



Securitas

Supplement to prospectus regarding invitation to subscribe for shares in Securitas AB (publ)

The distribution of this prospectus and the subscription for new shares are subject to restrictions in certain jurisdictions (see “Important information” and “Selling and transfer restrictions” in the Prospectus).

Joint Global Coordinators och Joint Bookrunners



Co-Bookrunner



SUPPLEMENT TO PROSPECTUS

This document (the “**Supplement**”) has been prepared by Securitas AB (publ) (corporate ID No. 556302-7241) (“**Securitas**” or the “**Company**”) and constitutes a supplement to the prospectus prepared in respect of the invitation to subscribe for shares in Securitas AB (publ), which was approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) on September 16, 2022 (SFSA Reg. No. 22-16092) (“the “**Prospectus**”). The Supplement forms part of, and must be read together with, the Prospectus. The definitions in the Prospectus apply to the Supplement as well.

The Supplement has been prepared by reason of the information in the Prospectus regarding recent trends having been supplemented as a result of Securitas’ announcement through a press release on September 21, 2022, of a trading update for the period July 1–August 31, 2022. The press release is available on the Company’s website, www.securitas.com.¹

The above means that information in the Prospectus that relates to recent trends are supplemented through this Supplement. For ease of reading, updated information is underlined throughout this Supplement.

The Supplement has been prepared in accordance with article 23 in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the Prospectus Regulation) and was approved by the SFSA on September 23, 2022 (SFSA Reg. No. 22-24862).

The Prospectus and the Supplement are available on the Company’s website, www.securitas.com and on SEB’s website for prospectuses, www.sebgroup.com/prospectuses. For information regarding the rights issue and the admission to trading of new shares on Nasdaq Stockholm, please refer to the Prospectus.

Right of withdrawal

Shareholders and other investors who have already subscribed or applied for subscription for shares in Securitas AB (publ) before the Supplement was published are entitled to withdraw their subscriptions or applications within three business days from the publication of the Supplement, i.e., up to and including September 28, 2022. Any subscription or application that is not withdrawn within the prescribed time will remain binding and those who wish to remain as subscribers do not need to take any further action.

If an investor wishes to withdraw its subscription or application, such withdrawal is to be carried out in accordance with the instructions below depending on whether subscription or application was made with or without subscription rights.

Subscription for new shares with subscription rights

Directly registered shareholders resident in Sweden

A subscriber who wishes to withdraw its subscription and/or application for subscription and holds a VP account with Euroclear Sweden must notify SEB Emissioner in writing. The withdrawal shall be sent to emissioner@seb.se and must be received by SEB Emissioner no later than September 28, 2022. The withdrawal must include the subscriber’s name, personal ID No./corporate ID No., securities account (Sw. *VP-konto* or *Servicekonto*), paid amount and the account to which the subscription payment shall be repaid.

Directly registered shareholders not resident in Sweden eligible for subscription of new shares with subscription rights

Directly registered shareholders not resident in Sweden eligible for subscription of new shares with subscription rights who wishes to withdraw their subscription and/or application must notify SEB Emissioner in writing. The withdrawal shall be sent to emissioner@seb.se and must be received by SEB Emissioner no later than September 28, 2022. The withdrawal must include the subscriber’s name, personal ID No./corporate ID No., securities account (Sw. *VP-konto* or *Servicekonto*), paid amount and the account to which the subscription payment shall be repaid.

¹ The information on Securitas’ website has not been reviewed or approved by the SFSA and is not a part of this Supplement.

Nominee-registered shareholders

If subscription and/or application for subscription has been made through a nominee, any withdrawal shall be made with the nominee(s) where subscription has been made and in accordance with the nominee's instructions.

Subscription for new shares without subscription rights***Directly registered shareholders***

An investor who wishes to withdraw its application for subscription for new shares without subscription rights must notify SEB Emissioner in writing. The withdrawal shall be sent to emissioner@seb.se and must be received by SEB Emissioner no later than September 28, 2022. The withdrawal must include the applicant's name, personal ID No./corporate ID No. and securities account (Sw. *VP-konto* or *Servicekonto*).

Nominee-registered shareholders

If subscription and/or application for subscription has been made through a nominee, any withdrawal shall be made with the nominee(s) where subscription has been made and in accordance with the nominee's instructions.

SUPPLEMENT TO OPERATING AND FINANCIAL REVIEW

“Recent trends” in the section “Operating and financial review” on pages 85-86 in the Prospectus is supplemented with a new sub-heading as follows.

Recent trends

In the second quarter of 2022, Securitas reported a record level of profitability and improved the operating margins to 5.8 percent (5.6), a level significantly above that of the spring before the COVID-19 pandemic. The strong momentum of the business accelerated during the second quarter of 2022, achieving an organic growth of 6 percent (8), fueled by the business segments Security Services Europe and Security Services Ibero-America. As expected, organic sales growth in North America came in negative in the second quarter of 2022 due to terminations of lower-margin contracts in 2021 and lower levels of extra sales. However, the underlying business in North America showed strong development, and the Company expects to see positive organic sales growth in the business segment in the third quarter of 2022.

There was great momentum within high-margin security solutions and technology security sales in the second quarter of 2022, with 13 percent real sales growth which represented 23 percent (22) of the Group’s total sales.

The Group’s operating income, adjusted for exchange rate changes, increased by 8 percent in the second quarter of 2022. The high-inflationary environment is challenging for the Group, but Securitas successfully managed a positive price and wage balance. Continuing the management of the price increases is an important priority to ensure that the Company delivers quality to its clients. Securitas’ focus on improving the client offering and profitability was displayed through higher sales of security solutions and technology in all business segments, together with a positive impact from active contract portfolio management and its transformation program.

The transformation program in North America which was completed in 2021 now generates value in the daily operations, contributing to the development of the operating margin. The ongoing transformation programs in Europe and Ibero-America are proceeding according to plan, and Securitas expects to be able to realize large positive financial and operational effects in the coming years.

In the coming 18 to 24 months, Securitas’ free cash flow is expected to, after being allocated in accordance with the Company’s dividend policy, be used to reduce the Company’s debt level and contribute to the transformation programs. Thereafter, the free cash flow, after being allocated in accordance with the Company’s dividend policy, is expected to be used for acquisitions and divestures as well as to further decrease the debt level.

During the first half of 2022, Securitas has been impacted by external factors such as increasing inflation and interest rates, as well as disruptions in supply chains caused by changes in the geopolitical environment. This impact has continued in the period after June 30, 2022.

Trading update July 1–August 31, 2022²

Sales development

Sales amounted to MSEK 22,233 (17,593). The good business momentum continued in the period with organic sales growth of 6 percent, with Security Services North America returning to positive organic sales growth and supported by Security Services Ibero-America and Security Services Europe. For STANLEY Security, the commercial activity was good with estimated mid-single digit organic sales growth in the period.³ Technology and solutions sales amounted to MSEK 6,595 (3,911) or 30 percent (22) of total sales in the period.

² Information within brackets indicate comparative figures for the period July 1–August 31, 2021. STANLEY Security was consolidated into Securitas on July 22, 2022 and is therefore not included in the comparative figures.

³ STANLEY Security’s sales are excluded from the calculation of Securitas’ consolidated organic sales growth during a period of 12 months from the acquisition date as per Securitas definition of organic sales growth. The estimate of STANLEY Security’s organic sales growth disclosed here is based on data that is not necessarily compiled on the same basis as Securitas’ calculation and is also based on comparatives that are not included in Securitas.

Operating income before amortization and operating margin

Operating income before amortization was MSEK 1,437 (1,036) which, adjusted for changes in exchange rates, represented a real change of 27 percent. The Group's operating margin was 6.5 percent (5.9). The business segments Security Services North America and Security Services Ibero-America continued to deliver strong margin improvement. In Security Services North America this development was further positively impacted by the acquired STANLEY Security business. The operating margin in Security Services Europe also improved, mainly due to the acquired STANLEY Security business while the remainder of the business in Security Services Europe was in line with previous year. The operating margin in the acquired STANLEY Security business contributed significantly to the Group's operating margin. Compared to the period January 1–June 30, 2022 (i.e. before the consolidation with Securitas on July 22, 2022) the operating margin in the acquired STANLEY Security business improved substantially as a result of pricing recovery, cost control and leverage, and initial execution on a value creation plan.

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