



## Press release

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### Conclusions from investigations following Danish media allegations

#### Background

On 8 May 2019, a Danish journalist put forward allegations that a Loomis subsidiary had been providing currencies to foreign exchange offices in Denmark, of which some are suspected to be involved in money laundering.

Loomis has not, at any time, been served suspicion from authorities in relation to this matter but takes allegations about money laundering seriously, and therefore immediately launched an internal as well as two separate and independent external investigations.

The foreign exchange business in Denmark has been conducted by Loomis Foreign Exchange AS in Norway ("**Loomis FX**"). The foreign exchange business related to the Danish exchange offices constituted at the time less than 0.1 per cent of the total revenue of the Loomis group. As of December 2018, Loomis FX has terminated all businesses with foreign exchange offices in Denmark.

#### Internal and external investigations

The internal investigation has been carried out by the Group Risk Function at Loomis. The external independent investigations have been conducted by KPMG AB and Advokatfirmaet Erling Grimstad AS. The external investigations were performed to review Loomis FX's anti money laundering (AML) framework and the compliance with relevant regulations as well as how these were followed in relation to, among other things, on-boarding of customers and monitoring of transactions during the period from 2016 to 2018, with a specific focus on foreign exchange offices in Denmark.

#### Key findings

The policies and procedures within Loomis FX contain the most important aspects of AML including know your customer (KYC) requirements. Deficiencies in relation to the compliance with internal policies and procedures have, however, been identified and it has been concluded that the applied compliance standard could have been higher. Despite proactive work by Loomis FX, such as contacts with authorities and engagement of external experts, the deficiencies have in some cases led to the FX operations not being conducted satisfactorily. This relates to e.g. authorisation, on-boarding of customers, service arrangements for, and monitoring of, high-risk customers as well as reporting of suspicious transactions and activities to the authorities. Loomis has therefore informed the Norwegian FSA (Financial Supervisory Authority) to share the conclusions from the investigations but also on initiatives to strengthen the organisation's policies and procedures in relation to AML. The Danish FSA is also informed about measures taken.

#### Comment from Patrik Andersson, President and CEO Loomis AB:

*"Loomis FX has before and during the time it has provided FX services in Denmark been in continuous dialogue with the authorities regarding how the business should be run, need for authorisations, communicated several incidents, cooperated with the police and other authorities in different matters. However, in hindsight and with all facts at hand, some of these customers should not have been taken on in the first place. Loomis is determined to uphold the*

Loomis offers safe and effective comprehensive solutions for the distribution, handling, storage and recycling of cash and other valuables. Loomis customers are banks, retailers and other operators. Loomis operates through an international network of more than 400 branches in more than 20 countries. Loomis employs around 25,000 people and had revenue in 2018 of SEK 19.2 billion. Loomis is listed on Nasdaq Stockholm Large-Cap list.

*highest standard in all areas of our operations and will take actions based on the findings from the investigations”*

Loomis will now strengthen its organisation and processes and initiate immediate remediation of the deficiencies identified in the investigations including a review of the current organisation. Based on current information, Loomis estimates that these issues do not have any significant effect on the Loomis Group's financial position and results.

Further facts or findings may become evident during the implementation of the corrective actions and, if so, be dealt with appropriately.

July 19, 2019

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