7	-187
Transactions with non-controlling interests	-	-	-	-	-13	-13	-	-13	-13
Share-based incentive schemes	-159	-	-159 ¹⁾	-110	-	-110	60	-	60
Dividend paid to the shareholders of the Parent Company	-	-	-	-	-	-	-1 752	-	-1 752
Closing balance									
March 31 / December 31, 2021 / 2020	19 248	11	19 259	20 977	15	20 992	17 697	10	17 707

¹⁾ Refers to a swap agreement for shares in Securitas AB of MSEK -159, hedging the share portion of Securitas share based incentive scheme 2020.

DATA PER SHARE

SEK	Jan–Mar 2021	Jan–Mar 2020	Jan–Dec 2020
Share price, end of period	148.50	107.45	132.75
Earnings per share before and after dilution ^{1,2)}	1.86	1.61	6.63
Earnings per share before and after dilution and before items affecting comparability ^{1,2)}	2.11	1.70	8.02
Dividend	-	-	4.00 ⁴⁾
P/E-ratio after dilution and before items affecting comparability	-	-	17
Share capital (SEK)	365 058 897	365 058 897	365 058 897
Number of shares outstanding ¹⁾	364 933 897	364 933 897	364 933 897
Average number of shares outstanding ^{1,3)}	364 933 897	364 933 897	364 933 897
Treasury shares	125 000	125 000	125 000

¹⁾ There are no convertible debenture loans. Consequently there is no difference before and after dilution regarding earnings per share and number of shares.

²⁾ Number of shares used for calculation of earnings per share includes shares related to the Group's share based incentive schemes that have been hedged through swap agreements.

³⁾ Used for calculation of earnings per share.

⁴⁾ Proposed dividend.

Notes

NOTE 1

Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report comprises pages 1–26 and pages 1–13 are thus an integrated part of this financial report.

Securitas' consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups. The most important accounting principles under IFRS, which is the basis for the preparation of this interim report, can be found in note 2 on pages 87 to 93 in the Annual Report for 2020. The accounting principles are also available on the Group's website www.securitas.com under the section Investors – Financial data – Accounting Principles.

The Parent Company's financial statements are prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 2 Accounting for Legal Entities. The most important accounting principles used by the Parent Company can be found in note 41 on page 142 in the Annual Report for 2020.

Introduction and effect of new and revised IFRS 2021

Securitas has adopted phase 2 of the amendments to IFRS 9 Financial Instruments related to the IBOR reform that came into effect on January 1, 2021. Phase 2 addresses the accounting for effects on the financial statements due to the IBOR reform, including the effects of changes to contractual cash flows or hedging relationships that may arise as a consequence of the interest rate benchmark reform. The amendments ensure that there is no impact on the Group's financial statements due to the IBOR reform.

None of the other published standards and interpretations that are mandatory for the Group's financial year 2021 are assessed to have any impact on the Group's financial statements.

Introduction and effect of new and revised IFRS 2022 and onwards

The effect on the Group's financial statements from standards and interpretations that are mandatory for the Group's financial year 2022 or later remain to be assessed.

Usage of key ratios not defined in IFRS

For definitions and calculations of key ratios not defined in IFRS, refer to notes 4 and 5 in this interim report as well as to note 3 in the Annual Report 2020.

NOTE 2

Events after the balance sheet date

There have been no significant events with effect on the financial reporting after balance sheet date.

NOTE 3

Revenue

MSEK	Jan–Mar 2021	%	Jan–Mar 2020	%	Jan–Dec 2020	%
Guarding services	19 387	75	21 579	76	81 838	76
Security solutions and electronic security	5 738	22	6 148	22	23 478	22
Other	689	3	693	2	2 638	2
Total sales	25 814	100	28 420	100	107 954	100
Other operating income	10	0	9	0	39	0
Total revenue	25 824	100	28 429	100	107 993	100

Guarding services

This comprises on-site and mobile guarding, which is services with the same revenue recognition pattern. Revenue is recognized over time, as the services are rendered by Securitas and simultaneously consumed by the customers. Such services cannot be reperformed.

Security solutions and electronic security

This comprises two broad categories regarding security solutions and electronic security.

Security solutions are a combination of services such as on-site and/or mobile guarding and/or remote guarding. These services are combined with a technology component in terms of equipment owned and managed by Securitas and used in the provision of services. The equipment is installed at the customer site. The revenue recognition pattern is over time, as the services are rendered by Securitas and simultaneously consumed by the customers. A security solution normally constitutes one performance obligation.

Electronic security consists of the sale of alarm installations comprising design and installation (time, material and related expenses). Revenue is recognized as per the contract, either upon completion of the conditions

in the contract, or over time based on the percentage of completion. Remote guarding (in the form of alarm monitoring services), that is sold separately and not as part of a security solution, is also included in this category. Revenue recognition is over time as this is also a service that is rendered by Securitas and simultaneously consumed by the customers. The category further includes maintenance services, that are either performed upon request (time and material) with revenue recognition at a point in time (when the work has been performed), or over time if part of a service level contract with a subscription fee. Finally, there is also a to a limited extent product sales (alarms and components) without any design or installation. The revenue recognition is at a point in time (upon delivery).

Other

Other comprises mainly corporate risk management services that are either recognized over time or at a point in time as well as other ancillary business.

Other operating income

Other operating income consists in its entirety of trade mark fees for the use of the Securitas brand name.

Revenue per segment

The disaggregation of revenue by segment is shown in the table below. Total sales agree to total sales in the segment overviews.

MSEK	Security Services North America		Security Services Europe		Security Services Ibero-America		Other		Eliminations		Group	
	Jan–Mar 2021	Jan–Mar 2020	Jan–Mar 2021	Jan–Mar 2020	Jan–Mar 2021	Jan–Mar 2020	Jan–Mar 2021	Jan–Mar 2020	Jan–Mar 2021	Jan–Mar 2020	Jan–Mar 2021	Jan–Mar 2020
Guarding services	8 646	9 650	8 233	8 980	2 068	2 460	443	490	–3	–1	19 387	21 579
Security solutions and electronic security	2 039	2 304	2 640	2 679	889	1 000	170	165	–	–	5 738	6 148
Other	689	693	–	–	–	–	–	–	–	–	689	693
Total sales	11 374	12 647	10 873	11 659	2 957	3 460	613	655	–3	–1	25 814	28 420
Other operating income	–	–	–	–	–	–	10	9	–	–	10	9
Total revenue	11 374	12 647	10 873	11 659	2 957	3 460	623	664	–3	–1	25 824	28 429

NOTE 4

Organic sales growth and currency changes

The calculation of real and organic sales growth and the specification of currency changes on operating income before and after amortization, income before taxes, net income and earnings per share are specified below. The impact from remeasurement for hyperinflation due to the application of IAS 29 is included in currency change.

MSEK	Jan–Mar 2021	Jan–Mar 2020	%
Total sales	25 814	28 420	–9
Currency change from 2020	2 908	–	
Currency adjusted sales growth	28 722	28 420	1
Acquisitions/divestitures	–281	–57	
Organic sales growth	28 441	28 363	0
Operating income before amortization	1 256	1 086	16
Currency change from 2020	151	–	
Currency adjusted operating income before amortization	1 407	1 086	30
Operating income after amortization	1 026	952	8
Currency change from 2020	109	–	
Currency adjusted operating income after amortization	1 135	952	19
Income before taxes	932	808	15
Currency change from 2020	96	–	
Currency adjusted income before taxes	1 028	808	27
Net income for the period	680	588	16
Currency change from 2020	70	–	
Currency adjusted net income for the period	750	588	28
Net income attributable to equity holders of the Parent Company	679	588	15
Currency change from 2020	70	–	
Currency adjusted net income attributable to equity holders of the Parent Company	749	588	27
Average number of shares outstanding	364 933 897	364 933 897	
Currency adjusted earnings per share	2.05	1.61	27
Net income attributable to equity holders of the Parent Company	679	588	15
Items affecting comparability net of taxes	91	32	
Net income attributable to equity holders of the Parent Company adjusted for items affecting comparability	770	620	24
Currency change from 2020	74	–	
Currency adjusted net income attributable to equity holders of the Parent Company adjusted for items affecting comparability	844	620	36
Number of shares	364 933 897	364 933 897	
Currency adjusted earnings per share adjusted for items affecting comparability	2.31	1.70	36

NOTE 5

Definitions and calculation of key ratios

The calculations below relate to the period January–March 2021.

Interest coverage ratio

Operating income before amortization (rolling 12 months) plus interest income (rolling 12 months) in relation to interest expenses (rolling 12 months).
Calculation: $(5\,062 + 34) / 502 = 10.2$

Cash flow from operating activities, %

Cash flow from operating activities as a percentage of operating income before amortization.
Calculation: $1\,283 / 1\,256 = 102\%$

Free cash flow as % of adjusted income

Free cash flow as a percentage of adjusted income (operating income before amortization adjusted for financial income and expenses, excluding revaluation of financial instruments, and current taxes).
Calculation: $796 / (1\,256 - 94 - 0 - 295) = 92\%$

Free cash flow in relation to net debt

Free cash flow (rolling 12 months) in relation to closing balance net debt.
Calculation: $7\,064 / 14\,502 = 0.49$

Net debt to EBITDA ratio

Net debt in relation to operating income after amortization (rolling 12 months) plus amortization of acquisition-related intangible assets (rolling 12 months) and depreciation (rolling 12 months).
Calculation: $14\,502 / (3\,903 + 279 + 2\,637) = 2.1$

Operating capital employed as % of total sales

Operating capital employed as a percentage of total sales adjusted for the full-year sales of acquired and divested entities.
Calculation: $9\,408 / 107\,560 = 9\%$

Return on operating capital employed

Operating income before amortization (rolling 12 months) plus items affecting comparability (rolling 12 months) as a percentage of the average balance of operating capital employed.
Calculation: $(5\,062 - 731) / ((9\,408 + 8\,893) / 2) = 47\%$

Return on capital employed

Operating income before amortization (rolling 12 months) plus items affecting comparability (rolling 12 months) as a percentage of closing balance of capital employed.
Calculation: $(5\,062 - 731) / 33\,761 = 13\%$

Net debt equity ratio

Net debt in relation to shareholders' equity.
Calculation: $14\,502 / 19\,259 = 0.75$

NOTE 6

Acquisition-related costs and cash flow from acquisitions and divestitures

MSEK	Jan–Mar 2021	Jan–Mar 2020	Jan–Dec 2020
Restructuring and integration costs	-23	-11	-92
Transaction costs	-5	-5	-40
Revaluation of deferred considerations	-1	-1	-5
Total acquisition-related costs	-29	-17	-137
Cash flow impact from acquisitions and divestitures			
Purchase price payments	-120	-387	-1 780
Assumed net debt	-23	52	98
Acquisition-related costs paid	-36	-19	-119
Total cash flow impact from acquisitions and divestitures	-179	-354	-1 801

For further information regarding the Group's acquisitions, refer to the section Acquisitions and divestitures.

NOTE 7**Items affecting comparability**

MSEK	Jan–Mar 2021	Jan–Mar 2020	Jan–Dec 2020
Recognized in the statement of income			
Transformation programs, Group ¹⁾	-104	-45	-351
Cost-savings program, Group ²⁾	-32	-	-289
Total recognized in the statement of income before tax	-136	-45	-640
Taxes	45	13	133
Total recognized in the statement of income after tax	-91	-32	-507
Cash flow impact			
Transformation programs, Group ¹⁾	-72	-48	-251
Cost-savings program, Group ²⁾	-84	-	-111
Cost-savings program, Security Services Europe	-14	-12	-43
Total cash flow impact	-170	-60	-405

¹⁾ Related to the business transformation program in Security Services North America, Security Services Europe and Security Services Ibero-America, as well as the global IS/IT transformation program.

²⁾ Includes costs related to exit of business operations. Cash flow related to exit of business operations is accounted for as cash flow from investing activities.

NOTE 8**Remeasurement for hyperinflation**

The Group's subsidiaries in countries that according to IAS 29 Financial reporting in Hyperinflationary economies are classified as hyperinflationary economies are accounted for in the Group's financial statements after remeasurement for hyperinflation. Currently, Securitas' operations in Argentina are accounted for according to IAS 29.

The impact on the consolidated statement of income from the remeasurement according to IAS 29 is illustrated below. The index used by Securitas for the remeasurement of the financial statements is the consumer price index with base period January 2003.

EXCHANGE RATES AND INDEX

	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Exchange rate SEK/ARS	0.10	0.16	0.10
Index	26.17	18.34	23.35

NET MONETARY GAIN RECOGNIZED IN THE CONSOLIDATED STATEMENT OF INCOME

MSEK	Jan–Mar 2021	Jan–Mar 2020	Jan–Dec 2020
Net monetary gain	8	3	14
Total financial income and expenses	8	3	14

NOTE 9

Financial instruments and credit facilities

Revaluation of financial instruments

Revaluation of financial instruments is recognized in the statement of income on the line financial income and expenses. Revaluation of cash flow hedges (and the subsequent recycling into the statement of income) is recognized in other comprehensive income on the line cash flow hedges. Cost of hedging (and the subsequent recycling into the statement of income) is recognized on the corresponding line in other comprehensive income.

The amount disclosed in the specification of change in net debt is the total revaluation before tax in the table below.

MSEK	Jan–Mar 2021	Jan–Mar 2020	Jan–Dec 2020
Recognized in the statement of income			
Revaluation of financial instruments	0	-1	1
Deferred tax	-	-	-
Impact on net income	0	-1	1
Recognized in the statement of comprehensive income			
Cash flow hedges	-61	-82	-28
Cost of hedging	-3	13	44
Deferred tax	14	15	-4
Total recognized in the statement of comprehensive income	-50	-54	12
Total revaluation before tax	-64	-70	17
Total deferred tax	14	15	-4
Total revaluation after tax	-50	-55	13

Fair value hierarchy

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are disclosed in note 7 in the Annual Report 2020. Further information regarding the accounting principles for financial instruments is disclosed in note 2 in the Annual Report 2020.

There have been no transfers between any of the the valuation levels during the period.

MSEK	Quoted market prices	Valuation techniques using observable market data	Valuation techniques using non-observable market data	Total
March 31, 2021				
Financial assets at fair value through profit or loss	-	5	-	5
Financial liabilities at fair value through profit or loss	-	-9	-277	-286
Derivatives designated for hedging with positive fair value	-	247	-	247
Derivatives designated for hedging with negative fair value	-	-174	-	-174
December 31, 2020				
Financial assets at fair value through profit or loss	-	20	-	20
Financial liabilities at fair value through profit or loss	-	-11	-295	-306
Derivatives designated for hedging with positive fair value	-	362	-	362
Derivatives designated for hedging with negative fair value	-	-159	-	-159

Financial instruments by category – carrying and fair values

For financial assets and liabilities other than those disclosed in the table below, fair value is deemed to approximate the carrying value.

A full comparison of fair value and carrying value for all financial assets and liabilities is disclosed in note 7 in the Annual Report 2020.

MSEK	Mar 31, 2021		Dec 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Long-term loan liabilities	10 262	10 424	10 118	10 336
Short-term loan liabilities	3 586	3 635	3 528	3 531
Total financial instruments by category	13 848	14 059	13 646	13 867

SUMMARY OF CREDIT FACILITIES AS OF MARCH 31, 2021

Type	Currency	Facility amount (million)	Available amount (million)	Maturity
EMTN FRN private placement	USD	40	0	2021
EMTN FRN private placement	USD	60	0	2021
EMTN FRN private placement	USD	40	0	2021
EMTN Eurobond, 1.25 % fixed	EUR	350	0	2022
EMTN Eurobond, 1.125 % fixed	EUR	350	0	2024
EMTN FRN private placement	USD	50	0	2024
EMTN FRN private placement	USD	105	0	2024
EMTN Eurobond, 1.25 % fixed	EUR	300	0	2025
Multi Currency Revolving Credit Facility	EUR (or equivalent)	938	938	2025
EMTN Eurobond, 0.25 % fixed	EUR	350	0	2028
Commercial Paper (uncommitted)	SEK	5 000	4 700	n/a

NOTE 10**Deferred tax on other comprehensive income**

MSEK	Jan–Mar 2021	Jan–Mar 2020	Jan–Dec 2020
Deferred tax on remeasurements of defined benefit pension plans	-28	17	19
Deferred tax on cash flow hedges	13	18	6
Deferred tax on cost of hedging	1	-3	-10
Deferred tax on net investment hedges	69	169	-144
Total deferred tax on other comprehensive income	55	201	-129

NOTE 11**Pledged assets**

MSEK	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Pension balances, defined contribution plans	160	134	144
Total pledged assets	160	134	144

NOTE 12**Contingent liabilities**

MSEK	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Guarantees	-	-	-
Guarantees related to discontinued operations	16	16	15
Total contingent liabilities	16	16	15

For critical estimates and judgments, provisions and contingent liabilities, refer to note 4 and note 39 in the Annual Report 2020 as well as to the section Other significant events in this report.

Parent Company

STATEMENT OF INCOME

MSEK	Jan–Mar 2021	Jan–Mar 2020	Jan–Dec 2020
License fees and other income	326	271	1 233
Gross income	326	271	1 233
Administrative expenses	–161	–155	–949
Operating income	165	116	284
Financial income and expenses	1 391	–194	1 067
Income after financial items	1 556	–78	1 351
Appropriations	–24	–4	–71
Income before taxes	1 532	–82	1 280
Taxes	–3	10	150
Net income for the period	1 529	–72	1 430

BALANCE SHEET

MSEK	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
ASSETS			
Non-current assets			
Shares in subsidiaries	44 201	43 943	44 233
Shares in associated companies	112	112	112
Other non-interest-bearing non-current assets	565	1 264	344
Interest-bearing financial non-current assets	857	1 673	1 133
Total non-current assets	45 735	46 992	45 822
Current assets			
Non-interest-bearing current assets	1 765	1 368	571
Other interest-bearing current assets	3 959	4 627	3 330
Liquid funds	1 594	2 337	151
Total current assets	7 318	8 332	4 052
TOTAL ASSETS	53 053	55 324	49 874
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity	7 730	7 737	7 730
Non-restricted equity	22 698	21 445	21 269
Total shareholders' equity	30 428	29 182	28 999
Untaxed reserves	725	687	723
Long-term liabilities			
Non-interest-bearing long-term liabilities/provisions	187	308	169
Interest-bearing long-term liabilities	11 939	14 442	11 679
Total long-term liabilities	12 126	14 750	11 848
Current liabilities			
Non-interest-bearing current liabilities	1 730	1 525	960
Interest-bearing current liabilities	8 044	9 180	7 344
Total current liabilities	9 774	10 705	8 304
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	53 053	55 324	49 874

Financial information

FINANCIAL INFORMATION CALENDAR

May 5, 2021
Annual General Meeting 2021

July 29, 2021, app. 1.00 p.m. (CET)
Interim Report January–June 2021

October 29, 2021, app. 1.00 p.m. (CET)
Interim Report January–September 2021

For further information regarding Securitas IR activities, refer to www.securitas.com/investors/financial-calendar

PRESENTATION OF THE INTERIM REPORT

Analysts and media are invited to participate in a telephone conference on May 5, 2021, at **3:00 p.m. (CET)** where President and CEO Magnus Ahlqvist and CFO Bart Adam will present the report and answer questions. The telephone conference will also be audio cast live via Securitas' website. To participate in the telephone conference, please dial in five minutes prior to the start of the conference call:

US: +1 631 913 1422
Sweden: +46 8 566 426 51
UK: +44 333 3000 804

Please use the following pin code for the telephone conference: **621 490 78#**

To follow the audio cast of the telephone conference via the web, please follow the link www.securitas.com/investors/webcasts.

A recorded version of the audio cast will be available at www.securitas.com/investors/webcasts after the telephone conference.

For further information, please contact:
Micaela Sjökvist, Head of Investor Relations +46 76 116 7443

ABOUT SECURITAS

Securitas has a leading global and local market presence with operations in 47 countries. Our operations are organized in three business segments: Security Services North America, Security Services Europe and Security Services Ibero-America. We also have operations in Africa, the Middle East, Asia and Australia, which form the AMEA division. Securitas serves a wide range of clients of all sizes in a variety of industries and segments. Security solutions based on client-specific needs are built through different combinations of on-site, mobile and remote guarding, electronic security, fire and safety, and corporate risk management. We adapt our security solutions based on the risks and needs of each client through increased client engagement and continuously enhanced knowledge. Securitas is listed in the Large Cap segment at Nasdaq Stockholm.

Group strategy

At Securitas, we are leading the transformation of the security industry by putting our clients at the heart of our business. We solve our clients' security needs by offering qualified and engaged people, in-depth expertise and innovation within each of our protective services, the ability to combine services into solutions and by using data to add further intelligence. To execute on our strategy to become the intelligent protective services partner, we are focusing on four areas: empowering our people, client engagement, protective services leadership and innovation, and efficiency.

Group financial targets

Securitas has three financial targets:

- An annual average increase in earnings per share of 10 percent
- Net debt to EBITDA ratio of on average 2.5
- An operating cash flow of 70 to 80 percent of operating income before amortization

Securitas has also set a strategic transformation ambition – to double our security solutions and electronic security sales by 2023, compared with 2018.

Securitas AB (publ.)
P. O. Box 12307, SE-102 28 Stockholm,
Sweden

Visiting address:
Lindhagensplan 70

Telephone: +46 10 470 30 00

Corporate registration number:
556302–7241

www.securitas.com

