Prosegur Cash, S.A. and Subsidiaries

Consolidated Annual Accounts

31 December 2019

Consolidated Directors' Report

2019

(With Independent Auditor's Report Thereon)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
Pº de la Castellana, 259C
28046 Madrid

Independent Auditor's Report on the Consolidated Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the shareholders of Prosegur Cash, S.A.

REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

Opinion

We have audited the consolidated annual accounts of Prosegur Cash, S.A. and subsidiaries (together the "Group"), which comprise the consolidated statement of financial position at 31 December 2019, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2019 and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts in Spain pursuant to the legislation regulating the audit of accounts. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Labour and tax provisions and contingencies **See notes 22, 25 and 32.17** to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
The Group is exposed to possible claims and disputes in the course of its activity, primarily of a tax and labour nature. Assessing and monitoring lawsuits, claims and disputes, including contingencies and, where applicable, the related provisions, is a complex process that entails evaluating future developments in these proceedings. Furthermore, in view of the characteristics of labour legislation in the different countries and the regulatory requirements applicable to this activity, these proceedings may be ongoing for a long period of time, which in turn further complicates evaluation of these processes. From a tax perspective, the Group has ongoing claims relating to various taxes mainly in Brazil, for which provisions totalling Euros 79 million were recognised at 31 December 2019. The Company also has contingencies for contested tax assessments amounting to Euros 38 million for which no provision has been recognised. Specifically, in relation to estimating the uncertainty associated with income tax contingencies, applying the interpretation of the IFRS Interpretations Committee (IFRIC 23) that is effective for the first time in 2019, the Group recognised a current tax liability of Euros 28 million and Euros 27 million at 1 January 2019 and 31 December 2019, respectively. As regards labour matters, which primarily affect Brazil due to the high number of employees, the Group has various contingencies, mainly associated with claims lodged by employees or former employees. At 31 December 2019 a provision of Euros 22 million has been recognised in this respect. Due to the judgement inherent in assessing these different matters, the uncertainty associated with the estimates relating to the ongoing labour and tax proceedings, and because changes therein could give rise to material differences with respect to the amounts recognised to date, this has been considered a key audit matter of the current period.	Our audit procedures included the following: ▪ Assessing the design and implementation of the controls relating to the process of estimating the probability and impact when measuring the assets of labour and tax contingencies. ▪ Obtaining representations from lawyers outside the Group regarding the status of these matters, their probability and, where applicable, resources outflows for the Group. ▪ In the case of potentially material claims, analysis and assessing the underlying facts and circumstances deemed relevant by the Group's legal counsel in their conclusions and evaluating the Group's best estimate, with the involvement of our specialists, if needed. ▪ Analysis of the reasonableness of the most relevant judgements applied by management in the first-time application of IFRIC 23, in particular regarding the identification of uncertain tax treatments, the determination of the unit of account and the valuation method considered by management as the method that best predicts the resolution of the uncertainty. ▪ Evaluating whether the disclosures in the consolidated annual accounts comply with the requirements of the financial reporting framework applicable to the Group.

Recoverable amount of non-current assets **See notes 11 to 14 and 32.10** to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
The Group has property, plant and equipment and intangible assets amounting to Euros 1,029 million, Euros 375 million of which is goodwill of the Group. In 2019 the Group did not recognise any impairment for non-current assets. For the purpose of testing non-current assets for impairment, they were assigned to the corresponding cash-generating units (CGUs). In the Prosegur Cash Group, each country of operations is a CGU. There is a risk that the carrying amount of CGUs whose financial position has declined may exceed their recoverable amount. At each reporting date, or earlier if there are indications of impairment, the Group estimates the recoverable amount of each CGU, which is determined considering their value in use. To this end, the Group used valuation techniques that require the Directors to exercise judgement and make assumptions and estimates. Due to the uncertainty associated with these estimates and the significance of the carrying amount of non-current assets, this has been considered a key audit matter of the current period.	Our audit procedures included the following: ▪ Assessing the design and implementation of the key controls relating to the process of estimating the recoverable amount of non-current assets. ▪ Analysing the indications, identified by the Group, of impairment of the cash-generating units. ▪ Assessing the reasonableness of the methodology used to calculate value in use and the main assumptions considered, with the involvement of our valuation specialists. ▪ Contrasting the consistency of the estimated growth in future cash flows of each cash-generating unit included in the calculation of value in use with the business plans approved by the Group's governing bodies. ▪ Contrasting the cash flow forecasts of cash-generating units estimated in prior years with the actual cash flows obtained. ▪ Analysing the sensitivity of the estimated recoverable amount to changes in the relevant assumptions and judgements, such as the discount rate, the future growth rate or the EBITDA used when calculating the value in use. ▪ Evaluating whether the information disclosed in the consolidated annual accounts meets the requirements of the financial reporting framework applicable to the Group.

Hyperinflation in the Argentinian economy See notes 2.3, 21.2 and 32.28 to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
Since 2018, the Argentinian economy has qualified as a hyperinflationary economy. In accordance with IAS 29, non-monetary items in the statement of financial situation are expressed in the current monetary unit at 31 December 2019. As this is a hyperinflationary economy, in application of IAS 21, all balance sheet and income statement items must be translated to the Group's presentation currency (Euro) at the year-end exchange rate. As detailed in note 21.2, the Group has opted to transfer both accumulated translation differences at 1 January 2018 and those generated afterwards by Argentinian subsidiaries to reserves, so the total effect of the adjustment for hyperinflation is shown in this line item. Given the significance of the adjustment for hyperinflation made to the 2019 figures, the complexity associated with the calculation of this adjustment and that the IFRS IC's stance on the accounting treatment of translation differences is pending, we considered this to be a key matter in our audit.	Our audit procedures included the following: ▪ Understanding the methodology used by the Company in the adjustment of the financial position at 31 December 2019. ▪ Corroborating that the criteria in IAS 29 for adjusting the financial position to the current monetary unit have been applied. In this regard, our work focused on the following: – Identifying the monetary and non-monetary assets and liabilities. – Verifying that the inflation rates applied are those published by the National Institute of Statistics and Census of Argentina (INDEC). – Recalculating the net deferred income tax position at the beginning and end of the year. – Performing tests of detail in relation to the revaluation of non-monetary assets to verify that the adjusted amount does not exceed their recoverable amount. – Recalculating the accumulated adjustment in reserves at 31 December 2019 from application of IAS 29. – Verifying that the effect of applying IAS 29 based on the variation in monetary items is reasonable by recalculating the revaluation of non-monetary items, capital and reserves. ▪ Verifying that the financial statements of Argentinian subsidiaries, once adjusted for inflation, have been translated at the year-end exchange rate and that initial translation differences have been taken to reserves. ▪ Evaluating whether the disclosures in the consolidated annual accounts relative to hyperinflation comply with the requirements of the financial reporting framework applicable to the Group.

Other Information: Consolidated Directors' Report

Other information solely comprises the 2019 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility as regards the content of the consolidated directors' report is defined in the legislation regulating the audit of accounts, which establishes two different levels:

a) A specific level applicable to the consolidated non-financial information statement and to certain information included in the Annual Corporate Governance Report, as defined in article 35.2. b) of Audit Law 22/2015, which consists solely of verifying that this information has been provided in the directors' report, or where applicable, that the directors' report makes reference to the separate report on non-financial information, as provided for in legislation, and if not, to report on this matter.

b) A general level applicable to the rest of the information included in the consolidated directors' report, which consists of assessing and reporting on the consistency of this information with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned accounts and without including any information other than that obtained as evidence during the audit. Also, assessing and reporting on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have verified that the information mentioned in section a) above has been provided in the consolidated directors' report, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2019, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit Committee's Responsibility for the Consolidated Annual Accounts

The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent's Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.

— Conclude on the appropriateness of the use by the Parent's Directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for managing, overseeing and performing the audit of the Group. We have sole responsibility for our audit opinion.

We communicate with the audit committee of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's audit committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee of the Parent, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Additional Report to the Audit Committee of the Parent

The opinion expressed in this report is consistent with our additional report to the Parent's audit committee dated 27 February 2020.

Contract Period

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 3 June 2019 for a period of one year, specifically for the year ended 31 December 2019.

Previously, we were appointed by consensus of the shareholders at their general meeting, and have been auditing the annual accounts since the year ended 31 December 2016.

KPMG Auditores, S.L.
On the Spanish Official Register of Auditors (“ROAC”) with No. S0702

(*Signed on original in Spanish*)

Bernardo Rücker-Embden
On the Spanish Official Register of Auditors (“ROAC”) with No. 18,836

27 February 2020

PROSEGUR CASH

Consolidated Annual Accounts and Directors' Report for the year ended 31 December 2019

Prepared in accordance with International Financial Reporting Standards adopted by the European Union (IFRS-EU)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails).

Prosegur Cash, S.A. and subsidiaries

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I. CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

(In thousands of Euros)

	Note	2019	2018
Revenue	3	1,798,654	1,731,605
Sale expenses	4	(1,163,843)	(1,131,715)
Gross profit		**634,811**	**599,890**
Other income	6	19,376	823
Sale and administrative expenses	4	(342,841)	(330,802)
Other expenses	6	(5,432)	(1,579)
Stake in profits / (losses) for the year of Investments accounted for using the equity method	15	(1,157)	(324)
Operating profit/(loss) (EBIT)		**304,757**	**268,008**
Finance income	7	16,579	32,861
Finance expenses	7	(61,730)	(36,760)
Net financial income / (Costs)		**(45,151)**	**(3,899)**
Profit before tax		**259,606**	**264,109**
Income tax	25	(90,590)	(89,881)
Post-tax profit from continuing operations		**169,016**	**174,228**
Post-tax profit from discontinued operations		-	(11)
Consolidated profit/(loss) for the period		**169,016**	**174,217**
Attributable to:			
Owners of the Parent		168,942	174,217
Non-controlling interests		74	-
Earnings per share from continuing operations attributable to the owners of the Parent (Euros per share)			
- Basic	8	0.11	0.12
- Diluted	8	0.11	0.12

The Notes on pages 10 to 105 form an integral part of the Consolidated Annual Accounts.

II. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

(In thousands of Euros)

	Note	2019	2018
Consolidated profit/(loss) for the period		**169,016**	**174,217**
Other comprehensive income:			
Items which are not reclassified to profit and loss			
Actuarial profits/(losses) on defined benefit plans	5.2	(2,986)	(513)
		(2,986)	**(513)**
Items which are reclassified to profit and loss			
Translation differences of financial statements of foreign operations	21	(10,727)	(18,726)
		(10,727)	**(18,726)**
Total comprehensive income, net of taxes		**155,303**	**154,978**
Attributable to:			
- Owners of the parent		155,287	154,978
- Non-controlling interests		16	-

The Notes on pages 10 to 105 form an integral part of the Consolidated Annual Accounts.

III. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2019 AND 2018

(In thousands of Euros)

	Note	2019	2018
ASSETS			
Property, Plant and Equipment	11	345,382	333,460
Goodwill	13	375,467	356,138
Other intangible assets	14	216,694	178,540
Right of use	12	91,603	-
Investments accounted for using the equity method	15	7,510	26,433
Non-current financial assets	18	4,714	6,515
Deferred tax assets	25	47,871	36,228
Non-current assets		**1,089,241**	**937,314**
Non-current assets held for sale	16	-	642
Inventory	17	14,099	19,795
Clients and other receivables	19	381,070	334,082
Accounts receivable with Prosegur Group	29	67,692	54,007
Current tax assets		73,411	86,670
Current financial assets		1,379	-
Cash and cash equivalents	20	307,423	273,756
Current assets		**845,074**	**768,952**
Total assets		**1,934,315**	**1,706,266**
EQUITY			
Share capital	21	30,000	30,000
Treasury stock	21	(1,546)	(1,943)
Translation differences	21	(167,215)	(156,546)
Retained earnings and other reserves	21	382,101	366,474
Equity attributable to equity holders of the Parent		**243,340**	**237,985**
Non-controlling interests		293	6
Total equity		**243,633**	**237,991**
LIABILITIES			
Financial liabilities	23	646,566	688,021
Deferred tax liabilities	25	37,588	41,174
Provisions	22	144,609	136,723
Long-term lease liabilities	12	74,080	-
Non-current liabilities		**902,843**	**865,918**
Trade and other payables	24	346,790	313,969
Current tax liabilities		93,865	64,737
Short-term financial liabilities	23	210,524	131,992
Short-term lease liabilities	12	31,375	-
Accounts payable with Prosegur Group	29	95,729	80,787
Short-term provisions	22	1,449	2,275
Other current liabilities		8,107	8,597
Current liabilities		**787,839**	**602,357**
Total liabilities		**1,690,682**	**1,468,275**
Total equity and liabilities		**1,934,315**	**1,706,266**

The Notes on pages 10 to 105 form an integral part of the Consolidated Annual Accounts.

IV. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

(In thousands of Euros)	Equity attributable to equity holders of the Parent						
	Share capital (Note 21)	Translation differences (Note 21)	Own shares (Note 21)	Retained earnings and other reserves (Note 21)	Total	Non-controlling interests	Total equity
Balance at 31 December 2017	**30,000**	**(501,666)**	**(2,127)**	**737,571**	**263,778**	**11**	**263,789**
Transition adjustments (Note 33.1)	-	-	-	(1,196)	(1,196)	-	**(1,196)**
First application IAS 29 (Note 33.28)	-	-	-	32,436	32,436	-	**32,436**
Translation differences reclassified to reserves	-	363,846	-	(363,846)	-	-	-
Balance at 01 January 2018	**30,000**	**(137,820)**	**(2,127)**	**404,965**	**295,018**	**11**	**295,028**
Total comprehensive income for the year	-	(18,726)	-	173,704	154,978	-	154,978
Adjustment for hyperinflation	-	-	-	(93,702)	(93,702)	-	(93,702)
Dividends (Note 9)	-	-	-	(118,050)	(118,050)	-	(118,050)
Share-based incentives offered to employees	-	-	184	34	218	-	218
Other changes	-	-	-	(477)	(477)	(5)	(482)
Balance at 31 December 2018	**30,000**	**(156,546)**	**(1,943)**	**366,474**	**237,985**	**6**	**237,991**
Transition adjustments (Note 33.1)	**-**	-	-	(37,247)	(37,247)	-	(37,247)
Balance at 01 January 2019	**30,000**	**(156,546)**	**(1,943)**	**329,227**	**200,738**	**6**	**200,744**
Total comprehensive income for the year	-	(10,669)	-	165,956	155,287	16	155,303
Adjustment for hyperinflation	-	-	-	(26,354)	(26,354)	-	(26,354)
Dividends (Note 9)	-	-	-	(87,150)	(87,150)	-	(87,150)
Share-based incentives offered to employees	-	-	397	-	397	-	397
Other changes	-	-	-	422	422	271	693
Balance at 31 December 2019	**30,000**	**(167,215)**	**(1,546)**	**382,101**	**243,340**	**293**	**243,633**

The Notes on pages 10 to 105 form an integral part of the Consolidated Annual Accounts.

V. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

(In thousands of Euros)

	Note	2019	2018
Cash flows from operating activities			
Profit/(loss) for the year		**169,017**	**174,217**
Adjustments for:			
Depreciations and amortizations	11, 12, 14	103,169	72,315
Impairment losses on trade receivables and inventory	6, 19	1,691	1,217
Change in provisions	22	14,040	18,993
Finance income	7	(16,579)	(32,813)
Finance expenses	7	61,730	82,037
Stakes in (profits)/losses of investments accounted for using the equity method	15	1,157	324
(Profit) / Loss on disposal and sale of property, plant and equipment and investment properties		1,733	714
Income tax	25	89,981	89,881
Changes in working capital, net of the effect of acquisitions and translation differences		-	
Inventory		7,457	(1,767)
Customers and other receivables (including Group companies)		(9,220)	(45,361)
Trade and other payables (including Group companies)		19,928	18,712
Payment of provisions	22	(19,575)	(17,741)
Other Current Liabilities		3,124	(7,171)
Cash from operating activities		-	
Interest paid		(18,341)	(11,797)
Income tax paid		(96,273)	(116,073)
Net cash from operating activities		**313,039**	**225,687**
Cash flows from investing activities		-	
Proceeds from the sale of non-current assets held for sale	6, 16	-	18,330
Interest collection		4,012	4,604
Acquisition of subsidiaries, net of cash and cash equivalents	28	4,162	(45,853)
Acquisition of property, plant and equipment	11, 16	(96,608)	(93,128)
Acquisition of intangible assets	14, 16	(7,882)	(9,503)
Net cash from investing activities		**(96,316)**	**(125,550)**
Cash flows from financing activities		-	
Payments from the issue of own shares and equity instruments		397	183
Financing received		19,623	64,944
Proceeds from debentures and other marketable securities		-	-
Debt payments		(11,648)	(52,105)
Payments from debts with group companies		(30,073)	-
Payments from other debts		(21,170)	(15,509)
Dividends paid	9	(110,013)	(94,552)
Net cash from financing activities		**(152,884)**	**(97,039)**
Net increase/(decrease) in cash and cash equivalents		63,839	3,098
Cash and cash equivalents at the beginning of year		273,756	317,876
Effect of exchange differences		(30,173)	(46,950)
Cash and cash equivalents at the end of the period		**307,422**	**274,024**
It includes:		-	
- Cash and cash equivalents at the end of the period of continuing operations	20	307,422	273,756
- Cash and cash equivalents at the end of the period of discontinued operations		-	268

The Notes on pages 10 to 105 form an integral part of the Consolidated Annual Accounts.

VI. NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS AT 31 DECEMBER 2019

1. General information about the Company

Prosegur Cash is a group of companies comprising Prosegur Cash, S.A. (hereinafter, the Company) and its subsidiaries (together, Prosegur Cash or the Prosegur Cash Group) with a presence in the following countries: Spain, Portugal, Germany, Luxembourg, Argentina, Brazil, Chile, Peru, Uruguay, Paraguay, Mexico, Colombia, Singapore, The Philippines, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, India, Indonesia and Australia.

The Company was incorporated in Madrid on 22 February 2016 and is entered in the Mercantile Register of Madrid. The registered offices of Prosegur Cash, S.A. are at Calle Santa Sabina, 8, Madrid (Spain).

On 17 March 2017, shares in Prosegur Cash, S.A. began trading in the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia via the Spanish Stock-Exchange Interconnection System (electronic trading system) (SIBE). On 7 April 2017, the Green Shoe period of the stock market flotation ended, and the free float attained 27.5 % of the total share capital of Prosegur Cash S.A.

Prosegur Cash, S.A. is a subsidiary controlled by the Spanish company Prosegur Compañía de Seguridad, S.A. (hereinafter, Prosegur or the Prosegur Group), which currently owns 51% of its shares, indirectly controlling another 21.5% via its 100%-owned investee Prosegur Assets Management, S.L.U. Accordingly, the Prosegur Group consolidates the Prosegur Cash Group in its financial statements.

Prosegur is controlled by Gubel S.L., which was incorporated in Madrid and holds 51.618% of the share capital of Prosegur Compañía de Seguridad, S.A., which consolidates Prosegur in its consolidated financial statements.

The corporate purpose of Prosegur Cash is to provide the following services through companies focusing on the Cash business: (i) national and international transport services (by land, sea and air) of funds and other valuables (including jewellery, artworks, precious metals, electronic devices, voting ballots, legal evidence), including collection, transport, custody and deposit services; (ii) processing and automation of cash (including counting, processing and packaging, as well as coin recycling, cash flow control and monitoring systems; (iii) comprehensive ATM solutions (including planning, loading, monitoring, first- and second-tier maintenance and balancing); (iv) cash planning and forecasting for financial institutions; (v) self-service cash machines – smart cash (including cash deposits, recycling services and dispensing of bank notes and coins, and payment of invoices); and (vi) added-value outsourced services (AVOS) for banks (including outsourcing of tellers, multi-agency services, cheque processing and related administrative services).

These Consolidated Annual Accounts were authorised for issue by the Board of Directors on 26 February 2020 and are pending approval by the shareholders at their General Meeting. However, the Directors consider that these Consolidated Annual Accounts will be approved with no changes.

Appendix I contains detailed information on the subsidiaries of Prosegur Cash S.A. Furthermore, the Prosegur Cash Group participates in joint ventures with other parties (Note 15 and Appendix II).

2. Basis of Presentation

2.1 Basis for presentation of the Consolidated Annual Accounts

The accompanying Consolidated Annual Accounts have been prepared on the basis of the accounting records of Prosegur Cash, S.A. and its subsidiaries. The Consolidated Annual Accounts have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (hereinafter IFRS-EU) and other applicable financial reporting regulations to provide a fair view of the consolidated equity and consolidated financial position of Prosegur Cash, S.A. and subsidiaries at 31 December 2019, as well as the consolidated profit and loss from its operations and consolidated cash flows for the year then ended. The Consolidated Annual Accounts are filed yearly in the Mercantile Register of Madrid.

Note that these Annual Accounts omit such information or breakdowns that, not requiring details because of their qualitative importance, have been considered not material or not relatively important in accordance with the concept of Materiality or Relative Importance defined in the conceptual framework of IFRS-EU.

2.2 Changes in the consolidation scope

The most significant changes in the consolidation scope in 2019 are detailed below.

The following companies were incorporated or wound up in 2019:
- In March 2019, Prosegur Alpha3 Cashlabs S.L. was incorporated in Spain.
- In April 2019, Prosegur Pay Consultoria em Tecnologia da Informação Ltda. was incorporated in Brazil.
- In September 2019, Prosegur STV 1 PTY Limited was incorporated in Australia.
- In October 2019, Gelt Cash Transfer, S.L. was incorporated in Spain.
- In October 2019, Dopar Servicios, S.L. was wound up in Spain.
- In October 2019, Iberprofin, S.L. was wound up in Spain.

The following mergers took place between subsidiaries in 2019:
- In August 2019, the takeover merger of Tellex, S.A. by Transportadora de Caudales Juncadella, S.A. was formalised in Argentina.
- In November 2019, the takeover merger of Enclama, S.L. by Prosegur AVOS España, S.L. was formalised in Spain.

Prosegur Cash exercised the put option on its 33.33% stake in SBV Services Propietary Limited on 4 June 2019 (Note 15).

On 22 July 2019, Prosegur Cash signed an agreement to sell 100% of the capital of Prosegur Cash Holding France to Loomis AB.

Additionally, other changes to the consolidation scope in 2019 are acquisitions of subsidiaries, details of which are provided in Note 28.

2.3 Basis for valuation

These Consolidated Annual Accounts were prepared on the historical cost basis with the following exceptions, where appropriate:

- Hyperinflation: as a result of considering Argentina as a hyperinflationary economy, the balances of the Argentine companies in the Prosegur Cash Group are expressed at current cost before being included in the consolidated financial statements.
- The assets, liabilities and contingencies acquired in business combinations are recognised at fair value.
- Non-current assets and disposable groups of items classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Moreover, the Prosegur Cash Group opted to measure its assets and liabilities in its first Consolidated Annual Accounts in accordance with IFRS-EU for the year ended 31 December 2017, considering the accounting values included in the Consolidated Annual Accounts of the Prosegur Group, eliminating the consolidation adjustments performed by the latter, and consequently Prosegur Cash adopted the same options under IFRS 1 as those chosen by the Parent Company.

2.4 Comparative information

The consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and the notes to the consolidated financial statements for 2019 include comparative figures for the previous year, with the exception of the accounting policies applied for the first time in 2019 (IFRS-EU 16 and IFRIC 23), which did not involve any restatement of the 2018 Consolidated Annual Accounts, and which are summarised in Note 33.

2.5 Estimates, assumptions and relevant judgements

The preparation of the Consolidated Annual Accounts in accordance with IFRS-EU requires the application of relevant accounting estimates and the undertaking of judgements, estimates and assumptions in the process for application of the Prosegur Cash accounting policies and measurement of the assets, liabilities and profit and loss.

Although estimates are calculated by Prosegur Cash's Board of Directors based on the best information available at year end, future events may require changes to these estimates in subsequent years. Any effect on the Consolidated Annual Accounts of adjustments to be made in subsequent years would be recognised prospectively, where appropriate.

Accounting estimates and assumptions

Information on relevant accounting estimates, assumptions and judgements in applying the accounting policies for the years 2019 and 2018, that pose a significant risk of causing material adjustments in the year ending on 31 December 2019, are included in the following notes:

- Business combinations: determination of the interim fair values and related goodwill (Notes 28 and 33.2).
- Impairment of property, plant and equipment, intangible assets, goodwill and right of use assets: assumption for the calculation of recoverable amounts (Notes 11, 12, 13, 14, 33.6, 33.7, 33.8 and 33.10).
- Impairment of financial assets: calculated based on the expected loss (Note 19).
- Recognition and measurement of provisions and contingencies: assumptions used to determine the probability of occurrence and the estimate amounts of resource outflows (Notes 22, 26 and

33.17).
- Recognition and measurement of the defined benefit schemes for employees: actuarial hypotheses for the provision of defined benefit schemes for employees (Notes 5.2, 22 and 33.20).
- Recognition and valuation of deferred tax assets: estimates and assumptions used to measure the recoverability of tax credits (Notes 25 and 33.19).

Relevant judgements

Information on judgements made in applying Prosegur Cash accounting policies with a significant impact on the amounts recognised in the consolidated financial statements is included in the following notes:

- Consolidation: control determination (Note 33.2).
- Leases: lease classification (Note 33.7 and 33.22).

Determination of fair values

Certain Prosegur Cash accounting policies and details require the determination of fair values for assets and liabilities, financial as well as non-financial.

Prosegur Cash has established a control framework with respect to determining fair values. This framework includes a valuation team, reporting directly to Financial Management, with general responsibility over the supervision of all relevant fair value calculations.

On a regular basis the valuation team reviews significant unobservable criteria and valuation adjustments. If third-party information is utilised in determining fair values, such as price-fixing or broker quotations, the valuation team verifies the fulfilment of such information with the EU-IFRS and the level of fair value in which such valuations should be classified.

Significant measurement issues are reported to the Prosegur Cash Audit Committee.

In determining the fair value of an asset or liability, Prosegur Cash uses observable market data to the greatest extent possible. Fair values are classified into different levels of fair value on the basis of the input data used in the measurement techniques, as follows:

- Level 1: quoted price (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If such input data that are used to measure the fair value of an asset or liability may be classified into different levels of fair value, the fair value measurement is classified in its entirety into the same level of fair value, corresponding to the significant input data level for the complete measurement presented by the lower Level.

Prosegur Cash recognises transfers among levels of fair value at the end of the period in which the change has taken place.

The following Notes contain more information on the assumptions used in determining fair values:

- Note 16: non-current assets held for sale.
- Note 28: business combinations.
- Note 30.3: financial instruments and fair value.

3. Revenue

Revenue was obtained solely through the services provided.

Thousands of Euros	2019	2018
Provision of services	1,798,654	1,731,605
Total revenues	**1,798,654**	**1,731,605**

See Note 10 for further information on revenues by geographical area. See Note 33.21 for a description of the Prosegur Cash Group's policy for recognising revenue.

4. Cost of sales and administration and sales expenses

The main cost of sales and administration and sales expenses are as follows:

Thousands of Euros	2019	2018
Supplies	53,814	49,228
Employee benefits expenses (Note 5)	819,980	803,009
Operating leases and related expenses(Note 12)	10,277	10,657
Supplies and external services	135,902	123,994
Amortisations	46,637	39,967
Other expenses	97,233	104,860
Total sale expenses	**1,163,843**	**1,131,715**

Thousands of Euros	2019	2018
Supplies	2,480	930
Employee benefits expenses (Note 5)	94,435	86,148
Operating leases and related expenses (Note 12)	10,879	35,279
Supplies and external services	60,315	57,872
Amortisations	56,226	32,348
Other expenses	118,506	118,225
Total sale and administrative expenses	**342,841**	**330,802**

The heading Other expenses, in administration and sales expenses, includes expenses for management support services and trademark usage expenses totalling EUR 89,596 thousand (EUR 94,170 thousand in 2018), Note 29.

Furthermore, this heading includes indirect taxation costs, mainly from Argentina and Brazil in the amount of EUR 21,731 thousand (EUR 12,081 thousand in 2018).

The increased employee benefits expense, included in the total sale expenses, is due to the new business combinations (Note 28).

The heading Supplies and external services includes costs for repairs to items of transport, counting machines, and operating subcontracts to third parties and other advisers such as attorneys, auditors and consultants.

The heading of operating leases and associated costs includes the lease costs that are not recognised as a right of use because they are exempt from that recognition as short-term contracts and contracts whose underlying asset is insignificant, as well as the expenses associated with those leases (Note 33.7).

The main change with respect to 2018 of the heading on operating leases as well as depreciation corresponds to the first-time application of IFRS 16 (Note 2.4 and 33.7).

5. Employee benefits

5.1 Employee benefits expenses

Details of the employee benefits expense are as follows:

Thousands of Euros	2019	2018
Salaries and wages	697,351	663,829
Social Security	162,239	156,183
Other employee benefits expenses	33,264	42,749
Indemnities	21,561	26,396
Total employee benefits expense	**914,415**	**889,157**

Wages and salaries include the expense relating to the commitment accrued in 2019 under the 2017 Plan and the 2020 Plan for the Executive President, Executive Director and Senior Management of Prosegur Cash (Note 33.20) amounting to EUR 3,263 thousand (Note 22) (EUR 1,852 thousand in 2018).

The heading of indemnities includes the expense for the provision for occupational risks in 2019, (Note 22).

5.2 Employee benefits

The Prosegur Cash Group contributes to various defined benefit schemes in Germany, Brazil, France, Honduras, Nicaragua, El Salvador and Mexico. The defined benefit plan comprising post-employment healthcare offered to employees in Brazil is compliant with local legislation (Act 9656). The Mexico defined benefit scheme consists of seniority bonuses; the defined benefit schemes in France and Germany consist of retirement awards; while the pension plans in Nicaragua, El Salvador and Honduras consist of severance compensation.

In 2019, the amount recognised as higher employee benefit expenses in the consolidated income statement under the heading cost of sales and administration and sales expenses came to EUR 1,158 thousand (EUR 586 thousand in 2018).

The movement of the current value of the obligations is shown in the following table:

Thousands of Euros	2019	2018
Balance at 01 January	**8,983**	**7,759**
Business combinations	-	68
Net Cost/(Income) of the period	1,158	586
Contributions to the plan	(184)	(449)
Actuarial Loss/(Profit)	3,129	807
Disposal of the scope of consolidatiion	(1,844)	-
Translation differences	(610)	212
Balance at 31 December	**10,632**	**8,983**

During 2019 the negative impact on equity arising from actuarial losses amounted to EUR 2,986 thousand (negative impact of EUR 513 thousand in 2018).

The breakdown by country of actuarial losses at 31 December is the following:

Thousands of Euros	2019	2018
Brazil	8,562	6,093
France	-	1,844
Germany	624	201
Mexico	1,354	756
Central America	92	89
	10,632	**8,983**

At 31 December 2019, the defined benefit schemes in Brazil involved 10,875 employees (11,010 employees in 2018). In France the scheme had 616 employees in 2018. The Germany plan involved 3 employees at 31 December 2019 (3 employees in 2018). The Mexico plan involved 975 employees at 31 December 2019 (904 employees in 2018). The Central America plans involved 922 employees at 31 December 2019 (922 employees in 2018).

The breakdown of actuarial assumptions used to calculate the current value of the main obligations pursuant to the defined benefit schemes in Brazil, France, Germany, Mexico and Central America is as follows:

	Brazil		France		Germany		Mexico		Nicaragua		Honduras		El Salvador	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Inflation	4.0%	4.5%	n/a	1.0%	1.8%	1.8%	4.3%	3.5%	5.0%	5.0%	7.0%	7.0%	2.0%	2.0%
Annual discount rate	3.6%	5.1%	n/a	1.5%	1.0%	1.0%	8.8%	11.5%	9.9%	8.5%	6.6%	6.6%	4.3%	4.3%
Retirement age	65	65	n/a	65	65	65	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

The age factor assumed in the Brazil benefits plan according to the experience of the Prosegur Cash Group is as follows:

- 0 to 5 Minimum Wages = 16.97%
- 5 to 10 Minimum Wages = 14.29%
- More than 10 Minimum Wages = 11.42%

The mortality tables used in determining the defined benefit obligations were as follows:

Brazil		France		Germany		Mexico		Central America	
2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
AT 2000 smoothed by 10% segregated by gender	AT 2000 smoothed by 10% segregated by gender	n/a	INSEE 2017	Heubeck Richttafeln 2005 G	Heubeck Richttafeln 2005 G	Mexican Experiment of the Social Security for Assets 1997	Mexican Experiment of the Social Security for Assets 1997	100% of the securities of Watson Wyatt Worldwide	100% of the securities of Watson Wyatt Worldwide

The variables in the defined benefit schemes that expose the Prosegur Cash Group to actuarial risks are as follows: future mortality rate, medical cost trend, inflation, retirement age, discount rate and market.

6. Other income and expenses

Other expenses

Details of other expenses are as follows:

Thousands of Euros	2019	2018
Impairment losses on trade receivables	(1,624)	(1,175)
Net profits/(losses) on disposal of investment properties	(1,733)	-
Other expenses	(2,075)	(404)
Total other expenses	**(5,432)**	**(1,579)**

The section losses on the disposal of fixed assets during 2019 mainly includes losses associated with the sale of fixed assets in Brazil.

Other income

Thousands of Euros	2019	2018
Other income	19,376	823
Total other income	**19,376**	**823**

At 31 December 2019 the item for other income in the consolidated income statement mainly includes the earnings associated with the sale of the interest in SBV Services Propietary Limited (Note 15) and in Prosegur Cash Holding France (Note 2.2).

7. Net financial expenses

Details of the net financial expenses are as follows:

Thousands of Euros	2019	2018
Interest paid:		
- Loans and borrowings	(12,497)	(7,494)
- Bonds and other marketable securities	(8,250)	(8,250)
- Loans with other companies (includes Group Companies)	(200)	(215)
- Financial expenses for lease liabilities discount (Note 12)	(8,407)	(819)
	(29,354)	**(16,778)**
Interest received:		
- Credits and other investments (includes Group Companies)	4,394	6,729
	4,394	**6,729**
Other profit/(loss)		
Net profits/(losses) on foreign currency transactions	(8,926)	21,364
Financial effect of the exchange rate	(5,108)	-
Net financial expenses from net monetary position	6,419	(7,266)
Other financial income	5,766	4,768
Other financial expenses	(18,342)	(12,716)
	(20,191)	**6,150**
Net financial costs	**(45,151)**	**(3,899)**
Total finance income	**16,579**	**32,861**
Total finance costs	**(61,730)**	**(36,760)**
Net financial costs	**(45,151)**	**(3,899)**

The main change is associated with the volatility of currency transactions included under the heading of net profits/(losses) on foreign currency transactions as well as with monetary adjustments of deferred payments from the latest business combinations that have taken place (Note 28).

As a result of the first-time application of IFRS 16, finance expenses went up by EUR 8,407 thousand (see Notes 2.4 and 12).

Interest expenses on debentures and other negotiable securities arose mainly as a result of the issuance of bonds in the nominal amount of EUR 600,000 thousand (Note 23).

The changes under the heading Loans and other investments mainly include the financial income obtained following the investment of cash surpluses, mainly from Argentina, for a total amount of EUR 3,185 thousand (EUR 4,371 thousand in 2018).

Financial income and expenses with companies belonging to the Prosegur Group amounted to EUR 1,256 thousand and EUR 3,053 thousand, respectively (2018: EUR 683 and EUR 0 thousand respectively) (Note 29.2).

The financial income arising from the net monetary position, following the application of IAS 29 (Note 33.28), amounted to EUR 6,419 thousand (EUR 7,266 thousand of financial expenses in 2018). That item reflects the exposure to the change in the purchasing power of the Argentine currency.

All other income and expenses from interest arise from financial assets and liabilities measured at amortised cost.

Changes in net gains from foreign currency transactions between the years 2019 and 2018 correspond to the transactions in foreign currencies other than the functional currency originating at subsidiaries.

The heading other financial income and expenses mainly includes the financial updates, as the result of calculating the amortised cost of the debt, as well as deposits in court, associated to the labour actions open in Brazil (Note 22), as well as the financial updating of tax contingencies, mainly in Brazil (Note 22) and the financial updating of deferred payments on business combinations taking place in the different countries(Note 28).

At 31 December 2019 and 2018, Prosegur Cash has no derivative financial instruments.

8. Earnings per share

Basic

Basic earnings per share are calculated by dividing the profit for the year attributable to the owners of the parent by the weighted average number of ordinary shares outstanding during the year (Note 21 (a)).

Euros	2019	2018
Profit for the year attributable to owners of the Parent	168,941,365	174,216,501
Weighted average number of ordinary shares outstanding	1,499,998,941	1,498,942,693
Basic earnings per share	**0.1126**	**0.1162**

Diluted

Diluted earnings per share are calculated by adjusting the profit for the year attributable to the owners of the parent and the weighted average number of ordinary shares outstanding for all the inherent diluting effects of potential ordinary shares.

The Parent Company has no potentially diluting effects.

9. Dividends per share

On 17 December 2019, the Board of Directors approved an interim dividend amounting to EUR 87,150 thousand, i.e. EUR 0.05810 per share, considering that the share capital on the date of the meeting of the Board of Directors comprised 1,500 million shares. Shareholders received 25% of the approved dividend, amounting to EUR 21,788 thousand, on 27 December 2019. The remainder will be paid in March, June and September 2020, in equal instalments of EUR 21,788 thousand each.

The provisional accounting statement presented by the Board of Directors in accordance with the legal requirements that evidenced the lack of sufficient liquidity to pay the aforementioned interim dividend is set forth below:

	Thousands of Euros
	2019
1. Initial cash on hand (before the interim dividend)	(24,663)
2. Group current bank account balances	(157,678)
3. Current proceeds	486
4. Temporary financial investments	300,000
5. Payments for current transactions	(2,557)
6. Payments for financial transactions	(7,497)
7. Extraordinary payments	(1,413)
Forecast cash	**106,678**
Less dividend payments according to the proposal	**(87,150)**
Final cash after dividends	**19,528**

10.Segment reporting

The Board of Directors is ultimately responsible for making decisions on Prosegur Cash's operations and, together with the Audit Committee, for reviewing Prosegur Cash internal financial information to assess performance and to allocate resources.

The Board of Directors analyses the business by region.

The main segments are identified in geographic terms as follows:

- Europe, comprising the following countries: Spain, Germany, Portugal and France (until July 2019).
- Rest of the world (AOA), comprising the following countries: Australia, Indonesia, India, The Philippines and South Africa (until June 2019).
- Ibero-America, which includes the following countries: Argentina, Brazil, Chile, Colombia, Mexico, Paraguay, Peru, Uruguay, Guatemala, Nicaragua, Costa Rica, El Salvador and Honduras.

The regions are a pivotal axis for the organisation and are represented in the General Regional Business Areas, which are in charge of commercial negotiations, as well as designing the services required by each client, covering all business lines in each region. Segments are defined in accordance with the organisational structure and based on the similarities between both macroeconomic and commercial markets and market operations, as well as on the basis of the commercial negotiations between countries in each region.

Prosegur Cash has a broad portfolio of global clients which permits regional, rather than national, negotiations. Consequently, segmentation by region is the best way to manage at EBIT level, and this is compatible with decision-making at more granular levels based on business indicators.

The following ratios are used in segment reporting:

- EBITDA: consolidated profit/(loss) before depreciation and amortization, financial income/(expense), corporate income tax and earnings from discontinued operations.

- EBITA: consolidated profit/(loss) before amortization, financial income/(expense), corporate income tax and earnings from discontinued operations.
- EBIT: consolidated profit/(loss) before financial income/(expense), corporate income tax and earnings from discontinued operations.
- Consolidated profit/(loss) for the year: consolidated profit after taxes.

The Board of Directors uses EBIT to assess segment performance, since this indicator is considered to best reflect the results of the Prosegur Cash Group's different activities.

The Prosegur Cash Group is not highly dependent on any particular clients (Note 30.1).

Total assets allocated to segments do not include other current and non-current financial assets, non-current assets held for sale or cash and cash equivalents, as these are managed together by Prosegur Cash. Rights of use have emerged in 2019 as a result of the application of IFRS 16 (Note 12).

The total liabilities assigned to segments exclude bank borrowings as Prosegur Cash jointly handles the financing, and they include lease liabilities. In 2019 lease liabilities increased as a result of the application of IFRS 16 (Note 12).

The breakdown of revenue, EBIT and net profit, by segment

Details of revenues by segment are as follows:

	Europe		AOA		Ibero-America		Total	
Thousands of Euros	2019	2018	2019	2018	2019	2018	2019	2018
Revenue	508,568	491,023	104,784	92,460	1,185,302	1,148,122	1,798,654	1,731,605
% of total	28%	28%	6%	5%	66%	67%	100%	100%
Total sales	**508,568**	**491,023**	**104,784**	**92,460**	**1,185,302**	**1,148,122**	**1,798,654**	**1,731,605**

Details of EBIT and profit/(loss) after taxes from discontinued operations broken down by segment are as follows:

	Europe		AOA		Ibero-America		Not allocated		Total	
Thousands of Euros	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Sales	508,568	491,023	104,784	92,460	1,185,302	1,148,122	-	-	1,798,654	1,731,605
Other net costs	(444,960)	(441,089)	(102,906)	(98,094)	(843,168)	(852,099)	-	-	(1,391,034)	(1,391,282)
EBITDA	63,608	49,934	1,878	(5,634)	342,134	296,023	-	-	407,620	340,323
Depreciation	(24,478)	(13,322)	(7,911)	(5,458)	(51,886)	(36,619)	-	-	(84,275)	(55,399)
EBITA	39,130	36,612	(6,033)	(11,092)	290,248	259,404	-	-	323,345	284,924
Amortization	(2,137)	(2,510)	(1,336)	(2,399)	(15,115)	(12,007)	-	-	(18,588)	(16,916)
Operating profit/(loss) (EBIT)	36,993	34,102	(7,369)	(13,491)	275,133	247,397	-	-	304,757	268,008
Net financial costs	(12,273)	(11,599)	(4,841)	(2,732)	(28,037)	10,432	-	-	(45,151)	(3,899)
Income tax	(16,346)	(16,562)	(89)	3,588	(74,155)	(76,907)	-	-	(90,590)	(89,881)
Post-tax profit from continuing operations	8,374	5,941	(12,299)	(12,635)	172,941	180,922	-	-	169,016	174,228

There is no profit/(loss) that has not been allocated to any segment.
Details of revenues by activity are as follows:

	Europe		AOA		Ibero-America		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Transport and Custody of Valued Goods national and international	264,541	267,414	68,190	60,737	751,328	764,317	1,084,059	1,092,468
% of total	52.0%	54.5%	65.1%	65.7%	63.4%	66.6%	60.3%	63.1%
Cash Management	149,988	150,951	30,920	25,595	242,162	257,913	423,070	434,459
% of total	29.5%	30.7%	29.5%	27.7%	20.4%	22.5%	23.5%	25.1%
New Products	94,039	72,658	5,675	6,128	191,811	125,892	291,525	204,678
% of total	18.5%	14.8%	5.4%	6.6%	16.2%	11.0%	16.2%	11.8%
	508,568	**491,023**	**104,785**	**92,460**	**1,185,301**	**1,148,122**	**1,798,654**	**1,731,605**

The services provided by the Prosegur Cash Group via its subsidiaries are classified in the following business lines within the geographic segments:

- Transport: transport in armoured vehicles and custody in the Group's vaults of funds and securities, as well as valuables such as jewellery, works of art, precious metals, electronic devices, ballot papers and legal evidence.
- Cash management: preparation of bank notes and coins for recirculation according to national

legislation and Central Bank requirements. Included are processing, packaging and recycling of bank notes.

- Outsourcing: comprising various products, including mainly:
    - Cash cycle management, from planning cash needs in ATMs, minimising the finance and logistical cost, and ensuring the availability of cash, to loading cash into ATMs in the denominations requested and balancing the cash data present in the ATM at the time of its loading, with ATM slips printout.
    - Comprehensive smart cash management in the front office or back office at retail clients. This includes part of cash management and transport and custody but they are included in the package.
    - Added-value outsourcing of other services at financial institutions (AVOS) includes performing services such as document management, means of payment support services, legal services.

The distribution of assets by segment

The distribution of assets by segment is as follows:

	Europe		AOA		Ibero-America		Not allocated to segments		Total	
Thousands of Euros	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Non-current assets allocated to segments	**294,289**	**339,180**	**116,246**	**100,188**	**1,090,361**	**863,087**	**121,282**	**122,898**	**1,622,178**	**1,425,353**
Other unllocated assets	**-**	**-**	**-**	**-**	**-**	**-**	**312,137**	**280,913**	**312,137**	**280,913**
Other non-current financial assets	-	-	-	-	-	-	4,714	6,515	4,714	6,515
Non-current assets held for sale	-	-	-	-	-	-	-	642	-	642
Cash and cash equivalents	-	-	-	-	-	-	307,423	273,756	307,423	273,756

The heading of “Non-current assets allocated to segments” that has not been allocated to segments includes deferred tax assets and current tax assets.

The heading of Other unallocated assets includes cash and cash equivalents and other non-current financial assets.

The distribution of liabilities by segment

Details of liabilities allocated to segments and a reconciliation with total liabilities are as follows:

	Europe		AOA		Ibero-America		Not allocated to segments		Total	
Thousands of Euros	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Liabilities allocated to segments	**282,545**	**214,950**	**96,846**	**76,808**	**501,326**	**318,065**	**42,430**	**105,936**	**923,147**	**715,759**
Other unllocated liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**767,535**	**752,517**	**767,535**	**752,517**
Bank borrowing	-	-	-	-	-	-	767,535	752,517	767,535	752,517
Liabilities directly associated with non-current assets held for sale	-	-	-	-	-	-	-	-	-	-

The heading of “Liabilities allocated to segments” that has not been allocated to segments includes deferred tax liabilities and current tax liabilities.

The heading of Other unallocated liabilities includes bank borrowings that cannot be allocated, mainly corporate bonds.

11.Property, Plant and Equipment

Details and movement of property, plant and equipment are as follows:

Thousands of Euros	Land and buildings	Technical installations and machinery	Other installations and furniture	Armoured vehicles and other property, plant and equipment	Under construction and advances	Total
Cost						
Balance at 01 January 2018	**22,945**	**128,687**	**179,736**	**272,350**	**29,580**	**633,298**
Translation differences	(218)	(5,737)	(8,448)	(11,226)	(749)	(26,378)
Adjustment for Hyperinflation	10,667	10,229	14,647	25,438	(3,595)	57,386
Business combinations (Note 28)	2,688	532	2,147	9,784	138	15,289
New Additions	2,216	23,777	25,945	18,080	18,899	88,917
Write offs	-	(3,807)	(2,863)	(6,292)	(72)	(13,034)
Transfers	1,056	12,385	(8,079)	5,044	(10,406)	-
Balance at 31 December 2018	**39,354**	**166,066**	**203,085**	**313,178**	**33,795**	**755,478**
Transition adjustments (Note 12)	-	(1,945)	(66)	(49,198)	-	(51,209)
Translation differences	(31)	(2,324)	(332)	(643)	(79)	(3,409)
Adjustment for Hyperinflation	(200)	(222)	(498)	(361)	(1,675)	(2,956)
Business combinations (Note 28)	425	72	784	796	-	2,077
New Additions	346	30,629	18,205	15,994	31,434	96,608
Write offs	-	(5,676)	(7,218)	(10,315)	(3,158)	(26,367)
Disposal of the scope of consolidatiion	-	(3,013)	(15,108)	(14,047)	(221)	(32,389)
Transfers	3,081	7,100	18,435	50,555	(32,298)	46,873
Balance at 31 December 2019	**42,975**	**190,687**	**217,287**	**305,959**	**27,798**	**784,706**

Thousands of Euros	Land and buildings	Technical installations and machinery	Other installations and furniture	Armoured vehicles and other property, plant and equipment	Under construction and advances	Total
Amortisation and impairment						
Balance at 01 January 2018	**(1,627)**	**(72,183)**	**(81,238)**	**(198,989)**	**-**	**(354,037)**
Translation differences	21	2,691	4,600	8,180	-	15,492
Adjustment for hyperinflation	(2,163)	(7,144)	(13,276)	(20,789)	-	(43,372)
Write offs	-	2,995	2,581	5,834	-	11,410
Transfers	61	(1,157)	740	356	-	-
Amortisation for the year	(858)	(12,179)	(15,669)	(22,804)	-	(51,510)
Balance at 31 December 2018	**(4,566)**	**(86,977)**	**(102,262)**	**(228,212)**	**-**	**(422,017)**
Transition adjustments (Note 12)	-	1,879	66	30,265	-	32,210
Translation differences	4	767	322	945	-	2,038
Adjustment for hyperinflation	35	56	308	256	-	655
Write offs	124	2,936	844	6,830	-	10,734
Transfers	-	-	-	(31,591)	-	(31,591)
Amortisation for the year	(935)	(15,404)	(17,384)	(23,031)	-	(56,754)
Disposal of the scope of consolidatiion	-	1,935	12,104	11,362	-	25,401
Balance at 31 December 2019	**(5,338)**	**(94,808)**	**(106,002)**	**(233,176)**	**-**	**(439,324)**
Carrying amount						
At 1 January 2018	21,318	56,504	98,498	73,361	29,580	279,261
At 31 December 2018	34,788	79,089	100,823	84,966	33,795	333,460
At 1 January 2019	34,788	79,089	100,823	84,966	33,795	333,460
At 31 December 2019	37,637	95,879	111,285	72,783	27,798	345,382

At 31 December 2019, the additions recorded in property, plant and equipment amount to EUR 96,608 thousand, and correspond mainly to cash automation equipment fitted in clients premises and purchasing and conditioning bases and armoured vehicles in Spain, Argentina and Brazil.

At 31 December 2018, additions to property, plant and equipment amount to EUR 88,917 thousand and mainly comprise fitting-out work in progress on bases, facilities and armoured vehicles intended for use in operating activities. These investments were essentially made in Spain, Argentina, Colombia and Brazil.

The heading Advances and work in progress, at the end of 2019, includes mainly advances for work on armoured vehicles in Brazil, Argentina and Paraguay, amounting to EUR 3,269 thousand, advances for machinery in Spain, Peru, Brazil and Mexico, amounting to EUR 11,856 thousand, and refurbishments at facilities in Colombia, Germany and Australia, amounting to EUR 5,250 thousand.

The heading Advances and work in progress, at the end of 2018, includes mainly advances for work on armoured vehicles in Brazil, Argentina and Paraguay, amounting to EUR 3,707 thousand, advances for machinery in Spain, Peru, Brazil and Mexico, amounting to EUR 7,998 thousand, and refurbishments at facilities in Colombia, Germany and Australia, amounting to EUR 11,046 thousand.

Transfers in 2019 include the reclassification of rights of use to property, plant and equipment owing to the execution of the purchase option on that property, plant and equipment (Note 12).

No assets are subject to restrictions on title or pledged as security for particular transactions at 31 December 2019 and 2018.

Commitments for the acquisition of property, plant and equipment are detailed in Note 27.

The Prosegur Cash Group's procedures include formalising insurance policies to cover possible risks to which various items within its property, plant and equipment are subject. At the close of 2019 and 2018 there was no hedge shortfall whatsoever regarding such risks.

12. Rights of use and lease liabilities

On 1 January 2019, the Prosegur Cash Group adopted IFRS 16, on Leases (Note 33.1). The following table reflects the impact of the first-time application in Retained earnings and other reserves which is reflected in the item of "Transition adjustments" on the consolidated statement of changes in equity (Note 21).

	Thousands of Euros
	01/01/2019
Right of use	103,976
Deferred tax assets	4,362
Long-term lease liabilities	(91,348)
Short-term lease liabilities	(26,350)
Retained earnings and other reserves	**(9,360)**

The breakdown of changes in right of use assets for the year ended at 31 December 2019 is as follows:

	Thousands of Euros
Cost	
Balance at 31 December 2018	**-**
Transition adjustments (Note 33.1)	103,976
Transfer to property, plant and equipments under leasing treatment IAS 17 (Note 11 and 33.1)	51,209
Balance at 01 January 2019	**155,185**
Additions	11,868
Adjustment for Hyperinflation	263
Business combinations (Note 28)	2,296
Disposal of the scope of consolidation	(3,608)
Write offs and Transfers	(50,903)
Translation differences	(893)
Balance at 31 December 2019	**114,208**
Accumulated amortisation	
Balance at 31 December 2018	**-**
Transfer to property, plant and equipments under leasing treatment IAS 17 (Note 11 and 33.1)	(32,210)
Balance at 01 January 2019	**(32,210)**
Disposal of the scope of consolidation	666
Adjustment for Hyperinflation	(43)
Amortization	(23,038)
Translation differences	73
Write offs and Transfers	31,947
Balance at 31 December 2019	**(22,605)**
Carrying amount	
At 31 December 2018	-
At 1 January 2019	**122,975**
At 31 December 2019	**91,603**

Of the total amount of rights of use at 31 December 2019, EUR 83,383 thousand correspond to buildings, EUR 7,166 thousand to vehicles and EUR 1,054 thousand to machinery.

With regard to lease contracts, Prosegur Cash has a dispersed portfolio. The average duration of property lease contracts is 5 years, and 3 years for vehicles.

The right of use has been defined according to the duration of the contract in force for each asset.

The breakdown of changes in lease liabilities for the year ending at 31 December 2019 is as follows:

	Thousands of Euros
Liability	
Balance at 31 December 2018	**-**
Transition adjustments (Note 33.1)	117,698
Transfer of leasing liabilities (Note 33.1)	11,940
Balance at 01 January 2019	**129,638**
Additions	11,868
Business combinations (Note 28)	2,325
Write offs and cancellation	(42,012)
Finance expenses (Note 7)	8,407
Translation differences	(1,041)
Disposal of the scope of consolidatiion	(3,730)
Balance at 31 December 2019	**105,455**

The analysis of the contractual maturity date of the lease liabilities, including future interest to be paid, is as follows:

Thousands of Euros	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Right of use liabilities	15,139	16,236	32,836	27,776	13,468
	15,139	**16,236**	**32,836**	**27,776**	**13,468**

The average incremental discount rates for the main countries affected by this standard, used for calculating the current value of the rights of use and lease liabilities recognised at the date of first-time application of IFRS 16 were as follows:

	Average rate		
	1 to 3 years	3 to 5 years	5 to 10 years
Germany	1.03%	1.14%	1.41%
Brazil	7.98%	8.92%	9.88%
Peru	3.74%	4.10%	4.65%
Argentina	31.82%	32.22%	32.09%
Colombia	6.19%	6.08%	6.53%
Chile	4.68%	4.93%	5.33%
Spain	0.87%	0.97%	1.21%

As indicated in Note 33.7 the Prosegur Cash Group has chosen to not recognise in the balance sheet the lease liabilities and the right of use asset corresponding to short term lease agreements (leases for one year or less) and leases for low value assets (5 thousand U.S. Dollars or less). Those exceptions have been recorded entirely under the heading of operating leases. The total lease expense not subject to IFRS 16 for term as well as amount came to EUR 21,156 thousand (Note 4).

13. Goodwill

Details of movement in goodwill are as follows:

	Thousands of Euros	
	2019	2018
Balance at 1 January	**356,138**	**318,744**
Business combinations (Note 28)	36,053	41,465
New Additions	178	791
Write offs	(16,938)	-
New additions for hyperinflation	(325)	4,333
Translation differences	361	(9,195)
Balance at 31 December	**375,467**	**356,138**

Additions to goodwill deriving from business combinations are as follows:

	2019
	Thousands of Euros
Business combinatios Cash Ibero-America (1)	24,919
Business combinatios Cash Europe (1)	7,512
Business combinatios Cash AOA (1)	3,622
	36,053

	2018
	Thousands of Euros
Business combinatios Cash Ibero-America (1)	23,568
Business combinatios Cash Europe (1)	5,990
Business combinatios Cash AOA (1)	11,907
	41,465

Additions correspond to adjustments in the value of goodwill as a result of re-estimating the deferred contingent consideration associated with the business combination indicated:

	2019
	Thousands of Euros
Business combinatios Cash Ibero-America (1)	178
	178

	2018
	Thousands of Euros
Grupo Contesta	791
	791

(1) Calculations relating to business combinations may be adjusted for up to a year from the acquisition date.

The write offs recorded in fiscal year 2019 have corresponded to the goodwill associated with Prosegur Cash Holding France that has been sold to Loomis AB (Note 6).

Details of the estimated goodwill in the tables above and the allocation of the amounts for which measurement was completed in the period are provided in Note 28.

Impairment testing of goodwill impairment

Goodwill has been allocated to the Prosegur Cash Group's cash-generating units (CGU) in accordance with their respective country of operation. Goodwill is allocated to CGU for impairment testing purposes. Goodwill is allocated to those CGU that are expected to benefit from the business combination from which the goodwill arose.

A summary of the CGU to which goodwill has been allocated, by country, is as follows:

	Thousands of Euros	
	2019	**2018**
Spain CGU	20,143	12,631
France CGU	-	16,938
Portugal CGU	5,730	5,730
Germany CGU	35,985	35,985
Subtotal Europe	**61,858**	**71,284**
Australia CGU	34,772	34,300
Indonesia CGU	3,623	-
The Philippines CGU	13,090	12,340
Subtotal AOA	**51,485**	**46,640**
Brazil CGU	103,756	97,453
Chile CGU	35,586	35,586
Peru CGU	32,583	32,165
Argentina CGU	51,740	35,070
Colombia CGU	19,897	19,513
Rest of Ibero-America CGU	18,562	18,427
Subtotal Ibero-America	**262,124**	**238,214**
Total	**375,467**	**356,138**

Prosegur Cash Group tests goodwill for impairment at the end of each reporting period, or earlier if there are indications of impairment, in accordance with the accounting policy described in Note 33.10.

The recoverable amount of a CGU is determined based on its value in use. The key operating assumptions used to calculate value in use for the various CGUs are based on Prosegur Cash budgets for the following year and the strategic plan for subsequent years. Both the budget and the plan are approved by Management and calculated on the basis of past years' experience, adjusting for any deviations in previous years. Projections of both gross margin and sales, on which the calculation of value in use are based, are drawn up in accordance with each country's macroeconomic growth and the efficiency plans defined to optimise profit. Cash flows are discounted using a discount rate based on the weighted average cost of capital (WACC). The residual value of each CGU is generally calculated as perpetual income.
The type of assets included to determine the carrying amount of a CGU are: PPE, goodwill, other intangible assets and working capital.

To identify the cash flows corresponding to the years subsequent to the approved business plan a perpetual income is calculated based on the cash flow of the last year forecast, based on a growth rate that coincides with the estimate of the future price variations in the geographical area where the CGU is located.

Below is a breakdown of the items estimated for calculating value in use and the key assumptions considered:

- Revenue: revenue is estimated on the basis of growth by volume and price. Generally, growth by volume is based on the country's GDP and growth by price on inflation.
- Gross profit: based on efficiency plans defined by the Prosegur Cash Group, mainly for optimising client portfolios, applying a profitability analysis methodology aimed at establishing threshold margins, under which it is not considered to be viable to establish a commercial relationship with those clients. The gross margin is calculated as the Group's total revenue less sell expenses, divided by total revenue, expressed as a percentage.
- EBITDA: based on the average optimisation costs obtained in the past. It is calculated using the Group's net profit, before deducting interest, tax, depreciation and amortisation.
- CAPEX: based primarily on plans to renew the fleet in accordance with its age. We consider the 5% estimated to be a reasonable value for Capex over revenue. It is calculated as the sum of additions to property, plant and equipment and software.
- Working capital: based on optimising DSO or average collection period for trade accounts receivables. The projection is based on revenue growth, in accordance with the DSO determined. We consider the working capital over revenue ratio used (10%) to be reasonable and therefore translatable to a projection. Working capital is calculated as current assets less current liabilities plus deferred tax assets less deferred tax liabilities less non-current provisions.
- Tax: Tax estimates are calculated in accordance with the effective tax rate in each country and the expected profit/l(loss) therein.

The macroeconomic estimates used are obtained from external information sources.

Details of the key assumptions relating to the most significant CGUs in 2019 are as follows:

31 December 2019	Spain	Germany	Portugal	Australia	India	Chile	Brazil	Colombia	Peru	Argentina
Growth rate	1.77%	2.13%	1.70%	2.50%	3.97%	3.00%	3.49%	3.04%	2.00%	3.20%
Discount rate	4.14%	3.81%	4.12%	6.92%	10.35%	8.21%	10.97%	10.45%	7.47%	10.25%

Details of the key assumptions relating to the most significant CGUs in 2018 are as follows:

31 December 2018	Spain	France	Germany	Portugal	Australia	India	Chile	Brazil	Colombia	Peru	Argentina
Growth rate	1.90%	1.87%	2.56%	2.14%	2.52%	3.98%	3.00%	3.97%	3.04%	1.99%	4.86%
Discount rate	4.98%	4.54%	4.20%	5.07%	7.19%	11.14%	9.12%	13.14%	12.20%	8.92%	24.03%

Management determines the gross margins budgeted based on past experience and forecast market profit/(loss).

The discount rates used are post-tax values and reflect specific risks related to the country of operation. Using pre-tax rates would make no difference to the conclusions as to each CGU recoverable amount. No impairment losses were recognised on goodwill in 2019 and 2018.

In the case of Argentina, discount rates used as well as the cash flows in 2019 do not include the effects of the inflation rate.

Along with impairment testing, Prosegur has also performed a sensitivity analysis on the goodwill allocated to the main CGU, for the purposes of the key assumptions.

The sensitivity analysis on EBITDA consists of determining the turning point which would lead to an impairment loss. Accordingly, hypotheses are evaluated until the figures that imply an impairment to be recognised in the financial statements are reached. The percentage represents the amount by which EBITDA would have to diminish in order for the CGU to be impaired, maintaining the other variable constant.

The sensitivity analysis performed on the growth rate consists of determining the weighted average growth/deceleration rate (used to extrapolate cash flows beyond the budget period) from which impairment losses would be incurred by each of the most representative CGUs.

In addition, the sensitivity analysis on the discount rate consists of determining the WACC from which impairment losses would be incurred by each of the most representative CGUs, maintaining the other variables constant.

Along with impairment testing, Prosegur Cash Group has also performed a sensitivity analysis on the goodwill allocated to the main CGU, for the purposes of the key assumptions. Details of the thresholds for discount rates, the growth/deceleration(-) rates and EBITDA, taken independently, above which impairment losses would arise, maintaining the other variables constant, are as follows:

	2019			2018		
	Discount rate	Growth rate	EBITDA	Discount rate	Growth rate	EBITDA
Brazil	13.74%	-0.67%	-14.98%	17.59%	-2.32%	-16.75%
Argentina	96.77%	-100.00%	-65.91%	356.85%	-100.00%	-60.20%
Spain	16.65%	-23.88%	-48.39%	43.78%	-100.00%	-51.71%
France	-	-	-	5.70%	0.56%	-10.07%
Colombia	11.96%	0.74%	-6.16%	12.75%	0.23%	-3.01%
Peru	35.22%	-100.00%	-49.92%	31.42%	-90.44%	-46.29%
Chile	11.46%	-1.87%	-16.51%	10.97%	0.70%	-10.00%
Germany	10.05%	-11.63%	-32.01%	11.40%	-6.51%	-28.22%
Australia	7.76%	1.42%	-7.07%	7.95%	-0.17%	-17.82%

Impairment losses would arise for discount rates above the percentage indicated in the table, and for growth rates or changes in EBITDA lower than the percentage indicated in the table.

The Prosegur Cash Group does not consider the sensitivity assumptions used to be probable. There are therefore no signs of impairment.

14. Other intangible assets

Details and movement of other main intangible assets are as follows:

Thousands of Euros	Computer software	Customer portfolios	Trademarks and licences	Other intangible assets	Total
Cost					
Balance at 01 January 2018	**32,368**	**240,292**	**13,650**	**5,565**	**291,875**
Translation differences	(13)	(20,790)	(765)	(340)	(21,908)
Business combinations (Note 28)	-	37,848	2,390	339	40,577
Adjustment for Hyperinflation	289	3,420	-	-	3,709
New Additions	8,641	479	-	420	9,540
Write offs	(458)	-	-	-	(458)
Balance at 31 December 2018	**40,827**	**261,249**	**15,275**	**5,984**	**323,335**
Translation differences	31	(7,270)	(33)	(272)	(7,544)
Business combinations (Note 28)	525	52,265	28	5,294	58,112
Adjustment for Hyperinflation	41	3,724	-	-	3,765
New Additions	7,882	881	-	968	9,731
Write offs	(795)	(357)	-	-	(1,152)
Disposal of the scope of consolidatiion	(1,837)	(14,127)	(140)	-	(16,104)
Balance at 31 December 2019	**46,674**	**296,365**	**15,130**	**11,974**	**370,143**
Depreciation and amortisation					
Balance at 01 January 2018	**(21,739)**	**(93,771)**	**(12,442)**	**(4,689)**	**(132,641)**
Translation differences	88	9,175	1,438	309	11,010
Write offs	16	-	-	-	16
Adjustment for Hyperinflation	(808)	(1,088)	(479)	-	(2,375)
Amortisation for the year	(3,890)	(16,243)	(251)	(421)	(20,805)
Balance at 31 December 2018	**(26,333)**	**(101,927)**	**(11,734)**	**(4,801)**	**(144,795)**
Translation differences	12	3,390	525	209	4,136
Write offs	201	-	-	-	201
Adjustment for Hyperinflation	(330)	(1,654)	470	-	(1,514)
Amortisation for the year	(4,760)	(17,147)	(618)	(852)	(23,377)
Disposal of the scope of consolidatiion	1,578	10,182	140	-	11,900
Balance at 31 December 2019	**(29,632)**	**(107,156)**	**(11,217)**	**(5,444)**	**(153,449)**
Carrying amount					
At 1 January 2018	10,629	146,521	1,208	876	159,234
At 31 December 2018	14,494	159,322	3,541	1,183	178,540
At 1 January 2019	14,494	159,322	3,541	1,183	178,540
At 31 December 2019	17,042	189,209	3,913	6,530	216,694

The trademarks presented under movements of intangible assets arise entirely as a result of business combinations and have a defined useful life.

The carrying amount at 31 December 2019 of individually significant client portfolios and their remaining useful lives are as follows:

	2019				
Thousands of Euros	Country	Cost	Amortisation and impairment	Carrying amount	Remaining useful life
Portfolio of large clients Grupo Nordeste	Brazil	60,293	(22,889)	37,404	11 years and 2 months
Portfolio of large clients Norsergel Vigilância e Transportes de Valores Ltda	Brazil	20,784	(11,966)	8,818	7 years
Portfolio of large clients Preserv and Transpev	Brazil	18,768	(13,205)	5,563	4 years and 5 months
Portfolio 5 Main Clients Chubb Security Services PTY LTD	Australia	12,273	(3,230)	9,043	14 years
Portfolio Other Clients Chubb Security Services PTY LTD	Australia	18,131	(4,771)	13,360	14 years
Portfolio business combinations Prosegur Cash	Miscellaneous	3,238	(270)	2,968	17 years and 8 months
Portfolio Grupo Contesta	Spain	9,812	(889)	8,923	12 years and 8 months
Portfolio Cash Ibero- America	Ibero-America	17,289	(589)	16,700	Miscellaneous
Portfolio Cash AOA	AOA	5,717	(207)	5,510	6 years
Clients portfolio Transbank	Brazil	6,159	(3,006)	3,153	7 years and 2 months
Clients portfolio Grupo Nordeste	Brazil	5,838	(3,990)	1,848	3 years and 2 months
Portfolio Major Clients	Brazil	4,453	(2,398)	2,055	6 years
Portfolio Other Clients Bahia GrupoNordeste	Brazil	4,563	(2,598)	1,965	5 years and 2 months
		187,318	**(70,008)**	**117,310**	

The carrying amount at 31 December 2018 of individually significant client portfolios and their remaining useful lives were as follows:

Thousands of Euros	Country	Cost	Amortisation and impairment	Carrying amount	Remaining useful life
	2018				
Portfolio of large clients Grupo Nordeste	Brazil	78,399	(25,407)	52,992	12 years and 2 months
Portfolio of large clients Norsergel Vigilância e Transportes de Valores Ltda	Brazil	27,668	(14,253)	13,415	8 years
Portfolio of large clients Preserv and Transpev	Brazil	20,987	(13,630)	7,357	5 years and 5 months
Portfolio 5 Main Clients Chubb Security Services PTY LTD	Australia	12,968	(2,730)	10,238	15 years
Portfolio Other Clients Chubb Security Services PTY LTD	Australia	19,158	(4,033)	15,125	15 years
Portfolio business combinations Prosegur Cash	Miscellaneous	9,480	(125)	9,355	18 years and 8 months
Portfolio Grupo Contesta	Spain	9,333	(222)	9,111	13 years and 8 months
Clients portfolio Transbank	Brazil	8,009	(3,337)	4,672	8 years and 2 months
Clients portfolio Grupo Nordeste	Brazil	7,592	(4,428)	3,164	4 years and 2 months
Portfolio Major Clients	Brazil	7,322	(3,380)	3,942	7 years
Portfolio Other Clients Bahia GrupoNordeste	Brazil	5,934	(2,884)	3,050	6 years and 2 months
		206,849	**(74,429)**	**132,420**	

The cost at 31 December 2019 and 2018 for each individually significant client portfolio differs due to exchange differences.

In 2019, additions to intangible assets were included, arising from the allocation of fair value to the purchase prices of the business combinations summarised in the following table (see Note 28):

Year 2019

	Thousands of Euros			
	Computer software	**Customer portfolios**	**Trademarks and licences**	**Other intangible assets**
Business combinations Cash Ibero-America	48	41,871	-	5,294
Business combinations Cash Europe	477	9,882	-	-
Business combinations Cash AOA	-	512	28	-
	525	**52,265**	**28**	**5,294**

In 2018, additions to intangible assets were recognised due to the allocation of fair value to the purchase prices of the following business combinations:

	Thousands of Euros			
	Computer software	**Customer portfolios**	**Trademarks and licences**	**Other intangible assets**
Business combinations Cash Ibero- America	-	28,820	930	178
Business combinations Cash Europe	-	3,311	-	161
Business combinations Cash AOA	-	5,717	1,460	-
	-	**37,848**	**2,390**	**339**

All other intangible assets above have finite useful lives and are amortised at rates of between 4.55% and 25% depending on the estimated useful life. Details of the amortisation percentages of the client portfolio and trademarks are described in Note 33.8. There are no other intangible assets with indefinite useful life

The intangible assets are tested for impairment as described in Notes 33.8 and 33.10. No impairment losses have been recognised or reversed in 2019 and 2018.

No intangible assets are subject to restrictions on title or pledged as security for particular transactions at 31 December 2019 and 2018.

15. Investments accounted for using the equity method

Equity-accounted investments derive from joint arrangements.

The joint arrangements in place in 2019 comprise the following companies:

- Companies operating in India: SIS Cash Services Private Limited, SIS Prosegur Holdings Private Limited and SIS Prosegur Cash Logistics Private Limited; the latter two are 100%-owned by the former.
- Companies operating in Spain: Dinero Gelt, S.L.

The joint arrangements in place in 2018 additionally included the following companies:

- Companies operating in South Africa: SBV Services Proprietary Limited, SBV Services Namibia Proprietary Limited, Carrick Properties (Pinetown) Proprietary Limited, CashLogix Proprietary Limited, Integrated Cash Management Services Limited (ICMS), Security Unlimited (PTY) Limited; all of them 100%-owned by the first of them except for Security Unlimited which is 80%-owned.

These joint arrangements are structured as separate vehicles and the Prosegur Cash Group has a stake in their net assets (49% in SIS Cash Services Private Limited and 33.33% in SBV Services Proprietary Limited, until they were sold in 2019). Consequently, the Prosegur Cash Group has classified these shareholdings as Joint Ventures. They are equity-account in accordance with IFRS 11 (Note 33.2).

The breakdown of the movements of the investments in joint ventures accounted for under the equity method is as follows:

Thousands of Euros	2019	2018
Stake in joint business	7,510	26,433
	7,510	**26,433**

Thousands of Euros	2019	2018
Balance at 1 January	**26,433**	**29,277**
Acquisitions	1,179	-
Share in profits/(losses)	(1,157)	(324)
Sales	(18,894)	-
Transfers	27	-
Translation differences	(78)	(2,520)
Balance at 31 December	**7,510**	**26,433**

On 4 June 2019, Prosegur Cash exercised the sales option on the 33.33% interest in SBV as, at the time of exercising it, the entire holding of Prosegur did not exceed 50% of the capital. The shares taken up by Prosegur Cash were acquired by the other shareholders of the Company. The revenue from the sale was recorded under the heading of other income.

Acquisitions in 2019 correspond mainly to the subscription by Prosegur Cash of part of the shares representing the share capital of the Spanish company Dinero Gelt, S.L.

No other significant changes have been recorded for the 2019 financial year.

In 2018, there were no additions to or disposals from equity-accounted investments.

The breakdown of joint ventures accounted for under the equity method is as follows:

Thousands of Euros	2019	2018
SIS Cash Services Private Limited	2,049	4,237
SIS Prosegur Holdings Private Limited	4,313	3,330
Dinero Gelt S.L.	1,148	-
SBV Services Proprietary Limited	-	18,809
Carrick Properties (Pinetown) Proprietary Limited	-	57
Balance at 31 December	**7,510**	**26,433**

All the companies mentioned belong to the AOA segment, except for Dinero Gelt, S.L, which belongs to the Europe segment.

The breakdown of the main amounts of investments accounted for under the equity method is included in Appendix III.

Prosegur Cash Group has no significant contingent liability commitments in any of the joint ventures accounted for under the equity method.

16.Non-current Assets Held for Sale

Net assets relating to the Security business in Brazil

At 31 December 2016, Prosegur Cash conducted the Cash and Security business in Brazil through a single local company, Prosegur Brasil, S.A. Transportadora de Valores e Segurança (hereinafter, Prosegur Brazil). On that date, Prosegur Cash signed the contract with the Prosegur Group to sell the Brazil Security business.

On 31 December 2017, the sale of almost the entire Brazil Security business to the Prosegur Group was executed (with the exception of 4 of its 27 regions).

On 2018, the spin-off of the remaining 4 regions of the Brazil Security business was completed (Note 29). The payment associated with the sale of these four subsidiaries amounted to BRL 960 thousand (equivalent to EUR 242 thousand on the transaction date).

Assets relating to the Security business in Guatemala

On 8 June 2018, the Almo Group was acquired in Central America (Note 28). This acquisition involved the acquisition of a series of assets linked to the Security business belonging to the company Alarmas de Guatemala, which were sold in the first quarter of 2019.

17. Inventories

Details of inventories are as follows:

Thousands of Euros	2019	2018
Fuel and others	12,108	16,853
Operating materials	1,838	2,522
Uniforms	179	297
Others	480	750
Impairment of inventories	(506)	(627)
	14,099	**19,795**

Most of the inventory balance comes from the Argentine companies.

No inventories have been pledged as collateral to secure loans.

18. Non-current financial assets

Non-current financial assets at 31 December 2019 mainly include deposits and guarantees held by the Prosegur Cash Group amounting to EUR 1,159 thousand (2018: EUR 3,064 thousand) and other financial investments for EUR 667 thousand (2018: EUR 576 thousand).

This heading also includes a loan granted for EUR 2,450 thousand (2018: EUR 2,130 thousand) (Note 29) from the Prosegur Cash Group to the Indian company SIS Cash Services Private, Ltd, consolidated using the equity method (Note 15).

19. Clients and other receivables

Details of cash and cash equivalents are as follows:

	Thousands of Euros	
	2019	**2018**
Customer receivables for sales and services	292,267	265,400
Less: impairment losses on trade receivables	(8,229)	(8,497)
Clients - Net	284,038	256,903
Public administrations	45,385	26,250
Advances to employees	6,036	3,439
Legal deposits	20,658	15,795
Prepayments	15,219	13,861
Other receivables	9,734	17,834
	381,070	**334,082**

Credit risk from trade receivables is not concentrated in a single country or client, because the Prosegur Cash Group works with a large number of clients distributed among the different countries in which it operates (Note 30.1.)

At 31 December 2019 and 2018 there are no factoring agreements in place.

Legal deposits comprises mainly court bonds associated with employment-related litigation in Brazil (Note 22).

Details of past-due trade receivables by maturity tranches, net of the corresponding impairment, are as follows:

	Thousands of Euros	
	2019	**2018**
0 to 3 months	66,356	56,903
3 to 6 months	4,176	3,195
Over 6 months	4,222	520
	74,754	**60,618**

The carrying amount of past-due trade receivables is close to fair value, given the non-significant effect of the discount.

There are no reasonable doubts as to the recoverability of past-due trade receivables for which no impairment has been recognised.

There have been no changes in the portfolio or circumstances causing the expected loss to differ from calculations based on historical values.

Changes in the impairment of receivables are as follows:

	Thousands of Euros	
	2019	**2018**
Balance at 31 December	**(8,497)**	**(7,430)**
Transition adjustments (Note 33.1)	-	(1,776)
Balance at 1 January	**(8,497)**	**(9,206)**
Adjustment for Hyperinflation	265	591
Provision for impairment	(1,624)	(1,175)
Applications and other	1,606	527
Translation differences	21	766
Balance at 31 December	**(8,229)**	**(8,497)**

As a general rule, impaired receivables are written off when Prosegur does not expect to recover any further amount.

The maximum exposure to credit risk at the reporting date is the fair value of the receivables in each of the above-mentioned categories. The Prosegur Cash Group has arranged credit insurance to cover and minimise insolvency risk. This insurance applies to clients in Spain and provides risk cover for new operations and/or expansions of services in relation to existing operations.

The Group considers that the rest of client balances other than for the rendering of services does not pose a credit risk because these are Public Administrations or court deposits that are cancelled against the provision for those risks or their retrieval.

The procedures followed by the Prosegur Cash Group in relation to credit risk and currency risk on trade receivables are described in Note 30.1.

20. Cash and cash equivalents

Details of cash and cash equivalents are as follows:

	Thousands of Euros	
	2019	**2018**
Cash in hand and at banks	266,365	226,544
Current bank deposits	41,058	47,212
	307,423	**273,756**

The effective interest rate on current bank deposits in 2019 is 7.08% (6.49% in 2018) and the average term of deposits held is 24 days in 2019 (56 days in 2018).

21. Net equity

Details of and changes to equity during the year are shown in the consolidated statement of changes in equity.

a) Share capital, share premium and own shares

Details of share capital, share premium and own shares, and changes therein, are as follows:

		Thousands of Euros		
	Number of shares (thousands)	Share capital	Treasury Stock	Total
Balance at 1 January 2018	**1,500,000**	**30,000**	**(2,127)**	**27,873**
Acquisition of own shares	-	-	184	184
Balance at 31 December 2018	**1,500,000**	**30,000**	**(1,943)**	**28,057**
Sale and acquisition of own shares	-	-	397	397
Balance at 31 December 2019	**1,500,000**	**30,000**	**(1,546)**	**28,454**

Share capital

At 31 December 2019, the share capital of Prosegur Cash, S.A. totals EUR 30,000 thousand and is represented by 1,500,000,000 shares with a par value of EUR 0.02 each, fully subscribed and paid. These shares are listed on the Madrid, Bilbao, Valencia and Barcelona stock exchanges and traded via the Spanish Stock-Exchange Interconnection System (electronic trading system) (SIBE).

Details of the Company's shareholders are as follows:

Shareholders	Number of shares 2019
Ms Helena Revoredo Delvecchio (1)	1,087,500,000
Invesco Limited (2)	56,805,000
Others	355,695,000
	1,500,000,000

(1) Investment through Prosegur Compañía de Seguridad, S.A.

(2) Investment through various managed funds.

Own shares

At 2019 year end, Prosegur Cash, S.A.'s treasury stock amounted to 1,119,862 shares (1,057,307 shares in 2018), of which 696,866 are linked to the current liquidity contract which came into force on 11 July 2017 (602,496 in 2018).

Details of changes in own shares during the year are as follows:

	Number of shares	Thousands of Euros
Balance at 31 December 2018	**1,057,307**	**1,943**
Purchase of own shares	10,593,125	17,656
Sale of own shares	(10,498,755)	(17,988)
Other awards	(31,815)	(65)
Balance at 31 December 2019	**1,119,862**	**1,546**

b) Retained earnings and other reserves

The main movements in the consolidated statement of changes in equity in 2019 are as follows:

Thousands of Euros	Legal reserve	Other retained earnings	Total
Balance at 31 December 2018	**6,000**	**360,474**	**366,474**
Transition adjustments (Note 33.1)	-	(37,247)	(37,247)
Balance at 1 January 2019	**6,000**	**323,227**	**329,227**
Total comprehensive income for the year	-	165,956	165,956
Adjustment for Hyperinflation	-	(26,354)	(26,354)
Dividends (Note 9)	-	(87,150)	(87,150)
Other changes	-	422	422
Balance at 31 December 2019	**6,000**	**376,101**	**382,101**

Among the retained earnings are reserves amounting to EUR 131 million, corresponding to the profits/(loss) generated by subsidiaries prior to the contribution to Prosegur Cash, and which cannot therefore be distributed as dividends.

The impacts from the application of IAS 29 and IAS 21.42 on equity were booked under “Retained earnings and other reserves” for a negative net amount of EUR 61,266 thousand. The first application of IAS 29 had a positive impact of EUR 32,436 thousand, with a negative impact due to currency depreciation of EUR 15,637 thousand. The rest of the negative impact associated with IAS 21.42 amounted to EUR 78,065 thousand.

The legal reserve, which amounts to EUR 6,000 thousand, was endowed in compliance with article 274 of the Revised Text of the Spanish Companies Act, which requires that companies transfer 10% of profits for the year to a legal reserve until this reserve reaches an amount equal to 20% of share capital. The legal reserve has been fully endowed. The legal reserve is not distributable and if it is used to offset losses, in the event that no other reserves are available, it must be replenished with future profits.

The proposed distribution of the Parent Company’s profit/(loss) for 2019, determined in accordance with prevailing mercantile legislation and standards for the preparation of individual annual accounts, in terms of the interim dividend approved by the Company’s Board of Directors (Note 9) to be submitted to the shareholders for approval at their Annual General Meeting, is as follows:

Thousands of Euros	2019	2018
Basis of allocation		
Profit for the year	89,485	135,618
	89,485	**135,618**
Allocation		
Voluntary reserves	2,335	17,568
Dividends	87,150	118,050
	89,485	**135,618**

c) Cumulative translation differences

Translation reserves comprise all the translation differences deriving from the conversion of operations abroad in the financial statements.

Details of these translation differences are as follows:

	Thousands of Euros	
	2019	**2018**
Balance at 1 January	**(156,546)**	**(501,666)**
Transfer from translation differences to reserves	-	363,846
Translation differences of financial statements of foreign operations	(10,669)	(18,726)
Balance at 31 December	**(167,215)**	**(156,546)**

As a result of applying IAS 29 for Argentina, Prosegur Cash has adopted the accounting policy of recognising changes in equity associated with the currency effect, entirely under the heading Other reserves. IAS 29 does not consider that these changes lead to profit and loss in the income statement, but rather treats them as adjustments to equity balances. The translation differences associated with Argentina at 31 December 2017 are presented, from 1 January 2018, under the heading Retained earnings and other reserves in a negative amount of EUR 363,846 thousand.

22. Provisions

Details of provisions and changes are as follows:

Thousands of Euros	Labour-related risks	Legal risks	Restructuring	Employee benefits expense (Note 5.2)	Other risks	Total
Balance at 01 January 2019	**46,797**	**7,393**	**577**	**8,983**	**75,248**	**138,998**
Provisions charged to income statement	3,825	1,757	-	1,158	22,418	29,158
Reversals credited to income statement	(1,065)	(902)	-	-	(13,151)	(15,118)
Applications	(15,073)	(1,237)	(577)	(184)	(2,504)	(19,575)
Financial effect of the discount	1,790	420	-	-	4,391	6,601
Transfers	-	-	-	-	1,354	1,354
Disposal of the scope of consolidatiion	(514)	-	-	(1,844)	(216)	(2,574)
Business combinations	-	-	-	-	6,812	6,812
Reversion charged to Equity	-	-	-	3,129	-	3,129
Translation differences	(111)	(63)	-	(610)	(933)	(1,717)
Adjustment for Hyperinflation	(548)	-	-	-	(462)	(1,010)
Balance at 31 December 2019	**35,101**	**7,368**	**-**	**10,632**	**92,957**	**146,058**
Non-current	35,101	7,368	-	10,632	91,508	144,609
Current	-	-	-	-	1,449	1,449

a) Occupational risks

The provisions for occupational risks, which amount to EUR 35,101 at 31 December 2019 (EUR 46,797 thousand at 31 December 2018), are calculated individually based on the estimated probability of success or failure. Said probability is determined by the various law firms that work with the Prosegur Cash Group. Moreover, an internal review is conducted of the probabilities of reaching settlements in each of the litigations based on past experience, on which basis the final provision is calculated.

The provision for occupational risks includes mainly provisions linked to employment related litigation in Brazil, which include lawsuits brought by former and current employees of the Prosegur Cash Group. The characteristics of the country's labour legislation and the business's regulatory requirements mean that these proceedings are drawn out, leading to a provision of EUR 21,719 thousand, at 31 December 2019 (EUR 34,441 thousand at 31 December 2018), the decrease compared to the previous year was a result of the changes in the Brazilian labour reform. At 31 December 2019, there were 1,524 employment-related litigation underway in Brazil (1,630 at 31 December 2018).

Moreover, this heading also includes a provision amounting to EUR 2,987 thousand (at 31 December 2018: EUR 6,614 thousand) relating to the business combination formed with Transpev. In 2019, 25 cases were closed (26 cases in 2018) and 70 remain pending (76 in 2018).

Provisions charged to income and reversals credited to income statement are included under other expenses in cost of sales in Note 4, and the monetary adjustments associated to said provision are included under other financial expenses (Note 7).

b) Legal risks

The provisions for legal risks amount to EUR 7,368 thousand (EUR 7,393 thousand at 31 December 2018), and correspond mainly to civil claims, which are analysed on a case-by-case basis. They include mainly lawsuits in Brazil. The settlement of these provisions is highly probable, but both the value of the final settlement as well as the moment are uncertain and depend upon the outcome of the proceedings under way. There are no additional significant legal risks.

c) Restructuring

The provisions recorded at 31 December 2018 were related to the acquisition of Brinks Deutschland GmbH in 2013, which had a recognised restructuring provision that corresponded to estimates for the payment of severances for dismissal and other costs. In 2019 those provisions had been paid in full, amounting to EUR 577 thousand (payments made during 2018: EUR 945 thousand).

d) Employee benefits

As indicated in Note 5.2, Prosegur maintains defined benefit schemes in Germany, Brazil, El Salvador, Honduras, Mexico and Nicaragua. The actuarial valuation, carried out by qualified actuaries, of the value of the benefits to which the Company is committed is updated at the 2019 financial year-end.

The defined benefit scheme for Germany consists of Pension and retirement schemes, while the defined benefit scheme for Mexico consists of a seniority scheme. The defined benefit schemes for Central America consist of contract termination benefits.

Prosegur has a defined benefit plan comprising post-employment healthcare offered to employees in Brazil compliant with local legislation (Act 9656).

In addition, Honduras, Nicaragua and El Salvador by law have obligations under defined benefit schemes arising from the termination of employment contracts by dismissal or following a mutual agreement.

e) Other risks

The provision for other risks, amounting to EUR 92,957 thousand at 31 December 2019 (EUR 75,248 thousand at 31 December 2018), includes a range of items.

The settlement of these provisions is probable, but both the value of the final settlement as well as the moment are uncertain and depend upon the outcome of the proceedings under way.

We list the most significant ones below:

Tax risks

These refer mainly to tax risks in Brazil and Argentina, amounting to EUR 78,867 thousand (EUR 55,437 thousand at 31 December 2018).

The tax risks associated with Brazil are linked to various items, mainly with direct and indirect municipal and state tax charges, as well as provisions linked to the combination of the Nordeste and Transpev businesses from previous years. In Argentina they relate to various amounts that are not individually material, linked mainly to municipal and provincial taxes.

The Prosegur Cash Group uses “the most probable outcome” as the basis for assessing uncertain potential tax risks. Tax risks are classified as material on the basis of opinions in external studies according to the analysis of case law in the matter of reference. Moreover, internal analysis are conducted based on similar cases that have occurred in the past or at other companies.

At each close of quarter, a detailed analysis of each of the tax contingencies is made. This analysis refers to quantification, qualification and the level of provision associated with the risk. An annual letter with the respective analysis and assessment by an independent expert is used to determine these parameters in the most significant risks. On that basis, the provision to be recognised in the Consolidated Annual Accounts is duly adapted.

Provisions charged to income and reversals credited to income statement are included under other expenses in Note 4.

Comcare Australia

In 2019, payments have been made for commitments associated to the occupational accident insurance plan in Australia amounting to EUR 452 thousand (EUR 960 thousand in 2018). The allocation for the year amounted to EUR 158 thousand, reaching a provisional total of EUR 2,907 thousand (EUR 3,474 thousand in 2018), of which EUR 484 thousand fall due in the short term (2018: EUR 1,001 thousand).

Accruals with personnel

These provisions include the incentive, due and payable in cash, corresponding to the 2020 and 2017 Plans (Note 33.20) for the Executive President, Executive Director and Senior Management of Prosegur Cash.

During the year, provisions to results have been made for EUR 3,263 thousand (Note 5.1) (EUR 1,852 thousand in 2018). That amount includes the adjustment for fair value of the share price for the 2017 Plan at the time of payments and the corresponding accrual for the 2020 and 2017 Plans.

During 2019, payments were made corresponding to the 2017 Plan, taking as a reference the Prosegur and Prosegur Cash share price at the time of the payment, thus substituting the method of share settlement initially planned.

During 2019 a sum of EUR 785 thousand (2018: EUR 2,558 thousand) has been applied, corresponding to the first payment of the 2017 Plan.

The fair value of the incentives referred to the share quotation price was estimated on the basis of Prosegur and Prosegur Cash share quotation price at the close of the period or at the payment time.

Lastly, part of this provision was recognised as current provisions in an amount of EUR 965 thousand, since the maturity of this commitment will take place in 2020 associated with the 2017 Plan (2018: EUR 697 thousand, with maturity in 2019).

23. Financial liabilities

The details and composition of financial liabilities and the corresponding terms and conditions are as follows:

Thousands of Euros	2019 Average interest rate	2019 Non-current	2019 Current	2018 Average interest rate	2018 Non-current	2018 Current
Bonds and marketable securities	1.38%	593,306	8,872	1.38%	592,438	8,872
Loans and borrowings	1.41%	20,214	106,145	2.71%	64,314	73,276
Finance lease payables	11.04%	-	-	4.61%	5,226	6,714
Credit accounts	44.42%	-	38,998	6.30%	-	13,617
Other payables	18.37%	33,046	56,509	12.05%	26,043	29,513
		646,566	**210,524**		**688,021**	**131,992**

The details and composition of financial liabilities and the corresponding terms and conditions are as follows:

Thousands of Euros	Currency	Year of maturity	2019 Non-current	2019 Current	2018 Non-current	2018 Current
Bonds and other marketable securities	Euro	2026	593,306	8,872	592,438	8,872
Loans and borrowings	Euro	2020-2022	18,966	55,115	-	63,317
Loans and borrowings	Brazilian Real	2020-2021	54	56	93	358
Loans and borrowings	South African Rand	2019	-	-	17,563	-
Loans and borrowings	Australian dollar	2020-2021	29	44,014	43,423	-
Loans and borrowings	Peruvian Nuevo Sol	2020	-	1,655	2,349	5,683
Loans and borrowings	Other currencies	2020-2022	1,165	5,305	886	3,918
Finance lease payables	Euro	2019-2020	-	-	1,736	2,073
Finance lease payables	Brazilian Real	2019-2020	-	-	492	3,066
Finance lease payables	Other currencies	2019-2021	-	-	2,998	1,575
Credit accounts	Euro	2020	-	29	-	4,823
Credit accounts	Argentine Peso	2020	-	28,152	-	-
Credit accounts	Other currencies	2020	-	10,817	-	8,794
Other payables	Euro	2020-2023	7,857	4,571	5,921	6,368
Other payables	Brazilian Real	2020-2033	15,850	22,742	12,183	9,966
Other payables	Argentine Peso	2020-2023	1	14,290	1	131
Other payables	Other currencies	2020-2033	9,338	14,906	7,938	13,048
			646,566	**210,524**	**688,021**	**131,992**

At 31 December 2019 drawdowns from credit facilities in current accounts totalled EUR 38,998 thousand (EUR 13,617 thousand in 2018). Details of undrawn credit facilities are as follows:

	Thousands of Euros 2019	Thousands of Euros 2018
Maturing in less than 1 year	168,633	104,624
Maturing in more than 1 year	280,000	300,000
	448,633	**404,624**

Credit facilities are subject to various interest rate reviews in 2020.

Debentures and other negotiable securities

On 4 December 2017, Prosegur Cash, S.A. issued uncovered bonds with a nominal amount of EUR 600,000 thousand, maturing on 4 February 2026. The issue was made in the Euromarket as part of the Euro Medium Term Note Programme. This issue will enable the deferment of maturities of part of the debt of Prosegur Cash and the diversification of funding sources. The bonds are traded on the secondary market, on the Irish Stock Exchange. They accrue an annual coupon of 1.38% payable at the end of each year.

Syndicated credit facility (Spain)

On 10 February 2017, Prosegur Cash, S.A. arranged a new five-year syndicated credit facility of EUR 300,000 thousand to afford the Company long-term liquidity. On 7 February 2019, this syndicated credit facility was renewed, and its maturity extended by another 5 years until February 2024. At 31 December 2019 the balance drawn down from this loan amounted to EUR 20,000 thousand (at 31 December 2018 no amount had been drawn down).

The interest rate of the drawdowns under the syndicated credit facility is equal to Euribor plus an adjustable spread based on the Company's rating.

Syndicated loan (Australia)

On 28 April 2017, Prosegur, via its subsidiary Prosegur Australia Investments Pty Limited, arranged a syndicated credit facility in the amount of AUD 70,000 thousand for a 3-year term.

At 31 December 2019, the drawn down capital corresponding to the loan amounts to AUD 70,000 thousand (equivalent to EUR 43,764 thousand at 31 December 2019). At 31 December 2018, the drawn down capital corresponding to the loan amounts to AUD 70,000 thousand (equivalent to EUR 43,170 million at 31 December 2019).

Finance lease payables

Details of minimum payments under finance leases at 31 December 2018 are as follows:

Thousands of Euros	2018
Less than 1 year	7,012
1 to 5 years	5,531
Interest	(603)
	11,940

The main assets acquired under finance leases are armoured vehicles and cash management machines (Note 11).

At 1 January 2019 with the entry into force of IFRS 16, this debt was reclassified under the lease liabilities heading (Note 12).

Bailment

In Australia, Prosegur has access to facilities under "bailment" for the supply of cash to automated teller machines belonging to Prosegur Cash. In these facilities, cash is owned by the bailment provider, who has direct contracts with Prosegur Cash. Prosegur has access to this money with the only purpose to load cash onto the ATMs, governed by this contract. The settlement of the cash assets and liabilities is carried out via regulated clearing systems, such as the right of set-off. As a result of the foregoing, no assets and liabilities are shown in the Consolidated Annual Accounts for this item. The outstanding amount at 31 December 2019 is AUD 50.5 million (equivalent to EUR 31.6 million) (at 31 December 2018 it was AUD 43.90 million, equivalent to EUR 27.70 million).

Bank borrowings (South Africa)

In order to partially finance the subscription of shares representing 33.33% of the share capital of the South African company SBV Services Proprietary Limited, Prosegur arranged a 4-year bullet loan on 29 January 2016 for ZAR 272,000 thousand.

On 20 June 2019, and as consequence of exercising the sales option on the 33.33% holding in SBV (Note 15), the entire loan has been cancelled in advance, therefore there is no outstanding amount at 31 December 2019 (at 31 December 2018: Rand 272,000 thousand, equivalent value at 31 December 2018: EUR 16,534 thousand).

Other payables

Other payables mainly relate to pending payments of business combinations formed in both the present year and previous years (Note 28). Details of other payables are as follows:

	Thousands of Euros	
	2019	**2018**
Non-current		
Contingent and deferred payments for acquisitions	28,771	21,288
Others	4,275	4,755
	33,046	**26,043**
Current		
Contingent and deferred payments for acquisitions	56,244	28,728
Others	265	785
	56,509	**29,513**

The deferred and contingent payments relating to acquisitions are as follows:

		2019		**2018**	
Thousands of Euros	**Currency**	**Non-current**	**Current**	**Non-current**	**Current**
Performed in 2017					
Fiel Vigilância e Transporte de Valores	Brazilian Real	-	649	-	618
Transvig – Transporte de Valores e Vigilancia LTDA	Brazilian Real	-	-	-	146
Nordeste and Transbank Group	Brazilian Real	-	4,427	-	3,511
Grupo Contesta	Euro	-	1,762	3,447	3,544
Other business combinations Prosegur Cash 2017	Miscellanea	-	1,919	-	1,900
Performed in 2018					
Business combinations Ibero-America	Miscellanea	4,563	11,061	8,305	14,209
Business combinations AOA	Miscellanea	8,850	3,142	7,198	2,230
Business combinations Europe	Miscellanea	1,905	1,137	2,338	2,570
Performed in 2019					
Business combinations Ibero-America	Miscellanea	7,619	27,764	-	-
Business combinations AOA	Miscellanea	-	2,692	-	-
Business combinations Europe	Miscellanea	5,834	1,691	-	-
		28,771	**56,244**	**21,288**	**28,728**

The reconciliation of balances classified as financial liabilities with the flow of financing activities in the Statement of Cash Flows is as follows:

Thousands of Euros	Bonds and other marketable securities	Loans and borrowings	Finance lease payables	Debts with credit institutions	Other payables	Total
Carrying amount at 1 January 2019	**601,310**	**137,590**	**11,940**	**13,617**	**55,556**	**820,013**
Transfers	-	-	(11,940)	-	-	**(11,940)**
Cash flows from financing	(8,250)	(15,178)	-	21,398	(21,170)	**(23,200)**
Accrual of interest	9,118	6,410	-	5,303	10,565	**31,396**
Acquisition of businesses	-	26	-	454	44,886	**45,366**
Disposal of the scope of consolidatiion	-	(1,504)	-	(2,057)	-	**(3,561)**
Translation differences	-	(985)	-	283	(282)	**(984)**
Balance at 31 December 2019	**602,178**	**126,359**	**-**	**38,998**	**89,555**	**857,090**

24.Suppliers and other payables

Details of suppliers and other payables are as follows:

	Thousands of Euros	
	2019	**2018**
Trade payables	111,928	114,966
Accrued personnel costs	85,767	81,921
Social Security and other taxes	81,875	55,188
Other payables	67,220	61,894
	346,790	**313,969**

Accruals with personnel

Prosegur's remuneration policy for indirect personnel includes a variable component determined through specifically designed incentive programmes, which aim is to recognise and reward Prosegur Cash employees' contribution to its success by achieving or surpassing targets and developing the necessary skills for excellence in their duties and responsibilities. The incentive programme directly links variable remuneration to the achievement of targets established by Prosegur Cash Management or the employee's direct superior over a given time.

Accruals with personnel include EUR 965 thousand relating to the incentive programme (EUR 697 thousand in 2018). The cost recognised in the income statement for that scheme (Note 22) under employee benefits expense amounts to EUR 25,628 thousand (EUR 16,093 thousand in 2018).

The employee benefits expense also includes salaries payable and accrued extraordinary salary instalments.

Information on average payment period to suppliers. Final Provision Two of Act 31/2014, of 3 December

Information on deferred payments to suppliers by consolidated Spanish companies is as follows:

	2019	2018
	Days	Days
Average period of payment to suppliers	66	58
Ratio of transactions paid	68	62
Ratio of transactions pending payment	52	24

	Thousands of Euros	Thousands of Euros
Total payments made	54,434	53,322
Total payments pending	5,411	5,941

In accordance with the ICAC Resolution, the calculation of the average payment period to suppliers has considered the commercial transactions corresponding to the delivery of goods or the rendering of services accrued through the date of entry into force of Act 31/2014, 3 December, i.e. 24 December 2014. The information in these Consolidated Annual Accounts concerning payments to suppliers refers solely to companies located in Spain that are fully consolidated.

For the exclusive purposes of providing the disclosures envisaged in this Resolution, suppliers are deemed as commercial creditors holding debts for the supply of goods or services, included under Suppliers and other payables of current liabilities of the consolidated balance sheet.

“Average payment period to suppliers" is understood as the period between the delivery of the goods or the rendering of the services by the supplier and the material payment of the transaction.

The maximum legal term of payment applicable to the consolidated companies in 2018, according to Act 11/2013, of 26 July, is of 30 days (unless the conditions set forth in the Act allowing the maximum payment period to be raised to 60 days are fulfilled).

25. Taxation

Prosegur Cash consolidates as part of the Prosegur Tax Group in Spain. As well as Prosegur Compañía de Seguridad, S.A., as the Parent, this consolidated tax group also comprises the Spanish subsidiaries that meet the requirements set out in regulations governing consolidated taxation.

Moreover, the Prosegur Cash Group files corporate income tax returns in the following countries: Luxembourg, Portugal and Australia.

- In Luxembourg, Prosegur has a consolidated tax group formed by Luxpai CIT SARL and Pitco Reinsurance SA.
- In Portugal, Prosegur Logistica e Tratamento de Valores Portugal, S.A. is a member of a consolidated tax group along with the rest of Prosegur Cash subsidiaries.
- In Australia, Prosegur SPV1 PTY Limited, incorporated during the year, has joined the consolidated tax group. As a result of this incorporation, the group is composed of that company and the five Australian companies that already formed part of the group the previous year: Prosegur Australia Holdings Pty Limited, Prosegur Australia Investments Pty Limited, Prosegur Australia, Prosegur Technology Pty Limited and Prosegur Asset Management.

The rest of subsidiaries file tax returns in accordance with tax legislation in force in the countries in which they operate.

Details of the income tax expense, for current tax and deferred tax, are as follows:

Thousands of Euros	2019	2018
Current tax	104,149	85,259
Deferred tax	(13,559)	4,622
	90,590	**89,881**

The main items making up the deferred tax expense/(income) are as follows:

Thousands of Euros	2019	2018
Tax losses and Tax deductions	(4,965)	(769)
Provisions	(9,775)	1,459
Intangible asset amortisation	1,129	6,015
Other temporary differences	52	(2,083)
	(13,559)	**4,622**

The deferred items arising from tax-related goodwill are from local mergers in Brazil which took place during previous years. Brazilian tax legislation permits accelerated amortisation for fiscal purposes.

The calculation of the income tax expense, based on pre-tax profit for the year, is as follows:

Thousands of Euros	2019	2018
Profit before income tax	**259,606**	**264,109**
Tax rate	25%	25%
Result of applying tax rate to profit	64,902	66,027
Permanent differences	13,378	13,994
Effect of application of different tax rates	8,593	9,227
Adjustments for deferred tax assets and tax losses	5,753	1,530
Previously unrecognised deductions applied	(2,036)	(897)
Income tax expense	**90,590**	**89,881**

The effective tax rate is 34.9% for 2019, compared with 34% in the same period of 2018, implying an increase of approximately 1 percentage point.

The tax rates in the countries in which the Prosegur Cash Group operates are as follows:

Tax rate	2019	2018
Germany	30.5%	30.5%
Argentina	30.0%	30.0%
Australia	30.0%	30.0%
Brazil	34.0%	34.0%
Chile	27.0%	27.0%
Colombia	33.0%	33.0%
Costa Rica	30.0%	-
El Salvador	30.0%	30.0%
Spain	25.0%	25.0%
The Philippines	30.0%	30.0%
France	33.3%	33.3%
Guatemala	25.0%	25.0%
The Netherlands	25.0%	25.0%
Honduras	30.0%	30.0%
India	28.0%	28.0%
Indonesia	25.0%	-
Luxembourg	24.9%	26.0%
Mexico	30.0%	30.0%
Nicaragua	30.0%	30.0%
Paraguay	10.0%	10.0%
Peru	29.5%	29.5%
Portugal	22.5%	22.5%
Singapur	17.0%	17.0%
South Africa	28.0%	28.0%
Uruguay	25.0%	25.0%

In 2019, some local legislations amended their tax rates for the next few years. Accordingly, the tax rate for the following years will be as shown below:

	Type of taxation
Tax rates for years starting on:	Colombia
1 January 2020	32%

Consequently, deferred tax assets and deferred tax liabilities have been adjusted in accordance with these new tax rates.

Movements in deferred tax assets and liabilities and changes in their composition are as follows:

Thousands of Euros	**Balance at 31 December 2017**	Recognised in profit and loss	Business combinations (Note 28)	Recognised in equity	Translations differences	**Balance at 31 December 2018**	Recognised in profit and loss	Business combinations (Note 28)	Recognised in equity	Disposal of the scope of consolidatiion	Translations differences	**Balance at 31 December 2019**
Property, Plant and Equipment amortisation	**2,103**	(275)	51	-	(64)	**1,815**	(244)	56	-	-	(45)	**1,582**
Intangible asset amortisation	**608**	2,436	762	-	(156)	**3,650**	(2,593)	-	-	-	(1)	**1,056**
Losses and Tax Deductions	**23,655**	769	119	-	(487)	**24,056**	4,965	-	-	(1,573)	(1,379)	**26,069**
Provisions	**50,297**	(2,580)	1,850	860	(5,071)	**45,356**	8,922	114	7,652	(1,083)	(1,685)	**59,276**
	76,663	**350**	**2,782**	**860**	**(5,778)**	**74,877**	**11,050**	**170**	**7,652**	**(2,656)**	**(3,110)**	**87,983**

Thousands of Euros	**Balance at 31 December 2017**	Recognised in profit and loss	Business combinations (Note 28)	Recognised in equity	Translations differences	**Balance at 31 December 2018**	Recognised in profit and loss	Business combinations (Note 28)	Recognised in equity	Disposal of the scope of consolidatiion	Translations differences	**Balance at 31 December 2019**
Assets amortisation	**(23,699)**	(8,451)	(6,741)	(3,557)	3,547	**(38,901)**	1,464	(6,235)	-	1,314	4,511	**(37,847)**
Stock impairment	**(1,342)**	1,224	-	-	-	**(118)**	59	-	-	-	-	**(59)**
Brand (Note 6)	**(9,010)**	-	-	-	-	**(9,010)**	-	-	-	-	-	**(9,010)**
Provisions	**(30,314)**	1,121	(2,597)	144	97	**(31,549)**	854	(37)	-	90	(159)	**(30,801)**
Others	**(1,494)**	1,134	-	139	-	**(221)**	133	-	-	-	105	**17**
	(65,859)	**(4,972)**	**(9,338)**	**(3,274)**	**3,644**	**(79,799)**	**2,510**	**(6,272)**	**-**	**1,404**	**4,457**	**(77,700)**

In 2019, as a result of the first application of IFRS 16 (Note 33), deferred tax assets amounting to EUR 4,362 thousand were recognised in equity.

Tax loss assets at 31 December 2019 were EUR 26,069 thousand (2018: EUR 24,059 thousand).

Details of total current and deferred income tax in relation to items credited or debited directly in other comprehensive income during the year are as follows:

	Thousands of Euros	
Thousands of Euros	**2019**	**2018**
Losses and Profits Equity	142	280
	142	**280**

Details of deferred tax assets and liabilities that are expected to be realised or reversed in periods exceeding 12 months are as follows:

Thousands of Euros	**2019**	**2018**
Deferred tax assets	78,108	65,562
Deferred tax liabilities	(73,623)	(74,614)
	4,485	**(9,052)**

The breakdown by country of the main deferred tax assets and liabilities, in thousands of Euros, is as follows:

	2019		**2018**	
Thousands of Euros	**Deferred Assets**	**Deferred Liabilities**	**Deferred Assets**	**Deferred Liabilities**
Brazil	40,281	(19,870)	33,607	(22,978)
Germany	15,339	(602)	15,955	(2,331)
Argentina	9,344	(12,697)	1,971	(11,352)
Spain	1,710	(16,682)	3,312	(14,295)
Others	21,309	(27,849)	20,032	(28,843)
Total	**87,983**	**(77,700)**	**74,877**	**(79,799)**

Prosegur Cash does not have uncapitalised deductions pending application.

Deferred tax assets regarding tax loss carryforwards are recognised provided that it is probable that sufficient taxable income will be available against which to offset the asset.

The consolidated balance sheet presents the amounts of deferred taxes in accordance with the provisions of IAS 12 in relation to offsetting current tax assets and liabilities in certain conditions, which are fulfilled in Spain, Portugal and Australia. In the breakdown of deferred tax assets and liabilities these are shown without offsetting.

Details of tax loss carryforwards and the year until which they can be offset at 31 December 2019 are as follows:

	Thousands of Euros		
Year	**Total**	**Not capitalised**	**Capitalised**
2020	3,340	3,340	-
Subsequent years or no time limit	142,034	55,983	86,051
	145,374	**59,323**	**86,051**

The breakdown of tax carryforwards and prescriptive periods at 31 December 2019 is as follows:

	Thousands of Euros		
	Total Amount	**2020**	**Later**
Germany	46,977	-	46,977
Argentina	19,782	-	19,782
Australia	30,193	-	30,193
Brazil	3,653	-	3,653
Chile	10,541	-	10,541
Colombia	5,050	-	5,050
Costa Rica	4	-	4
España	469	-	469
Philippines	308	-	308
The Netherlands	175	-	175
India	6,420	-	6,420
Indonesia	1,257	-	1,257
Luxembourg	318	-	318
Mexico	15,955	2,803	13,152
Uruguay	4,266	538	3,728
Total	**145,368**	**3,341**	**142,027**

The breakdown of tax carryforwards capitalised and not capitalised at 31 December 2019 is as follows:

	Thousands of Euros		
	Total	**Not capitalised**	**Capitalised**
Germany	46,977	-	46,977
Argentina	19,782	1,977	17,805
Australia	30,193	20,163	10,030
Brazil	3,653	1,171	2,482
Chile	10,541	4,530	6,011
Colombia	5,050	2,343	2,707
Costa Rica	4	4	-
Spain	469	469	-
The Philippines	308	308	-
The Netherlands	175	175	-
India	6,420	6,420	-
Indonesia	1,257	1,257	-
Luxembourg	318	318	-
Mexico	15,955	15,916	39
Uruguay	4,266	4,266	-
Total	**145,368**	**59,317**	**86,051**

At 31 December 2019 most of the tax carryforwards pending offsetting are in Australia, Mexico and India.

Of the EUR 145,368 thousand of activated and non-activated tax bases by the Prosegur Cash Group with a period of limitation extending beyond 2020, there is no time limit for offsetting EUR 92,007 thousand and there is a time limit for the remaining EUR 53,361 thousand.

Deferred tax assets are recognised provided that it is probable that sufficient taxable income will be generated against which the temporary differences can be offset. The recoverable amount of a CGU is determined based on its value in use. These calculations are based on cash flow projections, excluding the effects of potential future improvements in the return on assets, from the four-year financial budgets approved by Management.

On 4 April 2019 the Brazilian Tax Authority notified Prosegur Brasil S.A. Transportadora de Valores e Segurança, of a tax settlement decision regarding Personal Income Tax, Social Security and withholdings at source in relation to the corporate cost incurred from 2014 to 2016. The amount under that notice was BRL 214,820 thousand (tax liability BRL 102,938 thousand, interest BRL 30,833 thousand and penalties BRL 81,049 thousand), equivalent value at 31 December 2019 EUR 47,737 thousand. The resolution was challenged by the Company in first instance in the administrative stage on 29 April 2019, and was resolved on 30 July 2019 with a reduction of 44,877 thousand reals. The Company has proceeded to appeal this in the second administrative instance, where a favourable resolution to this lawsuit is anticipated.

Due to the different interpretations that could be made of the fiscal legislation in force, additional tax liabilities could arise in the event of inspection. In any event, the Directors of the Prosegur Cash Group do not consider that any such liabilities that could arise would have a significant effect on the Consolidated Annual Accounts.

Prosegur Cash has decided to implement IFRIC 23 referring to the application of the recognition and measurement criteria of IAS 12 when there is uncertainty regarding the tax authority's acceptance of a specific tax treatment used by the Prosegur Cash Group (Note 33.1).

With this, if the Prosegur Cash Group considers it is likely that the tax authority will accept an uncertain tax treatment, it will establish the taxable gain (loss), the tax bases, unused tax losses, unused tax credits or the tax rates consistent with the tax treatment used or intended to be used in its income tax returns, without allocating any provision for that uncertain tax treatment.

Nevertheless, if Prosegur Cash considers it unlikely that the tax authority will accept an uncertain tax treatment, it will reflect the effect of the uncertainty to establish the taxable gain (loss), the tax bases, unused tax losses or credits or the corresponding tax rates. Prosegur Cash will reflect the effect of the uncertainty for each uncertain tax treatment by using the most likely amount or the expected value of the probability-weighted amounts.

The impact upon transition of adopting IFRIC 23 at 1 January 2019 was EUR 27,887 thousand (Note 33.1), having recorded that impact under the heading of Retained earnings and other reserves which appears under the item for “Transition adjustments” of the consolidated statement of changes in equity and under the heading of current tax liabilities.

In 2019 the merger took place in which Enclama S.L. was absorbed by Prosegur AVOS España S.L. under the tax neutrality regime.

26. Contingencies

Sureties and guarantees

Prosegur Cash Group has contingent liabilities for bank and other guarantees related with its normal business operations that are not expected to give rise to any significant liabilities.

Guarantees provided by Prosegur Cash Group to third parties are as follows:

Thousands of Euros	2019	2018
Commercial guarantees	133,274	236,801
Financial guarantees	159,683	52,914
	292,957	**289,715**

Commercial guarantees include those given to clients.

Financial guarantees include mainly those relating to civil and labour-related litigation in process, totalling EUR 107,109 thousand (EUR 42,064 thousand at 31 December 2018). The civil and labour-related litigation associated with Brazil amounted to EUR 47,205 thousand (EUR 42,027 thousand at 31 December 2018) (see Note 22).

National Commission on Markets and Competition

On 22 April 2015, Spain's National Commission on Markets and Competition (hereinafter, the CNMC) commenced disciplinary proceedings against Prosegur, Prosegur Servicios de Efectivo España, S.L.U (currently a subsidiary of Prosegur Cash) and Loomis España, S.A. for alleged anticompetitive practices in accordance with European Union legislation. On 10 November 2016, the Competition Chamber of the CNMC ordered a fine of EUR 39,420 thousand to be imposed on Prosegur and its subsidiary.

On 13 January 2017, Prosegur announced it planned to file, in the National Court (Audiencia Nacional), a contentious-administrative appeal against said ruling and requested the adoption of an interim measure consisting of suspending payment of the fine imposed.

On 13 February 2017, the National Court accepted the appeal proposed by Prosegur for processing, commencing the relevant proceedings, prior to formal filing of the appeal. On 6 September 2018, Prosegur filed the relevant appeal which at present remains pending resolution by the National Court in respect of the underlying matter.

With regard to the request for the interim measure, on 31 March 2017, the National Court agreed to it and suspended execution of the CNMC resolution in particular concerning payment of the fine by Prosegur, on the condition that, within a maximum of two months, Prosegur should provide surety or any other guarantee in the amount of the fine. On 9 June 2017, Prosegur presented the National Court with a bank guarantee amounting to EUR 39,420 thousand.

Prosegur will undertake solely and at its own expense the defence of Prosegur and Prosegur Servicios de Efectivo España, S.L. with regard to the disciplinary proceedings and the resolution by the Competition Chamber of the CNMC on 10 November 2016, with exclusive powers in respect of the supervision and control of said defence and of the contentious-administrative proceedings. Prosegur will hold Prosegur Cash and its subsidiary harmless from the potential negative economic effects of said proceedings.

27. Commitments

Purchase commitments for fixed assets

Investments committed but not made at year end are as follows:

Thousands of Euros	2019	2018
Property, Plant and Equipment	20,979	15,668
Other intangible assets	669	547
	21,648	**16,215**

At 31 December 2019, the commitments correspond mainly to the purchase of armoured vehicles, machinery and plants (Note 11).

Lease commitments

As indicated in Note 33.7, the Prosegur Cash Group has chosen not to recognise in the balance sheet the lease liabilities and the right of use asset corresponding to short term and low value lease contracts.

The commitments deriving from these lease contracts are as follows:

At 31 December 2019	Thousands of Euros		
Type	**Less than 1 year**	**1 to 5 years**	**Over 5 years**
Buildings	6,121	2,052	-
Vehicles	5,191	939	-
Other assets	2,621	1,940	-
	13,933	**4,931**	**-**

At 31 December 2018	Thousands of Euros		
Type	**Less than 1 year**	**1 to 5 years**	**Over 5 years**
Buildings	9,644	30,605	17,700
Vehicles	4,462	5,983	2,992
Other assets	68	234	-
	14,174	**36,822**	**20,692**

28. Business combinations

Details of changes in goodwill are presented in Note 13.

28.1 Goodwill included in 2019

Details of the net assets acquired and goodwill recognised on business combinations during the year are as follows:

Thousands of Euros	Cash payment	Deferred amount at fair value	**Total purchase price**	Fair value at identifiable net assets	**Goodwill**
Business combinatios Cash Europe (1)	15,320	7,526	**22,846**	15,334	**7,512**
Business combinatios Cash Ibero-America (1)	30,812	34,282	**65,094**	40,175	**24,919**
Business combinatios Cash AOA (1)	1,241	3,079	**4,320**	698	**3,622**
	47,373	**44,887**	**92,260**	**56,207**	**36,053**

Calculations relating to business combinations are provisional and may be adjusted for up to a year from the acquisition date.

Goodwill is not tax-deductible.

Had the businesses acquired in 2019 been acquired on 1 January 2019, consolidated revenues would have been EUR 19,703 thousand higher and consolidated profit/(loss) for the year would have been reduced by EUR 5,276 thousand.

Prosegur has recognised under administration and sales expenses of the consolidated income statement transaction costs of EUR 2,541 thousand (in 2018: EUR 2,477 thousand).

The cash outflow incurred to purchase these businesses, net of cash acquired, is as follows:

Thousands of Euros	Cash payment	Cash and cash equivalents acquired	**Cash outflow for the acquisition**
Business combinatios Cash Europe (1)	15,320	(5,928)	9,392
Business combinatios Cash Ibero-America (1)	30,812	(3,153)	27,659
Business combinatios Cash AOA (1)	1,241	(5)	1,236
	47,373	(9,086)	38,287

(1) Calculations relating to business combinations are provisional and may be adjusted for up to a year from the acquisition date.

Cash business combinations in Europe

In 2019, Prosegur Cash acquired a software engineering companies in Europe specialised in the development of technological solutions for the insurance industry implemented in open systems and platforms, and a company that provides cash management services related to digital software of the retail sector. The total purchase price was EUR 22,846 thousand, comprising a cash consideration of EUR 15,320 thousand, a deferred contingent consideration amounting to a total of EUR 5,952 thousand, due in 2020, 2021, 2022, 2023, and a deferred payment of EUR 1,574 thousand, due in 2020.

The revenue and net profits contributed to the consolidated income statement for 2019 amounted to EUR 500 thousand and EUR 163 thousand respectively.

The assets and liabilities that arose from this acquisition are as follows:

(Thousands of Euros)	**Carrying amount of the acquired company**	**Fair value**
Cash and cash equivalents	5,928	5,928
Clients and other receivables	1,452	1,453
Non-current financial liabilities	1,126	1,126
Current tax assets	155	155
Deferred tax assets	56	56
Other liabilities and expenses	(386)	(386)
Property, Plant and Equipment	789	789
Trade and other payables	(1,540)	(1,540)
Short-term financial liabilities	(5)	(5)
Deferred tax liabilities	(12)	(2,601)
Other intangible assets	3	10,359
Identifiable net assets acquired	**7,566**	**15,334**

The goodwill on this acquisition was allocated to the Europe segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur Cash. The intangible assets acquired comprise client relationships (EUR 9,882 thousand) with a useful life of 15 years and a software specialised in the development of technological solutions for the insurance industry (EUR 474 thousand) with a useful life of 8 years.

Cash business combinations in Ibero-America

During 2019, in Ibero-America Prosegur acquired a number of security companies and assets providing cash in transit and cash management services and administrative banking services. The total purchase price was EUR 65,094 thousand, comprising a cash consideration of EUR 30,812 thousand, a deferred contingent consideration amounting to a total of EUR 19,748 thousand, due in 2019, 2020 and 2021 and a deferred payment of EUR 14,534 thousand, due in 2020 and 2021.

The revenue and net profits contributed to the consolidated income statement for 2019 amounted to EUR 29,309 thousand and EUR 2,898 thousand respectively.

The assets and liabilities that arose from this acquisition are as follows:

(Thousands of Euros)	**Carrying amount of the acquired company**	**Fair value**
Cash and cash equivalents	3,153	3,153
Right of use	2,027	2,027
Property, Plant and Equipment	914	914
Clients and other receivables	8,979	8,979
Non-current financial assets	16	16
Deferred tax assets	114	114
Current tax assets	983	983
Provisions	(6,812)	(6,812)
Trade and other payables	(9,838)	(9,838)
Short-term financial liabilities	(270)	(270)
Current tax liabilities	(724)	(724)
Long-term lease liabilities	(1,663)	(1,663)
Short-term lease liabilities	(381)	(381)
Deferred tax liabilities	(36)	(3,536)
Other intangible assets	48	47,213
Identifiable net assets acquired	**(3,490)**	**40,175**

The goodwill on this acquisition has been allocated to the Ibero-America segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets are based on client relationships (EUR 41,871 thousand) with a useful life of 9-13 years and a non-competition agreement (EUR 5,294 thousand) with a useful life of 5 and 10 years.

Cash business combinations in AOA

In 2019, Prosegur Cash acquired a security company that provides cash in transit and cash management services. The total purchase price was EUR 4,320 thousand, comprising a cash payment of EUR 1,241 thousand, and a deferred payment of EUR 3,079 thousand maturing in 2019 and 2020.

It contributed revenue of EUR 3,837 thousand and net losses for the year of EUR 742 thousand to the consolidated income statement for 2019.

The assets and liabilities that arose from this acquisition are as follows:

(Thousands of Euros)	Carrying amount of the acquired company	Fair value
Cash and cash equivalents	5	5
Property, Plant and Equipment	374	374
Right of use	269	269
Clients and other receivables	502	502
Trade and other payables	(475)	(475)
Current tax assets	86	86
Other intangible assets	-	540
Deferred tax liabilities	-	(135)
Short-term financial liabilities	(180)	(180)
Long-term financial liabilities	(26)	(26)
Long-term lease liabilities	(150)	(150)
Short-term lease liabilities	(131)	(131)
Inventory	19	19
Identifiable net assets acquired	**293**	**698**

The goodwill on this acquisition was allocated to the AOA segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur Cash. The intangible assets acquired comprise client relationships (EUR 512 thousand) with a useful life of 19 years and trademarks (EUR 28 thousand) with a useful life of 1 year.

28.2 Goodwill added in 2018 with measurement completed in 2019

Details of the net assets acquired and goodwill recognised on business combinations during 2018 for which measurement was completed in 2019 are as follows:

Thousands of Euros	Cash payment	Deferred amount at fair value	**Total purchase price**	Fair value at identifiable net assets	**Goodwill**
Business combinations Cash Ibero-America	26,568	22,593	49,161	25,850	**23,311**
	26,568	**22,593**	**49,161**	**25,850**	**23,311**

Goodwill is not tax-deductible.

At 31 December 2018, total goodwill of EUR 23,568 thousand was recognised on these additions for the Ibero-America Cash business combinations. The difference generated by the verification of the fair values in 2019 corresponded to the re-estimation of the opening balance associated with the Ibero-America Cash business combinations. Prosegur Cash has not restated 2018 figures as the changes are not significant.

The cash outflow incurred to purchase these businesses, net of cash acquired, is as follows:

Thousands of Euros	Cash payment	Cash and cash equivalents acquired	**Cash outflow for the acquisition**
Business combinations Cash Ibero-America	26,568	(2,887)	23,681
	26,568	(2,888)	23,681

Cash business combinations in Ibero-America

In 2018, in Ibero-America Prosegur Cash acquired a series of security companies and assets providing cash in transit and cash management services and conducting correspondent banking activities. The total purchase price was EUR 49,161 thousand, comprising a cash payment of EUR 26,568 thousand, a deferred contingent payment for a total of EUR 22,593 thousand due for payment in 2018, 2019, 2020 and 2021.

The assets and liabilities that arose from this acquisition are as follows:

(Thousands of Euros)	**Carrying amount of the acquired company**	**Fair value**
Cash and cash equivalents	2,887	2,887
Property, Plant and Equipment	9,710	9,710
Clients and other receivables	6,899	6,899
Inventory	129	129
Non-current financial assets	859	859
Deferred tax assets	981	981
Current tax assets	581	581
Trade and other payables	(7,379)	(7,379)
Short-term financial liabilities	(440)	(440)
Long-term financial liabilities	(2,241)	(2,241)
Provisions	(8,702)	(8,702)
Current tax liabilities	(565)	(565)
Deferred tax aliabilities	(342)	(5,995)
Other intangible assets	27	29,126
Identifiable net assets acquired	**2,404**	**25,850**

The goodwill on this acquisition was allocated to the Cash segment and to the Ibero-America geographical area and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise client relationships (EUR 27,990 thousand) with a useful life of between 7 and 16 years, licences (EUR 178 thousand) with a useful life of 2 years, and trademarks (EUR 930 thousand) with a useful life between 2 years and one month and a half.

28.3 Goodwill incorporated in year 2018 not reviewed in 2019

Details of the net assets acquired and goodwill recognised on business combinations during 2018 whose valuation has not been reviewed in 2019 are as follows:

Thousands of Euros	Cash payment	Deferred amount at fair value	**Total purchase price**	Fair value at identifiable net assets	**Goodwill**
Combinaciones de negocio Cash Europe	6,922	4,742	11,664	5,674	**5,990**
Combinaciones de negocio Cash AOA	12,593	8,071	20,664	8,757	**11,907**
	19,515	**12,813**	**32,328**	**14,431**	**17,897**

Goodwill is not tax-deductible.

The cash outflow incurred to purchase these businesses, net of cash acquired, is as follows:

Thousands of Euros	Cash payment	Cash and cash equivalents acquired	**Cash outflow for the acquisition**
Combinaciones de negocio Cash Europe	6,922	(2,358)	4,564
Combinaciones de negocio Cash AOA	12,593	(2,232)	10,361
	19,515	(4,590)	14,925

Cash business combinations in Europe

In 2018, in Europe, Prosegur Cash acquired a series of security companies providing ATM management and maintenance services, cash in transit and document management and the development and marketing of software specialising in prevention of money-laundering and terrorist financing. The total purchase price was of EUR 11,664 thousand, comprising a cash consideration of EUR 6,922 thousand, a deferred contingent consideration amounting to a total of EUR 4,492 thousand, due in 2018, 2019, 2020, 2021, 2022 and 2023 and a deferred payment of EUR 250 thousand, due in 2019.

The assets and liabilities that arose from this acquisition are as follows:

(Tousand of Euros)	Carrying amount of the acquired company	Fair value
Cash and cash equivalents	2,358	2,358
Property, Plant and Equipment	176	176
Clients and other receivables	2,175	2,175
Inventory	786	786
Deferred tax assets	37	37
Current tax assets	12	12
Non-current financial assets	52	52
Trade and other payables	(1,979)	(1,979)
Other liabitilties and assets	(414)	(414)
Current financial liabilities	(342)	(342)
Deferred tax liabilities	(148)	(1,087)
Other current liabilities	(1)	(1)
Other intangible assets	429	3,901
Identifiable net assets acquired	**3,141**	**5,674**

The goodwill on this acquisition was allocated to the Europe segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise client relationships (EUR 3,311 thousand) with a useful life of 6-12 years and other intangible assets (EUR 161 thousand) with a useful life of 6.5 years.

Cash business combinations in AOA

In 2018, Prosegur Cash acquired in AOA a security company that provides cash in transit and cash management services. The total purchase price has been EUR 20,664 thousand, comprising a cash payment of EUR 12,593 thousand, and a deferred contingent consideration totalling EUR 8,071 thousand.

The assets and liabilities that arose from this acquisition are as follows:

(Tousand of Euros)	Carrying amount of the acquired company	Fair value
Cash and cash equivalents	2,232	2,232
Property, Plant and Equipment	4,540	4,540
Clients and other receivables	6,851	6,851
Inventory	216	216
Deferred tax assets	144	654
Trade and other payables	(5,819)	(5,819)
Long-term financial liabilities	(202)	(202)
Short-term financial liabilities	(3,131)	(3,131)
Provisions	-	(1,700)
Deferred tax liabilities	(13)	(2,166)
Other intangible assets	105	7,282
Identifiable net assets acquired	**4,923**	**8,757**

Goodwill was allocated to the AOA segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur Cash. The intangible assets acquired comprise client relationships (EUR 5,717 thousand) with a useful life of 14 years, and trademarks (EUR 1,460 thousand) with a useful life of 5 years.

29.Related parties

Prosegur Cash, S.A. is a subsidiary of the Spanish listed company Prosegur Compañía de Seguridad, S.A., which currently owns 51% of its shares, indirectly controlling another 21.5% via its 100%-owned investee Prosegur Assets Management, S.L.U. The remaining 27.5% of the shares are held by various shareholders (Note 21).

29.1 Balances with Group companies

Prosegur Cash has amounts on the balance sheet with companies belonging to the Prosegur Group but not included in the consolidation scope of the Prosegur Cash Group:

Thousands of Euros	**2019**	**2018**
Short-term investments in Group companies and associates		
Credit institutions	3,491	1,254
Trade and other receivables		
Customers	3,145	2,439
Expense advances	4,971	7,832
Other receivables	56,085	42,482
Total current assets with companies of the Prosegur Group	67,692	54,007
Total assets	**67,692**	**54,007**
Other long-term debts	-	1,864
Total non-current liabilities with companies of the Prosegur Group	**-**	**1,864**
Loans granted by group companies		
Dividends payable (Note 9)	47,388	64,190
Trade and other payables		
Suppliers	48,110	13,765
Other payables	231	968
Total current liabilities with companies of the Prosegur Group	95,729	78,923
Total liabilities	**95,729**	**80,787**

As a result of the tax consolidation of the Prosegur Group in Spain, at 31 December 2019 amounts payable by Prosegur to Prosegur Cash, mainly relating to the payment of corporate income tax (paid in October and December) were included under the heading Other receivables, and corresponded to 2019 and 2018.

On 17 May 2017, Prosegur Cash granted a loan to one of its subsidiaries in India, SIS Cash Services Private Ltd, which is equity accounted; at 31 December 2019, the outstanding amount came to EUR 2,450 thousand (EUR 2,130 thousand in 2018) (Note 18).

Financial transactions

In 2019 and 2018 there were no loan transactions between related parties.

Investment operations

In 2019 there were no investment operations with the Prosegur Group.

On 1 March 2018, in Argentina, the Prosegur Cash Group acquired from the Prosegur Group 100% of Tellex, S.A., a company focusing mainly on the marketing and maintenance of ATMs. The total purchase price was ARS 284,621 thousand (equivalent to EUR 11,634 thousand at the acquisition date), comprising a cash payment of ARS 161,286 thousand (equivalent to EUR 6,593 thousand at the acquisition date) and a deferred contingent consideration totalling ARS 123,335 thousand (equivalent to EUR 2,883 thousand at 31 December 2018) payable in 2019, 2020 and 2021 (Note 28).

Trade transactions

Trade receivables by the Prosegur Cash Group from the Prosegur Group amount to EUR 8,116 thousand and EUR 10,271 thousand at 31 December 2019 and 2018, respectively. These amounts correspond mainly to a lease advance booked in Peru for operating buildings in the amount of EUR 4,971 thousand, covering the next two years' rental (EUR 7,832 thousand at 31 December 2018). The remainder is associated with trade receivables as yet unpaid by the Prosegur Group to the Group (Note 29.2).

Trade receivables by the Prosegur Group from the Prosegur Cash Group amount to EUR 48,341 thousand and EUR 14,733 thousand at 31 December 2019 and 2018, respectively. These amounts correspond, among other items, to prices for transfers, trademark, utilities and rentals and trade accounts pending payment by Prosegur Cash to the Prosegur Group (Note 29.2).

29.2 Transactions with Prosegur Group companies

On 31 July 2018, the spin-off of the remaining 4 regions of the Brazil Security business was completed (Note 16), and all outstanding balances were cancelled. The payment associated with the sale of these four subsidiaries amounted to BRL 960 thousand (equivalent to EUR 242 thousand on the transaction date).

In the spin-off process of the Prosegur Group's Brazil Security business, tax credits amounting to BRL 19,791 thousand (EUR 4,455 thousand as per the 31 December 2018 exchange rate) were assigned to the Cash division. In consideration for the assignment of these tax credits, a cash reimbursement of BRL 19,791 thousand (EUR 4,455 thousand as per the 31 December 2018 exchange rate) was made.

The Prosegur Cash Group performs transactions with companies belonging to the Prosegur Group but not included in the consolidation scope of the Prosegur Cash Group:

Thousands of Euros	2019	2018
Income		
Provision for services	1,399	1,732
Finance income (Note 7)	1,256	683
Total income	**2,655**	**2,415**
Expenses		
Other services	(110,839)	(117,520)
Financial expenses (Nota 7)	(3,053)	-
Total expenses	**(113,892)**	**(117,520)**

Services rendered and other income includes the following items of income and expense:

Thousands of Euros	2019	2018
Income from the provision of services and other income		
Rentals and Supplies	509	1,305
Services rendered	890	427
Total income from other services	**1,399**	**1,732**

Thousands of Euros	2019	2018
Expenses from other services		
Brand (Note 4)	(23,391)	(28,697)
Management Fees (Note 4)	(66,205)	(65,473)
Rentals and Supplies	(8,239)	(15,989)
Amortisation rights of use	(6,449)	-
Services rendered	(6,555)	(7,361)
Total expenses from other services	**(110,839)**	**(117,520)**

The variation in the rental expense arises as a result of applying IFRS 16 to the rentals contracted with Prosegur, which is why the depreciation expense and the financial expense have increased.

29.3 Remuneration to members of the Board of Directors and Senior Management of the Parent Company

1. Remuneration of members of the Board of Directors

The total remuneration accrued by members of the Board of Directors is as follows:

	Thousands of Euros	
	2019	2018
Fixed remuneration	1,270	1,257
Variable remuneration	572	445
Remuneration for membership of the Board	120	117
Per diems	136	126
	2,098	**1,945**

2. Remuneration of Senior Management personnel

Senior Management personnel are Prosegur Cash employees who hold, de facto or de jure, senior management positions reporting directly to the governing body or Executive Director, including those with power of attorney not limited to specific areas or matters or areas or matters not forming part of the entity's statutory activity.

The total remuneration accrued by Senior Management personnel of Prosegur Cash is as follows:

	Thousands of Euros	
	2019	**2018**
Fixed remuneration	2,131	2,369
Variable remuneration	1,015	860
Remuneration in kind	117	162
Life insurance premiums	10	20
	3,273	**3,411**

Civil liability insurance expenses covering the Board of Directors and Senior Management amount to EUR 74 thousand and are included in other expenses under administration and sales expenses (EUR 21 thousand in 2018).

29.4 Information required by article 229 of the Spanish Companies Act

As required by articles 228, 229 and 230 of the Revised Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010 and amended by Act 31/2014 concerning improvements to corporate governance, the members of the Board of Directors and their related parties declare that they have not been involved in any direct or indirect conflicts of interest with the Company in 2019.

Occasionally, and even before the appointment of Mr Daniel Guillermo Entrecanales Domecq as a Director of the company, Revolution Publicidad, S.L. has provided Prosegur Cash with advertising agency, media, marketing and communication services, within the ordinary course of business and on an arm's-length basis. Prosegur Cash does not work solely with the agency Revolution Publicidad, S.L., but receives advertising, media, marketing and communication services from other companies too. The invoicing from Revolution Publicidad, S.L. to Prosegur Cash is not material and does not represent a significant amount. At 31 December 2019, fees totalled EUR 66 thousand (EUR 35 thousand at 31 December 2018).

The Board of Directors considers that the business relationship between the agency Revolution Publicidad, S.L. and Prosegur Cash, due to its occasional, non-exclusive nature in the ordinary course of business, and its scant significance in the terms outlined, in no way affects the independence of Daniel Guillermo Entrecanales Domecq to discharge the duties of independent Director of Prosegur Cash.

In 2019, Euroforum Escorial, S.A. (controlled by Gubel, S.L.) invoiced Prosegur Cash EUR 81 thousand for hotel services (EUR 95 thousand at 31 December 2018). Prosegur is controlled by Gubel S.L., which was incorporated in Madrid, and holds 51.618% of the share capital of Prosegur, which consolidates Prosegur Cash in its consolidated financial statements.

In December 2018 a lease contract was signed with Proactinmo, S.L.U. (controlled by Gubel, S.L.) for the building located in calle San Máximo 3 and 5 in Madrid; the term of the lease is 5 years, and it was signed under market conditions. A total expense of EUR 701 thousand was incurred in relation to this contract in 2019 (EUR 15 thousand in 2018).

Also during the year, Prosegur Cash provided services to Gubel, S.L. amounting to EUR 18 thousand (EUR 14 thousand at 31 December 2018).

Moreover, Mr Christian Gut Revoredo and Mr Antonio Rubio Merino respectively hold the posts of Executive Director of Prosegur and Executive President of Prosegur Cash and Chief Financial Officer of Prosegur and Proprietary Director (representing Prosegur) at Prosegur Cash. Ms Chantal Gut Revoredo is a Proprietary Director at Prosegur and Prosegur Cash. The Board of Directors considers that their respective posts at Prosegur in no way affect their independence when discharging their duties at Prosegur Cash.

30. Financial risk management and fair value

30.1 Financial risk factors

The Prosegur Cash Group's activities are exposed to currency risk, interest rate risk, price risk, credit risk and liquidity risk. The Prosegur Cash Group's global risk management programme aims to reduce these risks using a variety of methods, including financial instruments.

The Financial Department identifies, proposes and carries out the management of these risks along with other operating units of the Prosegur Cash Group in accordance with guidelines issued by the Board of Directors.

Currency risk

The Prosegur Cash Group operates on an international level and is therefore exposed to currency risks for currency operations. Currency risk arises when future trade transactions, equity investments, profit and loss from operating activities and financial positions are denominated in a foreign currency other than the functional currency of each one of the Prosegur Cash Group companies.

To control the risk arising in these operations, the Prosegur Cash Group's policy is to use appropriate instruments to balance and neutralise the risks associated with monetary in- and outflows of assets and liabilities, considering market expectations.

As the Prosegur Cash Group intends to remain in the long term in the foreign markets in which it is present, it does not hedge equity investments, assuming the risk relating to the translation to Euros of the assets and liabilities denominated in foreign currencies.

The following provides details of the Prosegur Cash Group's exposure to currency risks, with details on the carrying amounts of the financial instruments denominated in a foreign currency other than the functional one of each country:

At 31 December 2019

Thousands of Euros	Euro	US Dollar	Other currency	**Total position**
Loans granted by group companies	14,735	-	62	14,797
Non-current financial assets	-	23	1,151	1,174
Total non-current assets	**14,735**	**23**	**1,213**	**15,971**
Clients and other receivables	10,352	11,175	4,535	26,062
Other current financial assets	33,335	2	3,490	36,827
Cash and cash equivalents	6,270	9,632	409	16,311
Total current assets	**49,957**	**20,809**	**8,434**	**79,200**
Financial liabilities	890	310	-	1,200
Non-current liabilities	**890**	**310**	**-**	**1,200**
Trade and other payables	13,312	4,527	369	18,208
Financial liabilities	308	187	-	495
Current liabilities	**13,620**	**4,714**	**369**	**18,703**
Net position	**50,182**	**15,808**	**9,278**	**75,268**

At 31 December 2018

Thousands of Euros	Euro	US Dollar	Other currency	**Total position**
Non-current financial assets	51	82	98	231
Total non-current assets	**51**	**82**	**98**	**231**
Clients and other receivables	8,270	17,897	3,206	29,373
Other current financial assets	14,413	18	16,855	31,286
Cash and cash equivalents	32,274	4,520	16	36,810
Total current assets	**54,957**	**22,435**	**20,077**	**97,469**
Financial liabilities	-	-	16,752	16,752
Non-current liabilities	**-**	**-**	**16,752**	**16,752**
Trade and other payables	50,528	55,779	1,341	107,648
Financial liabilities	2,945	42	2,284	5,271
Current liabilities	**53,473**	**55,821**	**3,625**	**112,919**
Net position	**1,535**	**(33,304)**	**(202)**	**(31,971)**

Details of the main average and year-end exchange rates to Euros of the foreign currencies in which the Prosegur Cash Group operates are as follows:

		31/12/2019		**31/12/2018**	
		Average rate	Closing rate	Average rate	Closing rate
US Dollar	USD	1.12	1.12	1.18	1.15
Australian dollar	AUD	1.61	1.60	1.58	1.62
Brazilian Real	BRL	4.41	4.52	4.31	4.44
Argentine Peso	ARS	53.70	67.17	32.94	43.07
Chilean Peso	CLP	786.45	836.51	756.95	796.84
Mexican Peso	MXP	21.55	21.22	22.71	22.56
Paraguayan Guarani	PYG	6,985.93	7,249.46	6,767.43	6,827.20
Peruvian Nuevo Sol	PEN	3.74	3.73	3.88	3.87
Uruguayan Peso	UYU	39.44	41.91	36.25	37.10
Colombian Peso	COP	3,672.04	3,681.54	3,488.62	3,722.26

The strengthening/(weakening) of the Euro vs. the Brazilian Real, Argentine Peso, Chilean Peso and Peruvian Nuevo Sol at 31 December would increase/(decrease) the profit and loss and the equity in the amounts shown below.

This analysis is based on a variation of the foreign currency exchange rate (other than the functional currency, Note 33.5) that the Prosegur Cash Group deems reasonably possible at the end of the reporting period in question (increase and decrease in the exchange rate). This analysis assumes that all other variables, particularly interest rates, remain constant. Sensitivity in connection with the income statement is associated with the impact on the financial income and expenses heading of the income statement of an increase or decrease in the year-end exchange rate in respect of all outstanding amounts in currencies other than the functional currency of each subsidiary (Note 33.5). Moreover, sensitivity associated with equity is calculated on the net assets of each subsidiary and shows the fluctuations in the respective functional currencies against the Euro.

	Increase of exchange rate		Decrease of exchange rate	
	Equity	Result	Equity	Result
At 31 December 2019				
Brazilian Real (15% variation)	43,563	(4,304)	(58,939)	5,823
Argentine Peso (25% variation)	27,010	6,832	(45,017)	(11,386)
Chilean Peso (10% variation)	7,177	630	(8,772)	(771)
Peruvian Nuevo Sol (10% variation)	5,684	(303)	(6,947)	370
Colombian Peso (10% variation)	27,194	131	(33,237)	(161)
At 31 December 2018				
Brazilian Real (15% variation)	48,223	(4)	(35,643)	3
Argentine Peso (25% variation)	42,098	(4,929)	(25,259)	2,958
Chilean Peso (10% variation)	9,270	(2,178)	(7,584)	2,369
Peruvian Nuevo Sol (10% variation)	7,032	-	(5,754)	-
Colombian Peso (10% variation)	6,267	-	(5,128)	(1,158)

Credit risk

The Prosegur Cash Group is not significantly exposed to credit risk. Bad debts are not a significant factor in the sector in which it operates. Independent credit ratings of clients are used if available. Otherwise, the Credit Control Department assesses each client's credit rating, considering financial position, past experience and other factors. Individual credit limits are established based on internal and external ratings in accordance with the limits set by the Financial Department. The use of the credit limits is monitored regularly.

The Prosegur Cash Group has formal procedures for detecting objective evidence of impairment on trade receivables. As a consequence, It identifies significant delays in payments and the methods to be followed to estimate the impairment loss based on an individual analysis by business area. Impairment of trade receivables at 31 December 2019 amounts to EUR 8,229 thousand (EUR 8,497 thousand in 2018) (Note 19). As the credit ratings relating to trade receivables not included in this provision are sufficient, this provision is considered to cover the credit risk.

Details of the percentage of total Prosegur Cash Group turnover represented by the eight main clients are as follows:

	2019	2018
Counterparty		
Customer 1	8.31%	5.88%
Customer 2	7.05%	5.23%
Customer 3	6.16%	4.44%
Customer 4	5.59%	3.62%
Customer 5	3.93%	2.50%
Customer 6	3.56%	2.21%
Customer 7	2.86%	1.91%
Customer 8	2.05%	1.41%

Other current financial assets include a fixed-term deposit. All financial assets contracted in 2019 and 2018 are exposed to risk of default by the counterparties which, in all cases, are financial institutions with guaranteed solvency and high credit ratings that are not sensitive to adverse changes in the economic climate.

In Spain, the Collections Department manages an approximate monthly volume of 5,814 clients with monthly average turnover of EUR 3,281 per client. 95% of payments are made by bank transfer and the remaining 5% in notes (cheques, promissory notes, etc.).

Liquidity risk

A prudent liquidity risk management policy is based on having sufficient cash and marketable securities, as well as sufficient short-, medium- and long-term financing through credit facilities to reach the Prosegur Cash Group's business targets safely, efficiently and on time. The Corporate Treasury Department aims to maintain sufficient liquidity and availability to guarantee the Prosegur Cash Group's business operations.

Management monitors the Prosegur Cash Group's liquidity reserves, which comprise credit available for drawdown (Note 23) and cash and cash equivalents (Note 20), based on expected cash flows.

The liquidity position of the Prosegur Cash Group's Cash business for 2019 and 2018 is based on the following:

- Cash and cash equivalents of EUR 307,423 thousand at 31 December 2019 (EUR 273,756 thousand in 2018) (Note 20).
- EUR 448,633 thousand available in undrawn credit facilities at 31 December 2019 (EUR 404,624 thousand in 2018) (Note 23).
- The cash flow generated from operating activities in 2019 amounted to EUR 313,039 thousand (2018: EUR 225,687 thousand; the figure exclusively referring to the Cash business in 2018 was EUR 225,518 thousand).

The amounts presented in this table reflect the cash flows stipulated in the contract.

Thousands of Euros	Carrying amount	2019 Contractual cash flows	6 months or less	6 months to 1 year	1 to 2 years	2 to 5 years	Over 5 years
Non-derivative financial liabilities							
Bonds and other marketable securities	602,178	657,750	8,250	-	8,250	24,750	616,500
Loans and borrowings	126,359	129,865	106,130	1,323	781	21,631	-
Credit accounts	38,998	48,227	45,103	3,124	-	-	-
Other payables	89,555	121,212	44,813	24,841	24,753	20,338	6,467
Accounts payable with group companies (Note 29)	95,729	95,729	95,729	-	-	-	-
Short-term lease liabilities	105,455	163,866	20,119	20,617	40,821	52,440	29,869
Trade and other payables	346,790	346,790	346,790	-	-	-	-
	1,405,064	**1,563,439**	**666,934**	**49,905**	**74,605**	**119,159**	**652,836**

Thousands of Euros	Carrying amount	2018 Contractual cash flows	6 months or less	6 months to 1 year	1 to 2 years	2 to 5 years	Over 5 years
Non-derivative financial liabilities							
Bonds and other marketable securities	601,310	666,000	8,250	-	8,250	24,750	624,750
Loans and borrowings	137,590	143,873	68,394	7,719	49,325	18,435	-
Finance lease payables	11,940	13,105	1,337	5,890	1,500	1,672	2,706
Credit accounts	13,617	14,258	7,322	6,936	-	-	-
Other payables	55,556	63,945	13,576	5,801	18,581	21,078	4,909
Accounts payable with group companies (Note 29)	80,787	80,787	80,787	-	-	-	-
Trade and other payables	313,969	313,969	313,969	-	-	-	-
	1,214,769	**1,295,937**	**493,635**	**26,346**	**77,656**	**65,935**	**632,365**

Finally, systematic forecasts are prepared for cash generation and requirements, allowing the Prosegur Cash Group to determine and monitor its liquidity position on an ongoing basis.

Interest rate, cash flow and fair value risks

The Prosegur Cash Group is exposed to interest rate risk due to its monetary assets and liabilities maintained in its statement of financial position.

The exposure of the Prosegur Cash Group's financial liabilities (excluding other payables) at the contract review dates is as follows:

Thousands of Euros	6 months or less	6 to 12 months	1 to 5 years	Over 5 years	Total
At 31 December 2019					
Total financial liabilities (fixed rate)	30,047	17,249	61,776	606,774	715,846
Total financial liabilities (floating interest rate)	135,511	2,582	19,051	-	157,144
	165,558	**19,831**	**80,827**	**606,774**	**872,990**
At 31 December 2018					
Total financial liabilities (fixed rate)	76,553	12,397	6,717	594,915	690,582
Total financial liabilities (floating interest rate)	6,806	6,723	60,346	-	73,875
	83,359	**19,120**	**67,063**	**594,915**	**764,457**

The Prosegur Cash Group analyses its interest rate risk exposure dynamically. In 2019 and 2018, the Prosegur Cash Group's financial liabilities at variable interest rates were primarily denominated in EUR, BRL, AUD, ARS and MXN.

A simulation of various scenarios, considering refinancing, the renewal of current positions, alternative financing and hedges is performed. On the basis of these scenarios, the Prosegur Cash Group calculates the impact on the profit/(loss) of a given variation of the interest rate. Each simulation uses the same variation in the interest rate for all currencies. These scenarios are only analysed for the liabilities that represent the most significant positions in which a variable interest rate is paid.

Details of financial liabilities, indicating the portion considered to be hedged, at a fixed rate, are as follows:

At 31 December 2019	Total debt	Hedged debt	Debt exposure
Europe	754,779	643,736	111,043
AOA	69,986	13,910	56,076
Ibero-America	137,780	58,200	79,580
	962,545	**715,846**	**246,699**

At 31 December 2018	Total debt	Hedged debt	Debt exposure
Europe	724,581	668,444	56,137
AOA	43,456	3,262	40,194
Ibero-America	51,971	18,876	33,095
	820,008	**690,582**	**129,426**

Debt includes a bond issuance and bank borrowings at fixed rates. There are credit accounts, lease payables and bank borrowings at fixed rates in Chile, Peru, Spain and The Philippines.

At 31 December 2019, had interest rates on bank loans and borrowings been 100 basis points higher, with the other variables remaining constant, post-tax profit/(loss) in the period would have been EUR 1,124 thousand lower (EUR 854 thousand lower in 2018), mainly because of higher borrowing costs on variable-interest loans.

30.2 Capital risk management

The Prosegur Cash Group's capital management is aimed at safeguarding its capacity to continue operating as a going concern, with the aim of providing shareholder remuneration and profits for other equity holders, while maintaining an optimum capital structure to reduce the cost of capital.

To maintain and adjust the capital structure, the Prosegur Cash Group can adjust the amount of dividends payable to shareholders, reimburse capital, issue new shares or dispose of assets to reduce debt.

Like other groups in the sector, the Prosegur Cash Group controls its capital structure on a leverage ratio basis. This ratio is calculated as net financial debt divided by total capital. Net financial debt is the sum of current and non-current financial liabilities (excluding other non-bank payables) plus/less net derivative financial instruments, less cash and cash equivalents, less other current financial assets, as presented in the statement of financial position. Total capital is the sum of equity plus net financial debt, as presented in the statement of financial position.

The leverage ratio for the Prosegur Cash business is calculated as follows:

Thousands of Euros	2019	2018
Financial liabilities without including deferred payments	767,535	764,457
Less: Cash and cash equivalents (Note 20)	(307,423)	(273,756)
Net financial debt (excluding other non-banking debts)	460,112	490,701
Other non-banking accounts payable (Note 23)	89,555	55,556
Non-banking debts with Group (Note 29)	231	2,833
Treasury Stock	(1,546)	(1,943)
Lease liabilities (Note 12)	105,455	-
Total Net Financial Debt	653,807	547,147
Net assets	243,633	237,991
Total capital: Net financial debt excluding other non-banking debts and net assets	**703,745**	**728,692**
Leverage ratio	**0.65**	**0.67**

30.3 Financial instruments and fair value

Classification and fair value

All financial assets and liabilities have a carrying amount similar to their fair value due mainly to the short-term maturities of these instruments, with the exception of contingent payments.

At 31 December 2019	**Carrying amount**				**Fair value**			
Thousands of Euros	Loans and receivables	Financial liabilities held for trading	Debts and Payables	**Total**	Level 1	Level 2	Level 3	**Total**
Financial assets not measured at fair value								
Deposits and guarantees	1,159	-	-	**1,159**				
Short-term accounts receivables with group companies (Note 29)	67,692	-	-	**67,692**				
Clients and other receivables (Note 19)	381,070	-	-	**381,070**				
Cash and cash equivalents (Note 20)	307,423	-	-	**307,423**				
	757,344	**-**	**-**	**757,344**				
Financial liabilities at fair value								
Contingent payments	-	(23,079)	-	**(23,079)**	-	-	(16,309)	**(16,309)**
	-	**(23,079)**	**-**	**(23,079)**				
Financial liabilities not measured at fair value								
Financial liabilities through the issue of bonds	-	-	(602,178)	**(602,178)**	(592,545)	-	-	**(592,545)**
Financial liabilities with credit institutions	-	-	(165,357)	**(165,357)**	-	(163,426)	-	**(163,426)**
Other financial liabilities	-	-	(89,555)	**(89,555)**	-	(86,796)	-	**(86,796)**
Short-term accounts payable with group companies (Note 29)	-	-	(95,729)	**(95,729)**	-	(95,729)	-	**(95,729)**
Short-term lease liabilities (Note 12)			(105,455)	**(105,455)**		(105,455)		**(105,455)**
Suppliers and other payables (Note 24)	-	-	(346,790)	**(346,790)**	-	(346,790)	-	**(346,790)**
	-	**-**	**(1,405,064)**	**(1,405,064)**				

At 31 December 2018	**Carrying amount**					**Fair value**			
Thousands of Euros	Available-for-sale financial assets	Loans and receivables	Financial liabilities held for trading	Debts and Payables	**Total**	Level 1	Level 2	Level 3	**Total**
Financial assets not measured at fair value									
Deposits and guarantees	-	3,064	-	-	**3,064**				
Deposits	-	616	-	-	**616**				
Credit institutions	-	653	-	-	**653**				
Short-term accounts receivables with group companies (Note 29)	-	56,137	-	-	**56,137**				
Clients and other receivables (Note 19)	-	290,532	-	-	**290,532**				
Cash and cash equivalents (Note 20)	-	273,756	-	-	**273,756**				
	-	**624,758**	**-**	**-**	**624,758**				
Financial liabilities at fair value									
Contingent payments	-	-	(40,093)	-	**(40,093)**	-	-	(22,927)	**(22,927)**
	-	**-**	**(40,093)**	**-**	**(40,093)**				
Financial liabilities not measured at fair value									
Financial liabilities through the issue of bonds	-	-	-	(601,310)	**(601,310)**	(598,319)	-	-	**(598,319)**
Financial liabilities with credit institutions	-	-	-	(163,147)	**(163,147)**	-	(160,742)	-	**(160,742)**
Other financial liabilities	-	-	-	(55,556)	**(55,556)**	-	(55,556)	-	**(55,556)**
Short-term accounts payable with group companies (Note 29)	-	-	-	(80,787)	**(80,787)**	-	(80,787)	-	**(80,787)**
Suppliers and other payables (Note 24)	-	-	-	(313,969)	**(313,969)**		(313,969)	-	**(313,969)**
	-	**-**	**-**	**(1,214,769)**	**(1,214,769)**				

Valuation methods for financial instruments not measured at fair value:

The following are the valuation values used in 2019 to determine Level 3 fair values, as well as the unobservable inputs employed and the quantitative information of each significant non-observable Level 3 input. The sensitivity analyses are as follows:

Type	Valuation method (*)	(Unobservable) inputs employed	Interrelationship between key inputs and fair value	Sensitivity analysis
Contingent payments	Discounted cash flows: the valuation model considers the present value of the net cash flows to be generated by the business. The expected cash flows are determined considering the scenarios that may be exercised by Gross Margin and EBIT forecasts, the amount to be paid in each scenario and the probability of each scenario. The expected net cash flows are discounted using a risk-adjusted discount rate.	-EBIT -Contract prices	-The estimated fair value would increase (decrease) according to the value of EBIT. -The estimated fair value would increase (fall) according to the value of the contract prices.	-If estimated EBIT and contract prices were within 5% of the agreed scenario, the value of the contingent payments would have varied by EUR 827 thousand; if these were within 10%, the value of contingent payments would have varied by EUR 1,654 thousand. -In the event of a 5% reduction in EBIT the contingent payments would have varied by EUR -827 thousand, and a 10% reduction would have resulted in a variation in contingent payments of EUR -1,653 thousand.

Valuation methods for financial instruments not measured at fair value:

Type	Valuation method	(Unobservable) inputs employed
Financial liabilities with credit institutions	Discounted cash flows.	Not applicable
Finance lease liabilities	Discounted cash flows.	Not applicable
Other financial liabilities	Discounted cash flows.	Not applicable

Transfer of assets and liabilities among the various levels

During the reporting period ending at 31 December 2019 and 2018 there were no transfers of assets and liabilities among the various levels.

31.Other disclosures

The average number of employees at the Prosegur Cash Group, including its equity-accounted subsidiaries, is as follows:

	2019	2018
Operational personnel	42,209	54,689
Remainder	2,267	2,765
	44,476	**57,454**

The average headcount of operations personnel employed by equity-accounted subsidiaries in 2019 is 8,864 employees (15,354 in 2018).
The average headcount of personnel employed in Spain with a disability of 33% or more, by category, is as follows:

	2019	2018
Operational personnel	46	41
Remainder	6	6
	52	**47**

At year end the breakdown by gender of Prosegur Cash Group personnel is as follows:

	2019		2018	
	Male	**Female**	**Male**	**Female**
Operational personnel	32,860	10,136	44,596	10,579
Remainder	1,279	844	2,151	1,068
	34,139	**10,980**	**46,747**	**11,647**

The breakdown by gender of members of Senior Management of the Prosegur Cash Group is as follows:

	2019		2018	
	Male	**Female**	**Male**	**Female**
Board of Directors	6	3	6	3
Senior Management	9	2	9	2
	15	**5**	**15**	**5**

KPMG Auditores, S.L., the auditors of the Annual Accounts of the Prosegur Cash Group, have invoiced the following fees for professional services during the year:

Thousands of Euros	2019	2018
KPMG Auditores, S.L., audit services	459	425
KPMG Auditores, S.L. other services	20	35
	479	**460**

Audit services detailed in the above table include the total fees for services rendered in 2019, irrespective of the date of invoice.

Additionally, other KPMG International affiliates have invoiced the Prosegur Cash Group the following fees and expenses for professional services during the year:

Thousands of Euros	2019	2018
Audit services	765	746
Other audit-related services	46	100
Tax advisory services	106	27
Other services	72	440
	989	**1,313**

Other audit-related services correspond mainly to the limited reviews of interim financial statements, procedural reports agreed concerning compliance with covenants, and comfort letters relating to securities issues provided by KPMG Auditores, S.L. to Prosegur Cash, S.A. and subsidiaries in the year ended on 31 December 2019 and 2018.

On the other hand, other auditors have invoiced the Prosegur Cash Group the following fees and expenses for professional services during the year:

Thousands of Euros	2019	2018
Audit services	-	10
	-	**10**

32. Events after the reporting date

In January 2020, Prosegur sold 100% of the Mexican companies Prosegur Seguridad Privada Logistica y Gestion de Efectivo SA de CV, Prosegur Servicios de Seguridad Privada Electrónica SA de CV, Mercurio de Transportes SA de CV Group and Tratamiento y Gestión de Valores SAPI de CV Group. The consideration was paid in February 2020.

Likewise, the purchase took place at the end of January of Transporte de Valores e Vigilância patrimonial Ltda, located in Brazil.

In January 2020 a series of companies were also purchased in Ecuador, Tevcol Cía, Ltda, Tevsur Cía, Ltda, Tevlogistic S.A and Transportadora Ecuatoriana de Productos Valorados Setaproval S.A.

In February 2020 Corresponsales Colombia S.A.S. was purchased in Colombia.

33. Summary of the main accounting policies

The main accounting policies used in the preparation of these Consolidated Annual Accounts are described in this section. These principles have been applied consistently throughout the reporting periods presented, with the exception of the contents of Note 33.1.

33.1 Accounting Standards

These Consolidated Annual Accounts were prepared in accordance with the same accounting principles as the ones the Prosegur Cash Group used to prepare its Consolidated Annual Accounts dated 1 January 2018, with the exception of the compulsory standards and modifications adopted by the European Union from 1 January 2019.

a) Standards effective from 01 January 2018

IFRS 9 - Financial Instruments

IFRS 9 includes requirements for recognition and valuation of financial instruments and replaces the IAS 39 Financial Instruments: Recognition and Measurement. The Prosegur Cash Group has opted not to restate the previous periods.

The impacts of first application consisted of a change on the calculation methodology based on the credit loss expected during the lifetime of the financial asset. The impact was recognised directly against net equity.

The impairment for credit risk based on the expected loss implied a net negative impact of EUR 1,196 thousand. This impact was recognised in 2018 under “Retained earnings and other reserves” in the balance sheet, with the following breakdown:

	31/12/2017	IFRS 9	01/01/2018
Clients and other receivables	383,645	(1,776)	381,869
Deferred tax assets	37,290	580	37,870
Impact in Net Equity		(1,196)	

The impact on the consolidated income statement for the year ended on 31 December 2018 consisted of a lower expense in the amount of EUR 112 thousand, with the total provision for estimated loss shown on the consolidated statement of financial position amounting to EUR 1,664 thousand at 31 December 2018. There was no material impact on the statement of cash flows for the year ended on 31 December 2018.

The estimated loss is calculated, for each individual company, based on the average percentage of unrecoverable loans in the last few years for each client, applicable on accrued but not yet incurred revenue.

Furthermore, the previous standard, IAS 39, provided for 4 categories of financial assets: (i) fair value through profit and loss, (ii) held to maturity, (iii) available for sale and (iv) loans and receivables. Under IFRS 9, the last three categories from IAS 39 are eliminated, and the criterion for classifying financial assets will depend on both the manner in which a company manages its financial instruments (its business model) and the existence and characteristics of the financial assets’ contractual cash flows. On that basis, the asset will be measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss in the period.

Apart from the changes in nomenclature, the impact of adopting IFRS 9 in the accounting values of the financial assets at 1 January 2018 consisted solely in an increase in the impairment provision, due to the new requirements described above. Furthermore, the classification of financial liabilities under IFRS 9 remains similar to that of IAS 39. In general, liabilities will be measured at amortised cost, except those financial liabilities held for trading, like derivatives, for example, which will be measured at fair value through profit or loss. Consequently, there are no impact in this category of financial instruments.

IFRS 15 Revenue from contracts with clients

On 1 January 2018, the Prosegur Cash Group adopted IFRS 15, concerning the recognition of revenue from contracts with clients. The Prosegur Cash Group opted for the transition option provided in the Standard, which involves applying IFRS 15 recognising the cumulative effect as an adjustment at the date of initial application, without restating the information presented in 2017 under the aforementioned standards.

Pursuant to IFRS 15, revenue is recognised in an amount reflecting the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a client, when the client obtains the control of the goods or services provided. Determining the time at which said control is transferred (at a specific time or over a period of time) requires the exercise of judgement by the Group. This Standard replaces the following standards: (a) IAS 11 Construction Contracts; (b) IAS 18 Revenue, and the related interpretations (IFRIC 13 Client Loyalty Programmes; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Clients; and SIC-31 Revenue —Barter Transactions Involving Advertising Services).

Moreover, with the application of IFRS 15 incremental costs of obtaining a contract must be recognised as an asset (success fees, mainly, and other expenses paid to third parties) and are recognised in the income statement to the extent that the revenue related to said asset are imputed.

IFRS 15 establishes a new five-step model applied to the accounting for revenue from contracts with clients:

Step 1: Identify the contract(s) with the client
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Most of Prosegur Cash revenue comes from cash in transit and cash management services. The IFRS 15 standard requires the use of a uniform method for recognising revenue for contracts and performance obligations with similar characteristics. The method chosen by the Prosegur Cash Group to measure the value of the services, the control of which is transferred to the client over time, is the product method, provided that through the contract and during its execution it is possible to measure the progress in the work carried out. Product methods recognise revenue on the basis of direct measurements of the value for the client of the goods or services transferred so far in relation to the pending goods or services pledged in the contract.

Revenue from services is recognised during the period in which they are rendered. In fixed price contracts, revenue is recognised to the extent that current services are rendered at the end of the period as a proportion of the total services rendered.

The transition to this Standard did not have any significant impact on the consolidated financial statements of the Prosegur Cash Group.

b) Standards effective from 01 January 2019

IFRS 16 Leases

This standard establishes that companies which are the lessee in lease agreements will recognise in the consolidated statement of financial position a right of use asset for the "underlying asset" and a liability for payments arising from lease contracts. Furthermore, the operating lease expense has been replaced by a charge for straight-line amortisation of right of use assets and an interest expense on lease liabilities.

This standard introduced no significant changes in the accounting for lease contracts by the lessor.

The Prosegur Cash Group previously classified leases as operating leases or finance leases under IAS 17 (Note 33.22). With respect to the leases classified as finance leases in accordance with IAS 17, the book value of the right of use asset and the lease liability on the date of first-time application date will be the carrying amount of the lease asset and the lease liability immediately prior to that date, measured in accordance with IAS 17. With respect to those leases, the lessee will record the asset by right of use and the lease liability in accordance with this standard as of the date of first-time application (Note 12).

The main leases correspond to leases for buildings and transport elements. The term of the leases depends on the type of building and transport element. Some contracts include options to renew for an additional period after a non-cancellable period.

The Prosegur Cash Group opted to use the modified retrospective approach on transition which involves applying the standard retroactively with the cumulative effect from the date of first application, without restating the information presented in 2018 under the aforementioned standards. Under this option, the Prosegur Cash Group has calculated the lease liabilities as the current value of the outstanding instalments on the contracts in force at the date of first-time application, determined in accordance with the incremental borrowing rate on that date, and has calculated retrospectively the value of the right of use asset using that rate.

The average incremental discount rates for the main countries affected by this standard, used for calculating the current value of the rights of use and lease liabilities recognised at the date of first-time application of IFRS 16 have been itemised in Note 12.

The right of use and lease liability were defined according to the original contract term.

The Prosegur Cash Group has also chosen to not recognise in the balance sheet the lease liabilities and the right of use asset corresponding to short term lease agreements (leases for one year or less) and leases for low value assets (USD 5 thousand or less).

The following table reflects the impact of the application of IFRS 16 in Retained earnings and other reserves which is reflected in the item of "Transition adjustments" on the consolidated statement of changes in equity:

	Thousands of Euros
	01/01/2019
Right of use	103,976
Deferred tax assets	4,362
Long-term lease liabilities	(91,348)
Short-term lease liabilities	(26,350)
Retained earnings and other reserves	**(9,360)**

Next, a reconciliation is provided between the operating lease commitments presented at 31 December 2018 and the lease liabilities recognised at 1 January 2019:

	Thousands of Euros
Commitments for operatings leases at 31 December 2018 (Note 27)	**71,688**
Present value of the future payments in the application date	(13,886)
Low value and short term leases	(15,373)
Differences in term and discount rate	75,269
Reclassification IAS 17 (Note 12)	11,940
Lease liabilities as of January 1, 2019	**129,638**

IFRIC 23. Uncertainty over Income Tax Treatments.

This interpretation includes how to apply the recognition and valuation criteria of IAS 12 when there is uncertainty regarding the tax authority's acceptance of a specific tax treatment used by the Group in its tax settlement.

If the Prosegur Cash Group considers it is likely that the tax authority will accept an uncertain tax treatment, the Prosegur Cash Group will establish the taxable gain (loss), the tax bases, unused tax losses, unused tax credits or the tax rates consistent with the tax treatment used or intended to be used in its income tax returns.

If the Prosegur Cash Group considers it unlikely that the tax authority will accept an uncertain tax treatment, the Group will reflect the effect of the uncertainty to establish the taxable gain (loss), the tax bases, unused tax losses or credits or the corresponding tax rates. The Prosegur Cash Group will reflect the effect of the uncertainty for each uncertain tax treatment by using the most likely amount or the expected value of the probability-weighted amounts.

The impact upon transition of adopting IFRIC 23 at 1 January 2019 was EUR 27,887 thousand, having recorded that impact under the heading of Retained earnings which appears under the item for "Transition adjustments" of the consolidated statement of changes in equity, and in Other risks under the heading of current tax liabilities (Note 25).

Other standards that are amended without having any significant impact on the Prosegur Cash Group are as follows:

- Amendment to IFRS 9 Prepayment features with negative compensation. It allows some prepayable financial assets to be valuated at amortised cost in a lower amount than the principal amount outstanding and interest on said principal.
- Amendment to IAS 28 – Long-term Interests in Associates and Joint Ventures. It specifies that IFRS 9 must be applied to long-term interests in an associate or joint venture unless it is accounted for using the equity method.
- Amendment to IAS 19 – Amendment, curtailment or settlement of a plan. It specifies how to calculate the cost of the service for the current period and the net interest for the rest of an annual period when there is an amendment, curtailment or settlement of a defined benefit plan.
- Improvements to IFRSs — 2015-2017 Cycle. Amendments to a series of standards.

c) Standards and interpretations issued, approved by the EU, but not effective as of 1 January 2019 and which Prosegur expects to adopt as of 1 January 2020 or later (none have been adopted in advance)

- Amendments to IAS 1 and IAS 8: Definition of materiality or with relative importance. This amendment clarifies the definition of materiality or relative importance and how it should be applied by introduction in the definition of guides that until now have been addressed in other parts of the IFRS Standards; improving the explanations that accompany the definition and ensuring that the definition of materiality or with relative importance is consistent throughout all IFRS Standards.

- Amendments to References to Conceptual Framework in the IFRS Standards.
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform (IBOR). Amendments that make it possible to mitigate the possible effects of uncertainty caused by the reform of the IBOR rates, avoiding the interruption of the hedging relations affected.

On the date of these Consolidated Annual Accounts, none of these regulations is expected to have a significant effect on the consolidated financial statements of the Group.

d) Standards and interpretations issued by the International Accounting Standards Board (IFRS), pending approval by the European Union

- Amendments to IFRS 3 - Business combinations. IFRS 3 is amended to limit and clarify the definition of a business, and to enable a simplified evaluation of whether a set of activities and assets acquired is a group of assets instead of a business.

33.2 Consolidation principles

Subsidiaries

Subsidiaries, including structured entities, are those controlled by the Company, either directly or indirectly via subsidiaries. The Company controls a subsidiary when as a result of its involvement therein it is exposed or entitled to variable returns and has the ability to influence such returns via the power exercised on said entity. The Company holds the power when it holds substantive rights in force which provide it with the ability to manage relevant activities. The Company has exposure or rights to variable returns for its involvement in the subsidiary when the returns obtained from said involvement may vary according to the entity’s economic performance.

The income, expenses and cash flows of subsidiaries are included in the Consolidated Annual Accounts from the date on which the Prosegur Cash Group obtains control until the date that control ceases.

Transactions and balances with the Prosegur Cash Group companies and unrealised profit or loss were eliminated in the consolidation process. However, unrealised losses were considered to be an indicator of the impairment of the assets transferred.

Subsidiary accounting policies are changed where necessary for consistency with the principles adopted by the principles adopted by the Prosegur Cash Group.

The annual accounts or financial statements of the subsidiaries used in the consolidation process have been prepared as of the same date and for the same period as those of the Parent.

Business combinations

In business combinations, the Prosegur Cash Group applies the acquisition method. The acquisition date considered in the financial statements presented is the date on which the Prosegur Cash Group obtains control of the acquiree.

The consideration paid for the business combination is determined on the acquisition date based on the sum of the fair values of the assets delivered, liabilities incurred or assumed, equity instruments issued and any contingent liabilities that depend on future events or compliance with certain conditions in exchange for the control of the acquired business.

The consideration paid excludes any disbursement that does not form part of the exchange for the business acquired. Costs relating to the acquisition are recognised as an expense as they are incurred.

On the date of acquisition the Prosegur Cash Group recognises the acquired assets, the liabilities assumed (and any non-controlling interest) at fair value. A non-controlling interest in the acquired business is recognised by the amount pertaining to the percentage share in the fair value of the acquired net assets. This criterion is only applicable to non-controlling interests that grant present access to economic rights and the right to the proportional share of the net assets of the acquired entity in the event of liquidation. Otherwise, the non-controlling interests are valued at fair value or value based on market conditions. Liabilities assumed include contingent liabilities insofar as they represent present obligations arising from past events and their fair value may be reliably measured. The Prosegur Cash Group also recognises indemnification assets transferred by the seller at the same time and using the same measurement criteria applied to the item that is subject to indemnification from the acquired business, taking into consideration, where applicable, the insolvency risk and any contractual limit on the indemnity amount.

The assets and liabilities assumed are classified and designated for their subsequent valuation on the basis of the contractual agreements, economic conditions, accounting and operating policies and other conditions on the acquisition date, except the lease and insurance contracts.

The excess of the consideration given, plus the value assigned to non-controlling interests, over the value of the net assets acquired and liabilities assumed is recognised as goodwill. As appropriate, any shortfall after evaluating the consideration given and the value assigned to non-controlling interests, and after identifying and measuring the net assets acquired, is recognised in the income statement.

If it is only possible to determine a business combination provisionally at the end of the reporting period, the identifiable net assets are initially recognised at their provisional amounts and adjustments made during the valuation period are recognised as if they had been known at that date. Comparative figures for the previous year are restated where applicable. In any event, adjustments to the provisional values only reflect information relating to facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognised at that date (Note 28).

Potential profit from tax losses and other deferred tax assets of the acquiree not recognised due to not meeting the recognition criteria on the acquisition date, is accounted for, to the extent that it does not correspond to an adjustment in the valuation period, as income from tax on profit.

The contingent consideration is classified in accordance with the underlying contractual terms as a financial asset or financial liability, equity instrument or provision. Subsequent changes in the fair value of a financial asset or financial liability are recognised in consolidated profit or loss or other comprehensive income, provided that they do not arise from a valuation period adjustment. Contingent consideration classified as equity is not remeasured, and subsequent settlement is recognised in equity. Contingent consideration classified as a provision is subsequently recognised in accordance with the relevant valuation standard.

The cost of the business combination includes contingent consideration, if this is probable at the acquisition date and can be reliably estimated. Subsequent recognition of contingent consideration or subsequent variations to contingent considerations are recognised as a prospective adjustment to the cost of the business combination.

Non-controlling interests

Non-controlling interests in subsidiaries are recognised at the acquisition date at the proportional part of the fair value of the identifiable net assets. Non-controlling interests in subsidiaries acquired prior to the transition date were recognised at the proportional part of the equity of the subsidiaries at the date of first consolidation.

The consolidated profit or loss for the year and changes in equity of the subsidiaries attributable to the Prosegur Cash Group and non-controlling interests after consolidation adjustments and eliminations are determined in accordance with the percentage ownership at year end, without considering the possible exercise or conversion of potential voting rights and after discounting the effect of dividends, agreed or otherwise, on preference shares with cumulative rights classified in equity accounts. However, the Prosegur Cash Group holding and non-controlling interests are calculated taking into account the possible exercise of potential voting rights and other derivative financial instruments which, in substance, currently allow access to the economic benefits associated with the interests held, such as entitlement to a share in future dividends and changes in the value of subsidiaries.

Profit and loss and each component of other comprehensive income are allocated to equity attributable to shareholders of the Parent and to non-controlling interests in proportion to their investment, even if this results in a balance receivable from non-controlling interests. Agreements entered into between the Prosegur Cash Group and non-controlling interests are recognised as a separate transaction.

Associates

Associates are those significantly influenced by the Company, directly or indirectly, via subsidiaries. Significant influence means the power to intervene in a company's finance and operating policy, without implying the existence of control or joint control thereupon. When assessing whether an entity has significant influence, the existence of potential voting rights that are exercisable or convertible at the end of each reporting period are considered, as well as the potential voting rights held by the Prosegur Cash Group or by another entity.

Investments in associates are accounted for using the equity method from the date on which significant influence is exercised until the date when the Company can no longer prove the existence of said significant influence.

Investments in associates are initially recognised at acquisition cost. Any surplus between the cost of investment and the percentage belonging to the Prosegur Cash Group of the fair values of identifiable net assets is posted as goodwill, which is included in the carrying amount of the investment.

The share of the Prosegur Cash Group in the profit or loss of the associate entities obtained since the date of acquisition is recognised as an increase or decrease in the value of the investments, with a debit or credit made to the item Interest in the P&L of the associate entities, accounted for under the equity method in the consolidated income statement (consolidated statement of comprehensive income). In addition, the share of the Prosegur Cash Group in the other comprehensive P&L of the associates obtained since acquisition date is posted as an increase or decrease of the value of investments in the associates, recognising the consideration in Other comprehensive income. Dividend distributions are recognised as reductions in the value of the investments.

Impairment

The Prosegur Cash Group applies the impairment criteria in order to determine whether or not to record impairment losses additional to those already recognised in the net investment of the associate or in any other financial asset held therewith as a result of the application of the equity method.

Calculation of impairment is determined as the result of the comparison between the carrying amount associated with the net investment in the associate with its recoverable value, the latter being understood as the greater value between the value in use or fair value minus costs of sale or disposal via any other channel. In this regard, value in use is calculated on the basis of the share of the Prosegur Cash Group in the current value of estimated cash flows from ordinary activities and amounts which might result from the final sale of the associate.

The recoverable amount of the investment of an associate is valued according to each associate entity, unless it is not a cash generating unit (CGU) (Note 33.10).

Value impairment losses are not allocated to goodwill or other assets implicit in the investment in associates arising from the application of the acquisition method. In subsequent years, value reversals of investments are recognised in profit/(loss), insofar as there is an increase in recoverable value. Value impairment losses are presented separately from the Prosegur Cash Group share in the results of the associates.

Joint arrangements

Joint arrangements are those in which there is a contractual agreement to share the control over an economic activity, in such a way that decisions relating to the relevant activities require the unanimous consent of the Prosegur Cash Group and the remaining venturers or operators. The assessment of the existence of joint control is carried out according to the definition of control of subsidiaries.

Joint Ventures

Investments in joint ventures are accounted for applying the equity method. This method consists of including under the consolidated balance sheet heading “Investments accounted for using the equity method” the value of net assets and goodwill, if applicable, corresponding to the holding in the joint venture. Net profit (loss) obtained each year corresponding to the percentage interest in joint ventures is shown in the consolidated income statement as “Share in profit/(loss) of equity-accounted investees”. The Prosegur Cash Group has decided to present said profit/(loss) as part of its operating profit/(loss) as it considers that the profit/(loss) of its joint ventures forms a part of its operations.

Dividend distributions from joint ventures are recognised as reductions in the value of the investments. The losses of joint ventures which pertain to the Prosegur Cash Group are limited to the value of the net investments, except for those cases in which the Prosegur Cash Group has assumed legal or implied obligations, or else has made payments in the name of joint ventures.

Joint Operations

In regard to joint operations, in its Consolidated Annual Accounts the Prosegur Cash Group recognises its assets, including its interest in jointly controlled assets; its liabilities, included its interest in liabilities assumed jointly with other operators; the income obtained from the sale of its share of production arising from the joint operation, and its expenses, including the part pertaining to it of joint expenses.

In sales transactions or contributions by the Prosegur Cash Group to joint operations, only the results pertaining to the share of the rest of operators are recognised, unless the losses should highlight a loss or impairment of assets transferred, in which case, these will be recognised in full.
In purchase transactions of the Prosegur Cash Group to joint operations, profits or losses are only recognised when assets acquired are sold to third parties, unless the losses should highlight a loss of value or impairment of the acquired assets, in which case the Prosegur Cash Group shall recognise the proportional share of the losses pertaining to it in full.

The acquisition by the Prosegur Cash Group of the initial and subsequent interest in a joint operation is recognised applying the criteria used for business combinations, by the percentage share held in the individual assets and liabilities. However, in the subsequent acquisition of an additional share of a joint operation, the previous share in individual assets and liabilities is not subject to revaluation.

33.3 Consolidated income statement by function of expense

The Prosegur Cash Group opts to present the expenses recognised in the income statement using a classification based on the function of the expenses within the entity as it considers that this method provides users with more relevant information than the classification of expenses by type.

33.4 Segment reporting

A business segment is a group of assets and operations that is engaged in providing products or services and which is subject to risks and rewards that are different from those of other segments.

A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and rewards that are different from those of segments operating in other economic environments.

Costs are directly allocated to each of the defined segments. Each geographical area has its own functional structure.

33.5 Foreign Currency Transactions

Functional and presentation currency

The Consolidated Annual Accounts of each Prosegur Cash Group entity are presented in the currency of the main economic environment in which it operates (“functional currency”). The figures disclosed in the Consolidated Annual Accounts are expressed in thousands of Euros (unless stated otherwise), the Parent’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the transaction date. Foreign currency profit and loss arising on the settlement of these transactions and on the translation of monetary assets and liabilities denominated in foreign currencies at the closing exchange rate are recognised in the income statement, unless they are recognised directly in equity as cash flow hedges.

Foreign exchange profit and loss relating to loans and cash and cash equivalents are recognised in the income statement under financial income or costs.

Changes in the fair value of monetary assets denominated in foreign currencies and classified as non-current assets held for sale are analysed to distinguish between translation differences resulting from changes in the amortised cost of the asset and other changes in the carrying amount of the asset. Translation differences are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary items, such as equity instruments at fair value through profit or loss, are recognised as changes in fair value. Translation differences on non-monetary items, such as equity instruments classified as available-for-sale financial assets, are recognised in the revaluation reserve in equity.

The Prosegur Cash Group includes in profit or loss the differences on translation of deferred tax assets and liabilities denominated in foreign currencies and the deferred income taxes.

In the consolidated statement of cash flows, cash flows from foreign currency transactions have been translated into Euros at the exchange rates prevailing at the date the cash flows occurred. The effect of exchange rate fluctuations on cash and cash equivalents denominated in foreign currencies is recognised separately in the statement of cash flows as "Effect of translation differences on cash held".

Translation of foreign operations

Foreign operations whose functional currency is not the currency of a hyper-inflationary economy have been translated into Euros as follows:

i. Assets and liabilities, including goodwill and net asset adjustments derived from the acquisition of the operations, including comparative amounts, are translated at the closing rate at the reporting date;
ii. Income and expenses of each income statement are translated at the average monthly exchange rate;
iii. All resulting exchange differences are recognised as translation differences in other consolidated comprehensive income.

On consolidation, exchange differences arising on the translation of a net investment in foreign entities, and of loans and other instruments in foreign currency designated as hedges of these investments, are recognised in the equity of the company holding the investment. When these investments are sold, the exchange differences are recognised in the income statement as part of the profit or loss on the sale.

33.6 Property, Plant and Equipment

Land and buildings mainly comprise operating divisions. Property, plant and equipment are recognised at cost less depreciation and any accumulated impairment losses, except in the case of land, which is presented at cost net of any impairment losses.

Historical cost includes all expenses directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, provided that it is probable that the future economic benefits associated with the items will flow to the Prosegur Cash Group and the cost of the item can be reliably measured. The carrying amount of the replaced item is derecognised. Other repairs and maintenance costs are taken to the income statement when incurred.

Land is not depreciated. Other assets are depreciated on a straight-line basis to allocate the cost or revalued amount to residual value over the following estimated useful lives:

	Ratio (%)
Constructions	2 and 3
Technical installations and machinery	10 to 25
Other installations and tools	10 to 30
Furniture	10
Computer equipment	25
Transport elements	10-16
Other property, plant and equipment	10 to 25

Prosegur reviews the residual values and useful lives of assets and adjusts them, if necessary, as a change in accounting estimates at the end of each reporting period.
When the carrying amount of an asset exceeds its estimated recoverable amount, it is immediately written down to the latter (Note 33.10). The Company tests property, plant and equipment for impairment on an annual basis, regardless of whether or not there are signs of impairment.

Profit and loss on the sale of property, plant and equipment are calculated as the difference between the consideration received and the carrying amount of the asset and are recognised in the income statement.

33.7 Right of use assets and Lease liabilities (policy applicable as from 1 January 2019)

On 1 January 2019, the Group adopted IFRS 16, on Leases. The Prosegur Cash Group opted to use the modified retrospective approach on transition which involves applying the standard retroactively with the cumulative effect from the date of first application, without restating the information presented in 2018 under the aforementioned standards.

At the start of a contract, Prosegur evaluates whether it contains a lease. A contract is or contains a lease if it grants the right to control the use of the asset identified for a period of time in exchange for a consideration. The length of time during which the Prosegur Cash Group uses an asset includes consecutive and non-consecutive periods of time. Prosegur Cash only re-assesses the conditions when a contract is amended.

In contracts containing one or more components which are lease-related and non-lease related, Prosegur Cash assigns the consideration set in the contract for each lease component according to the sales price of each individual lease-related component, and the aggregate individual price of the non-lease related components.

The Prosegur Cash Group has also chosen to not recognise in the balance sheet the lease liabilities and the right of use asset corresponding to short term lease agreements (leases for one year or less) and leases for low value assets (USD 5 thousand or less). In contracts of this kind, the Prosegur Cash Group recognises payments on a straight-line basis during the term of the lease.

Lessee accounting

At the commencement of the lease term, Prosegur Cash recognises a right of use asset and lease liability. The right of use asset is composed of the amount of the lease liability, any payment for the lease made on or prior to the starting date, less any incentives received, the initial direct costs incurred and an estimate of the costs for decommissioning or restoration to be incurred, as indicated in the accounting policy provisions.

The Prosegur Cash Group measures the lease liability as the present value of the lease payments which are outstanding at the commencement date. The Prosegur Group discounts lease payments at the appropriate incremental interest rate, unless the implicit interest rate of the lessor may be determined reliably.

The pending lease payments are comprised of fixed payments, less any incentive to be collected, the variable payments that depend on an index or rate, initially appraised by the index or rate applicable on the starting date, the amounts expected to be paid for residual value guarantees, the price of exercising the purchase option whose exercise is reasonably certain and any compensation payments for contract termination, providing the term of the lease reflects the termination option.

The Prosegur Cash Group measures right of use assets at cost, less accumulated depreciation and any impairment losses, adjusted by any reassessment of the lease liability.

If the contract transfers ownership of the asset to the Prosegur Cash Group at the end of the lease term or if the right of use asset includes the price of the purchase option, the depreciation criteria indicated in Note 33.6 are applied from the lease commencement date until the end of the useful life of the asset. Otherwise, Prosegur Cash depreciates the right of use asset from the commencement date until the date of the useful life of the right or the end of the lease term, whichever is the earlier.

The Prosegur Cash Group applies the criteria for impairment of non-current assets set out in Note 33.11 to right of use assets.

The Prosegur Cash Group measures the lease liability increasing it by the interest accrued, decreasing it by the payments made and re-assessing the carrying amount due to any amendments to the lease or to reflect any reviews of the in-substance fixed lease payments.

The Prosegur Cash Group records any variable payments that were not included in the initial measurement of the liability in the profit/(loss) for the period in which the events resulting in payment were produced.

The Prosegur Cash Group records any re-assessments of the liability as an adjustment to the right of use asset, until it is reduced to zero, and subsequently in income/(loss).

The Prosegur Cash Group re-assesses the lease liability discounting the lease payments at an updated rate, if any change is made to the lease term or any change in the expectation of the purchase option is being exercised on the underlying asset.

The Prosegur Cash Group re-assesses the lease liability if there is any change in the amounts expected to be paid for a residual value guarantee or any change in the index or rate used for determining payments, including any change for reflecting changes in market rents once these have been reviewed.

The Prosegur Cash Group recognises an amendment to the lease as a separate lease if it increases the scope of the lease by adding one or more rights of use and the amount of consideration for the lease increases by an amount consistent with the individual price for the increased scope and any adjustment to the individual price to reflect the specific circumstances of the contract.

If the amendment does not result in a separate lease, on the amendment date the Prosegur Cash Group assigns the consideration to the amended contract as indicated above, it re-determines the term of the lease and re-estimates the value of the liability discounting the revised payments at the revised interest rate. The Prosegur Cash Group writes down the carrying amount of the right of use asset to reflect the partial or total end of the lease in any amendments that reduce the scope of the lease and it records the profit or loss in income. For all other amendments, the Prosegur Cash Group adjusts the carrying amount of the right of use asset.

Lessor accounting

The Prosegur Cash Group will classify each lease either as an operating lease or as a finance lease.

A lease will be classified as a finance lease if it substantially transfers all risks and benefits inherent to the ownership of an underlying asset. A lease will be classified as an operational lease if it does not substantially transfer all risks and benefits inherent to the ownership of an underlying asset.

Finance leases

At the start date, the Prosegur Cash Group recognises in its statement of financial position any assets it holds under finance leases, and it shows them as an item receivable for an amount equivalent to the net investment in the lease. The implicit interest rate is used in the lease to measure the net investment in the lease. The initial direct costs other than those withstood by the lessors that are manufacturers or distributors, are included in the initial appraisal of the net investment in the lease, and reduce the amount of income recognised during the lease term.

The lease payments included in the appraisal of the net investment in the lease include the following payments for the right of use of the underlying asset during the lease term that have not been received on that date: fixed payments, less any incentive to be paid, variable payments that depend on an index or rate, initially appraised by the index or rate applicable on the starting date, any residual value guarantees furnished by the lessor to the lessee, the price of exercising the purchase option whose exercise is reasonably certain and any compensation payments for contract termination, providing the term of the lease reflects the termination option.

The Prosegur Cash Group recognises the financial income during the term of the lease, based on a pattern reflecting a constant periodic rate of return on the Prosegur Cash Group's net investment in the lease.

The Prosegur Cash Group distributes the financial income on a systematic, rational basis throughout the term of the lease and deducts the lease payments for the year from the gross investment in the lease, to reduce both the principal and the unearned financial income.
Operating leases

The Prosegur Cash Group recognises lease payments arising from operating leases as income, either on a straight-line basis, or using another systematic basis. The Prosegur Cash Group applies another systematic basis if it is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

The Prosegur Cash Group recognises the costs, including depreciation, incurred for obtaining lease income as an expense.

The Prosegur Cash Group adds the initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognises those costs as an expense over the lease term on the same basis as the lease income.

The Prosegur Cash Group books the amendment of an operating lease as a new lease from the effective date of the amendment, and considers that any lease payments already made or due in relation to the original lease form part of the payments under the new lease.

33.8 Intangible assets

Goodwill

Goodwill is the amount by which the cost of acquisition exceeds the fair value of the Prosegur Cash Group's share of the acquired subsidiary's identifiable net assets at the acquisition date. Goodwill impairment is verified every year (Note 33.10) posted at cost minus cumulative impairment losses. Profit and loss on the sale of an entity include the carrying amount of the goodwill allocated to the sold entity.

For impairment testing purposes, goodwill is allocated to cash-generating units (CGU). Goodwill is allocated to those CGU that are expected to benefit from the business combination from which the goodwill arose.

Client portfolios

The relationships with clients that the Prosegur Cash Group recognises under client portfolios are separable and based on a contractual relationship, thus meeting the requirements set out in prevailing legislation for consideration as intangible assets separate from goodwill. In general, these are client service contracts that have been acquired from third parties or recognised in the allocation of fair values in business combinations.

Portfolios of contracts with clients are recognised at fair value on the acquisition date less amortisation and accumulated impairment losses.

The fair value allocated to client contract portfolios acquired from third parties is the acquisition price. To determine the fair value of intangible assets allocated in business combinations in the form of client relationships, Prosegur uses the income approach, discounting the cash flows generated by these relationships at the date of acquisition of the subsidiary. Cash flows are estimated based on the sales, operating investments and EBITDA margins projected in the Company's business plans.

The Prosegur Cash Group amortises client portfolios on a straight-line basis over their estimated useful lives. The useful life is estimated based on indicators such as average length of relationship with clients or the average annual client churn rate. The useful lives allocated to these intangible assets are reviewed at the end of each reporting period. Client portfolios have useful lives of between 5 and 22 years.

Client portfolios are allocated to cash-generating units (CGUs) in accordance with their respective business segment and the country of operation.

Moreover, at the end of each reporting period, Prosegur assesses whether the recoverable amount is affected by any impairment loss. The tests to determine whether there are indications of impairment of client portfolios mainly consist of:

- Verifying whether events have taken place that could have a negative impact on the estimated cash flows from the contracts making up the portfolio (such as a decline in total sales or EBITDA margins).
- Updating the estimated client churn rates to identify any changes to the periods for which client portfolios are expected to generate revenues.

If there are indications of impairment, the recoverable amount of a client portfolio is based on the present value of the re-estimated cash flows from the contracts over their useful lives.

If client churn rates have risen, Prosegur re-estimates the useful lives of client portfolios.

Trademarks and licences

Trademarks and licences are presented at historical cost. They have defined useful lives and are recognised at cost less amortisation and accumulated impairment losses. Trademarks and licences are amortised on a straight-line basis to allocate the cost over their estimated useful lives (4 years).

Computer software

Computer software licences acquired are capitalised at cost of acquisition or cost of preparation of the specific software for its use. These expenses are amortised over the estimated useful lives of the assets (3 to 5 years).

Computer software maintenance costs are charged as expenses when incurred.

33.9 Property investments

The Prosegur Cash Group classifies as property investments the buildings to be used in full or in part to obtain rent, capital gains or both, instead of for use in the production or supply of goods or services, or else for the administrative purposes of the Prosegur Cash Group or sale in the ordinary course of business. Property investments are initially recognised at cost, including transactions costs.

The Prosegur Cash Group values property investments subsequent to initial recognition applying the criteria of cost or attributed cost used for property, plant and equipment. The amortisation methods are those contained in that section. The estimate useful life of property investments is of 50 years.

33.10 Impairment losses

If an event or change in circumstances indicates that the carrying amount of assets subject to amortisation or depreciation may not be recoverable, Prosegur determines whether impairment losses have been incurred. The difference between the carrying amount of the asset and its recoverable amount is recognised as an impairment loss. The recoverable amount is the greater between the fair value of an asset less the costs to sell or other type of disposal, or the value in use. For impairment testing purposes, assets are grouped at the lowest level for which separate identifiable cash flows can be identified (cash-generating units, CGU). Impaired non-financial assets other than goodwill are reviewed at the end of each reporting period to assess whether the loss has been reversed.

Impairment losses on goodwill

Goodwill has been allocated to the Prosegur Cash Group's cash-generating units (CGU) in accordance with their respective country of operation. Goodwill is allocated to CGU for impairment testing purposes. Goodwill is allocated to those CGU that are expected to benefit from the business combination from which the goodwill arose.

The recoverable amount is the higher between its fair value less costs to sell or otherwise dispose and its value in use, which is understood to be the present value of estimated future cash flows. To estimate the value in use the Prosegur Cash Group prepares forecasts of future cash flows before tax based on the most recent budgets approved by Management. These budgets incorporate the best available estimates of income and expenses of the cash-generating units (CGU) using past experience and future expectations. These budgets have been prepared for the next four years, and future cash flows have been calculated by applying non-increasing estimated growth rates that do not exceed the average long-term growth rate for the business in which the CGU operates.

Management determined EBITDA (earnings before interest, tax, depreciation and amortisation) based on past returns and the foreseeable development of the market.

To calculate present value, cash flows are discounted at a rate that reflects the cost of capital of the business and the geographical region in which it operates. This calculation takes into account the current value of money and the risk premiums of each country used generally among analysts for the geographical area.

If the recoverable amount is less than the carrying amount of the asset, the difference is recognised under impairment losses in the consolidated income statement (Note 13).

Impairment losses on goodwill are not reversible.

As well as testing for impairment, Prosegur performs a sensitivity analysis on goodwill which consists of verifying the impact of deviations in key assumptions on the recoverable amount of a CGU (Note 13).

33.11 Financial assets

Classification

Financial assets are classified on initial recognition in accordance with the economic substance of the contractual arrangement and the definition of a financial asset.

For the purposes of their appraisal, financial assets are classified in categories of financial assets at fair value through profit or loss, separating those initially designated from those held for trading, financial assets measured at amortised cost and financial assets measured at fair value with changes in other comprehensive income, separating equity instruments designated as such from the rest of the financial assets. Prosegur Cash classifies financial assets, other than those designated at fair value through profit or loss and equity instruments designated at fair value with changes in other comprehensive income, in accordance with the business model and the characteristics of the financial asset's contractual cash flows.

Prosegur Cash classifies a financial asset at amortised cost, if it is held in the framework of a business model whose purpose is to hold financial assets for obtaining contractual cash flows and the contractual terms of the financial asset lead, on specific dates, to cash flows which are solely payments of principal and interest on the outstanding principal amount (SPPI).

Prosegur Cash classifies a financial asset at fair value with changes in other comprehensive income, if it is held in the framework of a business model whose purpose is achieved by obtaining contractual cash flows and selling financial assets and the contractual terms of the financial asset lead, on specific dates, to cash flows that are SPPI.

The business model is determined by key staff of Prosegur Cash and at a level that reflects the way in which groups of financial assets are managed jointly for achieving a specific business target. The business model of the Prosegur Cash Group represents the way in which it manages its financial assets for generating cash flows.

Financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows are managed for generating cash flows in the form of contractual receivables during the life of the instrument. The Prosegur Cash Group manages the assets held in the portfolio for collecting those specific contractual cash flows. To determine whether the cash flows are obtained by collecting contractual cash flows from the financial assets, the Prosegur Cash Group considers the frequency, the value and the timing of the sales in previous years, the reasons for those sales and the expectations in relation to the future sales activity.

Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and sell them are managed for generating cash flows in the form of contract receivables and selling them depending on the different requirements of Prosegur Cash.

Other financial assets are classified at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when Prosegur provides money, goods or services directly to a debtor without the intention of trading the receivable. They are classified as current assets unless they mature in more than 12 months after the reporting date, in which case they are classified as non-current. Loans and receivables are generally recognised under Clients and other receivables (Note 33.13) in the statement of financial position.

Other non-current financial assets

In this category Prosegur includes fixed-term deposits and third-party borrowings.

Recognition, valuation and derecognition of financial assets

Acquisitions and disposals of financial assets are recognised on the trade date, i.e. the date on which Prosegur Cash commits to acquire or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not recognised at fair value through profit or loss. Investments are derecognised when they expire or the contractual rights to the cash flows from the investment have been transferred and Prosegur Cash has transferred substantially all the risks and rewards of ownership.

Loans and receivables and other financial assets are subsequently accounted at amortised cost using the effective interest method.

Unrealised profit and loss arising from changes in the fair value of non-monetary assets classified as available for sale are recognised in equity. When assets classified as available for sale are sold or incur irreversible impairment losses, the accumulated adjustments in fair value are included in the income statement as profit and loss on the assets.

Prosegur Cash tests financial assets or groups of financial assets for impairment at the end of each reporting period. In the case of equity securities classified as available for sale, to determine whether they are impaired the Company considers whether a significant or prolonged decline has reduced the fair value of the securities to below cost.

If such evidence exists for available-for-sale financial assets, the cumulative loss, calculated as the difference between the acquisition cost and the present fair value less any impairment loss previously recognised, is reclassified from equity to the income statement. Impairment losses recognised for equity instruments are not reversed through the income statement.

The Prosegur Cash Group derecognises financial assets when they expire or the rights over the effective cash flows of the corresponding financial asset have been assigned, and the risks and benefits inherent to their ownership have been substantially transferred, such as in assignments of trade receivables in factoring operations in which the Company has no credit risk or interest rate risk.

Conversely, Prosegur Cash does not derecognise financial assets, and recognises financial liabilities in an amount equal to the consideration received, in assignments of financial assets in which the risks and benefits inherent to their ownership are substantially retained, such as discounted cash or factoring with recourse, in which the assigning company retains subordinated financing or other types of guarantees that substantially absorb all the expected losses.

33.12 Inventories

Inventories are measured at the lower of cost and net realisable value, with the following exceptions:

- Inventories held in warehouses and uniforms are measured at weighted average cost.
- Work in progress is measured at the cost of the installation, which includes materials and spare parts used and the standard cost of the corresponding labour, which does not differ from the actual costs incurred during the year.

The net realisable value is the estimated selling price in the normal course of business less any variable costs to sell.

33.13 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment. An impairment of trade receivables is established when there is objective evidence that Prosegur Cash will not be able to collect all amounts due as per the original terms of the receivables, and a credit risk impairment based on the expected loss, which is calculated on the basis of the average percentage of the bad debts of each client over recent years, applied to sales due but for which no provision has yet been made. Financial difficulties affecting the debtor, the likelihood that the debtor will enter insolvency proceedings or a financial restructuring process, or a default or delay in payments are considered to indicate that a receivable is impaired. The amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced as the allowance account is used and the loss is taken to the income statement. When a receivable is uncollectible, it is written off against the allowance account for receivables.

33.14 Non-current assets held for sale

Non-current assets (or disposable groups) are classified as held for sale when the carrying amount is mainly recoverable through a sale, provided that the sale is considered highly probable. These assets are recognised at the lower of the carrying amount and the fair value less costs to sell, provided that their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The Prosegur Cash Group recognises impairment losses, initial and subsequent, of assets classified in this category charged to profit/(loss) from ongoing operations in the consolidated income statement, unless it is a discontinued operation. Non-current assets held for sale are not depreciated or amortised

33.15 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits in credit institutions, other short-term, highly liquid investments with a maturity of three months or less and bank overdrafts. Bank overdrafts are recognised in the statement of financial position as current financial liabilities.

33.16 Share capital and own shares

Ordinary shares are classified as equity.

The acquisition by the Prosegur Cash Group of equity instruments of the Parent Company is presented at acquisition cost separately as a reduction in net equity in the consolidated statement of financial position, regardless of the reason for the acquisition. No profit or loss was recognised in transactions with own equity instruments.

The subsequent amortisation of the Parent's equity instruments leads to a capital reduction in the nominal amount of said shares and the positive or negative difference between the acquisition price and the nominal share price is charged or credited to reserves.

The transaction costs relating to own equity instruments are recognised as a reduction in net equity once any tax effect has been taken into account.

33.17 Provisions

Provisions for restructuring and litigation are recognised when:

i. The Prosegur Cash Group has a present obligation (legal or constructive) as a result of a past event.
ii. It is more probable than an outflow of resources will be required to settle the obligation.
iii. A reliable estimate has been made of the amount of the obligation.

Where there is a number of similar obligations, the probability that an outflow will be required for the settlement is determined by considering the class of obligations as a whole. A provision is recognised even if an outflow of resources in connection with any item included in the same class of obligations is unlikely.

Restructuring provisions include lease cancellation penalties and employee termination benefits. No provision is recognised for future operating losses.

Management estimates the provisions for future claims based on historical claims, as well as any recent trends indicating that past information on costs could differ from future claims. Additionally, Management is assisted by external labour, legal and tax advisors to make the best estimates (Note 22).

Provisions are measured at the present value of the estimated expenditure required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Increases in the provision due to the passage of time are recognised as an interest expense.

33.18. Financial liabilities

Financial liabilities are classified on initial recognition in accordance with the economic substance of the contractual arrangement and the definition of a financial liability in IAS 32 Financial Instruments: Presentation.

Financial liabilities are initially recognised at fair value less any transaction costs and are subsequently measured at amortised cost. Any difference between the funds obtained (net of arrangement costs) and the repayment amount is recognised in the income statement over the term of the liability using the effective interest rate method.

Liabilities are classified as current unless Prosegur Cash Group has an unconditional right to defer settlement for at least twelve months after the reporting date.

Fees and commissions paid for credit facilities are recognised as loan transaction costs provided that it is probable that Prosegur will draw down from one or all of the facilities. In this case, the fees and commissions are deferred until funds are drawn. If there is no evidence that Prosegur is likely to draw down from the credit facility, the fees and commissions are capitalised as a prepayment for liquidity services and amortised over the term of the credit facility.

33.19 Current and deferred taxes

The income tax expense for the year comprises current tax and deferred tax. Tax is recognised in the income statement unless it is paid on items recognised directly in equity, in which case the tax is also recognised in equity.

The current tax expense is calculated in accordance with tax laws that have been enacted or substantially enacted at the reporting date in the countries in which the subsidiaries and associates operate and generate taxable income. Management regularly assesses the judgements made in tax returns where situations are subject to different interpretation under tax laws, recognising, if necessary, the corresponding provisions based on the expected tax liability.

A significant degree of judgement is required to determine the provision for income tax payable globally. In many transactions and calculations during the ordinary course of business, the final tax amount is uncertain. The Prosegur Cash Group recognises tax contingencies that it expects to arise based on estimates when it considers that additional taxes will be payable. If the tax finally paid in these cases differs from the amounts initially recognised, these differences affect income tax and the provision for deferred taxes for the year in which they were calculated.

Deferred tax is calculated using the balance sheet method, based on temporary differences that arise between the tax base of assets and liabilities and their carrying amounts in the Consolidated Annual Accounts. However, if deferred tax assets or liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affect neither accounting profit nor taxable income, they are not recognised.

Deferred tax assets or liabilities are measured using the tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date and are expected to be applicable when the corresponding deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised provided that it is probable that sufficient taxable income will be generated against which the temporary differences can be offset.

Deferred tax assets and liabilities are recognised in respect of the temporary differences that arise from investments in subsidiaries and associates, except where the Prosegur Cash Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The Prosegur Cash Group only offsets deferred tax assets and liabilities against current revenue if there is a legal right in respect of the tax authorities and it intends to settle the resulting debts in their net amount or realise the assets and settle the debts simultaneously.

The Prosegur Cash Group only offsets deferred income tax assets and liabilities if there is a legal right to offsetting in respect of the tax authorities and said assets and liabilities correspond to the same tax authority, and to the same taxable entity or different taxable entities that intend to settle or realise current tax assets and liabilities in their net amount or realise the assets and settle the liabilities simultaneously, in each of the future years in which they expect to settle or recover significant amounts of deferred tax assets or liabilities.

Deferred tax assets and liabilities are recognised in the consolidated statement of financial position as non-current assets or liabilities, irrespective of the expected date of realisation or settlement.

33.20 Employee benefits

Compensation based on the performance of Prosegur Cash shares – 2020 Plan

The 2020 Plan and 2017 Plan are generally linked to value creation and envisage the payment of share-based and/or cash incentives to the Executive President, Executive Director and Senior Management.

For the purpose of determining the value of each share to which the Beneficiary has the right, the average quotation price of Prosegur Cash shares in the Madrid Stock Exchange will be taken as reference during the last fifteen trading sessions of the month prior to the one in which the shares must be delivered.

Quantification of the total incentive will depend on the degree of achievement of the targets established in line with the strategic plan.

The 2020 and 2017 long-term incentive plans for the Executive President, Executive Director and Senior Management of Prosegur Cash, within the salaries and wages section, include the expense accrued in relation to the 2019 commitment, amounting to EUR 3,263 thousand (EUR 1,852 thousand in 2017) (Notes 5 and 22).

The fair value of the incentives indexed to the share quotation price was estimated on the basis of Prosegur Cash's share price at the close of the period (EUR 1.36 share) or at the time of payment.

Termination benefits

Termination benefits are recognised on the earlier date between the one on which the Prosegur Cash Group may no longer withdraw the offer and when restructuring costs entailing the payment of termination benefits are recognised.

In termination benefits resulting from the decision of employees to accept an offer, it is deemed that the Prosegur Cash Group may no longer withdraw the offer on the earlier date between the one on which the employees accept the offer and when a restriction on the ability of Prosegur Cash Group to withdraw the offer takes effect.

In the case of benefits for voluntary termination, it is considered that the Prosegur Cash Group can no longer withdraw the offer when the plan has been notified to affected employees and union representatives, and the actions necessary to complete it indicate that the occurrence of significant changes to the plan are improbable, the number of employees to be terminated, their employment category or duties and place of employment and the anticipated termination date are identified, and it establishes the termination benefits that the employees are going to receive in sufficient detail so that the employees are able to determine the type and amount of remuneration they will receive when terminated.

If the Prosegur Cash Group expects to settle the benefits in their entirety within twelve months of the reporting period, the liability is discounted using the market performance yield corresponding to the issue of high-quality corporate bonds and debentures.

Short-term employee remuneration

Short-term employee remuneration is remuneration to employees, other than termination benefits, whose payment is expected to be settled in its entirety within 12 months of the end of the reporting period in which the employees have rendered the services for the remuneration.

Short-term employee remuneration is reclassified as long-term if the characteristics of the remuneration are modified or if a non-provisional change occurs in settlement expectations.

The Prosegur Cash Group recognises the anticipated cost of short-term remuneration as paid leave whose rights accumulate as the employees render the services granting them the right to collection. If the leaves are not cumulative, the expense is recognised as the leaves take place.

Profit-sharing plans and bonuses

The Prosegur Cash Group calculates the liability and expense for bonuses and profit-sharing using a formula based on EBITDA (earnings before interest, tax, amortisation and depreciation).

The Prosegur Cash Group recognises this cost when a present, legal or implied obligation exists as a result of past events and a reliable estimate may be made of the value of the obligation.

Senior Management remuneration

As well as profit-sharing plans, Prosegur has incentive plans for Senior Management linked to the achievement of certain targets set by the corresponding remuneration committees. At the end of the reporting period, provision has been made for these plans based on Prosegur Cash Management's best possible estimate of the extent to which targets will be met.

Defined benefit schemes

Prosegur Cash includes in defined benefit schemes those financed through the payment of insurance premiums where there is the legal or implicit obligation to directly pay employees the benefits committed as soon as they are payable or to pay additional amounts if the insurer does not disburse the benefits corresponding to services provided by employees in the year or in previous years.

Liabilities for defined benefits recognised in the consolidated statement of financial position correspond to the current value of the defined benefit obligations existing at the reporting date, less the fair value at said date of the assets under the plan.

The present value of employee benefits depends on a number of factors determined using various assumptions. The assumptions employed to calculate the net expense (income) include the discount rate. Any change in these assumptions will affect the carrying amount of employee benefits.

In those cases in which the result obtained from the undertaking of the aforementioned operations is negative, in other words an asset arises, Prosegur Cash recognises this up to the limit of the amount of the present value of any economic benefit available in the form of reimbursements from the plan or reductions in future contributions thereto. The economic benefit is available for Prosegur Cash if it is realisable at any moment during the life of the plan or in the settlement of plan liabilities, even if not immediately realisable at the close of the reporting date.

Income or expense related to defined benefit schemes is recognised as other employee benefits expenses and is the sum of the net current service cost and the net interest cost of the net liabilities or assets for defined benefits. The recalculation of the valuation of net liabilities or assets for defined benefits is recognised in other comprehensive income. The latter includes actuarial profits and losses, the net return on plan assets and any change in the effects of the asset limit, excluding any quantities included in the net interest on liabilities or assets. The costs of administering plan assets and all types of taxes characteristic of these, other than those included in the actuarial assumptions, are deducted from the net return of the plan assets. Amounts deferred in other comprehensive income are reclassified to retained earnings in the same reporting period.

Prosegur Cash likewise recognises the cost of past services as an expense of the reporting period on the earlier date between the one on which the modification or reduction of the plans takes place and when the corresponding restructuring or termination benefits are recognised.

The present value of defined benefit obligations is calculated annually by independent actuaries using the projected unit credit method. The discount interest rate of the net asset or liability for defined benefits is calculated based on the yield on high quality corporate bonds of a currency and term consistent with the currency and term of the post-employment benefit obligations.

Discretionary contributions of employees or third parties to defined benefit schemes reduce the service cost for the reporting period in which they are received. Contributions of employees or third parties established in the terms of the plan reduce the service cost of the service periods if they are associated with the service or reduce recalculations. Changes in contributions associated with the service are recognised as a cost for a current or past service, if they are not established in the formal terms of the plan and do not derive from an implicit obligation or as actuarial losses and gains, if they are established in the formal terms of the plan or derive from an implicit obligation.

Prosegur Cash does not offset assets and liabilities among different plans except in cases in which a legal right exists to offset surpluses and deficits generated by the various plans and seeks to cancel obligations by their net amounts or realise the surplus in order to simultaneously cancel plan obligations with deficits.

Assets or liabilities for defined benefits are recognised as current or non-current depending on the term of realisation or maturity of the relevant benefits.

33.21 Revenue Recognition

Recognition of revenue from contracts with clients (IFRS 15)

On 1 January 2018, the Prosegur Cash Group adopted IFRS 15, concerning the recognition of revenue from contracts with clients. The Prosegur Cash Group opted for the transition option provided in the Standard, which involves applying IFRS 15 recognising the cumulative effect as an adjustment at the date of initial application, without restating the information presented in 2017 under the aforementioned standards.

Pursuant to IFRS 15, revenue is recognised in an amount reflecting the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a client, when the client obtains the control of the goods or services provided. Determining the time at which said control is transferred (at a specific time or over a period of time) requires the exercise of judgement by the Group. This Standard replaces the following standards: (a) IAS 11 Construction Contracts; (b) IAS 18 Revenue, and the related interpretations (IFRIC 13 Client Loyalty Programmes; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Clients; and SIC-31 Revenue —Barter Transactions Involving Advertising Services).

Moreover, with the application of IFRS 15 incremental costs of obtaining a contract must be recognised as an asset (success fees, mainly, and other expenses paid to third parties) and are recognised in the income statement to the extent that the revenue related to said asset are imputed.

IFRS 15 establishes a new five-step model applied to the accounting for revenue from contracts with clients:

Step 1: Identify the contract(s) with the client
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue recognition by business

Cash services

Most of Prosegur Cash revenue comes from cash in transit and cash management services. The IFRS 15 standard requires the use of a uniform method for recognising revenue for contracts and performance obligations with similar characteristics. The method chosen by the Prosegur Cash Group to measure the value of the services, the control of which is transferred to the client over time, is the product method, provided that through the contract and during its execution it is possible to measure the progress in the work carried out. Product methods recognise revenue on the basis of direct measurements of the value for the client of the goods or services transferred so far in relation to the pending goods or services pledged in the contract.

Revenue from services is recognised during the period in which they are rendered. In fixed price contracts, revenue is recognised to the extent that current services are rendered at the end of the period as a proportion of the total services rendered.

If the services provided by Prosegur Cash exceed the unconditional right to payment, a contractual asset is recognised. If the payment received by the client exceeds the recognised income, a contractual liability is recognised.

Interest received

Interest received are recognised over the period of the outstanding principal and considering the effective interest rate applicable. When a receivable is impaired, Prosegur Cash writes down the carrying amount to the recoverable amount, discounting estimated future cash flows at the original effective interest rate of the instrument. The discounting continues to be recognised as a reduction in the interest received. Interest on impaired loans is recognised using the effective interest method.

Dividend received

Dividends received are recognised when the right to receive payment is established.

33.22 Leases (policy applied up until 1 January 2019)

When a Prosegur Cash Group entity is the lessee

Leases of property, plant and equipment in which Prosegur Cash Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognised at the commencement of the lease term at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is broken down into reductions in the payable and the finance costs, so as to produce a constant rate of interest on the remaining balance of the liability. The lease payable, net of the corresponding finance cost, is recognised under financial liabilities. The interest within the finance cost is taken to the income statement over the lease term so as to produce a constant periodic interest rate on the remaining balance of the liability in each period. Property, plant and equipment acquired under finance lease contracts are depreciated over the shorter of the useful life of the asset and the lease term when there is no possibility of Prosegur assuming ownership; otherwise, they are depreciated over the estimated useful life of the asset.

Leases in which the lessor retains a significant part of the risks and rewards of ownership are classified as operating leases. Lease payments under an operating lease (net of any incentive received) are recognised on the income statement as an expense on a straight-line basis over the lease term.

When a Prosegur Cash Group entity is the lessor

Assets leased to third parties under operating lease contracts are recognised as property, plant and equipment in the statement of financial position. These assets are depreciated over their expected useful lives based on criteria consistent with those applied to similar assets owned by the Prosegur Cash Group. Lease income is recognised on a straight-line basis over the expected useful life of the asset.

33.23 Borrowing costs

The Prosegur Cash Group recognises borrowing costs directly attributable to the acquisition, construction or production of qualifying assets as an increase in the value of these assets. Qualifying assets are those which require a substantial period of time before they can be used or sold.

33.24 Dividend distribution

Dividends distributed to the Prosegur Cash Group’s shareholders are recognised as a liability in the Consolidated Annual Accounts in the year in which the dividends are approved by the shareholders. Interim dividends will also result in a liability in the Prosegur Cash Group’s Consolidated Annual Accounts in the year in which the payment on account is approved by the Board of Directors.

33.25 Discontinued operations

A discontinued operation is a component of the Prosegur Cash Group business whose operations and cash flows may be clearly distinguished from the rest of the Prosegur Cash Group and which:

- represents a business line or geographical area that is significant and may be considered to be separate from the rest;
- forms part of an individual and coordinated plan to sell or otherwise dispose of the operations of a business line or geographical area that is significant and may be considered to be separate from the rest; or
- is an independent company acquired with the sole purpose of being resold.

Classification as a discontinued operation takes place on initial disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as discontinued, the comparative statement of income and other comprehensive income is restated as though the operation had been discontinued since the start of the comparative year.

33.26 Environment

The cost of armoured vehicles compliant with the Euro VI standard on non-polluting emissions is recognised as an increase in the carrying amount of the asset. At the 2019 reporting date, the Company has no environment-related contingencies, legal claims or income and expenses relating to the environment.

33.27 Consolidated statement of cash flows

In the consolidated statement of cash flows, prepared using the indirect method, the following expressions are used with the following meanings:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to a low risk of material changes in value.
- Operating activities: the ordinary activities of companies belonging to the consolidated group and other activities that are not classified as investment or financing activities.
- Investing activities: the acquisition and disposal of non-current assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that lead to changes in net equity and in financing liabilities. In particular this section includes bank overdrafts.

33.28 Hyperinflation

Retroactively from 1 January 2018, Prosegur Cash applied IAS 29 for the first time and, as a result, IAS 21.42, due to the Argentine economy being considered as hyperinflationary on 1 July 2018.

The status of hyperinflation is indicated by the characteristics of Argentina's economic environment, which include cumulative inflation over the last three years in excess of 100%. As a result, the financial statements of the Argentine companies of the Prosegur Cash Group have used hyperinflationary accounting for the year 2018, and have not re-stated the previous financial information.

Hyperinflation accounting was applied to all assets and liabilities of the subsidiary company prior to conversion. The historical cost of the non-monetary assets and liabilities and the various equity items of this company was adjusted as of its date of acquisition or inclusion in the consolidated statement of financial position through the closing of 2018 to reflect changes in the purchasing power deriving from inflation. The initial equity shown in the stable currency was affected by the cumulative effect of restatement for inflation of non-monetary items from the date of their first-time recognition and the effect of converting those balances at the closing rate at the beginning of 2018. The Prosegur Cash Group chose to recognise the difference between equity at year-end 2017 and equity at the beginning of 2018 in reserves, along with the cumulative translation differences up to that date, 1 January 2018. The Prosegur Cash Group adjusted the 2019 and 2018 income statements to reflect the financial gain corresponding to the impact of inflation on net monetary assets. The various items on the income statement and the cash flow statement for 2019 and 2018 were adjusted by the inflation rate since they were generated, with a balancing entry in net financial results and net exchange difference, respectively.

The various items on the income statement and the cash flow statement for 2018 were adjusted by the inflation rate since they were generated, with a balancing entry in net financial results and net exchange difference, respectively.

The inflation rates used to compile the information are the domestic wholesale price index (IPIM) through 31 December 2016, and the consumer price index (CPI) from 1 January 2017. IPIM affords greater weighting to manufacturing and primary products that are less representative with respect to the totality of activities conducted, while the CPI considers goods and services that are representative of household consumption expenditure.

The hyperinflation adjustment includes the impacts by application of IAS 29 and IAS 21.42.

In the absence of a specific guideline in IAS 8 for cases in which the presentation currency is other than the currency subject to hyperinflation, Prosegur Cash has adopted the accounting policy of recognising changes in equity associated with the currency effect, entirely under the heading Other reserves. This presumption is subject to IFRIC positioning by an ESMA question. IAS 29 does not consider that these changes lead to profit and loss in the income statement, but rather treats them as adjustments to equity balances (Note 21).

APPENDIX I. – Consolidated Subsidiaries

Information at 31 December 2019

Company	Registered offices	Holding % Over the nominal of the Company Owning the Holding	Basis of consolidatio	Business	Auditor
MIV Gestión, S.A.	Carretera Carga Aerea Of A002 (Barcelona)	100.00% Prosegur Servicios de Efectivo España SLU	a	1	B
Prosegur Servicios de Efectivo España S.L.U.	Pajaritos, 24 (Madrid)	100.00% Prosegur Global CIT ROW SLU	a	1	A
Prosegur Global CIT S.L.U.	Pajaritos, 24 (Madrid)	100.00% Prosegur Cash, S.A.	a	3	B
Prosegur Colombia 3 SLU	Pajaritos, 24 (Madrid)	100.00% Prosegur Global CIT ROW SLU	a	3	B
Prosegur AVOS España SL	Pajaritos, 24 (Madrid)	100.00% Prosegur Global CIT ROW SLU	a	1	B
Armor Acquisition S.A.	Pajaritos, 24 (Madrid)	95.00% Prosegur Internationale Handels GmbH 5.00% Prosegur Global CIT SLU	a	3	A
Juncadella Prosegur Internacional S.A.	Pajaritos, 24 (Madrid)	68.79% Armor Acquisition SA 31.21% Prosegur Intenational Handels GmbH	a a	3	A
Prosegur International CIT 1, S.L.	Pajaritos, 24 (Madrid)	100.00% Prosegur Global CIT SLU	a	3	B
Prosegur International CIT 2, S.L.U.	Pajaritos, 24 (Madrid)	100.00% Prosegur Global CIT SLU	a	3	B
Prosegur Global CIT ROW S.L.U.	Pajaritos, 24 (Madrid)	100.00% Prosegur Cash, S.A.	a	3	B
Contesta Teleservicios SA	Antonio Lopez, 247 (Madrid)	100.00% Prosegur AVOS España SL	a	1	
Integrum 2008 SL	Antonio Lopez, 247 (Madrid)	100.00% Contesta Teleservicios SA	a	1	
Bloggers Broker SL	Antonio Lopez, 247 (Madrid)	100.00% Contesta Teleservicios SA	a	1	
Contesta Servicios Auxiliares SL	Antonio Lopez, 247 (Madrid)	100.00% Contesta Teleservicios SA	a	1	
Prosegur Colombia 1 SLU	Pajaritos, 24 (Madrid)	100.00% Prosegur Global CIT SLU	a	1	
Prosegur Colombia 2 SLU	Pajaritos, 24 (Madrid)	100.00% Prosegur Global CIT SLU	a	1	
Prosegur Servicios de Pago EP SLU	Pajaritos, 24 (Madrid)	100.00% Prosegur Global CIT ROW SLU	a	1	
Risk Management Solutions SLU	Ochandiano, 8 (Madrid)	100.00% Prosegur AVOS España SL	a	1	
Compliofficer SLU	Ochandiano, 8 (Madrid)	100.00% Prosegur AVOS España SL	a	1	
Work 4 Data Lab SL	Arquímedes, 4 (Madrid)	100.00% Risk Management Solutions SLU	a	1	
Prosegur Alpha3 Cashlabs SL	Pajaritos, 24 (Madrid)	87.30% Prosegur Cash, S.A.			
Wohcash APP SL	La Paz 44 - 4º, 46003 (Valencia)	51.00% Prosegur Alpha3 Cashlabs SL			
CASH Centroamerica Uno, S.L.	Pajaritos, 24 (Madrid)	100.00% Prosegur Global CIT, S.L.U	a	2	B
CASH Centroamerica Tres, S.L.	Pajaritos, 24 (Madrid)	100.00% Prosegur Global CIT, S.L.U	a	2	B
Gelt Cash Transfer, S.L.	Pajaritos, 24 (Madrid)	100.00% Prosegur Alpha3 Cashlabs SL	a	2	B
Netijam Technologies SL	Cedaceros, 11 (Madrid)	100.00% Prosegur AVOS España SL	a	2	B
Garantis Sumarmas SL	Cedaceros, 11 (Madrid)	100.00% Netijam Technologies SL	a	2	B
QSNet Comunicaciones y Servicios SL	Cedaceros, 11 (Madrid)	50.00% Netijam Technologies SL	b	2	B
Prosegur International Handels GmbH	Poststrabe, 33 (Hamburgo)	100.00% Malcoff Holding BV	a	3	B
Prosegur Cash Services Germany GmbH	Kokkolastrasse 5 (Ratingen)	100.00% Prosegur Global CIT ROW SLU	a	1	A
Prosegur Berlin SL & Co KG.	Kokkolastrasse 5 (Ratingen)	100.00% Prosegur Global CIT ROW SLU	a	1	B
BaS Solution GmbH	Daimlerstrasse 25 (Munich)	100.00% Prosegur Global CIT ROW S.L.U.	a	1	
Prosegur Traitement de Valeurs S.A.S.U.	Rue Rene Cassin ZI de Molina (La Talaudiere)	100.00% Prosegur Traitement de Valeurs EST SAS	a	1	A
Prosegur Traitement de Valeurs EST S.A.S.	2 Rue Lovoisier BP (Besançon)	100.00% Prosegur Cash Holding France SAS	a	1	A
Prosegur Cash Holding France SAS	1267 Ave Pierre et Marie Curie - Z.I. Secteur (Saint-Laurent Du Var)	100.00% Prosegur Global CIT ROW SLU	a	3	A
Prosegur Traitemet de Valeurs Azur, S.A.	1267 Ave Pierre et Marie Curie - Z.I. Secteur (Saint-Laurent Du Var)	100.00% Prosegur Cash Holding France SAS	a	1	A
Prosegur Logistique de Valeurs Azur, S.A.	1267 Ave Pierre et Marie Curie - Z.I. Secteur (Saint-Laurent Du Var)	100.00% Prosegur Cash Holding France SAS	a	1	A
Prosegur Traitement de Valeurs Provence S.A.S.	604 Ave du Col de l'Ange - ZA des Plaines de Jouques -	100.00% Prosegur Cash Holding France SAS	a	1	B
Malcoff Holdings B.V.	Herikerbergweg 238 (Amsterdam)	100.00% Prosegur Global CIT, S.L.U	a	3	B
Pitco Reinsurance SA	23, Av. Monterey (Luxembourg)	100.00% Luxpai CIT SARL	a	7	A
Luxpai CIT S.A.R.L.	23, Av. Monterey (Luxembourg)	100.00% Prosegur Global CIT ROW SLU	a	3	B
Prosegur Logistica e Tratamento de Valores Portugal Unipessoal Ltda.	Av.Infante Dom Henrique, 326 (Lisboa)	100.00% Prosegur Global CIT ROW SLU	a	1	B
Transportadora de Caudales de Juncadella S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	94.99% Juncadella Prosegur Internacional S.A. 5.00% Armor Acquisition SA 0.01% Prosegur Holding CIT ARG, S.A.	a	1	A

Information at 31 December 2019 (continued)

Company	Registered offices	Holding % Over the nominal of the Company Owning the Holding	Basis of consolidatio	Business	Auditor
Prosegur Holding CIT ARG, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	95.00% Prosegur Global CIT, S.L.U 5.00% Prosegur International CIT 1 SL	a	3	B
Grupo N, S.A.	La Rioja N° 441, oficinas D, E y F (Ciudad de Córdoba)	90.00% Prosegur Global CIT, S.L.U 10.00% Prosegur Internacional CIT 1, S.L.	a	2	
VN Global BPO, S.A.	La Rioja N° 441, oficinas D, E y F (Ciudad de Córdoba)	90.00% Prosegur Global CIT, S.L.U 10.00% Prosegur Internacional CIT 1, S.L.	a	2	
Prosegur Serviços e Participaçoes Societarias SA	Av.Thomas Edison, 813 (São Paulo)	47.08% Juncadella Prosegur Internacional SA 52.92% Prosegur Global CIT SLU	a	3	B
Prosegur Logistica e Armazenamento Ltda	Av. Marginal do Ribeiro dos Cristais, 200 (São Paulo)	99.00% Prosegur Global CIT S.L.U. 1.00% Prosegur International CIT 1, S.L.	a	1	
Log Cred Tecnologia Comercio e Serviços Ltda	Avenida Santos Dumont, 1883 (Ciudad de Lauro de Freitas)	100.00% Prosegur Serviços e Participaçoes Societarias SA	a	1	
Luma Empreendimientos Eireli- ME	Avenida Santos Dumont, 1883 (Ciudad de Lauro de Freitas)	100.00% Prosegur Serviços e Participaçoes Societarias SA	a	1	
Prosegur Pay Consultoria em Tecnologia da Informaçao Ltda	Av. Ermano Marchetti, nº 1.435 (Sao Paulo)	90.00% Prosegur Global CIT SLU 10.00% Prosegur International CIT 1 SL	a	2	B
Transfederal Transporte de Valores Ltda	Saan Quadra 3, Número 360, ASA Norte (Brasilia)	100.00% Prosegur Brasil SA Transportadora de Valores e Segurança	a	2	
Prosegur Brasil SA Transportadora de Valores e Seguranca	Av.Guaratã, 633, (Belo Horizonte)	100.00% Prosegur Serviços e Participaçoes Societarias SA	a	3	
Juncadella Prosegur Group Andina SA	Los Gobelinos 2567 (Santiago de Chile)	99.99% Juncadella Prosegur Internacional SA 0.01% Armor Acquisition SA	a	3	B
Capacitaciones Ocupacionales Sociedad Ltda.	Los Gobelinos 2567 (Santiago de Chile)	83.80% Prosegur Global CIT SLU 10.00% Prosegur International CIT 1 SL 2.50% Prosegur Internationale Handels GmbH 3.70% Juncadella Prosegur Group Andina SA	a	1	B
Servicios Prosegur Ltda.	Los Gobelinos 2567 (Santiago de Chile)	99.98% Prosegur Global CIT SLU 0.01% Prosegur International Handels GmbH 0.01% Juncadella Prosegur Group Andina SA	a	1	B
Empresa de Transportes Compañía de Seguridad Chile Ltda.	Los Gobelinos 2567 (Santiago de Chile)	60.00% Juncadella Prosegur Group Andina SA 40.00% Prosegur International Handels GmbH	a	1	B
Procesos Técnicos de Seguridad y Valores S.A.S.	DB 74 # 6-51 (Bogotá)	99.00% Prosegur International CIT 2 SLU	a	1	B
Compañía Colombiana de Seguridad Transbank Ltda (ex G4S Cash Solutions Colombia Ltda)	Avda. Américas 41-09 (Bogotá)	50.00% Prosegur Colombia 1 SLU 49.00% Prosegur Colombia 2 SLU 1.00% Prosegur Colombia 3 SLU	a	2	A
Compañia Transportadora de Valores Prosegur de Colombia S.A.	Avda. Américas 41-09 (Bogotá)	94.90% Prosegur Global CIT SLU 5.10% Prosegur International CIT 1, SLU 0.00% Prosegur Cash, S.A. 0.00% Prosegur Servicios de Efectivo España SLU 0.00% Prosegur Global CIT ROW SLU	a	1	A
Prosegur Procesos S.A.S.	Avda. De las Américas, 42-25 (Bogotá)	100.00% Prosegur International CIT 2, SLU	a	1	B
Prosegur Paraguay S.A.	C/ Artigas, esq. Concepción Leyes de Chávez (Asunción)	99.00% Juncadella Prosegur Internacional SA 1.00% Transportadora de Caudales Juncadella SA	a	1	B
Compañía de Seguridad Prosegur S.A.	Av. Morro Solar 1086 (Lima)	52.00% Juncadella Prosegur Internacional SA 48.00% Transportadora de Caudales de Juncadella SA	a	1	A
Prosegur Cajeros S.A.	La Chira, 103 (Lima)	52.00% Juncadella Prosegur Internacional SA 48.00% Transportadora de Caudales de Juncadella SA	a	1	B
Prosegur Seguridad Privada Logística y Gestión de Efectivo, S.A. de C.V.	Norte 79 B No. 77 Colonia Sector Naval (México DF)	100.00% Prosegur Global CIT SLU 0.00% Prosegur International CIT 1, SL	a	1	B
Prosegur Servicios de Seguridad Privada Electrónica SA de C.V.	Piña, 297 (México DF)	100.00% Prosegur Global CIT SLU 0.00% Prosegur International CIT 1 SL	a	1	B
Grupo Mercurio de Transportes SA de C.V.	Avda de las granjas, 76 (México DF)	100.00% Grupo Tratamiento y Gestion de Valores SAPI de CV	a	1	B
Grupo Tratamiento y Gestión de Valores SAPI de C.V.	Norte, 79 B (México DF)	8000.00% Prosegur Global CIT SLU	a	3	B

Information at 31 December 2019 (continued)

Company	Registered offices	Holding % Over the nominal of the Company Owning the Holding	Basis of consolidatio	Business	Auditor
Prosegur Transportadora de Caudales S.A.	Guarani 1531 (Montevideo)	99.92% Juncadella Prosegur Internacional SA 0.08% Armor Acquisition SA	a	1	B
Blindados, S.R.L.	Guarani 1531 (Montevideo)	99.00% Prosegur Transportadora de Caudales SA 1.00% Prosegur Global CIT SLU	a	1	B
Singpai Pte Ltd.	8 Cross Street #11-00, PWC Building (Singapore)	100.00% Luxpai CIT S.A.R.L.	a	3	A
Prosec Cash Services Pte Ltd.	111 Geylang Road, #01-01 (Singapore)	100.00% Singpai Pte Ltd	a	6	B
Prosegur Australia Holdings PTY Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100.00% Prosegur Global CIT ROW , SLU	a	3	B
Prosegur Australia Investments PTY Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100.00% Prosegur Australia Holdings PTY Limited	a	3	B
Prosegur Australia Pty Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100.00% Prosegur Australia Investments PTY Limited	a	1	A
Prosegur Services Pty Ltd (Ex-Prosegur Technology Pty Limited)	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100.00% Prosegur Australia Holdings PTY Limited	a	6	B
Cash Services Australia Pty Limited	Level 5, 205 Pacific Highway, St Leonards NSW 2065	100.00% Prosegur Australia Holdings PTY Limited	a		
Prosegur SPV 1 PTY Limited		100.00% Prosegur Australia Holdings PTY Limited	a	2	B
Prosegur CIT Integral System India Private Ltd.	92 Boulevard Emile Delmas (La Rochelle)	95.00% Prosegur Global CIT ROW SLU 5.00% Luxpai CIT SARL	a	1	B
Proteccion de Valores SA	Km 4.5 Carretera a Masaya,(Managua)	50.00% CASH Centroamerica 1 10.00% CASH Centroamerica 3	a	1	
Proteccion de Valores SA de CV	Calle Padres Aguilar No. 9 (San Salvador)	60.00% CASH Centroamerica 1	a	1	
CASH Centroamerica Dos SA	Distrito Panamá (Panamá)	100.00% Prosegur Global CIT S.L.U.	a	1	
Proteccion de Valores SA	Colonia San Ignacio, 4ta calle 5ta Avenida, (Tegucigalpa)	60.00% CASH Centroamerica 1	a	1	
Corporacion Allium SA	15 Avenida "A" 3-67 Oficina No 5 Zona 13 (Guatemala)	90.00% Prosegur Global CIT S.L.U.	a	1	
Prosegur Filipinas Holding Corporation	21st Floor, Philamlife Tower, 8767 Paseo de Roxas, Makati City, NCR, Fourth District - Filipinas	100.00% Prosegur Global CIT ROW S.L.U.	a	3	
Prosegur Global Resources Holding Philipines Incorporated	18th Floor Philamlife Tower, 8767 Paseo de Roxas Bel-Air CITY OF MAKATI, FOURTH DISTRICT, NCR, Philippines, 1226	100.00% Prosegur Global CIT ROW S.L.U.	a	3	
Armored Transport Plus Incorporated	Unit 401 J & L Bldg. 251 EDSA, Wack-Wack, Mandaluyong City	36.00% Prosegur Global Resources Holding Philipines Incorporated	a	1	
E-CTK Solutions Incorporated	Suite 21G Burgundy Corporate Tower, 252 Sen. Gil Puyat Ave., Makati City	36.00% Prosegur Global Resources Holding Philipines Incorporated	a	1	
Fortress Armored Transport Incorporated	IWMPC Bldg., Ilang-Ilang St. Alido Subd. Brgy. Bulihan Malolos Bulacan	36.00% Prosegur Global Resources Holding Philipines Incorporated	a	1	
PT Wiratanu Persada Tama	Gedung Gajah Blok A, B, C Lantai 3A Unit BIV, Jl. Dr. Saharjo Nº 111, RT/RW 001/01, (Jakarta)	49.00% Prosegur Global CIT ROW SLU	a	2	B
Consultoria de Negocios CCR Consulting Costa Rica SA	San José (Costa Rica)	70.00% Prosegur Global CIT SLU 30.00% Prosegur International CIT 1 SL	a	2	B
Prosegur BSI Canada Limited	700 - 401 WEST GEORGIA STREET, VANCOUVER BC V6B 5A1-CANADA	77.08% Prosegur Compañia de Seguridad SA	a	2	B

Basis of consolidation

a. The company controls the investee, which is fully consolidated.
b. Existence of significant influence, equity-accounted.

Activity

1. Area of activities of the Cash business group.
2. Activities included in another business line (Note 17 — Non-current assets held for sale)
3. Holding company
4. Financial services
5. Ancillary services
6. Dormant
7. Other services

Auditor:

A. Audited by KPMG.
B. Not subject to audit.
C. Audited by other auditors.

Information at 31 December 2018

Company	Registered offices	Holding %	Over the nominal of the Company Owning the Holding	Basis of consolidat	Business	Auditor
MIV Gestión, S.A.	Carretera Carga Aerea Of A002 (Barcelona)	100.00%	Prosegur Servicios de Efectivo España SLU	a	1	B
Prosegur Servicios de Efectivo España S.L.U.	Pajaritos, 24 (Madrid)	100.00%	Prosegur Global CIT ROW SLU	a	1	A
Prosegur Global CIT S.L.U.	Pajaritos, 24 (Madrid)	100.00%	Prosegur Cash, S.A.	a	3	B
Prosegur Colombia 3 SLU	Pajaritos, 24 (Madrid)	100.00%	Prosegur Global CIT ROW SLU	a	3	B
Prosegur AVOS España SL	Pajaritos, 24 (Madrid)	100.00%	Prosegur Global CIT ROW SLU	a	1	B
Armor Acquisition S.A.	Pajaritos, 24 (Madrid)	95.00% 5.00%	Prosegur Internationale Handels GmbH Prosegur Global CIT SLU	a	3	A
Juncadella Prosegur Internacional S.A.	Pajaritos, 24 (Madrid)	68.79% 31.21%	Armor Acquisition SA Prosegur Intenational Handels GmbH	a	3	A
Prosegur International CIT 1, S.L.	Pajaritos, 24 (Madrid)	100.00%	Prosegur Global CIT SLU	a	3	B
Prosegur International CIT 2, S.L.U.	Pajaritos, 24 (Madrid)	100.00%	Prosegur Global CIT SLU	a	3	B
Prosegur Global CIT ROW S.L.U.	Pajaritos, 24 (Madrid)	100.00%	Prosegur Cash, S.A.	a	3	B
Contesta Teleservicios SA	Antonio Lopez, 247 (Madrid)	100.00%	Prosegur AVOS España SL	a	1	
Integrum 2008 SL	Antonio Lopez, 247 (Madrid)	100.00%	Contesta Teleservicios SA	a	1	
Bloggers Broker SL	Antonio Lopez, 247 (Madrid)	100.00%	Contesta Teleservicios SA	a	1	
Contesta Servicios Auxiliares SL	Antonio Lopez, 247 (Madrid)	100.00%	Contesta Teleservicios SA	a	1	
Prosegur Colombia 1 SLU	Pajaritos, 24 (Madrid)	100.00%	Prosegur Global CIT SLU	a	1	
Prosegur Colombia 2 SLU	Pajaritos, 24 (Madrid)	100.00%	Prosegur Global CIT SLU	a	1	
Prosegur Servicios de Pago EP SLU	Pajaritos, 24 (Madrid)	100.00%	Prosegur Global CIT ROW SLU	a	1	
Risk Management Solutions SLU	Ochandiano, 8 (Madrid)	100.00%	Prosegur AVOS España SL	a	1	
Complíofficer SLU	Ochandiano, 8 (Madrid)	100.00%	Prosegur AVOS España SL	a	1	
Work 4 Data Lab SL	Arquímedes, 4 (Madrid)	100.00%	Risk Management Solutions SLU	a	1	
Dopar Servicios SL	Alvira Lasierra 10 (Zaragoza)	100.00%	Prosegur AVOS España SL	a	1	
Enclama SL	Juan de la Cierva, 23 (Zaragoza)	100.00%	Prosegur AVOS España SL	a	1	
Iberprofin SL	Paseo de la Constitución, 4 (Zaragoza)	100.00%	Prosegur AVOS España SL	a	1	
Prosegur International Handels GmbH	Poststrabe, 33 (Hamburgo)	100.00%	Malcoff Holding BV	a	3	B
Prosegur Cash Services Germany GmbH	Kokkolastrasse 5 (Ratingen)	100.00%	Prosegur Global CIT ROW SLU	a	1	A
Prosegur Berlin SL & Co KG.	Kokkolastrasse 5 (Ratingen)	100.00%	Prosegur Global CIT ROW SLU	a	1	B
BaS Solution GmbH	Daimlerstrasse 25 (Munich)	100.00%	Prosegur Global CIT ROW S.L.U.	a	1	
Prosegur Traitement de Valeurs S.A.S.U.	Rue Rene Cassin ZI de Molina (La Talaudiere)	100.00%	Prosegur Traitement de Valeurs EST SAS	a	1	A
Prosegur Traitement de Valeurs EST S.A.S.	2 Rue Lovoisier BP (Besançon)	100.00%	Prosegur Cash Holding France SAS	a	1	A
Prosegur Cash Holding France SAS	1267 Ave Pierre et Marie Curie - Z.I. Secteur (Saint-Laurent Du Var)	100.00%	Prosegur Global CIT ROW SLU	a	3	A
Prosegur Traitemet de Valeurs Azur, S.A.	1267 Ave Pierre et Marie Curie - Z.I. Secteur (Saint-Laurent Du Var)	100.00%	Prosegur Cash Holding France SAS	a	1	A
Prosegur Logistique de Valeurs Azur, S.A.	1267 Ave Pierre et Marie Curie - Z.I. Secteur (Saint-Laurent Du Var)	100.00%	Prosegur Cash Holding France SAS	a	1	A
Prosegur Traitement de Valeurs Provence S.A.S.	604 Ave du Col de l'Ange - ZA des Plaines de Jouques -	100.00%	Prosegur Cash Holding France SAS	a	1	B
Malcoff Holdings B.V.	Herikerbergweg 238 (Amsterdam)	100.00%	Prosegur Global CIT, S.L.U	a	3	B
Pitco Reinsurance SA	23, Av. Monterey (Luxembourg)	100.00%	Luxpai CIT SARL	a	7	A
Luxpai CIT S.A.R.L.	23, Av. Monterey (Luxembourg)	100.00%	Prosegur Global CIT ROW SLU	a	3	B
Prosegur Logistica e Tratamento de Valores Portugal Unipesso	Av.Infante Dom Henrique, 326 (Lisboa)	100.00%	Prosegur Global CIT ROW SLU	a	1	B
Transportadora de Caudales de Juncadella S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	94.99% 5.00% 0.01%	Juncadella Prosegur Internacional S.A. Armor Acquisition SA Prosegur Holding CIT ARG, S.A.	a	1	A

Information at 31 December 2018 (continued)

Company	Registered offices	Holding % Over the nominal of the Company Owning the Holding	Basis of consolidat	Business	Auditor
Prosegur Holding CIT ARG, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	95.00% Prosegur Global CIT, S.L.U 5.00% Prosegur International CIT 1 SL	a	3	B
Tellex SA	Tres Arroyos 2835 (Ciudad de Buenos Aires)	95.00% Transportadora de Caudales de Juncadella S.A. 5.00% Prosegur Holding CIT ARG, S.A.	a	1	
Prosegur Serviços e Participaçoes Societarias SA	Av.Thomas Edison, 813 (São Paulo)	47.08% Juncadella Prosegur Internacional SA 52.92% Prosegur Global CIT SLU	a	3	B
Prosegur Logistica e Armazenamento Ltda	Av. Marginal do Ribeiro dos Cristais, 200 (São Paulo)	99.00% Prosegur Global CIT S.L.U. 1.00% Prosegur International CIT 1, S.L.	a	1	
Log Cred Tecnologia Comercio e Serviços Ltda	Avenida Santos Dumont, 1883 (Ciudad de Lauro de Freitas)	100.00% Prosegur Serviços e Participaçoes Societarias SA	a	1	
Luma Empreendimientos Eireli- ME	Avenida Santos Dumont, 1883 (Ciudad de Lauro de Freitas)	100.00% Prosegur Serviços e Participaçoes Societarias SA	a	1	
Prosegur Brasil SA Transportadora de Valores e Seguranca	Av.Guaratã, 633, (Belo Horizonte)	100.00% Prosegur Serviços e Participaçoes Societarias SA	a	3	
Juncadella Prosegur Group Andina SA	Los Gobelinos 2567 (Santiago de Chile)	99.99% Juncadella Prosegur Internacional SA 0.01% Armor Acquisition SA	a	3	B
Capacitaciones Ocupacionales Sociedad Ltda.	Los Gobelinos 2567 (Santiago de Chile)	83.80% Prosegur Global CIT SLU 10.00% Prosegur International CIT 1 SL 2.50% Prosegur Internationale Handels GmbH 3.70% Juncadella Prosegur Group Andina SA	a	1	B
Servicios Prosegur Ltda.	Los Gobelinos 2567 (Santiago de Chile)	99.98% Prosegur Global CIT SLU 0.01% Prosegur International Handels GmbH 0.01% Juncadella Prosegur Group Andina SA	a	1	B
Empresa de Transportes Compañía de Seguridad Chile Ltda.	Los Gobelinos 2567 (Santiago de Chile)	60.00% Juncadella Prosegur Group Andina SA 40.00% Prosegur International Handels GmbH	a	1	B
Procesos Técnicos de Seguridad y Valores S.A.S.	DB 74 # 6-51 (Bogotá)	99.00% Prosegur International CIT 2 SLU	a	1	B
Compañia Transportadora de Valores Prosegur de Colombia S.	Avda. Américas 41-09 (Bogotá)	94.90% Prosegur Global CIT SLU 5.10% Prosegur International CIT 1, SLU 0.00% Prosegur Cash, S.A. 0.00% Prosegur Servicios de Efectivo España SLU 0.00% Prosegur Global CIT ROW SLU	a	1	A
Prosegur Procesos S.A.S.	Avda. De las Américas, 42-25 (Bogotá)	100.00% Prosegur International CIT 2, SLU	a	1	B
Prosegur Paraguay S.A.	C/ Artigas, esq. Concepción Leyes de Chávez (Asunción)	99.00% Juncadella Prosegur Internacional SA 1.00% Transportadora de Caudales Juncadella SA	a	1	B
Compañía de Seguridad Prosegur S.A.	Av. Morro Solar 1086 (Lima)	52.00% Juncadella Prosegur Internacional SA 48.00% Transportadora de Caudales de Juncadella SA	a	1	A
Prosegur Cajeros S.A.	La Chira, 103 (Lima)	52.00% Juncadella Prosegur Internacional SA 48.00% Transportadora de Caudales de Juncadella SA	a	1	B
Prosegur Seguridad Privada Logística y Gestión de Efectivo, S./	Norte 79 B No. 77 Colonia Sector Naval (México DF)	100.00% Prosegur Global CIT SLU 0.00% Prosegur International CIT 1, SL	a	1	B
Prosegur Servicios de Seguridad Privada Electrónica SA de C.\	Piña, 297 (México DF)	100.00% Prosegur Global CIT SLU 0.00% Prosegur International CIT 1 SL	a	1	B
Grupo Mercurio de Transportes SA de C.V.	Avda de las granjas, 76 (México DF)	100.00% Grupo Tratamiento y Gestion de Valores SAPI de CV	a	1	B
Grupo Tratamiento y Gestión de Valores SAPI de C.V.	Norte, 79 B (México DF)	8000.00% Prosegur Global CIT SLU	a	3	B

Information at 31 December 2018 (continued)

Company	Registered offices	Holding		Basis of consolidat	Business	Auditor
		% Over the nominal	of the Company Owning the Holding			
Prosegur Transportadora de Caudales S.A.	Guarani 1531 (Montevideo)	9991.00%	Juncadella Prosegur Internacional SA	a	1	B
		9.00%	Armor Acquisition SA			
Blindados, S.R.L.	Guarani 1531 (Montevideo)	9900.00%	Prosegur Transportadora de Caudales SA	a	1	B
		100.00%	Prosegur Global CIT SLU			
Singpai Pte Ltd.	8 Cross Street #11-00, PWC Building (Singapore)	100.00%	Luxpai CIT S.A.R.L.	a	3	A
Prosec Cash Services Pte Ltd.	111 Geylang Road, #01-01 (Singapore)	100.00%	Singpai Pte Ltd	a	6	B
Prosegur Australia Holdings PTY Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100.00%	Prosegur Global CIT ROW , SLU	a	3	B
Prosegur Australia Investments PTY Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100.00%	Prosegur Australia Holdings PTY Limited	a	3	B
Prosegur Australia Pty Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100.00%	Prosegur Australia Investments PTY Limited	a	1	A
Prosegur Services Pty Ltd (Ex-Prosegur Technology Pty Limite	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100.00%	Prosegur Australia Holdings PTY Limited	a	6	B
Cash Services Australia Pty Limited	Level 5, 205 Pacific Highway, St Leonards NSW 2065	100.00%	Prosegur Australia Holdings PTY Limited	a		
Prosegur CIT Integral System India Private Ltd.	92 Boulevard Emile Delmas (La Rochelle)	95.00%	Prosegur Global CIT ROW SLU	a	1	B
		5.00%	Luxpai CIT SARL			
Proteccion de Valores SA	Km 4.5 Carretera a Masaya,(Managua)	50.00%	CASH Centroamerica 1	a	1	
		10.00%	CASH Centroamerica 3			
Proteccion de Valores SA de CV	Calle Padres Aguilar No. 9 (San Salvador)	60.00%	CASH Centroamerica 1	a	1	
CASH Centroamerica 1		100.00%	Prosegur Global CIT S.L.U.	a	1	
CASH Centroamerica 3		100.00%	Prosegur Global CIT S.L.U.	a	1	
Proteccion de Valores SA	Colonia San Ignacio, 4ta calle 5ta Avenida, (Tegucigalpa)	60.00%	CASH Centroamerica 1	a	1	
Corporacion Allium SA	15 Avenida "A" 3-67 Oficina No 5 Zona 13 (Guatemala)	90.00%	Prosegur Global CIT S.L.U.	a	1	
Prosegur Filipinas Holding Corporation	21st Floor, Philamlife Tower, 8767 Paseo de Roxas, Makati City, NCR, Fourth Distr	100.00%	Prosegur Global CIT ROW S.L.U.	a	3	
Prosegur Global Resources Holding Philipines Incorporated	18th Floor Philamlife Tower, 8767 Paseo de Roxas Bel-Air CITY OF MAKATI, FOUI	100.00%	Prosegur Global CIT ROW S.L.U.	a	3	
Armored Transport Plus Incorporated		36.00%	Prosegur Global Resources Holding Philipines Incorporated	a	1	
E-CTK Solutions Incorporated		36.00%	Prosegur Global Resources Holding Philipines Incorporated	a	1	
Fortress Armored Transport Incorporated		36.00%	Prosegur Global Resources Holding Philipines Incorporated	a	1	

Basis of consolidation

a. The company controls the investee, which is fully consolidated.
b. Existence of significant influence, equity-accounted.

Activity

1. Area of activities of the Cash business group.
2. Activities included in another business line (Note 17 — Non-current assets held for sale)
3. Holding company
4. Financial services
5. Ancillary services
6. Dormant
7. Other services

Auditor:

A. Audited by KPMG.
B. Not subject to audit.
C. Audited by other auditors.

APPENDIX II. – Breakdown of Joint Arrangements

Information at 31 December 2019 - Joint Ventures

Company	Registered offices	Holding		Basis of consolidation	Business	Auditor
		% Over the nominal of the	Company Owning the Holding			
SIS Cash Services Private Ltd	Annapurna Bhawan, Kurji, Patna 8000001 (Buharm India)	49.00%	Singpai Pte Ltd	b	2	B
SIS Prosegur Holdings Private Limited	Regus Elegance 2F, Elegance, Jasola District Centre, Old Mathura Road, New Delhi, South Delhi, Delhi, Delhi, India - 110025	100.00%	SIS Cash Services Private Ltd	b	2	
SIS Prosegur Cash Logistics Private Limited	Annapurna Bhawan, Kurji, Patna 8000001 (Buharm India)	100.00%	SIS Cash Services Private Ltd	a	2	
Dinero Gelt SL	Moscatelar nº 1K, 28043 (Madrid)	60.05%	Prosegur Alpha3 Cashlabs SL			

Information at 31 December 2019 - Temporary Joint Ventures

Company	Registered offices	Holding		Basis of consolidation	Business
		% Over the nominal of the	Company Owning the Holding		
UTE PSISE ESC PSEE EQUIPAMIENTOS MUSEÍSTICOS MALAGA	Pajaritos, 24 (Madrid)	100.00%		d	1
UTE PSISE PSEE CETURSA SIERRA NEVADA	Pajaritos, 24 (Madrid)	100.00%		d	1
UTE PSISE ESC PSEE REAL ALCAZAR DE SEVILLA	Pajaritos, 24 (Madrid)	100.00%		d	1
UTE PSISE-PSEE CIEMAT	Pajaritos, 24 (Madrid)	100.00%		d	2
UTE PSISE-PSEE MUSEOS VALENCIA	Pajaritos, 24 (Madrid)	100.00%		d	2

Information at 31 December 2018 - Joint Ventures

Company	Registered offices	Holding		Basis of consolidat	Business	Auditor
		% Over the nominal	of the Company Owning the Holding			
SIS Cash Services Private Ltd	Annapurna Bhawan, Kurji, Patna 8000001 (Buharm India)	49.00%	Singpai Pte Ltd	b	2	B
SIS Prosegur Holdings Private Limited		100.00%	SIS Cash Services Private Ltd	b	2	
SIS Prosegur Cash Logistics Private Limited	Annapurna Bhawan, Kurji, Patna 8000001 (Buharm India)	100.00%	SIS Cash Services Private Ltd	a	2	
SBV Services Propietary Limited	No 17 8th Street, Cnr 11th Avenue and 8th Street, Houghton (Johanesburgo)	33.33%	Prosegur Global CIT ROW SLU	b	5	B
SBV Services Namibia Proprietary Limited	24 Oban Street, (Windhoek, Namibia)	100.00%	A través de: SBV Services Propietary Limited	b	2	B
Carrick Properties (Pinetown) Proprietary Limited	No 17 8th Street, Cnr 11th Avenue and 8th Street, Houghton (Johanesburgo)	100.00%	A través de: SBV Services Propietary Limited	b	1	A
Security Unlimited (PtY) Limited	Suite 51A, Lioli Road, (Maseru Lesotho)	80.00%	A través de: SBV Services Propietary Limited	b	2	
CashLogix Proprietary Limited	No 17 8th Street, Cnr 11th Avenue and 8th Street, Houghton (Johanesburgo)	100.00%	A través de: SBV Services Propietary Limited	b	1	A
Integrated Cash Management Services Limited (ICMS)	No 17 8th Street, Cnr 11th Avenue and 8th Street, Houghton (Johanesburgo)	100.00%	A través de: SBV Services Propietary Limited	b	1	A

Information at 31 December 2018 - Temporary Joint Ventures

Company	Registered offices	Holding		Basis of consolidat	Business
		% Over the nominal	of the Company Owning the Holding		
UTE PSISE ESC PSEE EQUIPAMIENTOS MUSEÍSTICOS MALAGA	Pajaritos, 24 (Madrid)	100.00%		d	1
UTE PSISE PSEE CETURSA SIERRA NEVADA	Pajaritos, 24 (Madrid)	100.00%		d	1
UTE PSISE ESC PSEE REAL ALCAZAR DE SEVILLA	Pajaritos, 24 (Madrid)	100.00%		d	1
UTE PSISE-PSEE CIEMAT	Pajaritos, 24 (Madrid)	100.00%		d	2
UTE PSISE-PSEE MUSEOS VALENCIA	Pajaritos, 24 (Madrid)	100.00%		d	2

Basis of consolidation

a. The company controls the investee, which is fully consolidated.
b. Existence of significant influence, equity-accounted.

Activity

1. Area of activities of the Cash business group.
2. Activities included in another business line (Note 17 — Non-current assets held for sale)
3. Holding company
4. Financial services
5. Ancillary services
6. Dormant
7. Other services

Auditor:

A. Audited by KPMG.
B. Not subject to audit.
C. Audited by other auditors

APPENDIX III. – Summary Information on Joint Ventures

Information at 31 December 2019

Thousands of Euros	SIS Cash Services Private Limited	SIS Prosegur Holdings Private Limited	Dinero Gelt	Other insignificant companies	Total
Information on the financial situation statement					
Non-current assets	**12,448**	**10,380**	**381**	**-**	**23,210**
Non-current liabilities	**(7,230)**	**(434)**	**(100)**	**-**	**(7,764)**
Total non-current net assets	5,218	9,946	281	-	15,446
Current assets	**18,188**	**26,209**	**2,222**	**-**	**46,619**
Cash and cash equivalents	**259**	**(105)**	**1,028**	**-**	**1,182**
Current liabilities	**(19,225)**	**(27,352)**	**(313)**	**-**	**(46,890)**
Current financial liabilities	-	-	-	-	-
Total current net assets	(1,037)	(1,143)	1,909	-	(271)
Net assets	4,181	8,803	2,190	-	15,173
Percentage of holding	49%	49%	52%		
Holding in net assets	2,049	4,313	1,148	-	7,510
Book value of the holding	**2,049**	**4,313**	**1,148**	**-**	**7,510**
Income statement information					
Revenue	**26,220**	**15,766**	**494**	**76,022**	**118,502**
Sale expenses	**(25,681)**	**(16,501)**	**(602)**	**(74,441)**	**(117,225)**
Impairment of holdings through the equity method	-	-	-	-	-
Finance income	-	-	0	(27)	(27)
Amortisations	(1,472)	(496)	(47)	(523)	(2,538)
Finance expenses	(1,500)	(654)	(17)	(1,884)	(4,054)
Income tax expense (income)	92	55	65	103	315
Profit (loss) for the year from continuing operations	(868)	(1,334)	(60)	(227)	(2,489)
Expense (income) through the tax on profits from activities					-
Profit for the year	(868)	(1,334)	(60)	(227)	(2,489)
Other comprehensive income					
Profit (loss) of investments accounted for using the equity method	**(425)**	**(654)**	**(32)**	**(46)**	**(1,157)**

Information at 31 December 2018

Thousands of Euros	SIS Cash Services Private Limited	SIS Prosegur Holdings Private Limited	SBV South Africa	Other insignificant companies	Total
Information on the financial situation statement					
Non-current assets	**11,533**	**10,330**	**86,883**	**2,215**	110,961
Non-current liabilities	**(6,365)**	**(724)**	**(49,205)**	**(10)**	(56,304)
Total non-current net assets	5,168	9,606	37,678	2,205	54,657
Current assets	**16,692**	**12,502**	**56,543**	**1,519**	87,256
Cash and cash equivalents	**50**	**309**	**14,313**	**415**	15,086
Current liabilities	**(13,214)**	**(15,312)**	**(37,225)**	**(3,139)**	(68,890)
Current financial liabilities	-	-	-	-	-
Total current net assets	3,478	(2,810)	19,319	(1,620)	18,366
Net assets	8,646	6,796	56,997	584	73,023
Percentage of holding	49%	49%	33%	-	
Holding in net assets	4,237	3,330	18,809	58	26,433
Book value of the holding	**4,237**	**3,330**	**18,809**	**58**	**26,433**
Income statement information					
Revenue	**20,651**	**15,724**	**229,774**	**-**	266,148
Sale expenses	**(22,401)**	**(16,696)**	**(218,344)**	**9**	(257,432)
Impairment of holdings through the equity method	-	-	-	-	-
Finance income	-	-	-	-	-
Amortisations	(1,286)	(393)	(1,093)	-	(2,772)
Finance expenses	(1,211)	(1,015)	(4,596)	-	(6,823)
Income tax expense (income)	499	332	(1,696)	-	(865)
Profit (loss) for the year from continuing operations	(2,463)	(1,655)	5,138	9	1,029
Expense (income) through the tax on profits from activities					-
Profit for the year	(2,463)	(1,655)	5,138	9	1,029
Other comprehensive income					
Profit (loss) of investments accounted for using the equity method	**(1,207)**	**(811)**	**1,695**	**-**	(322)

Consolidated Directors' Report for 2019

Prosegur Cash, S.A. and subsidiaries

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Chairman's Letter

On behalf of the team of professionals of Prosegur Cash, we welcome you to this 2019 Directors Report.

In this financial year, Prosegur has shown that the improvement in growth and margins is being consolidated. All this as a result of the strength of the underlying business and the deployment of our strategy based on Agility, Consolidation and Transformation.

Agility is substantiated by our high capacity to continue registering double-digit organic growth rates in our activity while reporting a substantial improvement in margins. In addition, the divestments undertaken in France and South Africa have allowed us to focus on those markets in which we have a consolidated leadership position or the potential to reach that position.

In 2019, we have continued to be very active in the consolidation of the cash in transit and cash management market by carrying out six operations that have amounted to almost 85 million euros. We are investing not only in our core business but also in Prosegur Cash New Products. Activities that in the last year have grown to represent more than 16% of the total turnover of the company, thus reinforcing all our transformation initiatives.

These data confirm that Prosegur Cash is fulfilling the commitments that we set in 2017 when we started our journey as a listed company. We are reporting a strong growth in operations accompanied by an improvement in operating profitability. Our activity regarding inorganic growth of operations is robust and perfectly aligned with our company's strategy. Our transformation initiatives are reporting very strong growth and are firmly consolidated in our services portfolio. Lastly, we continue to develop an attractive dividend policy for our shareholders, with a 50% pay-out ratio.

After only three years as a listed company, in Prosegur Cash we are very proud of all the goals and achievements that we have accomplished. Without a doubt, they are a matter of great satisfaction to all of us who are part of this project and encourages us to continue making cash an efficient, safe, reliable, resilient and universal means of payment. For this, we will continue working to ensure that it is available at any time and in any situation convinced that cash is synonymous with freedom.

Finally I would to thank all our stakeholders for their continued trust in the project and reinforce, as always, our commitment to value creation.

Christian Gut

Executive Chairman

Message from the Executive Director

The 2019 Directors Report, which we present here, aims to take stock, in a faithful and transparent way, of what this financial year has represented for Prosegur Cash.

The company has had to operate in a scenario very similar to that of 2018. Against this backdrop, the teams have managed to operate with intelligence and agility to adapt to the particularities of each market and to the demands of our customers.

Our activities in Latin America have reported a positive performance across all countries and some markets even recorded extraordinary additional volumes. The New Products in this region have taken a step forward by increasing revenues by 52%, clearly reflecting the increasing importance of these services for the overall sales of our company.

With regard to European operations, the financial year has been positive in terms of organic growth, although reflecting the divestment in France in the second half of the year. In Europe, New Products also evolve favourably and already account for 18.5% of sales in the region. This was accompanied by a slight recovery in the operating margin that we expect will continue over the coming quarters.

In the AOA region (Asia, Oceania and Africa), the good performance of our operations in the Philippines should be highlighted, while Australia continues with the pace of the previous year. I would like also to highlight the start of operations in Indonesia along with the divestment in South Africa.

In addition to our geographical presence, I would like to point out the improvement in the operating margins, in absolute and relative terms, which is the result of the implementation of efficiency programs, the capture of synergies in the acquisitions that we have carried out and the divestments, which I have already mentioned, in France and South Africa. Another positive aspect is the evolution of our cash flow that has reported a conversion ratio of 74% in 2019. Lastly, it is also worth mentioning that, in 2019, our leverage ratio has been reduced to 1.6 times total net debt over EBITDA.

I would also like to mention our strong commitment to sustainability and to reducing the impact of our activities on the environment. In this regard, we have launched a dashboard that allows us to account for and control our energy consumption and, hence, our carbon dioxide emissions. We also continue to guarantee, together with our suppliers, adequate tire recycling processes. And, at the same time, we are launching initiatives to improve our fleet that have already been recognized by the Spanish Association of Fleet and Mobility Managers as the best Sustainable Corporate Mobility project.

In short, Prosegur Cash represents an attractive project that continues to make progress in building a strong international leadership in the cash in transit and cash management industry. For all this, we look forward to the future with optimism, which encourages us to continue working to provide the best service to our customers.

As always, we thank you for your trust.

José Antonio Lasanta

Chief Executive Officer

Consolidated Directors' Report for 2019

This Directors' report has been prepared in accordance with the recommendations contained in the Guidelines for the preparation of the Directors' reports of listed companies, published by the National Securities Market Commission (CNMV).

1. About Prosegur Cash

Prosegur Cash was incorporated as a single person limited company in accordance with Spanish law on 22 February 2016, and subsequently transformed into a public limited company on 21 September 2016.

The Prosegur Cash Group was the result of a spin-off of the Cash business unit of the Prosegur Group, performed by means of a non-monetary contribution of entities under the shared control of the Prosegur Group.

Shares in Prosegur Cash were listed on 17 March 2017 at a price of 2 Euros each, in the stock exchanges of Madrid, Barcelona, Bilbao and Valencia, and are traded on the Spanish Stock Exchange Interconnection System (SIBE).

On 7 April 2017, the Green Shoe period of the stock market flotation ended, and the free float attained 27.5% of the share capital of Prosegur Cash.

The Prosegur Cash Group operates in the following countries: Germany, Argentina, Australia, Brazil, Chile, Colombia, Costa Rica, El Salvador, Spain, The Philippines, Guatemala, Honduras, India, Indonesia, Luxembourg, Mexico, Nicaragua, Paraguay, Peru, Portugal and Uruguay.

1.1. Business Model

Prosegur Cash is a worldwide leader in cash in transit and cash management, and in outsourcing services to finance institutions, businesses, government institutions and central banks, mints, jewellery stores, and in other business activities around the world. The activity focuses mainly on the banking and retail sectors.

1.1.1. Business lines

Prosegur Cash comprises the following businesses:

- **Transport:** local and international transport services, via land, sea and air, of funds and other valuable goods, such as jewellery, works of art, precious metals, electronic devices, pharmaceutical products, voting ballots and legal evidence, among others. These services include collection, transport, custody, delivery and deposit in vaults.
- **Cash management:** comprises counting, processing, equipment, custody, packaging and delivery of cash in bank notes and coins, and the loading of ATMs.
- **New Products:**

- Automation of payments in retail establishments via self-service cash machines (Prosegur Smart Cash), including devices for paying in cash, recycling or dispensing bank notes and coins, and payment of invoices.
- ATM integrated management, including planning, supervision, first- and second-tier maintenance, and tallying.
- Added-value outsourced services (AVOS) for banks, including planning for branch requirements, reconciliation and tallying, and credit card support services.

1.1.2. Purpose, Mission, Vision and Values

Purpose

Facilitating trade around the world.

Mission

Our mission or purpose (what makes us work every day) is to generate value for our shareholders, clients and society, offering integrated cash management solutions and related activities, incorporating cutting-edge technology and relying on the talent of top professionals.

Vision

Our vision (the goal we pursue) is to be a leader (nimble and efficient) in the emerging markets sector through the consolidation and transformation of the industry, harnessing the third round of outsourcing at banks.

Values

Our values (the principles that identify us) encompass the beliefs that guide our conduct. They are the reflection of who we are, how we behave and the way we work for our clients: Proactive Approach, Value Creation, Client Friendliness, Transparency, Excellence, Leadership, Teamwork and Brand.

To make all of this possible, the professionals who make up Prosegur Cash share something in common: their CHAP attitude. The CHAP attitude refers to the courage (C) with which they assume risks and operate outside of their comfort zone when the situation requires; to the humility (H) with which they work to achieve a common objective, learning not only from their own experiences but also from those of their colleagues and always searching for the best way to serve clients; to the positive attitude (A) with which they tackle all challenges they are faced with; and to the perseverance (P) with which the team works to attain the Company's ambitious targets.

1.1.3. Business environment

Contrary to what is read and heard which could lead us to think that cash is falling into disuse and soon to disappear, the fact is that the number of cash transactions is continuously on the increase and payment in cash is still the preferred option when it comes to making payments, especially when small amounts are involved.

In this respect, according to the statistics provided by the various central banks, the amount of money in circulation continues to grow, as cash has certain features that make it stand out from other methods of payment.

In this respect, its universal and inclusive nature is especially relevant. It is the only payment method accessible to everyone. Without forgetting that it is estimated that over two million people do not have bank accounts and are totally dependent on this method of payment.

It also generates privacy and brings confidence to users. Both factors are becoming increasingly more relevant given the growing exposure of users to security breaches in digital environments. Personal data protection is a key element of growing interest for people, and in which cash plays a crucial role.

It is also one of the safe payment methods as far as falsification and fraud are concerned. The number of false bank notes withdrawn from circulation in the Euro Zone has been steadily decreasing since 2014. In 2017 only 30 notes were withdrawn out of each million in circulation. An extremely low percentage.

Cash is also very effective. The report "Wrapped Up Warm. 2017-2018 Winterization Campaign in Za'atari and Azraq", drawn up by the United Nations Children's Fund (UNICEF), showed how cash handed to Syrian families in two refugee camps in Jordan contributed "more effectively" to buying the basic goods for getting through the winter.

And, over and above all these advantages, cash is resilient. Paradoxically, Sweden, advocate of the cashless movement, in a guide drawn up by its government, has recommended the convenience of keeping some cash handy. That guide highlights the effectiveness of cash in extreme situations and the need for the different payment methods to exist side-by-side.

The coexistence of cash payment with other more digital means of payment benefits the end user, as it not only increases their freedom of choice, but also promotes competition between different means of payment and improves their efficiency.

For all these reasons, Prosegur Cash considers that cash remains a vital part of the modern economy and therefore still has an important role to play.

1.2. Governance and organisational structure

Based on the provisions and recommendations of the Unified Code of Good Governance for Listed Companies, approved by the Council of the National Securities Market Commission (CNMV), and best international practices and recommendations in the field of good governance, Prosegur Cash has remained steadfastly committed to success and its efforts to consolidate a responsible, profitable and sustainable business. In this regard, the organisation's corporate governance is founded on five core pillars that serve as a framework and reference point for further development: independence, transparency, protection of minority shareholders, effectiveness and efficiency, and integrity.

The Prosegur Cash Corporate Governance Policy regulates activities in this area, and includes the criteria and principles that define the organisation and functioning of the bodies that govern the Company, applying both national and international best practices.

Prosegur Cash's Corporate Governance System is based on the following general principles and commitments contained within this framework of principles and best practices:

- Promotion of social interest which, ethically and sustainably, creates value for shareholders, clients and society in general.
- Adoption of national and international best practices in matters related to corporate governance, and an emphasis on the reviewing and continuous improvement of corporate governance standards of the Company and its Group.
- Compliance with regulations currently in force by Company Directors, Executives and employees, with special attention paid to fulfilling regulatory requirements on the prevention of money laundering, legislation relating to competition and unfair competition, personal data protection and securities markets.
- Communication of information of interest about the Company to shareholders and the market in general, in line with the principles of transparency and honesty.
- Promotion of informed participation by shareholders.

The Good Governance Policy is based on various rules and regulations that assist in defining the Corporate Governance system: Articles of Association, Regulations for General Meetings and Regulations for the Board of Directors. These policies are complemented by other related internal procedures that serve as a reinforcement and frame of reference:

- Code of Ethics and Conduct.
- Internal Code of Conduct on Matters Relating to Securities Markets.
- Framework Agreement on Relations between Prosegur Cash and Prosegur Compañía de Seguridad.
- Director Appointment and Remuneration Policy.
- Corporate Social Responsibility Policy.
- Investor Communication Policy.
- Dividend Policy.

1.2.1. Ownership structure

The share capital of Prosegur Cash, S.A is EUR 30,000,000, represented by 1,500,000,000 shares each with a par value of EUR 0.02, represented by book entries, with the ISIN code ES0105229001, belonging to one single class and series.

All shares have been fully paid up and subscribed, and are traded on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia (Spain). Each share carries the right to one vote and there are no legal or statutory restrictions on the exercise of the vote or on the acquisition or transfer of shares in the share capital.

Acquisition and disposal of own shares

On 8 May 2017, Prosegur Cash signed a liquidity agreement in accordance with the regulations in force at the time. Prior to signing this agreement, the Company did not have treasury stock. The operating process prior to the liquidity contract to set up treasury stock ended on 8 June 2017, having attained treasury stock of 1,000,000 shares. The liquidity contract came into operation on 9 June 2017 and ended on 10 July, when the liquidity agreement was terminated. On 7 July 2017, the Company signed a new liquidity agreement, entering into force on 11 July 2017, in accordance with the new legislation, commencing operations again to boost the contractual liquidity.

At 2019 year end, Prosegur Cash, S.A.'s treasury stock amounted to 1,119,862 shares (1,057,307 shares in 2018), of which 696,866 are linked to the liquidity agreement (602,496 in 2018).

1.2.2. Governance of Prosegur Cash

The Shareholders General Meeting is the principal body representing the share capital of Prosegur Cash, and exercises the functions granted by law and the Articles of Association. In 2019, the Annual General Meeting was held on 3 June, and dealt, amongst other issues, with the approval of the Company's Annual Accounts, approval of the Statement of Non-financial Information, approval of the proposal for the allocation of profit/(loss) for 2018, approval of the management of the Board of Directors during 2018, re-election of Directors, and appointment of auditor for the Company and its consolidated group for the years 2020, 2021 and 2022.

The Board of Directors is the body responsible for the representation, administration, direction, management and control of the Company: it is empowered to represent the company for establishing guidelines on strategy, supervision and relations with shareholders. The Board has two committees, whose functions are described in the Company's Annual Corporate Governance Report: the Audit Committee and the Appointments and Remuneration Committee, the organisation and functioning of which are regulated in the Articles of Association, the Regulation for the Board of Directors and the Regulation of the Audit Committee (available on: www.prosegurcash.com).

The responsibilities of the Audit Committee, composed 100% by independent directors, include: proposing the appointment of the auditor; reviewing the Prosegur Cash accounts; ensuring compliance with legal requirements and the application of generally accepted accounting principles. Plus reviewing the Company's Corporate Social Responsibility Policy, coordinating the process of reporting non-financial information and diversity, and supervising the strategy for communication and relationships with shareholders and investors.

For its part, the duty of the Appointments and Remuneration Committee is to establish and review the criteria for the composition and remuneration of the Board of Directors, and of the members of the Prosegur Cash management team. It also periodically reviews remuneration programmes.

Annual Corporate Governance Report

Prosegur Cash Annual Corporate Governance Report for 2019 forms part of the Directors' Report, and is available on the website of the National Securities Market Commission and on the Prosegur website as from the date of publication of the Annual Accounts.

This report includes section E, analysing control and risk management systems of the Company; and F, providing details on the risk control and management system in relation with the process of issue of financial information (ICFR).

Structure of the Board of Directors

At 31 December 2019, the Board of Directors of Prosegur Cash was composed of nine members (33.3% of which were women): two executive and seven non-executive, of which four are independent (44.4%) and three proprietary.

The responsibilities of the Chairman and the Executive Director are different and complementary. Prosegur Cash adopts the requirements of the main international standards on corporate governance, which recommend the separation of roles.

Mr. Christian Gut Revoredo
Chairman
(Executive Director)

Mr. José Antonio Lasanta Luri
Chief Executive Officer
(Executive Director)

Mr. Pedro Guerrero Guerrero
Director
(Deputy Chairman and Proprietary Director appointed by Prosegur Compañía de Seguridad, S.A.)

Mr. Claudio Aguirre Pemán
Director
(External Independent Director)

Ms. María Benjumea Cabeza de Vaca
Vocal
(External Independent Director)

Mr. Daniel Guillermo Entrecanales Domecq
Vocal
(External Independent Director)

Ms. Chantal Gut Revoredo
Director
(Proprietary Director appointed by Prosegur Compañía de Seguridad, S.A.)

Mr. Antonio Rubio Merino
Director
(Proprietary Director appointed by Prosegur Compañía de Seguridad, S.A.)

Ms. Ana Inés Sainz de Vicuña
Director
(External Independent Director)

Ms. Renata Mendaña Navarro
Non-board member secretary

Mr. Roldán García Pereda
Non-board member vice secretary

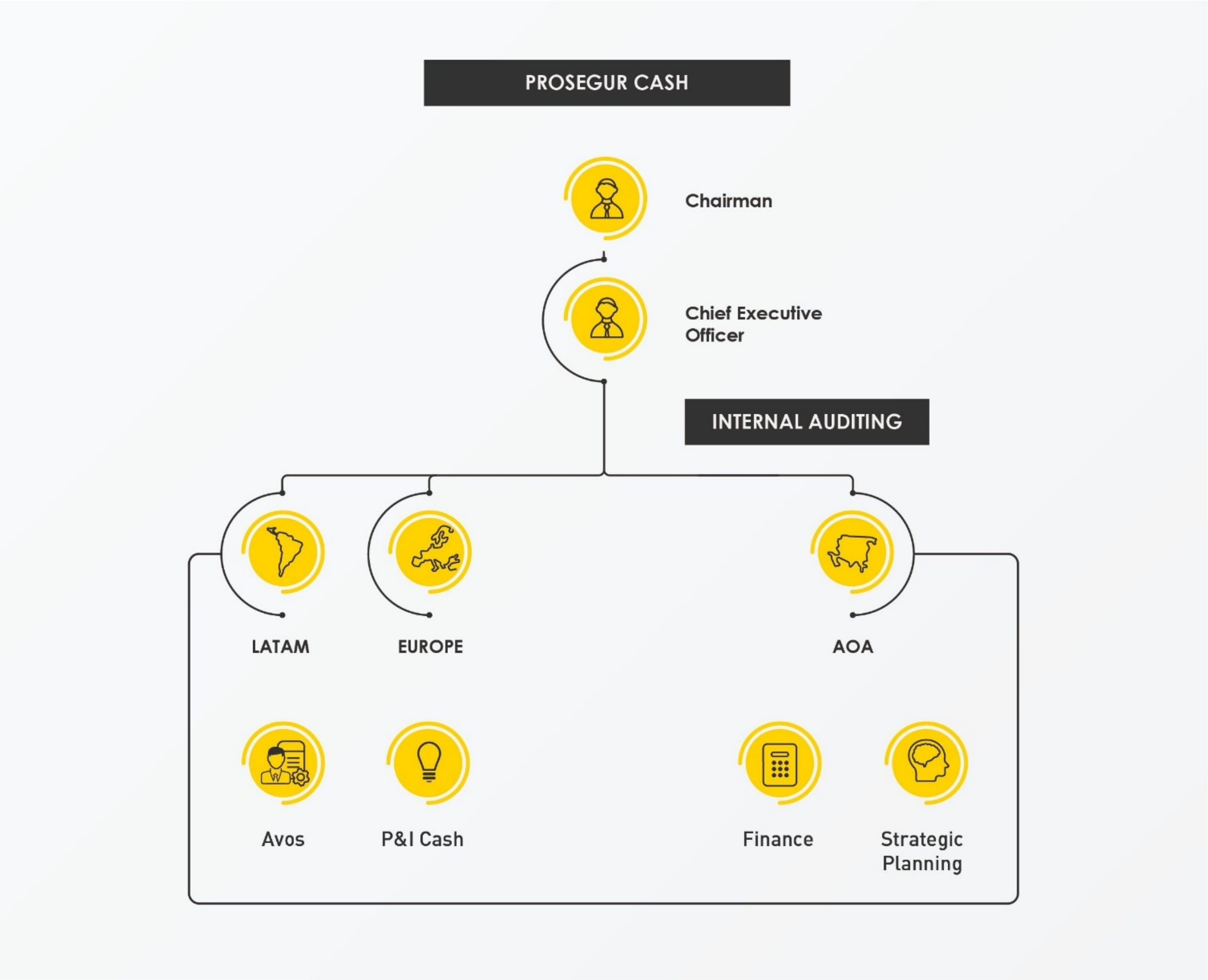
Auditing Committee **Nomination and Remuneration Committee**

1.2.3. Organisational Structure

The organisational structure of Prosegur Cash is designed with the intention of improving business processes and flexibility, which facilitates adaptation to the changing environment and the evolution of services, aimed at generating value for clients. The Business Areas are divided into three geographical segments: Europe, AOA and Ibero-America. There is also a Division for Innovation and Productivity and an AVOS Division.

The corporate functions are supervised by the Global Support Divisions that cover the Finance, Human Resources, Investor Relations, Legal and Strategic Planning.

The organisation of Prosegur Cash is shown in the table below:



1.3. Strategic Performance Framework

1.3.1. ACT strategy

The unceasing development of the environment in which Prosegur Cash operates has played a crucial role in the Company's transformation over the last few years. In this connection, the Company established three main goals:

- Respond to clients' new needs, in line with market trends.
- Become a trusted strategic partner for clients.

- Provide increased value to clients through efficiency in processes and by implementing solutions that are increasingly technological.

At present, Prosegur Cash is in the midst of the Prosegur Group Three-Year Strategic Plan 2018-2020. The Company aims to accelerate its growth in a profitable manner, benefiting from the third wave of outsourcing and the potential consolidation of the sector. In this regard, the Company has decided to sell new products, especially those linked to retail automation, integrated ATM management and high value-added services for the finance sector. Likewise, it wishes to continue playing a pivotal role in consolidating the sector, to strengthen not only its existing position but to create the necessary platforms for its future growth.

Prosegur Cash's strategy is founded on the pillars of digitalisation, innovation and growth, which has led to the creation of the Company's ACT Strategic Plan: Agility, Consolidation and Transformation. ACT puts the client at the centre of operations and ensures that they are the main beneficiary of the achievements and improvements that result from the application of the plan. Greater agility (Agility) will enable resources to be freed up and used to offer service improvements (Transformation) which will allow Prosegur Cash to consolidate (Consolidation) its position as market leader in both its existing markets and in those of its new acquisitions.

Agility (Digitalisation)

With regard to digitalisation, the established goals are:

- Roll out the necessary platforms and tools to simplify management and enhance the client experience, paving the way for Prosegur Cash to lead the industry in the future.
- Support operational excellence and the technological improvement of processes in order to boost profitability.
- Reduce the weight of indirect costs that do not create value for clients.
- Attract, develop and retain the most highly-qualified professionals. To do this, Prosegur offers them the necessary know-how and tools to enhance their skills and grow within the Company.

In 2019, the second year of the 2018-2020 Three-Year Plan, progress was made in the following areas:

- Advances in the process for digital transformation with regard to agility, scalability and operational excellence.

Consolidation (Growth)

With regard to growth, the established goals are:

- Maintain high rates of profitable organic growth.
- Continue with the pace of growth logged in recent years, spearheading market consolidation and stimulating the sale of new products.

2019 has seen advances made in the following business lines:

- The solidity of the business model translated into a strong growth in local currency.
- Bolt-on acquisitions in traditional businesses and acceleration of new products.
- Strategic divestments.

Transformation (Innovation)

With regard to innovation, the established goals are:

- Listen to clients to develop new value proposals that meet their needs.
- Introduce new products that improve client satisfaction, transform the business, help to increase margins and evidence our firm commitment to innovation.

The following advances have already been made in 2019:

- Increase in the weight of new products over total sales.
- Definition of innovation methodology based on horizons and under ad hoc governance model.
- Incorporation of talent in innovation.
- Collaboration with Amazon in challenges of digital innovation.

1.3.2. Transformation Plan

For some time now the accelerated development of several technological tendencies has become tangible with a profound impact on economic sectors, business models and working methods. New technologies, such as the Internet of Things, Artificial Intelligence, Big Data and Blockchain, and the proliferation of smart devices, provide enormous potential for performing new tasks and processes more effectively and quickly.

This new scenario has influenced Prosegur Cash's business, given that clients, employees and other stakeholders are demanding the application of these technological advances when interacting with the Company. Greater efficiency in contracting services, posting job offers via specific channels and the completion of an exclusively digital hiring process in the shortest time possible, are tangible results that are already operational. Prosegur Cash has decided to address the challenge of a constantly changing market environment by implementing a Transformation Plan.

Areas of action of the Prosegur Cash Transformation Plan

Optimisation of resources of the current business:

- To streamline and simplify processes and decrease their execution times, by means of groups especially devoted to the improvement of client (*Opportunity to Cash*), employee (*Employee Experience*), and supplier (*Procure to Pay*) processes.
- To simplify the technological footprint, endeavouring that the critical systems for each one of the businesses becomes increasingly robust, modern and better integrated among one another.
- To improve data governance by means of the review of processes and systems.

Promotion of innovation as a cornerstone of the future business:

- To develop new opportunities and experiment with new innovation models, using and maximising all existing internal and external capabilities.

Impetus of capabilities and consolidation of a common culture:

- To provide back-up for all associates in the transformation process through the use of new tools for working and collaboration, such as "agile" or "design thinking".
- To promote an internal culture by means of the design of communication plans for all employees, that aids in the viewing of new global and local objectives.

R&D+i Activities

In 2019, Prosegur Cash has focused on working agilely so that processes and services are continuously improved. The creation of different lines of action has allowed concentrating efforts and, consequently, accelerating innovation.

In the traditional business, the company has launched a series of initiatives with a high impact on productivity and efficiency aimed at reducing operating costs. In addition, in the business of collecting cash in retail, Prosegur Cash has worked to improve, expand and strengthen the range of Smart Cash services with innovations that complement the value offer.

Finally, one of the open lines of action has focused on opening a new area of B2C business development 'mobile first' with global aspiration, which complement and reinforce the leadership of the main business.

2. Business performance and profit/(loss)

2.1. 2019 Economic and financial results

(Millions of Euros)		2019	2018	Variation
Sales		**1,798.7**	**1,731.6**	**3.9%**
EBITDA		**407.6**	**340.3**	**19.8%**
	Margin	22.7%	19.7%	
PPE depreciation		(84.2)	(55.4)	
Amortisation of other intangible assets		(18.6)	(16.9)	
EBIT		**304.8**	**268.0**	**13.7%**
	Margin	16.9%	15.5%	
Financial results		(45.2)	(3.9)	
Profit before tax		**259.6**	**264.1**	**(1.7%)**
	Margin	14.4%	15.3%	
Taxes		(90.6)	(89.9)	
	Tax rate	(34.9%)	(34.0%)	
Net profit/(loss) from continuing operations		**169.0**	**174.2**	**(3.0%)**
Net profit/(loss) from discontinued operations		-	-	
Net result		**169.0**	**174.2**	**(3.0%)**
Non-controlling interests		0.1	-	
Consolidated net profit/(loss)		**168.9**	**174.2**	**(3.0%)**
Basic profit per share (Euros per share)		**0.1**	**0.1**	

Prosegur Cash increased its consolidated turnover by almost 4%, due to a growth in constant currency that offset the negative impact of the currency. In terms of the EBIT margin, the Company was able to improve its absolute and relative profitability thanks to the solid performance of the majority of its operations and to its strategic disinvestments in South Africa and France.

The net profit/(loss) went down by 3.0% as a result of the higher finance expense, mainly due to the currency effect.

2.1.1. Sales by geographical area

Consolidated sales are distributed by geographical area as follows:

(Millions of Euros)	2019	2018	Variation
Europe	508.5	491.0	3.6%
AOA	104.8	92.5	13.3%
Ibero-America	1,185.3	1,148.1	3.2%
Prosegur Cash Total	**1,798.7**	**1,731.6**	**3.9%**

Prosegur Cash consolidated sales in 2019 amounted to EUR 1,798.7 million (EUR 1,731.6 million in 2018), a total increase of 3.9%. Of this, 11.9% reflects pure organic growth and 4.8% inorganic growth derived from acquisitions made in 2019. The combined currency exchange rate effect and the result of applying IAS 29 and IAS 21.42 had a negative impact of 12.8%.

2.1.2. Sales by business area

Aggregated consolidated sales are distributed by business area as follows:

	Europe			AOA			Ibero-America			Prosegur Cash Total		
(Millions of Euros)	2019	2018	Variation	2019	2018	Variation	2019	2018	Variation	2019	2018	Variation
Transport	264.5	267.4	(1.1%)	68.2	60.7	12.3%	751.3	764.3	(1.7%)	1,084.1	1,092.4	(0.8%)
% of total	52.0%	54.5%		65.1%	65.7%		63.4%	66.6%		60.3%	63.1%	
Cash Management	150.0	151.0	(0.7%)	30.9	25.6	20.7%	242.2	257.9	(6.1%)	423.1	434.5	(2.6%)
% of total	29.5%	30.7%		29.5%	27.7%		20.4%	22.5%		23.5%	25.1%	
New products	94.0	72.7	29.4%	5.7	6.1	(6.6%)	191.8	125.9	52.3%	291.5	204.7	42.4%
% of total	18.5%	14.8%		5.4%	6.6%		16.2%	11.0%		16.2%	11.8%	
Prosegur Cash Total	**508.5**	**491.0**	**3.6%**	**104.8**	**92.5**	**13.3%**	**1,185.3**	**1,148.1**	**3.2%**	**1,798.7**	**1,731.6**	**3.9%**

Transportation business turnover decreased by 0.8%, mainly due to our divestment in France, which is having an impact on the performance of Europe, and the impact of the devaluation of Latin American currencies, which has a translational impact on figures for the Ibero-American region. The Cash Management business has decreased its sales by 2.6%.

The New Products business grew by 42.4%, supported by cash automation solutions for retail, ATMs and added-value outsourced services (AVOS). The European and Ibero-America regions have made the most progress in developing these products and have not yet reached their full potential.

Changes to the Group's structure

The changes in the composition of the Prosegur Cash Group during 2019 were mainly due to the following acquisitions:

- In 2019, Prosegur Cash acquired a software engineering company in Europe specialised in the development of technological solutions for the insurance industry implemented in open systems and platforms, and a company that provides cash management services related to digital software of the retail sector. The total purchase price was EUR 22,846 thousand, consisting of a cash payment of EUR 15,320 thousand, and a deferred contingent consideration for a total of EUR 5,952 thousand due for payment in 2020, 2021, 2022 and 2023 and a deferred amount of 1,574 thousand euros due in 2020.
- During 2019, in Ibero-America Prosegur acquired a number of security companies and assets providing cash in transit and cash management services and administrative banking services. The total purchase price was EUR 65,094 thousand, comprising a cash consideration of EUR 30,812 thousand, a deferred contingent consideration amounting to a total of EUR 19,748 thousand, due in 2019, 2020 and 2021 and a deferred payment of EUR 14,534 thousand, due in 2020 and 2021.
- In 2019, Prosegur Cash acquired in AOA a security company that provides cash in transit and cash management services. The total purchase price was EUR 4,320 thousand, comprising a

cash payment of EUR 1,241 thousand, and a deferred payment of EUR 3,079 thousand maturing in 2019 and 2020.

The following companies were incorporated or wound up in 2019:

- In March 2019, Prosegur Alpha3 Cashlabs S.L. was incorporated in Spain.
- In April 2019, Prosegur Pay Consultoria em Tecnologia da Informação Ltda. was incorporated in Brazil.
- In September 2019, Prosegur STV 1 PTY Limited was incorporated in Australia.
- In October 2019, Gelt Cash Transfer, S.L. was incorporated in Spain.
- In October 2019, Dopar Servicios, S.L. was wound up in Spain.
- In October 2019, Iberprofin, S.L. was wound up in Spain.

The following mergers took place between subsidiaries in 2019:

- In August 2019, the takeover merger of Tellex, S.A. by Transportadora de Caudales Juncadella, S.A. was formalised in Argentina.
- In November 2019, the takeover merger of Enclama, S.L. by Prosegur AVOS España, S.L. was formalised in Spain.

Prosegur Cash exercised the put option on its 33.33% stake in SBV Services Propietary Limited on 4 June 2019.

Prosegur signed the sale agreement of 100% of the capital of Prosegur Cash Holding France to Loomis AB on 22 July 2019.

2.1.3. Management analysis

The performance of Prosegur Cash in 2019 was marked by an uncertain political environment in Ibero-America and adverse macroeconomic and exchange rate scenarios.

In this context, events such as slower-than-expected progress with structural reforms in Brazil, the Primary, Open, Simultaneous and Mandatory elections (PASO), the subsequent change of government in Argentina, and social protests in Chile, had an unfavourable impact on economic growth in some of the main markets in which the Company operates. In addition, results in the Australian market remain below potential.

Despite the above, Prosegur Cash increased its consolidated turnover by almost 4%, due to a growth in constant currency that offset the negative impact of the currency. In terms of the EBIT margin, the Company was able to improve its absolute and relative profitability thanks to the solid performance of the majority of its operations and to its strategic disinvestments in South Africa and France.

Prosegur Cash continued to deploy its strategy of consolidation and transformation throughout the year. The objective is to strengthen its leading position in the traditional business while addressing the growth opportunities provided by new services in some markets. 2019 saw the Company investing nearly EUR 85 million in six inorganic growth transactions. In addition, sales of new solutions reached nearly EUR 300 million, representing 16.2% of total sales, a considerable advance when compared to the figure of 11.8% for the previous year.

Particularly noteworthy during the year was Prosegur Cash's capacity to continue generating cash flow. The Company even managed to increase its conversion ratio, despite a 40% increase in investment in capex aimed at capturing new clients. The Company continues to actively manage its working capital, and closely monitors average client payment times and return on investments made.

As a result of solid cash flow, the Company has reduced its leverage levels with respect to the previous year, despite pursuing the development of its inorganic growth strategy and greater cash outflow for payment of dividends. 2019 also saw Prosegur Cash benefitting from a cash inflow associated with the sale of its assets in South Africa and France.

Last October, the Standard & Poor's rating agency again repeated the BBB credit rating for Prosegur Cash with a stable outlook, confirming the solidity of its balance sheet and its capacity for cash flow generation.

The Company does not have significant refinancing needs until 2024 and 2026, when a syndicated loan of EUR 300 million and a Eurobond of EUR 600 million will expire.

By region, sales in local currency in Ibero-America grew at double-digit levels. The increase in turnover in this region is the result of good performance in both the traditional and new product sectors. This positive contribution in organic terms, together with the acquisitions made during 2018 and 2019, have made it possible to offset the devaluation of the principal currencies, mainly the Brazilian Real and the Argentinian Peso. Total sales in the region increased by nearly 3% in Euros compared to the same period of the previous year.

Operating profit in Ibero-America in 2019 was 11.2% higher than in 2018, which reflects the underlying improvement in every country. The translational impact of the currency was also lower than the previous year.

In Europe, sales grew by 3.6% compared to 2018. This result is due to the good performance of traditional business in all countries and to certain inorganic activity carried out in countries such as Spain and Germany.

In addition, Prosegur Cash sold its French operations to an international competitor in July. As a result of this operation, the Company expects margins in the European region to reflect a gradual improvement over time, as activity in France was below average for the region.

Finally, sales continue to grow in the AOA region after entering The Philippines and Indonesian markets. These acquisitions have offset the loss of volume that occurred in 2018 in Australia, although Australia remains the region's main market. In 2019, Prosegur Cash made progress in the process of stabilising and reversing the situation.

Operating results for 2019 in the AOA region improved significantly compared to 2018, as a result of having ceased operations and the subsequent sale of South Africa in June. Excluding the capital gain from the aforementioned divestment, operating results are slightly lower than in the previous year, mainly due to the integration costs resulting from the entry into Indonesia.

2.1.4. Commercial information

In 2019, Prosegur Cash has continued to foster the development of the IT platform underpinning its AVOS (Added-value Outsourced Services) business. This environment combines process control tools, enabling us to adapt to clients' needs, with digital channels and document management tools.

The Company has also continued to foster the development of new Smart Cash solutions, with a particular emphasis on retailers' front-office operations. Likewise, the Company has automated the control and improved the value data solutions in which cash paid into the machine is available in the retailer's account regardless of its collection.

2.1.5. Investments

All of the Prosegur Cash Group's investments are analysed by the corresponding technical and operating areas and the management control department, which estimate and examine the strategic importance, return period and yields of the investments before these are approved. Subsequently these are submitted to the Investment Committee for a final decision on whether to proceed with the investment. Investments in excess of EUR 0.6 million are submitted to Prosegur Cash's Management for approval.

Amortisation and depreciation charges totalled EUR 80.0 million in 2019 (EUR 72.3 million in 2018). Of this total, EUR 56.7 million were for the depreciation of property, plant and equipment (EUR 51.5 million in 2018), EUR 4.7 million for the amortisation of computer software (EUR 3.9 million in 2018) and EUR 18.6 million for the amortisation of other intangible assets (EUR 16.9 million in 2018).

The total investments analysed by the Investment Committee in 2019 with comparative figures from 2018 are detailed below:

(Millions of Euros)	2019	2018
First Quarter	30.0	26.3
Second Quarter	14.0	12.9
Third Quarter	27.1	19.3
Fourth Quarter	19.6	12.1
Total	**90.7**	**70.6**

EUR 96.6 million was invested in property, plant and equipment in 2019 (EUR 88.9 million in 2018). Investment of EUR 7.9 million was also made in computer software (EUR 8.6 million in 2018).

2.2. Liquidity and capital resources

Prosegur Cash is a powerful cash generator, and therefore does not have financing difficulties, being able to enter into strategic financing agreements designed to optimise financial debt, control debt ratios and meet growth targets.

Prosegur Cash calculates net financial debt considering total current and non-current borrowings plus net derivative financial instruments, less cash and cash equivalents, less current investments in group companies and less other current financial assets.

Net financial debt (excluding other non-bank borrowings corresponding to deferred payments for M&A) at 31 December 2019 amounts to EUR 460.1 million (EUR 490.7 million in 2018).

2.2.1. Liquidity

Prosegur Cash keeps a reasonable level of liquid reserves and a great financing capacity available to ensure flexibility and rapidity in meeting the requirements of working capital, of investing capital or inorganic growth.

At 31 December 2019 the Prosegur Group has available liquidity for its Cash business of EUR 756.0 million (EUR 678.4 million in 2018). This amount is mainly compound by:

- EUR 307.4 million of cash and cash equivalents (EUR 273.8 million in 2018).
- EUR 280.0 million of non-current credit available, relating to the drawable syndicated loan arranged on 10 February 2017 (EUR 300.0 million in 2018).
- Other unused credit facilities for EUR 168.6 million (EUR 104.6 million in 2018).

This liquidity represents 42.0% of consolidated annual sales (39.2% in 2018), which ensures both short-term financing requirements and the growth strategy.

The efficiency measures of internal administrative processes implemented in recent financial years have helped to substantially improve business cash flow. The maturity profile of the Prosegur Cash debt is in line with its capacity to generate cash flow to pay it.

2.2.2. Capital resources

The structure of the long term financial debt is determined by the following contracts:

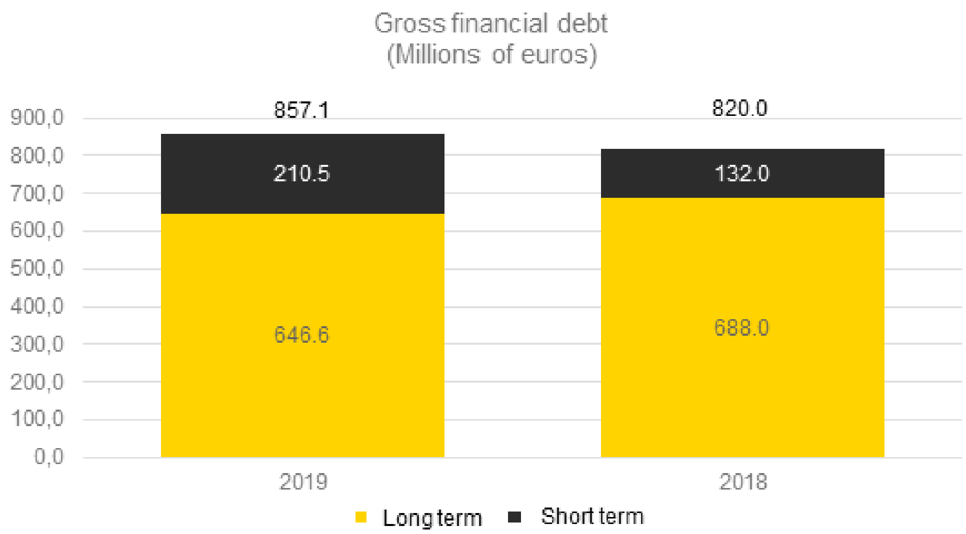
- In order to partially finance the subscription of shares representing 33.33% of the share capital of the South African company SBV Services Proprietary Limited, Prosegur arranged a 4-year bullet loan on 29 January 2016 for ZAR 272,000 thousand. On 20 June 2019, and as consequence of exercising the sales option on the 33.33% holding in SBV (Note 6 of the Consolidated Annual Accounts), the entire loan has been cancelled in advance, therefore there is no outstanding amount at 31 December 2019 (at 31 December 2018: Rand 272,000 thousand, equivalent value at 31 December 2018: EUR 16,534 thousand).
- On 10 February 2017, a new syndicated financing operation was arranged for a credit facility in the amount of EUR 300 million for a five-year term. At 31 December 2019, the capital drawn down amounted to EUR 20 million.
- On 28 April 2017, Prosegur Cash, via its subsidiary Prosegur Australia Investments Pty, arranged a syndicated financing operation in the amount of AUD 70,000 thousand for a 3-year term. At 31 December 2019 the drawn down capital corresponding to the loan amounts to AUD 70,000 thousand (equivalent to EUR 43.8 million at 31 December 2019).

- On 4 December 2017, Prosegur Cash, S.A. launched a EUR 600 million bond issue maturing on 4 February 2026. The bonds trade in the secondary market—the Irish Stock Exchange—accruing an annual coupon of 1.38%, payable at the end of each year.

In consolidated terms, gross non-current financial debt (excluding other non-bank payables corresponding to deferred payments for acquisitions) with maturities of longer than one year at the end of 2019 amounts to EUR 646.6 million (EUR 688.0 million in 2018), supported mainly by the bond issued on 4 December 2017 and dated 2026.

Gross current financial debt (excluding other non-bank payables corresponding to deferred payments for acquisitions) amounts to EUR 210.5 million (EUR 132.0 million in 2018).

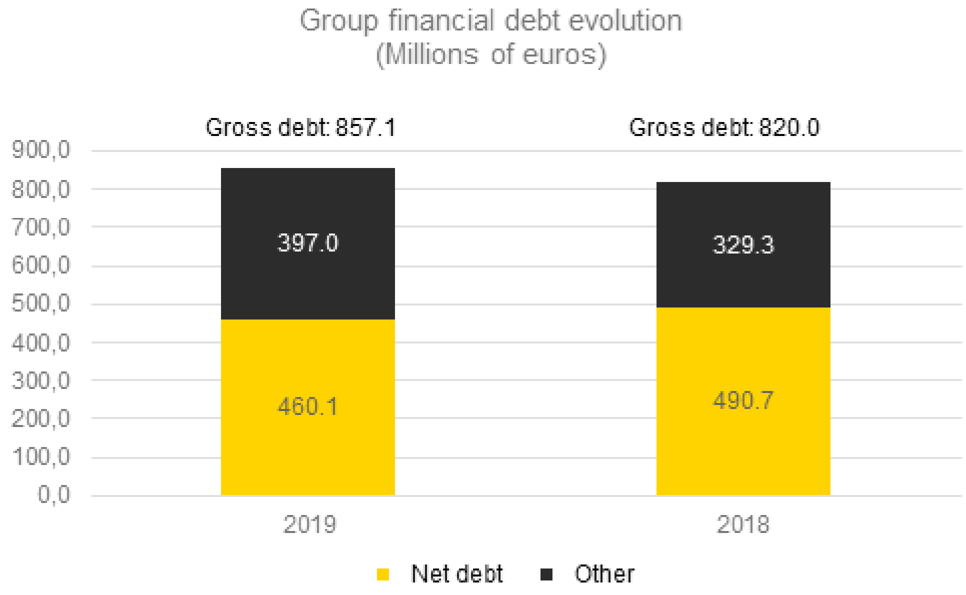
The current and non-current maturities of gross financial debt are distributed as follows:



In 2019 financial debt had an average cost of 1.70% (2.02% in 2018). The lower average cost of debt is due to the reduction in the cost of Corporate debt and of its subsidiaries.

Net financial debt (excluding other non-bank borrowings corresponding to deferred payments for M&A) at 2019 year-end amounts to EUR 460.1 million (EUR 490.7 million in 2018).

Below is a comparison of gross debt and net debt (excluding deferred payments for M&A) from 2018 and 2019:



No significant changes are expected in 2019 in regard to the structure of own funds and capital or in regard to the relative cost of capital resources in relation to the financial year ending 31 December 2018.

The following table shows the maturities of the debt set out according to contractual obligations at 31 December 2019:

(Millions of Euros)	Less than 1 year	1 to 5 years	More than 5 years	TOTAL
Loans and borrowings	107.5	22.4	-	129.9
Debentures and other negotiable securities	7.0	21.0	616.5	644.5
Credit accounts	48.3	1.5	0.1	49.9
Accounts payable with group companies	95.7	-	-	95.7
Trade and other payables	346.8	-	-	346.8
Leasing financial liabilities	40.7	93.3	29.9	163.9
Other payables	69.7	45.1	6.5	121.2
	715.6	**183.3**	**652.9**	**1,551.8**

Future lease payment commitments amount to EUR 18.9 million (EUR 71.7 million in 2018), and correspond mainly to contracts for business operating headquarters and operating vehicles (Note 27).

Prosegur Cash calculates its leverage ratio as the ratio resulting from net financial debt (excluding other non-bank borrowings corresponding to deferred M&A payments) over total capital, the latter being the sum of net financial debt (excluding other non-bank borrowings corresponding to deferred M&A payments) and net equity from the cash business. The ratio at 31 December 2019 is of 0.65 (2018: 0.67)

2.2.3. Analysis of contractual obligations and off balance sheet transactions

Note 27 of the Consolidated Annual Accounts includes the amounts of future minimum payments arising from operating lease contracts by maturity tranches.

Additionally, as indicated in Note 26 of the Consolidated Annual Accounts, Prosegur Cash issues third party guarantees of a commercial and financial nature. The total amount of guarantees issued at 31 December 2019 amounts to EUR 293.0 million (EUR 289.7 million in 2018).

2.3. Alternative Performance Measures

In order to meet ESMA guidelines on Alternative Performance Measures (hereinafter, APMs), Prosegur Cash presents this additional information to enhance the comparability, reliability and understanding of its financial reporting. The Company presents its profit/(loss) in accordance with International Financial Reporting Standards (IFRS-EU). However, Management considers that certain alternative performance measures provide additional useful financial information that should be taken into consideration when assessing its performance. Management also uses these APMs to make financial, operating and planning decisions, as well as to assess the Company's performance. Prosegur Cash provides those APMs it deems appropriate and useful for users to make decisions and those it is convinced represent a true and fair view of its financial information.

APM	Definition and calculation	Purpose
Working capital	This is a finance measure that represents the operating liquidity available for the Company. Working capital is calculated as current assets less current liabilities plus deferred tax assets less deferred tax liabilities less non-current provisions.	Positive working capital is necessary to ensure that the Company can continue its operations and has sufficient funds to cover matured short-term debt as well as upcoming operating expenses. Working capital management consists of the management of inventories, accounts payable and receivable and cash.
Capex	Capex (Capital Expenditure), is the expense that a company incurs in capital goods and that creates benefits for the company, whether through the acquisition of new fixed assets or by means of an increase in the value of fixed assets already in existence. CAPEX includes additions of property, plant and equipment as well as additions of IT applications of the intangible assets.	CAPEX is an important indicator of the life cycle of a company at any given time. When the company grows rapidly, the CAPEX will be greater than fixed asset depreciations, which means that the value of the capital goods is increasing rapidly. On the other hand, when the CAPEX is similar to the depreciations or even less, it is a clear sign that the company is decapitalising and may be a symptom of its clear decline.
EBIT margin	The EBIT margin is calculated by dividing the operating income of the company by the total figure of revenue.	The EBIT margin provides the profitability obtained of the total revenue accrued.
Adjusted EBIT margin	The adjusted EBIT margin is calculated by dividing the operating income of the company, after eliminating the results not assignable to any segment, by the total figure of revenue.	The adjusted EBIT Margin provides the pure profitability of the business operations of the total revenue accrued.
Organic Growth	Organic growth is calculated as an increase or decrease of income between two periods adjusted by acquisitions and disinvestments and the exchange rate effect.	Organic growth provides the comparison between years of the growth of the revenue excluding the currency effect.
Inorganic Growth	The Company calculates inorganic growth for a period as the sum of the revenue of the companies acquired. The income from these companies is considered inorganic for 12 months following their acquisition date.	Inorganic growth provides the growth experienced by the company through new acquisitions or divestments.
Exchange rate effect	The Company calculates the exchange rate effect as the difference between the revenue for the current year less the revenue for the current year using the exchange rate of the previous year.	The exchange rate effect provides the impact of currencies on the revenue of the Company.
Cash flow conversion rate	The Company calculates the cash conversion rate as the difference between EBITDA less the CAPEX on EBITDA.	The cash flow conversion rate provides the cash generation of the Company.
Net Financial Debt	The Company calculates financial debt as the sum of the current and non-current financial liabilities (including other non-bank payable corresponding to deferred M&A payments and financial liabilities with Group companies) minus cash and cash equivalents, minus current investments in group companies and minus other current financial assets.	The net debt provides the gross debt less cash in absolute terms of a company.
EBITA	EBITDA is calculated on the basis of the consolidated profit/(loss) for the period without including the profit/(loss) after taxes from discontinued operations, taxes on earnings, financial income or costs, or depreciations of Goodwill or the amortisation of intangible assets, but including the depreciation of IT applications.	The EBITDA provides an analysis of earnings before taxes, tax burden and amortisation of intangible assets.
EBITDA	EBITDA is calculated on the basis of the consolidated profit/(loss) for the period for a company, excluding earnings after taxes from discontinued operations, income taxes, financial income or costs, and amortisation expenses or depreciation on goodwill.	The purpose of the EBITDA is to obtain a fair view of what the company is earning or losing in the business itself. The EBITDA excludes variables not related to cash that may vary significantly from one company to another depending upon the accounting policies applied. Amortisation is a non-monetary variable and thereof of limited interest for investors.

The reconciliation of Alternative Performance Measures is as follows:

Working Capital (Million Euros)	**31.12.2019**	**31.12.2018**
Non-Current Assets held-for-sale	-	0.6
Inventories	14.1	19.8
Trade and other receivables	381.1	334.1
Current receivables with Prosegur group companies	67.7	54.0
Current tax assets	73.4	86.7
Cash and cash equivalents	307.4	273.8
Deferred tax assets	47.9	36.2
Trade and other payables	(346.8)	(314.0)
Current tax liabilities	(93.9)	(64.7)
Financial liabilities	(210.5)	(132.0)
Current payables with Prosegur group companies	(95.7)	(80.8)
Other current liabilities	(8.1)	(8.6)
Deferred tax liabilities	(37.6)	(41.2)
Provisions	(146.1)	(139.0)
Total Working Capital	**(47.1)**	**24.9**

CAPEX (Millions of Euro)	**31.12.2019**	**31.12.2018**
Lands and buildings (excluding decommissioning costs)	0.3	2.2
Technical installations and machinery	30.6	23.8
Other installations and furniture	18.2	25.9
Armoured vehicles and other property, plant and equipment	16.0	18.1
Under construction and advances	31.4	18.9
Property, Plant and Equipment additions	96.6	88.9
Software additions	7.9	8.6
Adjusted CAPEX	104.5	97.5
Germany leases	-	(1.7)
Hyperinflation adjustment	-	1.3
Total CAPEX	**104.5**	**97.1**

Adjusted EBIT Margin (Million Euros)	**31.12.2019**	**31.12.2018**
EBIT	304.8	268.0
Revenues	1,798.7	1,731.6
Adjusted EBIT Margin	**16.9%**	**15.5%**

Organic Growth (Million Euros)	**31.12.2019**	**31.12.2018**
Revenues for current year	1,798.7	1,731.6
Less: Revenues for the previous year	1,731.6	1,924.3
Less: Inorganic Growth	82.8	66.0
Effect of exchange rate fluctuations	(222.1)	(422.7)
Total Organic Growth	**206.3**	**164.2**

Inorganic Growth (Million Euros)	**31.12.2019**	**31.12.2018**
Europe	10.4	14.7
AOA	17.8	14.4
Ibero-America	71.0	36.9
Divestments	(16.3)	-
Total Inorganic Growth	**82.8**	**66.0**

Effect of exchange rate fluctuations (Million Euros)	**31.12.2019**	**31.12.2018**
Revenues for current year	1,798.7	1,731.6
Less: Revenues for the current year at exchange rate of previous year	2,020.8	2,154.4
Effect of exchange rate fluctuations	**(222.1)**	**(422.7)**

Cash Flow Conversion Rate (Million Euros)	**31.12.2019**	**31.12.2018**
EBITDA	407.6	340.3
CAPEX	104.5	97.1
Cash Flow Conversion Rate (adjusted EBITDA - CAPEX / adjusted EBITDA)	**74%**	**71%**

Net Financial Debt (Million Euros)	**31.12.2019**	**31.12.2018**
Financial liabilities	856.9	820.0
Leasing financial debt	105.5	-
Adjusted financial liabilities **(A)**	962.4	820.0
Not financial liabilities with group companies **(B)**	0.2	2.8
Cash and cash equivalents	(307.4)	(273.8)
Less: adjusted cash and cash equivalents **(C)**	(307.4)	(273.8)
Less: Own Shares **(D)**	(1.5)	(1.9)
Total Net Financial Debt (A+B+C+D)	**653.7**	**547.1**
Less: other non-bank payables **(E)**	(89.6)	(58.4)
Own Shares **(F)**	1.5	1.9
Less: Leasing financial debt **(G)**	(105.5)	0.0
Total Net Financial Debt (excluding other non-bank payables corresponding to deferred payments for M&A acquisitions) **(A+B+C+D+E+F+G)**	**460.1**	**490.7**

EBITA (Million Euros)	**31.12.2019**	**31.12.2018**
Consolidated profit for the year	169.0	174.2
Income tax expenses	90.6	89.9
Net finance costs	45.2	3.9
Amortizations	18.6	16.9
EBITA	**323.4**	**284.9**

EBITDA (Million Euros)	**31.12.2019**	**31.12.2018**
Consolidated profit for the year	169.0	174.2
Income tax expenses	90.6	89.9
Net finance costs	45.2	3.9
Depreciation and amortization	102.9	72.3
EBITDA	**407.6**	**340.3**

As mentioned in Note 2 of the consolidated annual report, the comparative information presented in this Directors' Report has not been re-stated by the application of IFRS 16 on Leases and IAS 29 relative to financial reporting in hyperinflationary economies applied in Argentina.

2.4. Important circumstances after the reporting period

At the end of January 2020, the company Transporte de Valores e Vigilância patrimonial Ltda, located in Brazil, was acquired.

Also in January, a number of companies have been acquired in Ecuador, Tevcol Cía, Ltda, Tevsur Cía, Ltda, Tevlogistic S.A and Transportadora Ecuatoriana de Productos Valorados Setaproval S.A.

During the month of February 2020, Prosegur sold 100% of the Mexican companies Prosegur Seguridad Privada Logistica y Gestion de Efectivo SA de CV, Prosegur Servicios de Seguridad Privada Electronica SA de CV, Grupo Mercurio de Transportes SA de CV and Grupo Treatment and Management of Values SAPI de CV. The consideration has been paid in that month.

In addition, during the month of February, the company Corresponsales Colombia S.A.S.

2.5. Information on the foreseeable performance of the entity

If 2019 was marked by an uncertain political environment in Ibero-America and an adverse macroeconomic and exchange rate scenario, the forecasts for 2020 are moderately optimistic. Aspects such as greater certainty in the Brazilian economy or the relaxation of monetary conditions in the United States may translate into more favourable prospects for emerging economies.

In any case it is considered necessary to pay attention to those economies presenting sizeable external imbalances and/or high levels of indebtedness, since they will likely continue to face adverse financial conditions.

In Brazil, the estimate is that it is likely to continue with the reformist agenda and, after the reformation of the pension system, address other relevant issues such as the reformation of the tax system. In Argentina, special attention will be given to the renegotiation of the debt which, according to the new government, is expected to be undertaken during the first half of the year. This situation could introduce some uncertainty until an agreement is reached. Finally, the possible impact that trade tensions between the United States and China could have on the economic growth of the European region will be monitored.

Against this macroeconomic backdrop, the company will remain focused on developing its business in new products, where it expects to post significant growth. Moreover, it will work to improve its profitability in local terms and will continue to apply best practices in order to optimise efficiency in the operations and in cash generation.

Ibero-America currencies are expected to continue to depreciate over the course of 2020, albeit less so than in the previous year. In this sense, the Company expects to reduce this impact as far as possible by capturing natural growth in these markets, preserving and increasing margins and offering new solutions and services that allow the client base to be expanded.

The experience and ability of the Company to pass cost increases on to prices in economic environments which are undergoing a gradual maturity process, allow us to approach 2020 with optimism. Prosegur Cash has also consolidated a successful and resilient business model over the years. The company is thus able to mitigate the impact of events that could affect the normal performance of the activity, while maintaining or improving the results. Some examples of these situations are markets in recession, capital control policies or currency devaluations.

In the case of Europe, the macroeconomic environment should gently boost business growth. Additionally, an improvement in profitability might be seen, benefited by the sale of the operations in France. Prosegur Cash therefore hopes to continue to show a high capacity for adaptation to various situations and to leverage the burgeoning favourable situation in order to become a leading provider of advanced banking outsourcing services in Europe.

Lastly, in the AOA region, the Company will address the challenge of completing the integration of operations in The Philippines and Indonesia and of resuming growth in Australia. In this sense, the progress in certain commercial and operational initiatives implemented in 2019, allows us to view 2020 more optimistically.

The combination of a solid financial structure, limited levels of leverage, and the capacity to generate cash puts the Company in a comfortable position to face the inorganic growth strategy. Furthermore, Prosegur Cash will not exceed the debt levels that it has imposed on itself. These limits, it should be remembered, are more stringent than those included in the bank financing contracts that the Company has, or those required by the rating agencies for investment grade companies.

For all the above, Prosegur Cash will continue to promote organic growth, both through traditional services and through new products, while maintaining its current profitability levels. The Company also expects to continue consolidating its leadership, gaining market share and enhancing its image as a global flagship in the sector.

In conclusion, it is worth noting that the Company has excellent growth levers, one of the world's best platforms for transporting funds and handling cash, with a notable presence in emerging markets, unequalled by any competitor, and optimal solvency and financial solidity to drive its expansion and to satisfactorily face the great challenges approaching in the coming financial years.

Estimates and opinions regarding the future development and profit/(loss) at Prosegur Cash's businesses are subject to risks, uncertainties, changes in circumstances and other factors that may lead the actual profit/(loss) to differ materially from forecasts.

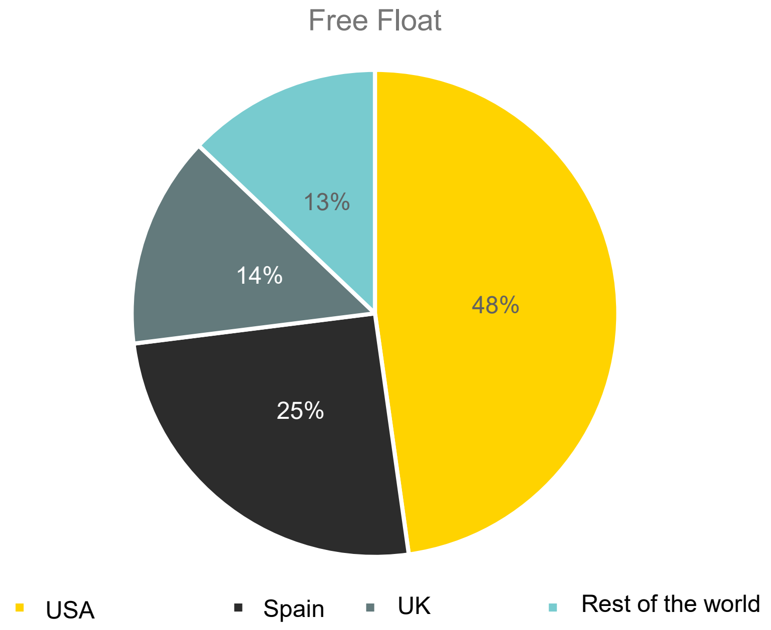
3. Stock market information

3.1. Share evolution

On 31 December 2019, Prosegur Cash's share price closed at EUR 1.36, i.e. 30% lower than in the previous December.

3.2. Geographical distribution of free float

Prosegur Cash is widely accepted among both domestic and foreign investors. In this regard, most of the free float is distributed among American, Spanish and English investors.



3.3. Relationship with investors

Prosegur Cash focuses its efforts in the creation of value for its shareholders. Improving profit/(loss) and transparency, as well as rigour and credibility, are what guides the Company's actions.

The Company's corporate website features the policy that governs its relationship with shareholders and investors, as approved by its Board of Directors. In this connection it undertakes to foster effective and open communication with all shareholders, at all times ensuring that the information it provides is both coherent and clear. Moreover, the Company seeks to maintain transparent and regular contact with its shareholders, so as to nurture mutual understanding of their goals.

In order to fulfil our commitment to transparency, the Company tries to provide all its financial and strategic communications in an open and coherent manner, ensuring, wherever possible, the use of simple language to make them comprehensible, and that the information shows a fair, balanced and understandable view of the situation and prospects of Prosegur Cash.

The Company is open to receiving comments and suggestions for improvement, which may be submitted through the specific channels for this purpose mentioned on the website and/or in the investor communication policy.

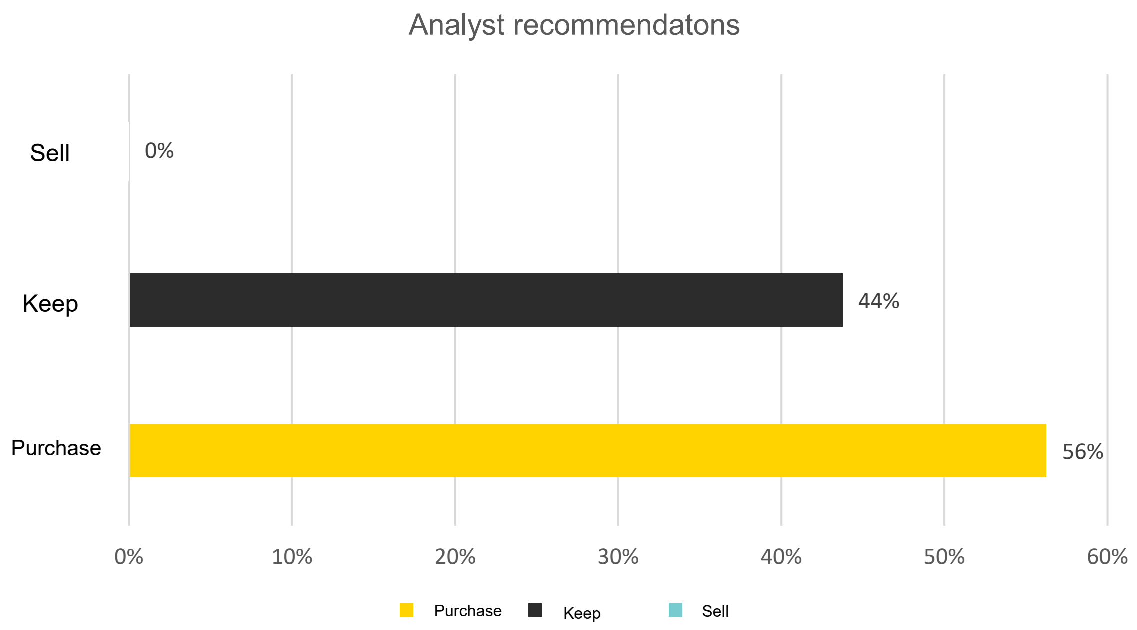
Finally, in order to present the financial information to investors, the Company reports its profit/(loss) quarterly via webcast (on its website). The Company's profit/(loss) presentation is led by the Chief Financial Officer and the Director of Investor Relations, and, on an annual basis, by the Executive Director.

On ESG issues (Environmental, Social and Corporate Governance), Prosegur Cash continuously provides detailed information to any shareholders, private and institutional investors, the leading stock market analysts and proxy advisors who request it. By means of face-to-face meetings or telephone calls, the Company responded to issues regarding its corporate social responsibility policy, the commitment to the environment, the development of labour relations or the respect for and promotion of human rights. Prosegur Cash has also participated in the procedures established by the main ESG ratings for preparing its reports.

In 2019 Prosegur Cash was included in the FTSE4Good IBEX index, which independently assesses and classifies the companies that best manage sustainability and meet standards of good practice and corporate social responsibility.

3.3.1. Coverage of analysts and recommendations

The recommendations of the 16 investment companies that cover Prosegur Cash are as follows:



3.3.2. Main shareholders

The shareholding structure of Prosegur Cash reflects its solidity and stability.

At 31 December 2019, 72.50% of share capital belongs directly or indirectly to Prosegur, whereas the remaining 27.5% is free float, with notable holdings belonging to Invesco Limited with 3.787%.

The composition of the Board of Directors enables the management bodies to define the strategic lines and decisions in line with the interests of all its shareholders. This solid and stable shareholder base of relevance, made up of significant shareholders and institutional investors, provides Prosegur Cash with the ideal conditions to develop its project and achieve its objectives.

4. Responsible management

4.1. Management model of Prosegur Cash

The management model of Prosegur Cash, known as the 3P Management System, from where all the policies, procedures and processes originate, allows us to have internal rules and a common language for services and processes. It facilitates standardisation and the provision of services aimed at meeting required quality standards, as well as efficiently managing resources and continuously improving processes. The standards are designed for the global application of certain elements, regardless of the location of the activity, but including certain characteristics that are specific to each territory.

The 3P System has obtained the following certifications:

- ISO 9001 Quality Management System.
- ISO 14001 Environmental Management System.
- ISO 22301 Business Continuity System.
- DIN 77200 Prosegur HV Ratingen (Germany).
- Aproser [*Professional Association of Private Security Companies of Spain*]

4.2. Risk management

Risk management at Prosegur Cash is two-fold: on the one hand, the Company's business is affected by the risks and uncertainties of the environment; on the other, it has to manage the operating risks resulting from its main activity. In Prosegur Cash, the most noteworthy aspects of risk management are infrastructure, processes and the people involved in the activity. In addition to representing the sources in which the operating risks identified could materialise, they are the critical barrier with which to contain the materialisation of those risks.

The Risk Control and Management System is based on procedures and methods which make it possible to identify and assess the risks in terms of achieving the relevant objectives of Prosegur Cash; it is based on the COSO system (Committee of Sponsoring Organisations of the Treadway Commission) and works together with applied standards in the main clients of financial industry, such as Basel III and the ISO 31000 standards. The main principles of Prosegur Cash's risk management are:

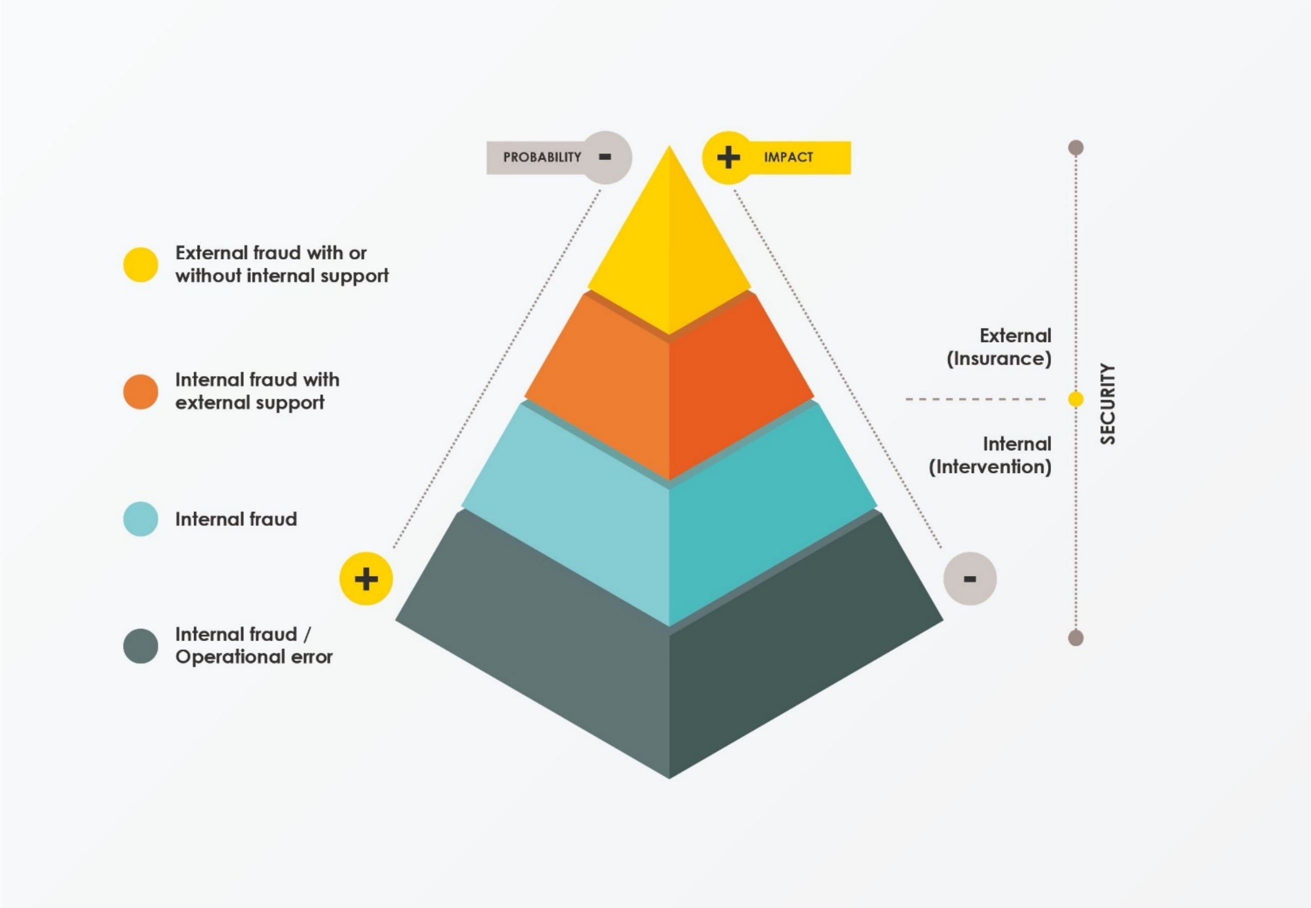
- The ongoing identification, evaluation and prioritisation of critical risks, considering their possible effect on the relevant goals of Prosegur Cash.
- The procedure for assessing and evaluating risks is carried out following certain pre-established levels of tolerance, to the effect that that assessment will be the basis for determining how they are to be managed. Key indicators are established which enable them to be controlled, for management to be assessed and the monitoring of its evolution over time.
- Regular monitoring of the results of the evaluation and the effectiveness of the measures implemented by the management of Prosegur Cash for preventing, detecting, mitigating, compensating or correcting the effects of the materialisation of any of the risks managed.
- The revision and analysis of the results of risk management and control is performed periodically by the Corporate Risk Committee which reports to the Audit Committee, which in turn is in charge of supervising the system.

The maximum responsibility for risk management falls on the Board of Directors. Among the basic responsibilities of the Audit Committee are to supervise the efficiency of internal control and risk management systems, to verify their suitability and integrity and to review the designation and replacement of the persons responsible.

4.2.1. Operational risks

Prosegur Cash devotes significant effort to the management of operating risks due to the potential impact on the commitments undertaken with its stakeholders and, specifically, with clients and employees. Prosegur Cash's approach to risk management covers all fields of Company activity through strict control of three basic pillars: infrastructure, processes and people.

In order to improve efficiency in operating risk management, the Company has a Global Risk Management Directorate, an area that, given its structure and organisation, provides a competitive advantage in the management of those risks with respect to other companies of the sector.



This Directorate endows the organisation with the instruments necessary to efficiently manage the risks associated with operational security. It furthermore provides the tools necessary to ensure the maintenance of the standards and procedure defined by the Company, as well as the compliance required by national regulations.

With a corporate structure located in Madrid (Spain), the Directorate is composed of three departments with regional and national representation: Security, Intervention and Insurance. The incorporation of these three departments under a single Management makes it possible to maximise the effectiveness of the operations at less cost, as a result of having in-house specialists who share common procedures.

The **Security Department** manages the risks and legal standards on security as a second level of defence of the organisation by actively participating in the development and execution of business operations on security. This department has employees distributed over four areas of global support: Intelligence, Information Security, Security of Bases and Installations and International Tactical Training Team.

The **Intervention Department** is organised as two units: Intervention and Loss Control (UCP). Both combine in situ reviews of the business operations (audits of valuables in custody, operating controls, operating security and of the facilities, and compliance with legal regulations), with the remote monitoring of the close of daily accounting entries for all regional offices, thus minimising the operating losses of the Prosegur Cash business.

The **Insurance Department** identifies and controls operating risks and determines the bases for assurance and management, guaranteeing minimum impact on the income statement. The department arranges insurance schemes, signs policies at corporate and local level with first rate insurance companies, providing cover for a wide range of risks: for direct and indirect employees engaged in Prosegur Cash's activity and for its fixed assets.

The strict control of the triad of infrastructure, processes and people, together with the analysis of the impact and probability of these main operating risks, design the approach for managing risk based on whether it can be mitigated internally (through the intervention of the teams) or externally (applying the insurance cover contracted).

4.2.2. Regulatory risk

The security sector is subject to a variety of regulations that are constantly changing and are applicable to the activities of Prosegur Cash and its clients all over the world. Increasing regulations in the regions where the Company conducts its business could have a substantial adverse effect on its activity, financial situation and operating income.

Specifically, Prosegur Cash's activity is directly and indirectly affected by legislation, regulations and administrative requirements of local, regional and national authorities of the countries where it operates, and the special requirements of other entities, such as insurance companies and organisations within the sector. Certain aspects of Prosegur Cash's activity are subject to licensing requirements. Furthermore, many countries require permits for security services, including for carrying weapons when armoured vehicles are used to transport goods. The Group depends on maintaining these licences and permits, and on renewing them where appropriate. Similarly, many of the clients, such as financial institutions, are subject to regulations, and if these regulations change they may indirectly have a material adverse effect on the Prosegur Cash's business, financial situation and operating income.

There is no guarantee that legislation, regulations and requirements imposed by authorities and other entities will not change in the future and, accordingly, alter the conditions of the Group's activity. The authorities may introduce new guidelines concerning requirements for specific practices, security solutions and training and certification of staff. The Group could be required to effect changes in its operations or make additional investments to adapt to new or amended laws or standards, such as increasing the number of staff manning an armoured vehicle or using cash degradation mechanisms, such as staining bank notes to render them unusable in the event of robbery. These changes and the relevant investments could have a substantial adverse impact on the business, financial situation and operating income. Likewise, a reduction or easing of local regulations could result in increased competition for Prosegur Cash due to the entry of new participants in the market or a larger number of smaller competitors. Moreover, failure to comply with applicable laws or regulations could lead to sizeable finds or the revocation of the permits and operating licences, which would also have a substantial adverse effect on its business, financial activity and operating income.

Regulatory risks are mitigated by identifying the risk at an operational level, regularly assessing the control environment and implementing and continuously monitoring programmes to ensure the proper operation of controls implemented.

The local Business Areas define the policies, procedures and tools for their identification and quantification, as well as the proposal of measures to mitigate risk and the ongoing monitoring of any deviation from established tolerance levels, in connection with operational control, security and regulatory compliance. For this purpose there are standard procedures in place in all the countries where the Group operates, consistent with the requirements of regulations applicable in each case.

Likewise, the Internal Audit and Compliance Department plays an essential role in the evaluation of the control environment on a regular basis and the implementation and continuous monitoring of monitoring programs for the proper functioning of the controls implemented.

4.2.3. Financial Risks

Interest rate risk

Prosegur Cash is exposed to interest rate risk due to its monetary assets and liabilities.

The Company analyses its interest rate risk exposure dynamically. In 2019, the majority of Prosegur Cash's financial liabilities at variable interest rates were denominated in Euros.

A simulation of various scenarios, considering refinancing, the renewal of current positions, alternative financing and hedges is performed. On the basis of these scenarios, Prosegur Cash calculates the impact on the profit/(loss) of a given variation of the interest rate. Each simulation uses the same variation in the interest rate for all currencies. These scenarios are only analysed for the liabilities that represent the most significant positions in which a variable interest rate is paid.

Currency risk

Prosegur Cash is exposed to foreign currency exchange risks arising from its revenues being generated in various currencies (mainly Brazilian real, Argentine, Colombian, Chilean and Mexican pesos, Peruvian sol and Australian dollar), while its functional currency is the Euro.

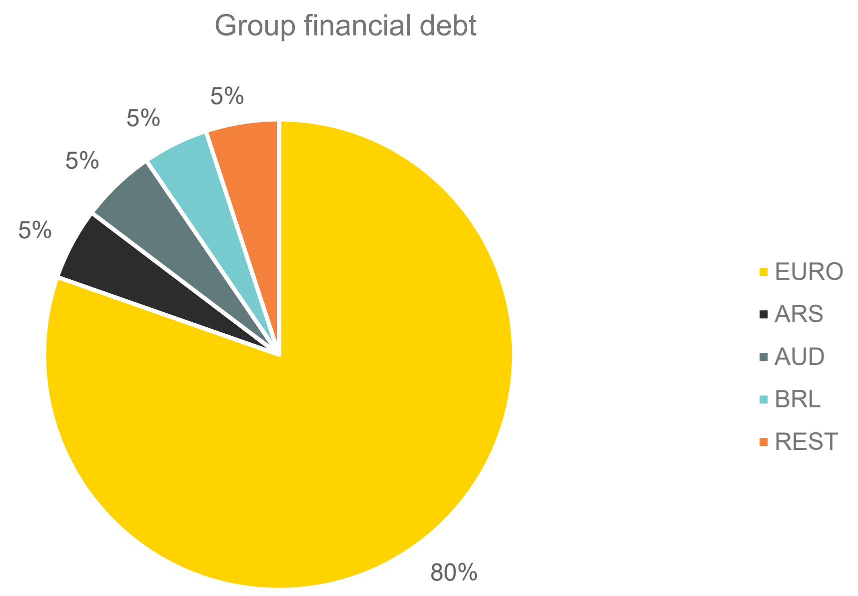
To the extent that local costs and revenues are denominated in the same currency, the effect of exchange rate fluctuations on Prosegur Cash's margins at a local level may be neutral (although the absolute size of these margins in Euros would continue to be affected). Fluctuations in exchange rates may also affect the Company's financing costs for instruments denominated in currencies other than the Euro.

In general, Prosegur Cash does not use currency derivatives to hedge its expected future operations and cash flows, so exchange rate fluctuations may have an adverse effect on the business and, accordingly, the Company's financial situation and profit/(loss).

The natural coverage made by Prosegur Cash is based on the capital expenditure required in the industry, which varies by business area, is in line with the operating cash flow generated and it is possible to time the investments made in each country based on operating requirements. Debt is broken down as follows: 80% in EUR, 5% in BRL, 5% in AUD, 5% in ARS and the remaining 5% in the Group's other currencies.

Note 23 of the Consolidated Annual Accounts reflects the value of financial liabilities by currency. Note 30 contains relevant information on the exchange rate exposure via the rates of the main currencies affecting assets and liabilities.

In graphical form, the financial debt structure of Prosegur Cash distributed by currency at the close of 2019 is as follows:



Credit risk

The Credit and Collection Departments of each of the countries in which Prosegur Cash operates carry out a risk assessment of each client on the basis of the contract data and establish credit limits and payment terms which are recorded in the Prosegur management systems and periodically updated. Monthly tracking of the credit situation of the clients is carried out, making any value corrections deemed necessary on the basis of clearly established policies.

As for financial transactions and other operations, these are carried out with defined rating entities and financial transaction framework agreements are entered into (CMOF or ISDA). The counterparty risk limits are clearly defined in the corporate policies of the Financial Department and updated credit limits and levels are periodically published.

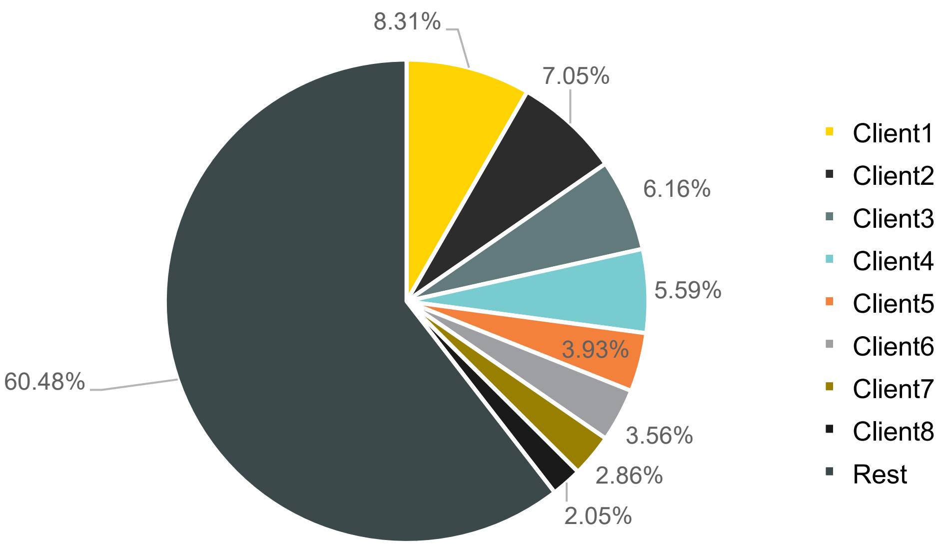
4.2.4. Business Risks

Amongst the business risks identified by Prosegur Cash are the temporary reduction in the demand for cash in transit and cash management services, and the inadequate management of indirect costs.

To mitigate them, the Company has advanced in the diversification of business in separate markets, in the development of new value added products and services that make Prosegur Cash stand out, which have boosted the recognition of the Prosegur Cash brand and implemented measures for operational efficiency.

Client concentration

Prosegur Cash does not have significant concentrations of clients. Note 30.1 of the Consolidated Annual Accounts shows tables of representativity of the main clients over the overall turnover of Prosegur Cash, as shown in the following pie chart:



4.2.5. Reputational Risks

In order to be able to respond to actual or perceived incidents which have a negative effect on its name or generate brand value loss, Prosegur Cash detects any possible irregularities through its Report Channel, anticipates non-fulfilment through the Corporate Compliance Programme and implements independent processes of due diligence.

5. Statement of Non-financial Information

Prosegur Cash acknowledges that its position as a worldwide reference in private security confers upon it the responsibility to work to raise the standards of the sector in all the areas in which it operates. Performance in aspects such as reducing its environmental impact, generating quality employment, occupational health and safety, regulatory compliance, respect for human rights or good governance most clearly represent its commitment.

Within the framework of the management system of Prosegur Cash, known as the 3P System, formal procedures and policies have been compiled in connection with these matters. The 3P System affords the Company internal rules and a common language for services and processes throughout the organisation. It facilitates standardisation and the provision of services aimed at meeting required quality standards, as well as efficiently managing resources and continuously improving processes.

With regard to social and environmental issues, and those relating to staff, respect for human rights and combating corruption and bribery, we highlight the following policies and procedures:

- Prosegur Cash's CSR Policy.
- Environmental Management Policy.
- General Regulation Concerning Human Resources Management.
- General Regulation Concerning Complaints for Discrimination and Harassment.
- Occupational Health and Safety Policy.
- Prosegur Cash Code of Ethics and Conduct.
- General Procedure Governing the Report Channel.

In accordance with the law and the Articles of Association, the Board of Directors of Prosegur Cash is the Company's management and representative body. In turn, the Audit Committee is responsible for supervising the process for preparing and submitting the necessary financial information and presenting recommendations or proposals to the Board of Directors aimed at safeguarding its integrity. The Board of Directors analyses the business by region, differentiating between Europe, Ibero-America and AOA. Given its presence in more than 20 countries, Prosegur Cash has a global client portfolio which makes it more coherent for it to manage it on a regional basis rather than per country. Accordingly, the Company itemises the profit/(loss) per region in order to provide a better understanding in Note 5.5.4 of this Statement of Non-financial Information.

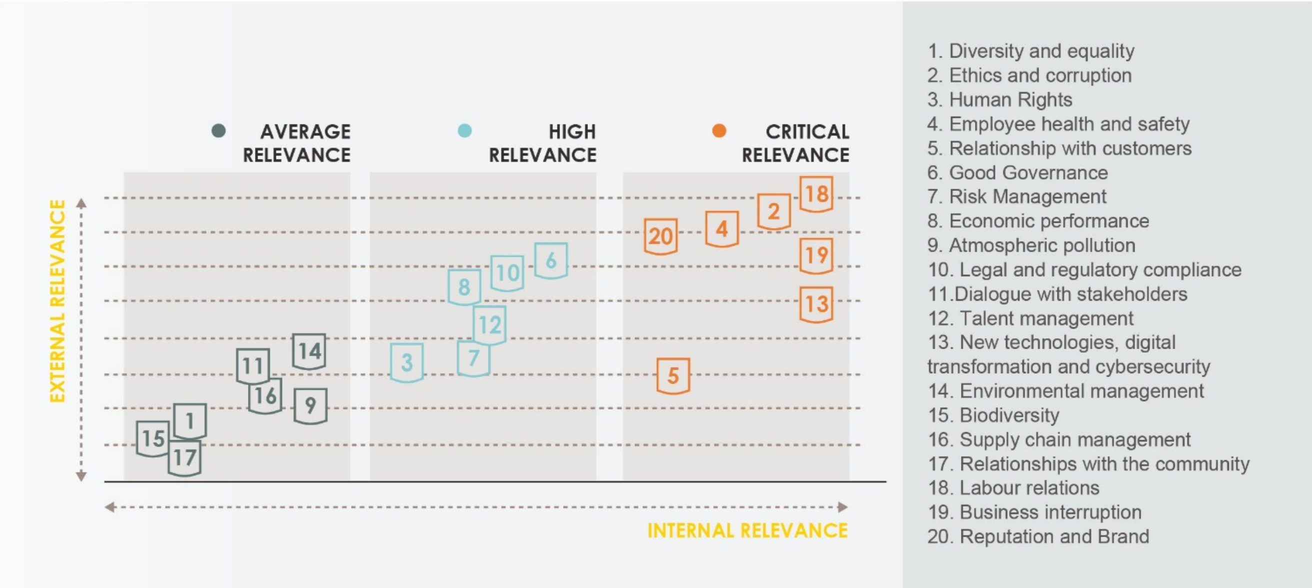
The 2019 materiality analysis of Prosegur Cash is based on the review and update of the materiality matrix and the adaptation of the topics to the context and developments of the sector and its environment. Consequently, the purpose of the organisation is to identify the most relevant areas for external (clients and shareholders) and internal stakeholders (with which an ongoing dialogue is maintained by means of unions and employee organisations), with a view to showing the progress made and determining the measures to take in order to continue generating value.

Prosegur Cash updated the materiality analysis based on the following aspects:

- External relevance in the sector: Standard Global Reporting Initiative Guide (GRI), information from international bodies and selective stock indices and topics that may have been a source of controversy in the private security sector.

- Benchmarking against peers: Analysis of relevant information and best practices at industry peers and materiality studies of companies in and out of the sector.
- Internal relevance: Analysis of the impact of each topic identified in the risk map approved in the Risk Committee, based on relevant data such as the strategic plan, sectoral reports, analysis of competitors, opinion of business and corporate areas and interviews of the management team.

As a result of this assessment, a list was drawn up with the 20 matters of greatest importance to Prosegur Cash:



Taking into account the income/(loss) for this year, Prosegur Cash does not consider the following to be material issues:

- Biodiversity: the Company does not have a significant impact on living creatures and the variety of ecosystems.
- Atmospheric pollution: the Company does not have a significant impact on the emission of noxious particles into the air. Prosegur Cash conducts activities relating to the provision of services, which therefore are not activities of transformation or manufacturing.
- Impact of the Company's activity on local areas and relationships with local communities: the Company does not have a significant impact on the area in which it operates and, accordingly, does not materially affect the local communities, other than the favourable impact of creating jobs in the regions where it is present.
- Actions to fight the waste of food: the Company has no related business activity.

The information concerning risk management, its assessment and impact is described in Note 4 of the Consolidated Directors' Report.

Information concerning the Company's activity, location, regions and operations is provided in Note 1 of the Consolidated Directors' Report.

About this report

- This report responds to Act 11/2018 concerning non-financial reporting and diversity.
- The scope of this Statement of Non-financial Information statement is the same as the consolidation scope of financial reporting, with the exception of the new M&A acquisitions in new geographical areas in 2019 (Indonesia) which are in the process of integration and standardisation of the Company's processes and systems, the divestment in France and South Africa, and equity-accounted businesses (India). The tables including quantitative data contain notes indicating the scope of the data reported compared to sales or employees.
- Sales and employees in the consolidation scope amount to EUR 1,798.7 million and there are 45,251 employees (equity-accounted sales, EUR 42.5 million).
- Most of the comparative figures for 2018 are shown for merely information purposes and may not cover the same scope as the figures for 2019, although there are exceptions as a result of legal requirements for reporting the evolution.
- The contents of Act 11/2018 and GRI standards were used to compile this report, in accordance with the GRI option chosen, as detailed in the Appendix to this Statement of Non-financial Information.
- In accordance with applicable mercantile regulations, this Statement of Non-Financial Information has been audited by KPMG Asesores, S.L. The independent Audit Report is included together with the Statement of Non-Financial Information.

5.1. Environmental matters

KPIs	2018	2019	Scope (over sales)
Direct CO2 emissions	95,182 T	94,272 T	96%
Indirect CO2 emissions	12,556 T	13,818 T	96%
Electricity consumption MWh	53,788 MWh	52,602 MWh	96%
Non-hazardous waste managed	1,325 T	2,226 T	96%
Hazardous waste managed	149 T	168 T	96%
Fuel (millions of litres)	36	34	96%
Paper consumption	426 T	610 T	96%
Number of uniforms distributed	235,513	226,013	96%
Water consumption (m3)	328,937	328,862	96%
Natural Gas (m3)	N.p	82,004	96%
Consumption of Operational Plastics (T)	N.p	2,194 T	96%

The scope of these KPIs excludes the scope of the new M&A acquisitions in 2019, disinvestments and the countries in which businesses are equity-accounted. N.p: Not published.

New types of waste not included in 2018 are included in the hazardous and non-hazardous managed indicators of 2019.

Prosegur Cash has a global 3P Environmental Management Policy, or general regulation that is binding upon all employees. Each country defines a local policy that should be aligned with the global policy and ensure the unavoidable obligation of local management to show compliance with applicable environmental legislation in its region.

The business management department has identified the main environmental risks, for which mitigation measures are at the development stage. Prosegur Cash has ISO 14001 certification in

Colombia, Spain and Portugal. In those countries where certification is not available, they will implement the best practices acquired that are not already underway. The Global Department of the Cash business, with the maturity acquired in recent years on the environment, has placed special emphasis on emission reduction and sustainability.

Prosegur Cash's business activities do not have a significant impact on the environment and neither do they pose a threat in terms of climate change and biodiversity. They are activities related to the provision of services. As such, they cannot be considered to be transformation or manufacturing activities. These activities are highly labour-intensive, for example, cash in transit or AVOS activities. The biggest environment impact of Prosegur Cash is that entailed by the movement of armoured vehicles to clients' facilities.

The overall department for Quality, Environment and Safety and Health at Work has, at least, one resource specialising in the management of the environmental system at global level and in each country where Prosegur Cash operates. The head of that department is the person designated by Prosegur Cash to manage environmental matters and, in each country, he is also the representative at both internal level and with third parties. The heads of the departments for business, fleet, property services and procurements define and adopt measures to improve the environmental impact within their scope of competency, always coordinated and backed up by the specialist from the Quality and Environment department.

While aware of the importance of the environment and the impact of our actions upon it, the Quality and Environment Department in each country devises campaigns to raise awareness among the employees via posters or e-mails.

The main environmental aspects inherent to the business activities of Prosegur Cash that do not significantly impact on the environment, climate change or biodiversity are those relating to the consumption of fuels and direct emissions of greenhouse gases associated thereto. There is also the consumption of electricity, paper and plastics at the operating centres.

Prosegur Cash shows its firm commitment to combating climate change through the accounting and control of its consumption and, accordingly, its carbon dioxide emissions.

The Cash business has devised a scorecard to measure, among other indicators, the consumption of fuel by the armoured fleet, which it uses as the basis for decision-making. This scorecard has already been implemented in eighteen countries.

As for used tyres, suppliers undergo a standardisation process to ensure recycling is duly guaranteed. At Prosegur Cash own workshops in various Ibero-American countries, the manner of collecting tyres is established to ensure they are properly recycled.

Field offices and headquarters continue with energy efficiency improvements, conducting studies of power contracted to adapt them to actual consumption at the facilities, or changing light installations, in order to reduce consumptions and the associated costs.

In 2019 an energy-saving project was implemented in the Company's regional offices. Furthermore, in compliance with Royal Decree 56/2016, every four years Prosegur Cash submits to an energy audit performed by an external company.

In this same period, Prosegur Cash has advanced in innovating its fleet of armoured and light commercial vehicles. As part of the 2020 Plan, work has begun on purchasing hybrid armoured vehicles (diesel-electric), which have fewer greenhouse gas emissions. Twelve units were purchased in Spain (the estimated delivery date for two units is the first quarter of 2020 and the other ten during April). This will make it possible to mitigate risks of restricted access to large European cities and the Company will be prepared in cases of the activation of anti-contamination protocols, and will furthermore perform a pilot project on two vehicles of high and average tonnage for adaptation of maintenance and refuelling. In Germany a fully electric semi-armoured vehicle has been acquired, whose delivery is expected at the start of the second quarter of 2020. The Cash business has proposed a global objective of 1.5% reduction in direct CO2 emissions by 2020 of the armored fleet of all CASH business countries has been proposed for a perimeter of operations or geographical footprint equivalent to the previous year.

In 2019 Prosegur Cash obtained no high and medium voltage electricity generated from renewable energy. At the end of 2019, a new contract was signed with the supplier of electric power in Spain guaranteeing that 100% of the electricity comes from renewable sources.

Sustainable use of resources

On a country-by-country basis, the consumption and waste generation associated with the Company's activity is monitored. Each country establishes the actions and goals to minimise said impact annually. Waste is always subsequently processed by an authorised waste processor, in accordance with the applicable legislation in each country. Furthermore, Global Management has implemented the following actions in the last year:

- A digital transformation programme, with special mention of electronic signature and digitalisation of contracts with clients, suppliers and employees, and also digitalisation of delivery notes in Cash and other operating documentation used in the technical service of the business and management of facilities.
- Progress continues in the policies promoted at the global level to control fuel consumption establishing, among other measures, armoured vehicle fuel reduction goals at the operating base level.
- Continuity of awareness campaigns to reduce water consumption in headquarters and centres.
- Continuity of energy efficiency programmes at operating centres, installing efficient lighting devices (LEDs), as well as environmental awareness campaigns.
- Centralisation in each country of the contracting of approved waste processors to ensure compliance with legal requirements. A pilot programme is underway in Spain to implement a tool to request waste collection services in collection points to facilitate the control of collection periods and traceability.

Prosegur Cash consumes materials responsibly and seeks to reduce waste generated by promoting a culture of environmental responsibility and undertaking to reduce the impact of the activities it performs. At 31 December 2019, hazardous and non-hazardous waste managed amount to 168 tonnes and 2,226 tonnes, respectively (149 tonnes and 1,325 tonnes, respectively, in 2018).

Prosegur Cash has a civil liability policy, valid until December 31, 2020, which includes coverage for accidental contamination that it could generate. This policy has a coverage of up to € 75,000,000 per accident to cover accidental damages that may be caused by the exercise of the activity.

5.2. Social and employment matters

2019 Data

		Scope	Spain	Germany	Portugal	Argentina	Brazil	Colombia	Chile	Paraguay	Uruguay	Peru	Mexico	Central America	Australia	Phillipines	Total
Total summary of employees			4.340	4.330	692	4.722	14.833	4.246	2.278	846	546	3.403	1.012	1.631	955	1.417	45.251
Gender	Men	99,0%	2.625	3.607	564	4.066	11.746	2.995	1.624	726	465	2.313	704	1.326	638	830	34.229
	Women		1.715	723	128	656	3.087	1.251	654	120	81	1.090	308	305	317	587	11.022
Age	Less than 30 years old	99,0%	410	401	63	405	2.081	1.386	404	242	17	1.207	286	588	128	895	8.513
	Between 30 an 50 years old		2.359	2.114	460	3.465	9.904	2.565	1.182	580	338	1.938	617	902	449	475	27.348
	More than 50 years old		1.571	1.815	169	852	2.848	295	692	24	191	258	109	141	378	47	9.390
Professional category	Directors and managers	99,0%	65	6	3	23	123	14	7	7	4	14	9	14	51	19	359
	Supervisors and coordinators		114	65	2	483	387	105	52	64	10	199	19	127	103	27	1.757
	Analysts and administratives		283	116	10	284	1.052	291	79	57	198	326	226	133	64	60	3.179
	Blue collar		3.878	4.143	677	3.932	13.271	3.836	2.140	718	334	2.864	758	1.357	737	1.311	39.956
Average number of employees																	
Type of employee	**Blue collar**	99,0%	3.871	3.862	647	4.499	14.043	3.999	2.190	825	537	3.171	966	1.398	890	1.311	42.209
	Men		2.336	3.235	546	3.893	11.227	2.931	1.570	715	462	2.204	676	1.148	612	777	32.332
	Women		1.535	627	101	606	2.816	1.068	620	110	76	967	290	250	278	534	9.878
	White collar		425	143	14	223	545	263	61	27	26	149	44	163	80	106	2.267
	Men		269	112	11	173	331	111	45	17	18	67	26	99	36	53	1.368
	Women		155	31	3	50	214	152	16	10	8	81	18	64	44	53	899
Number of employees by contract types																	
Gender	**Men**	99,0%	2.625	3.607	564	4.066	11.746	2.995	1.624	726	465	2.313	704	1.326	638	830	34.229
	Indefinite		2.168	2.833	469	4.066	11.645	2.995	1.513	712	465	1.453	657	1.325	311	830	31.442
	Temporary		457	774	95	0	101	0	111	14	0	860	47	1	327	0	2.787
	Women		1.715	723	128	656	3.087	1.251	654	120	81	1.090	308	305	317	587	11.022
	Indefinite		1.198	554	62	656	2.995	1.251	531	107	81	615	277	278	115	587	9.307
	Temporary		517	169	66	0	92	0	123	13	0	475	31	27	202	0	1.715
Age	**Less than 30 years old**	99,0%	410	401	63	405	2.081	1.386	404	242	17	1.207	286	588	128	895	8.513
	Indefinite		163	132	6	405	1.888	1.386	299	223	17	351	250	574	28	895	6.617
	Temporary		247	269	57	0	193	0	105	19	0	856	36	14	100	0	1.896
	Between 30 an 50 years old		2.359	2.114	460	3.465	9.904	2.565	1.182	580	338	1.938	617	902	449	475	27.348
	Indefinite		1.859	1.634	359	3.465	9.904	2.565	1.068	572	338	1.468	578	888	220	475	25.393
	Temporary		500	480	101	0	0	0	114	8	0	470	39	14	229	0	1.955
	More than 50 years old		1.571	1.815	169	852	2.848	295	692	24	191	258	109	141	378	47	9.390
	Indefinite		1.344	1.621	166	852	2.848	295	677	24	191	249	106	141	178	47	8.739
	Temporary		227	194	3	0	0	0	15	0	0	9	3	0	200	0	651
Professional category	**Directors and managers**	99,0%	65	6	3	23	123	14	7	7	4	14	9	14	51	19	359
	Indefinite		64	5	3	23	123	14	7	7	4	14	9	14	51	19	357
	Temporary		1	1	0	0	0	0	0	0	0	0	0	0	0	0	2
	Supervisors and coordinators		114	65	2	483	387	105	52	64	10	199	19	127	103	27	1.757
	Indefinite		112	62	1	483	387	105	51	64	10	199	15	127	99	27	1.742
	Temporary		2	3	1	0	0	0	1	0	0	0	4	0	4	0	15
	Analysts and administratives		283	116	10	284	1.052	291	79	57	198	326	226	133	64	60	3.179
	Indefinite		270	111	8	284	859	291	72	50	198	141	202	133	56	60	2.735
	Temporary		13	5	2	0	193	0	7	7	0	185	24	0	8	0	444
	Blue collar		3.878	4.143	677	3.932	13.271	3.836	2.140	718	334	2.864	758	1.357	737	1.311	39.956
	Indefinite		2.920	3.209	519	3.932	13.271	3.836	1.914	698	334	1.714	708	1.324	240	1.311	35.930
	Temporary		958	934	158	0	0	0	226	20	0	1.150	50	33	497	0	4.026

		Scope	Spain	Germany	Portugal	Argentina	Brazil	Colombia	Chile	Paraguay	Uruguay	Peru	Mexico	Central America	Australia	Phillipines	Total
Annual average of contracts																	
Gender	**Men**	99,0%	2.606	3.607	6	8	11.557	2.370	1.652	713	479	534	663	301	15	830	25.342
	Full time indefinite		2.050	2.553	4	8	11.441	2.370	1.516	707	479	15	642	301	4	830	22.920
	Partial time indefinite		212	280	0	0	31	0	3	0	0	0	0	0	11	0	537
	Full time temporary		217	568	2	0	3	0	129	6	0	504	21	0	0	0	1.450
	Partial time temporary		127	206	0	0	82	0	4	0	0	15	0	0	0	0	434
	Women		1.690	723	4	1	3.032	978	680	117	84	280	298	80	23	587	8.576
	Full time indefinite		1.008	371	0	1	2.847	978	524	115	84	7	283	80	4	587	6.889
	Partial time indefinite		171	183	1	0	95	0	22	0	0	0	0	0	19	0	491
	Full time temporary		294	106	3	0	10	0	130	2	0	253	14	0	0	0	812
	Partial time temporary		217	63	0	0	80	0	4	0	0	20	0	0	0	0	384
Age	**Less than 30 years old**	99,0%	482	401	4	3	2.104	1.562	399	220	18	570	267	238	8	895	7.170
	Full time indefinite		171	102	2	3	1.866	1.562	280	215	18	4	253	238	1	895	5.609
	Partial time indefinite		33	30	0	0	65	0	10	0	0	0	0	0	7	0	145
	Full time temporary		149	194	2	0	11	0	106	5	0	539	14	0	0	0	1.020
	Partial time temporary		129	75	0	0	162	0	3	0	0	27	0	0	0	0	396
	Between 30 an 50 years old		2.822	2.114	6	6	9.764	1.750	1.214	583	342	236	585	137	15	475	20.048
	Full time indefinite		2.190	1.445	2	6	9.714	1.750	1.065	580	342	18	565	134	4	475	18.289
	Partial time indefinite		155	189	1	0	50	0	9	0	0	0	0	3	11	0	419
	Full time temporary		304	391	3	0	0	0	136	3	0	210	20	0	0	0	1.067
	Partial time temporary		173	89	0	0	0	0	4	0	0	8	0	0	0	0	274
	More than 50 years old		991	1.815	0	0	2.718	36	719	26	204	8	109	6	16	47	6.695
	Full time indefinite		697	1.377	0	0	2.707	36	694	26	204	0	108	6	4	47	5.905
	Partial time indefinite		195	244	0	0	11	0	6	0	0	0	0	0	12	0	468
	Full time temporary		58	89	0	0	0	0	18	0	0	8	2	0	0	0	174
	Partial time temporary		42	105	0	0	0	0	1	0	0	0	0	0	0	0	148
Professional category	**Directors and managers**	99,0%	70	6	0	0	123	0	3	7	4	1	8	2	0	19	244
	Full time indefinite		67	5	0	0	123	0	3	7	4	1	8	2	0	19	239
	Partial time indefinite		2	0	0	0	0	0	0	0	0	0	0	0	0	0	2
	Full time temporary		2	1	0	0	0	0	0	0	0	0	0	0	0	0	3
	Partial time temporary		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Supervisors and coordinators		94	65	0	2	388	20	70	67	10	21	57	21	2	27	843
	Full time indefinite		86	59	0	2	388	20	63	67	10	21	53	21	1	27	818
	Partial time indefinite		8	3	0	0	0	0	0	0	0	0	0	0	1	0	12
	Full time temporary		0	2	0	0	0	0	7	0	0	0	4	0	0	0	13
	Partial time temporary		0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
	Analysts and administratives		281	116	0	1	1.005	240	151	57	198	55	181	29	5	60	2.379
	Full time indefinite		253	94	0	1	822	240	128	55	198	0	170	29	1	60	2.050
	Partial time indefinite		15	17	0	0	10	0	0	0	0	0	0	0	5	0	46
	Full time temporary		10	3	0	0	11	0	23	2	0	55	11	0	0	0	116
	Partial time temporary		3	2	0	0	162	0	0	0	0	0	0	0	0	0	167
	Blue collar		3.851	4.143	10	6	13.071	3.088	2.101	699	334	737	715	330	31	1.311	30.426
	Full time indefinite		2.653	2.766	0	6	12.955	3.088	1.982	693	334	0	688	326	6	1.311	26.807
	Partial time indefinite		358	443	0	0	116	0	12	0	0	0	0	4	25	0	959
	Full time temporary		499	668	9	0	0	0	102	6	0	702	27	0	0	0	2.012
	Partial time temporary		341	266	1	0	0	0	5	0	0	35	0	0	0	0	648
Number of employees by types of working day																	
Gender	**Men**	99,0%	2.625	3.607	564	4.066	11.746	2.995	1.624	726	465	2.313	704	1.326	638	830	34.229
	Full time		2.297	3.121	556	4.058	11.595	2.995	1.620	726	465	2.304	704	1.326	311	830	32.908
	Part time		328	486	8	8	151	0	4	0	0	9	0	0	327	0	1.321
	Women		1.715	723	128	656	3.087	1.251	654	120	81	1.090	308	305	317	587	11.022
	Full time		1.320	477	119	648	2.879	1.251	630	120	81	1.062	308	305	115	587	9.902
	Part time		395	246	9	8	208	0	24	0	0	28	0	0	202	0	1.120
Age	**Less than 30 years old**	99,0%	410	401	63	405	2.081	1.386	404	242	17	1.207	286	588	128	895	8.513
	Full time		263	296	62	400	1.805	1.386	394	242	17	1.180	286	588	28	895	7.842
	Part time		147	105	1	5	276	0	10	0	0	27	0	0	100	0	671
	Between 30 an 50 years old		2.359	2.114	460	3.465	9.904	2.565	1.182	580	338	1.938	617	902	449	475	27.348
	Full time		2.019	1.836	444	3.454	9.836	2.565	1.170	580	338	1.928	617	902	220	475	26.384
	Part time		340	278	16	11	68	0	12	0	0	10	0	0	229	0	964
	More than 50 years old		1.571	1.815	169	852	2.848	295	692	24	191	258	109	141	378	47	9.390
	Full time		1.335	1.466	169	852	2.833	295	686	24	191	258	109	141	178	47	8.584
	Part time		236	349	0	0	15	0	6	0	0	0	0	0	200	0	806
Professional category	**Directors and managers**	99,0%	65	6	3	23	123	14	7	7	4	14	9	14	51	19	359
	Full time		63	6	3	23	123	14	7	7	4	14	9	14	51	19	357
	Part time		2	0	0	0	0	0	0	0	0	0	0	0	0	0	2
	Supervisors and coordinators		114	65	2	483	387	105	52	64	10	199	18	127	103	27	1.756
	Full time		105	61	2	481	387	105	52	64	10	199	18	127	99	27	1.737
	Part time		9	4	0	2	0	0	0	0	0	0	0	0	4	0	19
	Analysts and administratives		283	116	10	284	1.052	291	79	57	198	326	227	133	64	60	3.180
	Full time		268	97	10	284	864	291	79	57	198	326	227	133	56	60	2.950
	Part time		15	19	0	0	188	0	0	0	0	0	0	0	8	0	230
	Blue collar		3.878	4.143	677	3.932	13.271	3.836	2.140	718	334	2.864	758	1.357	737	1.311	39.956
	Full time		3.181	3.434	660	3.918	13.100	3.836	2.112	718	334	2.827	758	1.357	240	1.311	37.786
	Part time		697	709	17	14	171	0	28	0	0	37	0		497	0	2.170

		Scope	Spain	Germany	Portugal	Argentina	Brazil	Colombia	Chile	Paraguay	Uruguay	Peru	Mexico	Central America	Australia	Phillipines	Total
Number of dismissals (1)																	
Gender	Men	99,0%	82	22	10	126	1.035	241	139	99	2	186	102	93	0	0	2.137
	Women		97	7	3	27	389	77	146	10	1	76	43	37	0	0	913
Age	Less than 30 years old	99,0%	46	14	4	30	357	121	106	23	0	147	45	51	0	0	944
	Between 30 an 50 years old		100	7	9	101	856	184	152	84	1	103	90	68	0	0	1.755
	More than 50 years old		33	8	0	22	211	13	27	2	2	12	10	11	0	0	351
Professional category	Directors and managers	99,0%	5	0	0	0	18	1	0	0	0	3	0	0	0	0	27
	Supervisors and coordinators		3	0	0	12	47	9	11	9	0	14	11	10	0	0	126
	Analysts and administratives		10	1	0	9	209	11	47	6	0	22	43	6	0	0	364
	Blue collar		161	28	13	132	1.150	297	227	94	3	223	91	114	0	0	2.533
Number of new hirings																	
Gender	Men	100,0%	844	515	58	94	742	2.370	252	120	7	534	386	298	25	267	6.512
	Women		916	126	48	18	559	978	215	23	1	280	256	80	25	237	3.762
Age	Less than 30 years old	100,0%	654	191	49	33	601	1.562	202	70	4	570	299	238	21	384	4.878
	Between 30 an 50 years old		911	325	55	77	34	1.750	230	73	3	236	328	134	25	114	4.295
	More than 50 years old		195	125	2	2	666	36	35	0	1	8	15	6	4	6	1.101
Professional category	Directors and managers	100,0%	10	3	0	2	4	0	1	0	0	1	0	2	0	4	27
	Supervisors and coordinators		8	7	0	29	10	20	26	2	0	21	6	21	2	3	155
	Analysts and administratives		66	52	1	11	271	240	70	12	0	55	114	29	3	18	942
	Blue collar		1.676	579	105	70	1.016	3.088	370	129	8	737	522	326	45	479	9.150
Detail of employees by Professional category																	
Professional category	**Directors and managers**	100,0%	65	6	3	23	123	14	7	7	4	14	9	14	51	19	359
	Men		52	6	3	20	116	12	6	5	4	13	8	9	33	13	300
	Women		13	0	0	3	7	2	1	2	0	1	1	5	18	6	59
	Supervisors and coordinators		114	65	2	483	387	105	52	64	10	199	59	127	103	27	1.797
	Men		88	59	2	429	313	75	41	52	10	142	36	89	76	14	1.426
	Women		26	6	0	54	74	30	11	12	0	57	23	38	27	13	371
	Analysts and administratives		283	116	10	284	1.052	291	79	57	198	326	186	133	64	60	3.139
	Men		159	82	7	209	533	101	43	38	121	205	92	67	49	27	1.733
	Women		124	34	3	75	519	190	36	19	77	121	94	66	15	33	1.406
	Blue collar		3.878	4.143	677	3.932	13.271	3.836	2.140	718	334	2.864	758	1.357	737	1.311	39.956
	Men		2.326	3.460	552	3.408	10.784	2.807	1.534	631	331	1.953	568	1.161	515	777	30.807
	Women		1.552	683	125	524	2.487	1.029	606	87	3	911	190	196	222	534	9.149
Professional category	**Directors and managers**	100,0%	65	6	3	23	123	14	7	7	4	14	9	14	51	19	359
	Less than 30 years old		4	0	0	0	2	0	0	0	0	0	0	0	2	0	8
	Between 30 an 50 years old		45	5	3	9	71	8	5	5	4	11	7	11	27	4	215
	More than 50 years old		16	1	0	14	50	6	2	2	0	3	2	3	22	15	136
	Supervisors and coordinators		114	65	2	483	387	105	52	64	10	199	59	127	103	27	1.797
	Less than 30 years old		3	4	0	26	20	7	1	12	0	15	8	22	15	1	134
	Between 30 an 50 years old		70	31	0	346	298	79	29	48	6	147	44	92	67	17	1.274
	More than 50 years old		41	30	2	111	69	19	22	4	4	37	7	13	21	9	389
	Analysts and administratives		283	116	10	284	1.052	291	79	57	207	326	186	133	64	60	3.148
	Less than 30 years old		38	8	0	19	381	146	15	29	14	59	75	38	8	29	859
	Between 30 an 50 years old		177	47	6	220	557	117	47	28	143	226	103	81	28	28	1.808
	More than 50 years old		68	61	4	45	114	28	17	0	50	41	8	14	28	3	481
	Blue collar		3.878	4.143	677	3.932	13.271	3.836	2.140	718	325	2.864	758	1.357	737	1.311	39.947
	Less than 30 years old		365	389	63	360	1.678	1.233	388	201	10	1.133	204	528	114	865	7.531
	Between 30 an 50 years old		2.067	2.031	451	2.890	8.978	2.361	1.100	499	185	1.554	463	718	328	420	24.045
	More than 50 years old		1.446	1.723	163	682	2.615	242	652	18	130	177	91	111	295	26	8.371
Number of employees with disabilities																	
	Number of people with disabilities	99,0%	52	226	5	2	117	34	17	0	0	6	0	1	0	0	460
	Percentage of people with disabilities		1,2%	5,2%	0,7%	0,0%	0,8%	0,8%	0,7%	0,0%	0,0%	0,2%	0,0%	0,1%	0,0%	0,0%	1,0%
Number of immigrant employees																	
	Number of immigrants on the workforce	100,0%	113	508	10	60	3	5	21	10	6	2	3	3	0	1	745
	Percentage of immigrants on the workforce		2,6%	11,7%	1,4%	1,3%	0,0%	0,1%	0,9%	1,2%	1,1%	0,1%	0,3%	0,2%	0,0%	0,1%	1,6%
	Número de directivos procedentes de la comunidad local	100,0%	65	1	3	23	8	13	1	8	4	14	7	7	0	1	155
	Porcentaje de altos directivos procedentes de la comunidad local		1,5%	0,0%	0,4%	0,5%	0,1%	0,3%	0,0%	0,9%	0,7%	0,4%	0,7%	0,4%	0,0%	0,1%	0,3%

(1) Number accumulated from 01.01.2019 to 31.12.2019 of employees whose contract has been canceled by unilateral decision of the employer. In the case of Spain, disciplinary dismissals and not exceeding the trial period are ncluded.

		Scope	Spain	Germany	Portugal	Argentina	Brazil	Colombia	Chile	Paraguay	Uruguay	Peru	Mexico	Central America	Australia	Phillipines	Total
Medium compensation in Euros (2) (3) (4)																	
Gender	Men	95,2%	29.102	37.320	15.175	16.972	7.933	7.571	16.837	10.477	19.884	8.067	5.427	7.853	34.630		14.805
	Women		22.148	29.287	11.427	14.084	6.161	5.677	15.227	9.249	23.181	5.912	4.135	9.611	29.860		11.495
Age	Less than 30 years old	95,2%	22.000	31.768	11.407	12.937	5.107	5.815	12.768	6.957	17.536	4.837	3.904	6.014	33.031		8.460
	Between 30 an 50 years old		26.523	36.464	13.077	16.134	7.845	7.341	17.388	10.197	19.291	7.462	4.609	9.134	33.093		13.324
	More than 50 years old		29.511	35.041	14.758	18.394	6.893	8.542	19.788	11.736	19.083	8.097	4.968	16.146	32.162		19.299
Professional category	**Directors and managers**	95,2%	107.556	174.590	56.731	65.518	31.440	45.720	76.834	50.462	69.447	59.203	46.823	49.012	47.094		57.189
	Men		107.556	174.590	56.731	40.234	30.785	45.720	81.876	62.850	69.447	61.421	47.840	64.348	41.102		55.608
	Women		95.434	0	0	75.279	36.862	53.907	46.584	47.497	69.067	44.343	23.655	47.047	53.085		54.110
	Supervisors and coordinators		47.511	69.589	39.131	16.767	12.121	14.168	26.998	12.567	30.581	17.137	6.913	11.906	36.787		19.573
	Men		48.000	70.782	39.131	16.958	12.305	14.606	26.820	12.357	30.581	17.582	6.913	11.343	38.681		19.958
	Women		45.100	59.769	0	16.135	11.801	9.684	27.660	13.987	33.589	15.544	7.201	13.545	34.894		18.178
	Analysts and administratives		28.499	33.485	20.058	15.047	7.063	6.801	19.327	9.447	23.847	10.064	4.453	8.977	32.162		12.439
	Men		31.341	44.692	23.400	15.490	7.081	7.426	17.544	10.115	23.934	10.501	4.453	8.150	33.031		14.321
	Women		25.665	27.416	12.259	14.070	6.879	6.016	21.456	8.680	23.711	9.150	4.453	10.153	31.292		10.593
	Blue collar		95.434	35.072	14.139	16.197	5.408	6.872	15.810	9.734	17.421	5.164	4.389	4.815	31.696		16.899
	Men		28.713	36.337	14.758	16.929	5.784	7.225	16.296	9.929	17.422	6.764	4.894	7.045	31.417		13.715
	Women		21.627	29.112	11.407	13.525	4.664	5.403	14.580	7.841	17.308	4.837	3.503	7.029	31.975		10.421
Wage gap (2) (3) (4)																	
Wage gap	Wage gap	95,2%	23,6%	20,4%	23,6%	17,4%	17,5%	24,9%	9,2%	18,0%	0,6%	26,0%	21,6%	-3,0%	-1,5%	0,0%	18,3%
Professional category	Directors and managers	95,2%	11,3%	100,0%	100,0%	-87,1%	-19,7%	-17,9%	43,1%	24,4%	0,5%	27,8%	50,6%	26,9%	-29,2%	0,0%	-5,7%
	Supervisors and coordinators		6,0%	15,6%	100,0%	4,9%	4,1%	33,7%	-3,1%	-13,2%	-9,8%	11,6%	-4,2%	-19,4%	9,8%	0,0%	7,7%
	Analysts and administratives		18,1%	38,7%	47,6%	9,2%	2,9%	19,0%	-22,3%	14,2%	0,9%	12,9%	0,0%	-24,6%	5,3%	0,0%	11,5%
	Blue collar		24,7%	19,9%	22,7%	20,1%	19,4%	25,2%	10,5%	21,0%	0,7%	28,5%	28,4%	0,2%	-1,8%	0,0%	21,3%
Trade Union Representation																	
	Number of employees affiliated to a trade union organization	99,0%	727	1.280	194	2.848	3.879	208	2.030	0	468	703	462	0	122	0	12.921
	Percentage of employees affiliated to a trade union organization		17%	30%	28%	60%	26%	5%	89%	0%	86%	21%	46%	0%	13%	0%	29%
Collective agreements																	
	Number of employees covered by a collective agreement	99,0%	4.340	4.171	692	3.917	14.833	2.369	2.003	846	543	703	462	0	439	0	35.318
	Percentage of employees covered by a collective agreement		100%	96%	100%	83%	100%	56%	88%	100%	99%	21%	46%	0%	46%	0%	78%
Total number of training hours																	
Gender	Men	98,3%	26.379	78.588	5.216	50.399	22.551	41.891	25.970	17.919	1.671	7.573	2.102	7.265	7.904	0	295.428
	Women		5.213	18.450	100	878	5.856	6.478	11.620	736	119	1.893	428	522	3.952	0	56.244
Professional category	Directors and managers	98,3%	755	0	7	186	3.682	499	206	483	20	83	0	1.344	0	0	7.266
	Supervisors and coordinators		1.238	116	5	445	2.410	1.724	897	930	40	773	66	2.517	11.856	0	23.018
	Analysts and administratives		2.123	1.054	96	1.701	3.390	2.756	2.505	287	65	575	345	778	0	0	15.675
	Blue collar		27.475	95.869	5.208	48.945	18.925	43.390	33.981	16.956	1.665	8.035	2.119	3.148	0	0	305.715
Total number of hours of training imparted on human rights																	
Gender	Men	100,0%	417	0	300	28	138	2.005	0	282	0	0	0	0	0	0	3.170
	Women		0	0	20	3	66	30	0	28	0	0	0	0	0	0	147
Professional category	Directors and managers	100,0%	0	0	7	0	2	0	0	0	0	0	0	0	0	0	9
	Supervisors and coordinators		0	0	10	0	5	0	0	8	0	0	0	0	0	0	23
	Analysts and administratives		0	0	3	0	13	0	0	16	0	0	0	0	0	0	32
	Blue collar		417	0	300	31	184	2.035	0	286	0	0	0	0	0	0	3.253
Investment in training																	
	Investment made in employee training (millions of euros)	100,0%	0,5	1,7	0,0	0,2	1,0	0,1	0,1	0,1	0,0	0,1	0,0	0,0	0,0	0,0	3,9
Number of employees receiving regular evaluations of performance and professional development																	
Gender	Men	100,0%	291	20	73	616	1.156	0	242	624	33	1.930	228	81	638	0	5.932
	Women		189	7	17	371	544	0	109	108	12	482	220	53	317	0	2.429
Percentage of employees who receive regular evaluations of performance and professional development																	
Gender	Men	100,0%	11%	1%	13%	15%	10%	0%	15%	86%	7%	83%	32%	32%	100%	0%	17%
	Women		11%	1%	13%	57%	18%	0%	17%	90%	15%	44%	71%	94%	100%	0%	22%

(2) The indicators of average remuneration and gap in Central America include only information related to Guatemala and Honduras
(3) In Spain, fixed wages and recurring supplements of employees with a full-time and part-time contract of over 90% are considered
(4) Fixed wages and recurring supplements of employees with full-time and part-time contracts of over 90% are considered.

		Scope	Spain	Germany	Portugal	Argentina	Brazil	Colombia	Chile	Paraguay	Uruguay	Peru	Mexico	Central America	Australia	Phillipines	Total
Number of employees who received a maternity or paternity leave																	
Gender	Men	99,0%	71	47	26	81	341	59	25	40	0	0	27	1	0	9	727
	Women		55	42	2	13	132	54	22	16	1	4.911	1	7	5	13	5.274
Number of employees who returned to work after their termination due to maternity or paternity ended																	
Gender	Men	99,0%	61	32	26	79	341	59	25	40	0	0	27	1	0	9	700
	Women		39	14	2	12	132	54	22	16	1	4.911	1	5	0	12	5.221
Number of employees who returned to work after the end of their maternity or paternity leave and who continued working for 12 months after returning to work																	
Gender	Men	99,0%	61	114	38	76	325	59	25	39	0	0	27	1	0	9	774
	Women		39	65	1	12	108	54	22	16	1	4.911	1	4	0	14	5.248
Turnover																	
Gender	Men	100,0%	240	430	50	447	1.195	1.484	301	133	38	386	349	200	36	65	5.354
	Women		227	136	13	76	506	865	243	22	4	231	227	103	42	47	2.742
Age	Less than 30 years old	100,0%	142	125	17	87	469	1.025	179	47	1	397	243	139	19	69	2.959
	Between 30 an 50 years old		237	276	38	316	997	1.260	277	106	17	201	305	134	34	37	4.235
	More than 50 years old		88	165	8	120	235	64	88	2	24	19	28	30	25	6	902
Professional category	Directors and managers	100,0%	13	2	0	1	19	3	1	0	0	3	0	0	0	0	42
	Supervisors and coordinators		4	7	0	36	50	33	41	11	1	23	15	15	2	1	239
	Analysts and administratives		33	15	0	54	262	239	88	16	4	44	106	23	5	19	908
	Blue collar		417	542	63	432	1.370	2.074	414	128	37	547	455	265	71	92	6.907
Turnover (leave / total employee)			10,8%	13,1%	9,1%	11,1%	11,5%	55,3%	23,9%	18,3%	7,7%	18,1%	56,9%	97,7%	8,2%	7,9%	17,9%
Gender	Men	100,0%	5,5%	9,9%	7,2%	9,5%	8,1%	35,0%	13,2%	15,7%	7,0%	11,3%	34,5%	65,8%	3,8%	4,6%	11,8%
	Women		5,2%	3,1%	1,9%	1,6%	3,4%	20,4%	10,7%	2,6%	0,7%	6,8%	22,4%	31,9%	4,4%	3,3%	6,1%
Age	Less than 30 years old	100,0%	3,3%	2,9%	2,5%	1,8%	3,2%	24,1%	7,9%	5,6%	0,2%	11,7%	24,0%	36,7%	2,0%	4,9%	6,5%
	Between 30 an 50 years old		5,5%	6,4%	5,5%	6,7%	6,7%	29,7%	12,2%	12,5%	3,1%	5,9%	30,1%	52,2%	3,6%	2,6%	9,4%
	More than 50 years old		2,0%	3,8%	1,2%	2,5%	1,6%	1,5%	3,9%	0,2%	4,4%	0,6%	2,8%	8,7%	2,6%	0,4%	2,0%
Professional category	Directors and managers	100,0%	0,3%	0,0%	0,0%	0,0%	0,1%	0,1%	0,0%	0,0%	0,0%	0,1%	0,0%	0,0%	0,0%	0,0%	0,1%
	Supervisors and coordinators		0,1%	0,2%	0,0%	0,8%	0,3%	0,8%	1,8%	1,3%	0,2%	0,7%	1,5%	6,3%	0,2%	0,1%	0,5%
	Analysts and administratives		0,8%	0,3%	0,0%	1,1%	1,8%	5,6%	3,9%	1,9%	0,7%	1,3%	10,5%	6,6%	0,5%	1,3%	2,0%
	Blue collar		9,6%	12,5%	9,1%	9,1%	9,2%	48,8%	18,2%	15,1%	6,8%	16,1%	45,0%	84,8%	7,4%	6,5%	15,3%
Number of days worked by all Prosegur employees																	
Gender	Men	99,0%	955.104	598.181	141.430	1.012.434	2.776.642	982.650	558.113	220.704	122.106	858.845	231.554	1.345.035	177	259.790	10.062.765
	Women		620.062	108.304	31.487	163.344	752.048	394.955	210.665	36.480	21.304	409.895	99.238	360.763	270	183.731	3.392.546
Number of total days lost due to absence																	
Gender	Men	99,0%	34.850	89.385	10.762	36.891	35.662	17.700	19.560	4.357	12.640	63.285	4.889	8.260	0	1.027	339.268
	Women		35.224	25.478	3.151	10.162	148.366	11.847	12.444	808	2.205	3.311	2.095	2.467	0	1.125	258.683
Total hours of Absenteeism (estimating 8 hours per labour day)																	
Gender	Men	99,0%	278.800	715.080	86.096	295.128	285.299	141.600	156.480	34.856	101.117	506.280	39.112	66.080	0	8.216	2.714.144
	Women		281.792	203.824	25.208	81.296	1.186.928	94.776	99.552	6.464	17.642	26.488	16.760	19.736	0	9.000	2.069.465
Absenteeism rate (AR)		99,0%	9,3%	38,5%	17,6%	9,9%	21,0%	4,8%	9,4%	4,2%	20,7%	8,2%	4,2%	12,2%	0,0%	1,0%	11,0%

2018 Data

		Scope	Spain	Germany	Portugal	France	Argentina	Brazil	Colombia	Chile	Paraguay	Uruguay	Peru	Mexico	Central America	Australia	India	Phillipines	Southafrica	TOTAL
Total summary of employees			3,983	4,069	627	631	4,979	14,150	2,871	2,327	849	580	3,200	943	2,010	1,002	8,823	1,106	6,244	58,394
Gender	Men	145%	2,424	3,388	540	510	4,269	11,504	2,237	1,660	728	496	2,173	662	1,644	677	8,704	681	4,450	46,747
	Women		1,559	681	87	121	710	2,646	634	667	121	84	1,027	281	366	325	119	425	1,794	11,647
Age	Less than 30 years old	130%	306	307	39	39	538	2,019	887	444	282	21	1,181	274	675	136	3,248	828		11,224
	Between 30 an 50 years old		2,342	1,995	449	409	3,604	9,547	1,824	1,138	549	345	1,775	546	1,173	458	4,806	269		31,229
	More than 50 years old		1,335	1,767	139	183	837	2,584	160	745	18	214	244	123	162	408	769	9		9,697
Professional category	Directors and managers (2)	130%	51	6	3	4	30	121	22	6	8	4	14	9	20	8	74	8		388
	Supervisors and coordinators		47	63		45	294	375	32	55	56	10	277	60	64	72	443	111		2,004
	Analysts and administratives		118	70	8	51	350	964	125	140	24	207	377	99	114	156	227	2		3,032
	Blue collar		3,767	3,930	616	531	4,305	12,690	2,692	2,126	761	359	2,532	775	1,812	766	8,079	985		46,726
Number of employees by contract types																				
Gender	Men	127%	2,424	3,388	540	510	4,269	11,504	2,237	1,660	728	496	2,173	662	1,644	677	8,704			41,616
	Indefinite		2,095	2,866	470	501	4,269	11,433	21	1,515	722	496	1,430	653	1,644	677	8,704			37,496
	Temporary		329	522	70	9		71	2,216	145	6		743	9						4,120
	Women	127%	1,559	681	87	121	710	2,646	634	667	121	84	1,027	281	366	325	119			9,428
	Indefinite		1,082	567	63	120	710	2,573	42	570	115	84	573	278	366	325	119			7,587
	Temporary		477	114	24	1		73	592	97	6		454	3						1,841
Age	Less than 30 years old	127%	306	307	39	39	538	2,019	887	444	282	21	1,181	274	675	136	3,248			10,396
	Indefinite		96	132	7	38	538	1,875	59	325	272	21	336	273	675	136	3,248			8,031
	Temporary		210	175	32	1		144	828	119	10		845	1						2,365
	Between 30 an 50 years old		2,342	1,995	449	409	3,604	9,547	1,824	1,138	549	345	1,775	546	1,173	458	4,806			30,960
	Indefinite		1,837	1,655	388	404	3,604	9,547	1,820	1,026	547	345	1,427	537	1,173	458	4,806			29,574
	Temporary		505	340	61	5			4	112	2		348	9						1,386
	More than 50 years old		1,335	1,767	139	183	837	2,584	160	745	18	214	244	123	162	408	769			9,688
	Indefinite		1,244	1,646	138	179	837	2,584	160	734	18	214	240	121	162	408	769			9,454
	Temporary		91	121	1	4				11			4	2						234
Professional category	Directors and managers (2)	127%	51	6	3	4	30	121	22	6	8	4	14	9	20	8	74			380
	Indefinite		49	5	3	4	30	121	22	6	8	4	14	9	20	8	74			377
	Temporary		2	1																3
	Supervisors and coordinators		47	63		45	294	375	32	55	56	10	277	60	64	72	443			1,893
	Indefinite		45	63		45	294	375	32	51	56	10	254	57	64	72	443			1,861
	Temporary		2							4			23	3						32
	Analysts and administratives		118	70	8	51	350	964	125	140	24	207	377	99	114	156	227			3,030
	Indefinite		116	69	6	51	350	820	62	128	24	207	262	96	114	156	227			2,688
	Temporary		2	1	2			144	63	12			115	3						342
	Blue collar		3,767	3,930	616	531	4,305	12,690	2,692	2,126	761	359	2,532	775	1,812	766	8,079			45,741
	Indefinite		2,974	3,296	524	521	4,305	12,690	2,692	1,900	749	359	1,473	769	1,812	766	8,079			42,909
	Temporary		793	634	92	10				226	12		1,059	6						2,832
Number of employees by types of working day																				
Gender	Men	127%	2,424	3,388	540	510	4,269	11,504	2,237	1,660	728	496	2,173	662	1,644	677	8,704			41,616
	Full time		2,075	2,931	538	506	4,262	11,424	2,237	1,649	731	496	2,166	662	1,632	348	8,704			40,361
	Part time		349	457	2	4	7	80		11			7		12	329				1,258
	Women	127%	1,559	681	87	121	710	2,646	634	667	121	84	1,027	281	366	325	119			9,428
	Full time		1,190	437	86	112	702	2,547	634	640	118	84	1,008	281	341	117	119			8,416
	Part time		369	244	1	9	8	99		27			19		25	208				1,009
Age	Less than 30 years old	127%	306	307	39	39	538	2,019	887	444	282	21	1,181	274	675	136	3,248			10,396
	Full time		175	206	39	39	530	1,867	887	429	282	21	1,162	274	651	33	3,248			9,843
	Part time		131	101			8	152		15			19		24	103				553
	Between 30 an 50 years old		2,342	1,995	449	409	3,604	9,547	1,824	1,138	549	345	1,775	546	1,173	458	4,806			30,960
	Full time		1,982	1,715	446	397	3,597	9,530	1,824	1,125	541	345	1,768	546	1,160	236	4,806			30,018
	Part time		360	280	3	12	7	17		13			7		13	222				934
	More than 50 years old		1,335	1,767	139	183	837	2,584	160	745	18	214	244	123	162	408	769			9,688
	Full time		1,108	1,447	139	182	837	2,574	160	745	18	214	244	123	162	196	769			8,918
	Part time		227	320		1		10								212				770
Professional category	Directors and managers (2)	127%	51	6	3	4	30	121	22	6	8	4	14	9	20	8	74			380
	Full time		48	6	3	4	30	121	22	6	8	4	14	9	20	8	74			377
	Part time		3																	3
	Supervisors and coordinators		47	63		45	294	375	32	55	56	10	277	60	64	72	443			1,893
	Full time		40	59		45	294	375	32	55	56	10	277	60	64	62	443			1,872
	Part time		7	4												10				21
	Analysts and administratives		118	70	8	51	350	964	125	140	24	207	377	99	114	156	227			3,030
	Full time		108	63	8	50	349	816	125	140	24	207	377	99	114	89	227			2,796
	Part time		10	7		1	1	148								67				234
	Blue collar		3,767	3,930	616	531	4,305	12,690	2,692	2,126	761	359	2,532	775	1,812	766	8,079			45,741
	Full time		3,015	3,240	613	519	4,291	12,659	2,692	2,095	761	359	2,506	775	1,775	264	8,079			43,643
	Part time		752	690	3	12	14	31		31			26		37	502				2,098

The scope of these KPIs excludes the scope of the new M&A acquisitions in 2019, disinvestments and the countries in which businesses are equity-accounted.
(1) The training data correspond to the on-site training imparted to the Company's employees. On-site training was 92.4% of total training hours.
(2) The professional category of "Executives and Managers" includes Senior Management.

Number of dismissals																		
Gender	Men		73	190	11	21	87	1,391	36	88	94	7	204	120	45	164	1,729	**4,260**
	Women		74	42		9	14	448	4	40	16		91	69	3	77	33	**920**
Age	Less than 30 years old		25	53	2	3	22	384	15	54	26		136	96	21	46	891	**1,774**
	Between 30 an 50 years old		85	115	8	19	63	1,069	23	66	81	2	136	82	24	121	775	**2,669**
	More than 50 years old	127%	37	64	1	8	16	386	2	8	3	5	23	11	3	74	96	**737**
Professional category	Directors and managers (2)		3					10		2				1		2	10	**28**
	Supervisors and coordinators		3	2		4	5	43		1	6	4	28		2	27	83	**208**
	Analysts and administratives			3			14	163		4	4		19	4		56	69	**336**
	Blue collar		141	227	11	26	82	1,623	40	121	100	3	248	183	46	156	1,600	**4,607**
Number of new hirings																		
Gender	Men		457	463	27	158	233	634	1,106	289	147	36	431	316	128	199	3,323	**7,947**
	Women		517	107	9	22	70	296	493	178	48	1	208	156	28	77	48	**2,258**
Age	Less than 30 years old		334	173	15	49	131	489	814	219	119	7	479	259	88	73	1,933	**5,182**
	Between 30 an 50 years old		535	296	21	74	166	417	773	235	75	26	156	202	66	144	1,306	**4,492**
	More than 50 years old	127%	105	101		57	6	24	12	13	1	4	4	11	2	59	132	**531**
Professional category	Directors and managers (2)		4			1		3	2	2	1			8	3	1	8	**33**
	Supervisors and coordinators		8	1		8	4	11	4	9	9	4	17	12	5	32	71	**195**
	Analysts and administratives		28	8	2	2	24	192	126	30	8		65	27	4	24	80	**620**
	Blue collar		934	561	34	169	275	724	1,467	426	177	33	557	425	144	219	3,212	**9,357**
Detail of employees by Professional category																		
Professional category	Directors and managers (2)		51	6	3	4	30	121	22	6	8	4	14	9		8	74	**360**
	Men		44	6	3	4	26	117	14	4	6	4	14	8		5	72	**327**
	Women		7				4	4	8	2	2			1		3	2	**33**
	Supervisors and coordinators		47	63		45	294	375	32	55	56	10	277	60		72	443	**1,829**
	Men		33	56		36	260	309	27	46	47	10	198	42		48	428	**1,540**
	Women		14	7		9	34	66	5	9	9		79	18		24	15	**289**
	Analysts and administratives	122%	118	70	8	51	350	964	125	140	24	207	377	99		156	227	**2,916**
	Men		62	45	6	37	261	484	34	60	12	152	213	51		60	177	**1,654**
	Women		56	25	2	14	89	480	91	80	12	55	164	48		96	50	**1,262**
	Blue collar		3,767	3,930	616	531	4,305	12,690	2,692	2,126	761	359	2,532	775		766	8,079	**43,929**
	Men		2,297	3,281	531	433	3,722	10,594	2,162	1,550	663	320	1,748	561		534	8,027	**36,423**
	Women		1,470	649	85	98	583	2,096	530	576	98	39	784	214		232	52	**7,506**
Professional category	Directors and managers (2)		51	6	3	4	30	121	22	6	8	4	14	9		8	74	**360**
	Less than 30 years old							1	1								2	**4**
	Between 30 an 50 years old		35	3	3	3	10	73	13	5	6	2	10	7		3	63	**236**
	More than 50 years old		16	3		1	20	47	8	1	2	2	4	2		5	9	**120**
	Supervisors and coordinators		47	63		45	294	375	32	55	56	10	277	60		72	443	**1,829**
	Less than 30 years old		1	2		2	2	17	2		18		19	6		2	157	**228**
	Between 30 an 50 years old		32	31		31	211	290	25	29	35	7	201	48		54	275	**1,269**
	More than 50 years old		14	30		12	81	68	5	26	3	3	57	6		16	11	**332**
	Analysts and administratives	122%	118	70	8	51	350	964	125	140	24	207	377	99		156	227	**2,916**
	Less than 30 years old		24	4		3	29	333	79	29	12	2	97	44		35	133	**824**
	Between 30 an 50 years old		70	35	5	31	270	525	37	85	12	125	251	48		66	87	**1,647**
	More than 50 years old		24	31	3	17	51	106	9	26		80	29	7		55	7	**445**
	Blue collar		3,767	3,930	616	531	4,305	12,690	2,692	2,126	761	359	2,532	775		766	8,079	**43,929**
	Less than 30 years old		321	301	39	34	507	1,668	805	415	252	19	1,065	224		113	2,956	**8,719**
	Between 30 an 50 years old		2,094	1,926	441	344	3,113	8,659	1,749	1,019	496	221	1,313	443		321	4,381	**26,520**
	More than 50 years old		1,352	1,703	136	153	685	2,363	138	692	13	119	154	108		332	742	**8,690**

The scope of these KPIs excludes the scope of the new M&A acquisitions in 2019, disinvestments and the countries in which businesses are equity-accounted.
(1) The training data correspond to the on-site training imparted to the Company's employees. On-site training was 92.4% of total training hours.
(2) The professional category of "Executives and Managers" includes Senior Management.

Number of employees with disabilities																					
		Number of people with disabilities	86%	47	310	1	27	2	114	24	3			4							532
		Percentage of people with disabilities		1%	8%	0%	4%	0%	1%	1%	0%			0%							1%
Number of immigrant employees																					
		Number of immigrants on the workforce	101%	87	377	7	7	57	4	5	13	10		2	6	5					580
		Percentage of immigrants on the workforce		2%	9%	1%	1%	1%	0%	0%	1%	1%		0%	1%	0%					1.0%
		Número de directivos procedentes de la comunidad local	122%	51	6	3	4	30	119	21	6	2	4	14	3	ND	8	43			314
		Porcentaje de altos directivos procedentes de la comunidad local		100%	100%	100%	100%	100%	98%	95%	100%	25%	100%	100%	33%	ND	100%	58%			0.5%
Average compensation																					
	Gender	Men	122%	28,460	28,451	13,876	32,001	19,052	10,042	5,880	14,970	4,870	19,159	9,836	5,343	ND	85,000	1,871			**12,876**
		Women		18,706	21,734	11,261	29,264	16,751	6,606	4,877	10,317	3,741	18,416	6,491	3,816	ND	65,000	3,887			**12,639**
	Age	Less than 30 years old		16,987	17,584	12,305	27,057	15,463	6,326	4,363	8,270	3,503	17,400	6,448	3,889	ND	65,000	1,505			**6,207**
		Between 30 an 50 years old		23,446	28,427	13,251	31,422	18,296	10,136	6,004	13,441	5,028	19,316	9,724	4,888	ND	70,000	2,046			**12,617**
		More than 50 years old		28,259	28,247	14,698	32,539	22,934	10,854	8,898	16,699	13,861	18,935	12,968	7,109	ND	85,000	2,286			**20,801**
	Professional category	Directors and managers (2)		125,246	180,318	55,801	119,670	114,639	47,751	47,537	86,144	71,229	91,241	78,746	63,815	ND	98,806	16,184			**61,829**
		Supervisors and coordinators		51,076	65,474		49,705	24,756	15,110	18,797	27,117	5,281	20,235	14,052	9,196	ND	61,933	3,728			**18,411**
		Analysts and administratives		30,736	33,003	18,408	35,243	17,693	8,246	6,752	15,466	4,258	20,832	9,541	5,629	ND	45,692	4,596			**13,786**
		Blue collar		22,795	26,403	13,253	28,905	17,727	6,758	5,018	12,963	3,984	17,088	7,681	3,754	ND	36,939	1,599			**10,691**
Trade Union Representation																					
		Number of employees affiliated to a trade union organization	117%	712	1,250	199	ND	892	3,483	177	2,010		466	608	419	ND		600			**10,816**
		Percentage of employees affiliated to a trade union organization		18%	31%	32%	ND	18%	25%	6%	86%		19%	19%	44%	ND		7%			19%
Collective agreements																					
		Number of employees covered by a collective agreement	119%	3983	3560	627	631	4154	13998	894	2075	849	577	608	419	ND		300			**32,675**
		Percentage of employees covered by a collective agreement		100%	87%	100%	100%	83%	99%	31%	89%	100%	99%	19%	44%	ND		3%			56%
Total number of training hours (1)																					
	Gender	Men	122%	30,286	48,412	7,855	7,256	14,820	30,290	60,086	38,959	14,084	3,933	13,290	3,894	ND	3,500	479,664			**756,329**
		Women		5,003	12,444	97	837	2,040	8,363	8,086	1,314	724	280	2,641	1,230	ND	1,000	7,296			**51,354**
	Professional category	Directors and managers (2)	122%	293	925	4		442	2,731	150	196	144	46	36	161	ND	125	4,032			**9,286**
		Supervisors and coordinators		1,643	212		515	882	4,368	1,048	1,509	579	94	716	300	ND	400	24,144			**36,410**
		Analysts and administratives		2,002	265	3	603	2,187	8,208	5,837	853	134	154	960	370	ND	500	14,112			**36,188**
		Blue collar		31,351	59,455	7,945	6,976	13,348	23,345	61,136	37,715	13,951	3,918	14,219	4,963	ND	3,475	444,672			**726,469**
Total number of hours of training imparted on human rights (1)																					
	Gender	Men	46%	70		209		38		2507		978.14		176	618.64	ND	100				**4,697**
		Women		5		22		4		806		222.28			195.36	ND	150				**1,405**
	Professional category	Directors and managers (2)	46%			4				2		1.11			21.978	ND	50				**79**
		Supervisors and coordinators								11		34.92			42.328	ND	55				**143**
		Analysts and administratives				50				2		8.24			53.724	ND	25				**139**
		Blue collar		75		177		42		3298		1156.14		176	695.97	ND	125				**5,745**
Investment in training																					
		Investment made in employee training (millions of euros)	122%	0.391	1.461	0.030	0.340	0.218	1.221	0.031	0.180	0.027	0.053	0.180	0.010	ND	0.300	0.111			**5**
Number of employees receiving regular evaluations of performance and professional development																					
	Gender	Men	60%	277	87	40	510					564		1434	88	ND	677	663			**4,340**
		Women		173		8	121					68		685	12	ND	325	66			**1,458**
Percentage of employees who receive regular evaluations of performance and professional development																					
	Gender	Men	60%	11%	3%	6%	100%					77%		45%	9%	ND	68%	8%			10%
		Women		11%		1%	100%					56%		21%	1%	ND	32%	1%			15%

The scope of these KPIs excludes the scope of the new M&A acquisitions in 2019, disinvestments and the countries in which businesses are equity-accounted.
(1) The training data correspond to the on-site training imparted to the Company's employees. On-site training was 92.4% of total training hours.
(2) The professional category of "Executives and Managers" includes Senior Management.

Number of employees who received a maternity or paternity leave																			
Gender	Men	122%	50	52	29	19	404	379	68	4	40	14	68	34	ND	15				1,176
	Women		40	27	8	4	1,289	134	23	79	5	4	75	11	ND	45	1			1,745
Number of employees who returned to work after their termination due to maternity or paternity ended																			
Gender	Men	100%	46	49	19	19	404	379	68	4	40	14	68	33	ND	5				1,148
	Women		29	31	6	4	1,289	134	23	79	5	4	75	11	ND	15				1,705
Number of employees who returned to work after the end of their maternity or paternity leave and who continued working for 12 months after returning to work																			
Gender	Men	122%	46	47	15	19	404	358			40	14	68	22	ND	10				1,043
	Women		29	31	1	4	1289	106			4	4	75	7	ND	30	3			1,583
Turnover																			
Gender	Men		235	386	32	39	266	1,552	976	305	135	33	417	258	134	164	3,778			8,710
	Women		195	94	3	9	37	553	518	229	26	2	279	82	36	77	39			2,179
Age	Less than 30 years old		109	98	8	13	52	492	654	178	54	6	391	129	78	46	1,886			4,194
	Between 30 an 50 years old		229	213	22	23	169	1,196	803	269	101	17	277	156	85	121	1,717			5,398
	More than 50 years old	127%	92	169	6	12	82	417	37	87	6	12	28	54	7	74	214			1,297
Professional category	Directors and managers (2)		6	1		1		11	4	3	1		1	4	1	2	19			54
	Supervisors and coordinators		3	5		8	10	48	77	9	6	4	44	7	5	27	136			389
	Analysts and administratives		17	6		1	41	201	15	18	4	1	63	8	3	56	88			522
	Blue collar		404	468	25	38	252	1,845	1,398	504	150	30	588	327	161	156	3,574			9,920
Number of days worked by all Prosegur employees																			
Gender	Men	122%	888,706	865,224	142,560	126,149	1,037,367	2,511,476	7,352,640	565,474	252,200	128,861	705,358	179,811	ND	133,144	2,541,547			17,430,516
	Women		562,295	173,181	22,968	28,176	172,530	580,074	2,085,408	221,720	42,300	21,823	342,393	85,528	ND	62,492	34,455			4,435,343
Number of total days lost due to absence																			
Gender	Men	100%	39,529	61,396	6,732	4,750	75,208	30,145	18,380	15,973	5,634	18,281	68,997	10,560	ND	2,914				358,499
	Women		36,551	11,149	2,337	1,903	18,821	114,025	8,522	13,270	1,861	5,191	34,491	4,903	ND	1,006				254,030
Absenteeism rate (AR)																			
Gender	Men	100%	4%	7.1%	5%	4%	7%	1%	0.25%	3%	2%	14%	10%	6%	ND	2%				2.1%
	Women		7%	6.4%	10%	7%	11%	20%	0.41%	6%	4%	24%	10%	6%	ND	2%				5.7%
Average compensation by professional category and gender																			
Average compensation by professional category and gender in Euro	Directors and managers (2)		**125,246**	**180,318**	**55,801**	**119,670**	**114,639**	**47,751**	**47,537**	**86,144**	**71,229**	**91,241**	**78,746**	**63,815**	**ND**	**98,806**				
	Indefinite		131,453	180,318	55,801	119,670	116,243	47,892	50,730	100,997	88,893	91,241	78,746	68,888	ND	99,200				
	Temporary		86,233				104,213	43,646	41,948	56,437	18,238			23,229	ND	98,150				
	Supervisors and coordinators		**51,076**	**65,474**		**49,705**	**24,756**	**15,110**	**18,797**	**27,117**	**5,281**	**20,235**	**14,052**	**9,196**	**ND**	**61,933**				
	Indefinite		55,045	66,650	37,500	50,784	25,092	14,954	18,989	28,114	5,239	20,235	15,063	9,464	ND	62,150				
	Temporary		41,719	56,071		45,390	22,186	15,839	17,757	22,021	5,503		11,519	8,572	ND	61,500				
	Analysts and administratives	100%	**30,736**	**33,003**	**18,408**	**35,243**	**17,693**	**8,246**	**6,752**	**15,466**	**4,258**	**20,832**	**9,541**	**5,629**	**ND**	**45,692**				
	Indefinite		35,177	37,148	19,262	35,489	18,220	7,822	8,746	17,074	4,752	19,328	10,114	5,426	ND	46,000				
	Temporary		25,819	25,542	15,845	34,594	16,148	8,674	6,007	14,260	3,765	24,989	8,796	5,845	ND	45,500				
	Blue collar		**22,795**	**26,403**	**13,253**	**28,905**	**17,727**	**6,758**	**5,018**	**12,963**	**3,984**	**17,088**	**7,681**	**3,754**	**ND**	**36,939**				
	Indefinite		25,913	27,443	13,579	29,332	18,010	6,123	5,289	14,277	4,088	18,871	8,659	4,101	ND	37,000				
	Temporary		17,922	21,148	11,214	27,021	15,926	9,970	3,914	9,427	3,281	2,455	5,502	2,843	ND	36,800				

The scope of these KPIs excludes the scope of the new M&A acquisitions in 2019, disinvestments and the countries in which businesses are equity-accounted.
(1) The training data correspond to the on-site training imparted to the Company's employees. On-site training was 92.4% of total training hours.
(2) The professional category of "Executives and Managers" includes Senior Management.

Taking into account the growth strategy of recent years at a global level, Prosegur Cash generates jobs in the markets in which it is present.

The workforce of Prosegur Cash closed the year 2019 with 45,251 employees (2018: 44,525 comparable employees, without taking divestments into account; 58,394 including equity-accounted businesses and divestments in 2018), which accounts for 1.6 per cent growth.

Diversity

Diversity is an intrinsic part of the spirit of Prosegur Cash, especially in connection with its workforce. This diversity is embodied in the cultural, gender and functional spheres, and has a positive impact on the organisation and on its competitive advantages. The characteristics of the sector in which the Company operates are crucial to understand the diversity data.

The percentage of women employees continues to grow thanks to the efforts in recent years, with the figure now at 24.4% (19.9% in 2018) of the total workforce.

Selection

A cornerstone of Prosegur's successful consolidation as one of the world's main cash in transit and cash management services companies has traditionally been its recruitment policy. Accordingly, Prosegur Cash guarantees its workforce compliance with its labour and social security obligations.

Trust and responsibility are the qualities required in those who render the Company's services on client premises, operating in an area as important as security, so Prosegur Cash must not only ensure the effectiveness of its professionals, but also their honesty, responsibility and psychological maturity.

It is precisely for this reason that continuous improvements are made by Human Resources Management to our recruitment process, enabling us to accurately identify the suitability of an individual for a position within Prosegur Cash.

Within the transformation plan in which the company is immersed, during 2019 the start-up of the Global Taleo cloud platform (Oracle) stands out. This solution is already operational in 10 of the Group's main countries. This platform has allowed us to develop other associated digital solutions, such as the "Alta Digital" app in Brazil. Thanks to this mobile solution available 24 hours a day, we digitize thousands of contracts a month thanks to a 100% online process, since candidates can send us the necessary documents for registration from anywhere.

Remuneration

The Prosegur Cash's remuneration policy includes the following criteria and general principles:

- Willingness to be able to attract and retain the best professionals, aligning their remuneration with internal fairness, as well as to best practices and market conditions.
- Capacity to motivate our employees, ensuring their loyalty and orientation towards the expected business results, through variable short-term remuneration, as well as specific medium- and long-term remuneration for management and key positions.
- Consideration at all times of the Company's current, medium- and long-term situation and the alignment thereof with the various remuneration schemes. Hence, Prosegur Cash aims to make our employees' remuneration flexible, moving the remuneration scheme towards a model in

which variable remuneration has a greater weighting, allowing us to align it with the aforementioned principles.
- Control to ensure compliance with the aforementioned elements, to guarantee non-discrimination by gender, race or age.

Remuneration to Senior Management and the Board of Directors is detailed below:

Average Director remuneration: EUR 214 thousand.

- Women: EUR 61 thousand of average salary.
- Men: EUR 281 thousand of average salary (the Executive President and the Executive Director: are included under this heading).

Average salary of Senior Management: EUR 297 thousand.

- Women: EUR 269 thousand of average salary.
- Men: EUR 304 thousand of average salary.

In calculating the average remuneration, fixed, variable remuneration, per diems and remuneration for committee membership has been considered.

Training

In 2019 the Prosegur Corporate University, which serves Prosegur Cash, converted to a platform that will enable overall training management, including on-site and online training. The platform chosen was Cornerstone on Demand and, specifically the Learning module of the same provider. Implementation took place during 2019 over a period of approximately six months. In the case of online training, it replaces the old platform and access is extended to the Central-American countries (Nicaragua, Honduras, El Salvador and Guatemala). In the module for on-site training, it will be implemented in Spain, Brazil, Portugal and Argentina.

The implementation of this platform responds to the needs to have a system that is sounder, more easily accessible and which increases training availability for Prosegur Cash employees; it also increases the added value that it brings to the businesses, and to the professional development of its associates.

Regarding data analysis, the new platform broadens the possibilities of the previous platform in respect of data auditing, providing the administrators with greater detail when extracting reports itemised per team, business, position or company. This will make it possible to differentiate between the online and face-to-face training undertaken by employees depending on their position and office within a specific company and business.

Training management

On-site and online training is managed and planned from the teams of the countries on the basis of the needs of the businesses and its clients. To this regard, each country has a local training team that combines synergies with the global training team. The Corporate Management coordinates some of the global training activity, which generally takes place though the online training platform, for example everything related to strategy, compliance and health and safety.

Prosegur Cash, as a standard-bearer in the cash in transit and cash management sector, and due to the importance of its work, offers quality employment, in which the skills and degree of specialisation of its professionals are among its main distinguishing factors. In total, 364 thousand training hours were imparted in 2019, implying an average of 8 hours of training per employee.

Prosegur Cash, via the online platform of the Prosegur Group—Prosegur Corporate University—offers a virtual space in which professionals can pool their knowledge, experience the Company's values, develop their talent and explore specialised training through a common culture. Through this online platform, Prosegur Cash offers a differentiating and harmonised catalogue or courses as part of its professional development plans for employees, which may vary by region, in accordance with the needs and requirements of each country.

In 2019, the Prosegur Corporate University has been implemented in nineteen countries.

Moreover, the new system now includes countries such as Australia, whose online training strategy has not yet been defined, but they have the basis for a comprehensive training system.

This year, we have included new training contents and functions to enable Prosegur Corporate University to be an interconnected community that fosters the exchange of knowledge and values that are characteristic of the Company. This year, more than 21,000 study hours have been performed.

Employment opportunities for people with disabilities

Prosegur Cash has established a series of measures to boost integration of disabled people in the labour market, offering them a more stable future through employment. The main measures are:

- The posting of job offers via web portals, establishing a specific section for affording disabled people employment opportunities.
- Measures for integrating people with intellectual disability into the job market have been implemented in the more representative offices of Prosegur Cash, with new disabled employees being added every year to the workforce in the various countries.
- Documentary digitalisation to manage the large amount of paper generated, a project adapted to include people with disabilities and create shared value, and one that is responsible with the environment.
- The Special Employment Centre in Spain, a partnership between Aprocor and Prosegur to provide disabled people with employment opportunities. Likewise, the "CICLO" training centre in Brazil: a partnership between Prosegur and the São Paulo Association of Parents and Friends of the Disabled (Brazil). Furthermore, the Code of Ethics and Conduct effectively promotes policies to respond to this matter, especially those referring to recruitment processes.

Prosegur Cash guarantees all employees access to its facilities by adapting and improving accessibility to all the Group's operating and corporate buildings.

The total number of disabled employees in 2019 was 460 (532 in 2018). The goal is to fully integrate disabled employees into the Company.

Labour relations

Prosegur Cash manages labour relations locally, based on the specific characteristics of each market and, in particular, the legislation in place in each country. In accordance with the Universal Declaration of Human Rights (UDHR) and applicable laws in the countries in which it operates, the Company respects its employees' rights of freedom to join a union, associate with others and collective bargaining.

Our willingness to talk with trade unions is constant and paramount. The Company holds periodic meetings with all legitimate representatives of workers in all the regions where it operates, listening to them, sharing information and seeking common goals. In fact, over 19% of the workforce are union members and the collective bargaining agreements entered into cover more than 56% of the total number of employees (80% excluding the new companies consolidated through M&A and through the equity method). These figures are above the average at other leading companies in the sector. As the collective bargaining agreement for Spanish security companies of 19 January 2018 states, measures are included to foster occupational health and safety measures and to improve employment conditions and information.

As per the provisions of EU Directive 2009/38/EC and Act 10/1997, the Prosegur Group, of which Prosegur Cash is a member, established a European Workers' Committee in 2014. This body promotes cross-border cooperation between the Company and the workers' representatives and nurtures a constructive dialogue on the European stage. Accordingly, consultation is encouraged and cross-border information shared between companies and workers.

Prosegur, which includes Prosegur Cash, has a corporate Intranet globally. This platform is the first Human Resources tool that is 100% accessible from any device and it has a mobile application that is available for both leading operating systems (Android and iOS).

Absenteeism

Prosegur Cash acts in line with the legal and voluntary regulations in the sector concerning occupational risk prevention, investing in specific training, and creating a safe and responsible working atmosphere within the organisation.

Combating absenteeism is a priority and the organisation strives daily to mitigate the negative impact thereof.

Equality plan

The measures adopted in this connection by Prosegur, to which Prosegur Cash belongs, are included in Organic Act 3/2007 on effective equality between men and women. Through these measures, Prosegur Cash undertakes to ensure that there are no situations of discrimination, direct or indirect, for reasons of gender and, in particular, reasons relating to maternity, paternity, family obligations or marital status. The main measures under the equality plan are as follows:

- Information and awareness of the workforce regarding work-life balance measures in place.
- Inclusion in job offers of commitment to gender equality.
- Inclusion of the Equality Plan in the organisation's Intranet.
- Delivery of the Equality Plan and the Harassment Protocol to the Workers' Committees/workers' representatives.
- Inclusion of one copy of the Equality Plan and Harassment Protocol, as well as forbidden behaviours at the workplace, for every 100 employees in the services.

The scope of this Equality Plan is nationwide in Spain.

Employment discrimination

Prosegur Cash is constantly striving to foster policies and measures that prevent discrimination, not only at the Company, but also transferring these demands to our stakeholders, with whom we are permanently in direct contact. In addition there is a corporate provision that establishes the action protocol in the event of discrimination, moral and sexual harassment.

Prosegur Cash undertakes to respect that principle, as detailed in the Code of Ethics and Conduct, which is part of the best practices followed throughout the Company, both internally and with its clients, suppliers, local communities and society as a whole.

Wage gap

Prosegur Cash is committed to bridging the wage gap, fostering equality in work relations between men and women, as for Prosegur talent resides in each individual, regardless of their gender, race, religious beliefs, political views or any other criterion.

The remuneration of the Group's employees is in accordance with the law and the Collective Agreements applicable without discrimination in any of the elements or conditions of the remuneration and the objectivity of all the concepts defined in the salary structure is guaranteed.

Compared to an average of the Security sector in Spain of 13% of positions occupied by women, (source: APROSER), during this 2019 Prosegur Cash, as a whole, has reached 24.4% compared to 19.9% the previous year.

In relation to the wage gap reflected in the indicator, it should be noted that most of the female group is part of the cash management team. In the activity of securities logistics there are specific salary supplements that increase the salary mass; The group is generally composed of men with high seniority (usual in the sector) and the low turnover does not generate relevant opportunities to reduce the gap significantly.

Work-life balance

Prosegur Cash works relentlessly to foster flexibility at the workplace, nurturing the work-life balance by fostering flexible working hours, specifically with regard to start and end times of each working day. Fostering a work-life balance makes for a more efficient and gratifying work atmosphere for all employees and helps attract new talent.

Prosegur Cash employees are entitled to know their work schedule, as well as their daily, weekly and monthly rest time. Prosegur Cash does not have a plan to help employees disconnect from work, but it does guarantee compliance with the established rest for all of its employees, once the working day is over.

Occupational health and safety

KPIs	2018		2019		Scope (in respect of employees)
Training in health and safety to employees (hours) (absolute value)	Cash	49,879	Cash	135,477	96%
	Men	42,162	Men	94,526	
	Women	7,717	Women	40,951	
No. of fatal accidents (absolute value)	Cash	14	Cash	3	96%
	Men	14	Men	3	
	Women	0	Women	0	
Accident rate (IR) = Frequency Rate IR=no. Accidents/no. hours*10^6	Cash	18.06	Cash	19.1	96%
	Men	19.85	Men	20.9	
	Women	11.47	Women	13.0	
Severity rate (IDR) IDR=no. Days lost due to occupational accidents/no. hours*10^3	Cash	0.93	Cash	0.43	96%
	Men	1.14	Men	0.49	
	Women	0.19	Women	0.24	
Occupational illnesses (absolute value)	Cash	10	Cash	12	96%
	Men	8	Men	5	
	Women	2	Women	7	
Number of occupational accidents (Absolute Value)	Cash	1,326	Cash	1,558	96%
	Men	1,146	Men	1,328	
	Women	180	Women	240	

The scope of these KPIs excludes the scope of the new M&A acquisitions in 2019, disinvestments and the countries in which businesses are equity-accounted.

Prosegur Cash acts in line with industry standards in terms of occupational risk prevention. It invests in specific training related to risks according to activity and job position, emergency measures and inspections, campaigns for raising employees' awareness with special emphasis on groups at greater risk, as well as carrying out research and analysis into the types and causes of accidents occurring and the subsequent adoption of measures to mitigate the risks. The Company wishes to ensure that employees work in adequate environments and have the necessary resources to perform their work safely.

- **Training**: One reason why we have managed to keep health and safety indicators relatively low, similar to the values logged in 2018, is the quality and effort of the training imparted to employees in this connection. Accordingly, Prosegur Cash raised awareness and honed the skills of its employees for tackling the risks they face in their daily work, including driving vehicles. In 2019, Prosegur Cash offered a total of 135,477 training hours in health and safety. This is mainly due to two reasons; firstly, the great effort to provide training in the access courses for new recruits, and, secondly, the increase in training in countries with the highest accident rates, such as Brazil and Colombia. Skills training in health and safety has been primarily on-site, although Prosegur Corporate University remains an important training channel for employees in this connection, with modules concerning Occupational Risk Prevention for operating personnel included in the introductory schemes and the yearly refresher training provided, with special mention of the specific modules in areas such as self-defence and emergency situations.
- **Monitoring**: Prosegur Cash has established internal and external protocols for reporting workplace accidents that enable accident rates to be monitored, accidents to be investigated and ongoing improvements to be implemented. Moreover, it has implemented a working methodology that enables a specific assessment of health and safety conditions at various

levels (business, activity, Prosegur Cash work centre or operating base and type of job). Prosegur Cash also has occupational safety and health committees to regularly and periodically consult on actions of occupational risk prevention. Special mention should be made of the implementation of the new Global Protocol for reporting serious and fatal accidents, applied to all countries, and of the creation of a quarterly Global Occupational Health and Safety Committee headed by the Executive Director of Prosegur Cash.
Another committee goal is to propose and implement improvement and best practices objectives. One of the actions proposed for 2020 is to establish bulletin boards in each of the Cash business operating regional offices in order to share the most relevant KPIs on Health and Safety with the entire workforce.

- **Technological innovation:** Prosegur Cash provides its employees with cutting-edge technology and its considerable innovation capacity to tackle intrinsic risks linked to its employees work, and to thereby dissuade external threats, especially in risks relating to attacks on employees and armoured vehicles, or at cash custody bases. These innovations come alongside the established protocols for action in the event of attacks on bases and armoured vehicle crews in the Cash business. The Company's goal is to achieve "zero accidents" despite the intrinsic difficulty in the business in which Prosegur Cash is involved. As a result of the efforts made regarding health and safety, the number of fatalities has been reduced considerably, from 14, in 2018, to 3 in 2019.

5.3. Anti-corruption and bribery matters

KPIs	2018	2019
No. of complaints for breaches of the Code of Ethics	9	7
No. of complaints for fraud	7	12

The scope of these KPIs excludes the scope of the new M&A acquisitions in 2019, disinvestments and the countries in which businesses are equity-accounted.

Ethics and compliance

Ethical conduct and compliance with regulations are essential aspects, especially critical for various reasons intrinsic to Prosegur Cash's business:

- Employees are frequently exposed to risk situations.
- Large sums of cash and personal goods are handled.
- Employees work not only to keep clients safe but also to protect and assist society at large.

All members of the governing bodies, executives and staff at Prosegur Cash are committed to conduct themselves in an ethical manner and in strict compliance with regulatory requirements in discharging their duties. This commitment is articulated through common principles and standards also guiding its relations with stakeholders affected by its activities: employees, shareholders, clients and users, suppliers and associates, authorities, public administrations and regulatory bodies, competitors and the civilian society in which it operates.

The Code of Ethics is available on the corporate website and is delivered to each employee for acceptance when they join the Company.

Prosegur Cash takes a "zero tolerance" approach to any non-compliance or irregularity.

Prosegur Cash applies the most stringent criteria to observe the obligations established by law and works hard to ensure the establishment of the highest possible standards of compliance in its sector. In this connection, rigour is essential in defining the mechanisms of control and prevention of irregular or unlawful practices, especially in areas of greater risk.

Corporate Compliance Programme

The Corporate Compliance Programme of Prosegur Cash establishes control measures designed to attenuate or remove the risk of non-compliance with regulations in day to day operations. It encompasses any legal aspect that may involve Prosegur, although it focuses mainly on anti-money laundering, data protection, defence of competition and prevention of criminal offences.

The Compliance Programme, approved by the Board of Directors of Prosegur Cash, is overseen by the Compliance Committee which acts in an autonomous and independent manner and reports directly to the Audit Committee. This committee comprises representatives of the Legal, Finance, Human Resources, Risk Management, Compliance and Internal Audit Departments. Likewise, the Company has compliance officials in all the countries where it operates. They oversee implementation of the Compliance Programme in each country for which they are responsible and supervise proper compliance with applicable regulations in each geography, which is also monitored by a local Compliance Committee. In countries in which, in certain spheres, the rules are especially restrictive, the Company develops specific regulatory compliance projects. In order to ensure that the Programme is rolled out in daily operations, training courses on the most important aspects are given to employees, as well as courses for Senior Managers and members of the governing bodies, and specialised courses tailored to those responsible for compliance.

Due diligence model and approach in Prosegur Cash on crime prevention measures

In Prosegur Cash there is the conviction that companies must work as generators of value, promoting the sustainable development of the countries in which they operate and contributing to their economic, environmental and social progress.

Within this context and from its position as one of the main multinationals of the sector, the responsibility to contribute to a society respectful of compliance with the rules is an obvious duty for the Company. Therefore it endeavours to prevent, mitigate and, where appropriate, correct any possible impact that the actions of its staff could generate.

For several years, the Prosegur Cash has been working with a view to adopting the principle of due diligence to define the necessary internal supervisory measures to help manage crime prevention. This principle is not guided by specific actions or on the one-time generation of investigations or reports on isolated cases. Instead, it corresponds to the implementation of a series of transversal elements that allow the Company to confirm that it is doing everything possible to motivate good practices and prevent, detect and eradicate irregularities.

After analysing the point of departure and the objectives of the Company, it was proposed to follow the North American Federal Sentencing Guidelines as a reference. These describe the elements of a programme of ethics and integrity for review by US federal judges with the understanding that the companies are exercising due diligence in the prevention of criminal activities and malpractices in general. This requires, as a minimum, for the company to have implemented a number of elements that were summarised in the general due diligence approach of Prosegur Cash.

General due diligence approach of Prosegur Cash:

Preventive Controls. Risk control approach

Prosegur Cash structures crime prevention by establishing General Preventive Controls which constitute the basis of risk control, notwithstanding having specific measures in place for mitigating the crime risks identified.

The crime prevention model is structured by implanting two models of control:

- General Preventive Controls established as the basis for risk control and that are effective in mitigating the generic risk of the perpetration of crimes.
- Specific Controls established by specific measures whose purpose is to mitigate a specific criminal risk.

In addition, a system of measures is incorporated on how to act in relation to those controls which makes it possible to optimise Prosegur Cash's system for crime risk management which includes the following measures:

- Making all Prosegur Cash employees aware of the importance of complying with the General and Specific Preventive Controls for carrying out their professional job correctly.
- Informing all Prosegur Cash employees that any infringement of the rules of conduct contained in the Code of Ethics and Conduct and of the provisions contained in the crime prevention model could lead to disciplinary measures being imposed as set out in applicable labour legislation.

- Making it expressly and publicly clear that Prosegur Cash strongly condemns any type of unlawful behaviour, whether due to infringing the law or to being contrary to the ethical and social principles of Prosegur Cash drawn up in the rules of conduct which are established as the core values of Prosegur Cash for attaining its corporate objectives.
- Adopting the measures necessary for enabling Prosegur Cash to act efficiently both in preventing and intervening in respect of the risk of crimes being committed.
- To establish suitable controls in the operations or processes that may hypothetically generate criminal risks, with sufficient measures for their supervision and documentation.
- Implementation of the principle of the segregation of duties.
- Supervision and control of the conduct of Prosegur Cash, and of the policies and procedures involved, keeping them regularly updated.
- Updating the functions and rules of conduct of Prosegur Cash following any possible changes in current legislation.
- Definition of a monitoring and supervision board.

The rules of conduct designed allow the Prosegur Cash crime prevention model to be a structured, organic system of prevention and control that is effective in reducing the risk of crimes being committed associated to the activity of Prosegur Cash.

To be specific, of the different rules of conduct mentioned above, Prosegur Cash considers increasing the awareness of its employees to be essential to crime prevention and, therefore pays special attention to the measures and actions for communicating and providing training on this subject.

Prevention of money laundering

Prosegur Cash is a regulated entity at local level in several of the countries where it operates, subject to the regulations on the Prevention of Money Laundering and Terrorist Financing. In the countries and activities subject to regulation, it has implemented a system of prevention that complies not only with the requisites of the regulation but also, in EU countries, it adapts to European Union Directives and in general to the recommendations of the International Financial Action Task Force and to international best practice applied on this subject in the sector.

To be specific, Prosegur Cash is subject to regulation in most of the countries where it carries out its business through local operatives. Prosegur Cash has developed and implemented a money laundering prevention programme which takes multiple considerations into account (client knowledge/analysis of operations/training/regulator relationship).

This prevention system is based on an approach aimed at the risk, whereby an Annual Risk Report is periodically prepared in which: the specific risks of the activity are identified; the activities of our clients and their vulnerability to money laundering are analysed, a business risk is established for evaluation by the Prevention of Money Laundering Committee and against which proactive steps are taken to adapt our system to confront that risk.

This system is subject to recurrent assessment not only by the Internal Audit Department, but also by independent external auditors. The reports issued are forwarded to the Governing Bodies of Prosegur Cash and are available to the regulator.

The basis of this system, in addition of the involvement of Senior Management of the Company, is the mandatory training given annually to the employees, whether on-site or by use of new technologies (Prosegur Corporate University) that allow a greater number of employees to perform training actions.

The system for the prevention of money laundering is based on three pillars:

- Identification and knowledge of the client. On the basis of the risk-based approach, different levels are established, applying greater stages of identification and knowledge for those clients who present a greater objective risk. No client is accepted without meeting the requirements established by our client acceptance policy.
- Monitoring of the commercial relationship. A transactional profile is established of each client, considering the operations it develops and verifying the existence of operational coherence with the declared activity. If any change to this profile occurs, procedures have been established for a detailed review to verify the origin or cause of this variation.
- System of communications to regulators. When any alert takes place, whether caused by a change in the transactional profile of the client or by other means, such as the internal communications of our employees or reports through the ethics channel, available to employees as well as third parties, a review proceeding is opened whose result may entail a communication of suspicious operation to the regulator.

During 2019, a total of 10,458 employees have been trained in the prevention of money laundering.

General Data Protection Regulation (GDPR)

Prosegur Cash applies the General Data Protection Regulation (GDPR), European legislation relating to the protection of individuals with regard to the processing of personal data and on the free movement of such data.

The Company has a Data Protection Committee, with representatives of the businesses and corporate areas, as Functional Data Protection Managers, all under the supervision of the Data Protection Officer (DPO). The system is guided by the GDPR Governance Model for which the Board of Directors has maximum responsibility and that is distributed along three lines of defence: the one composed by the Data Protection Committee, the Privacy and Data Protection Managers and Officers Committee and, lastly, the third line of defence composed of Internal Auditing.

All of the above enables Prosegur Cash to make use of a Comprehensive Data Protection Management Model and to obtain a clear view of the degree of compliance with data protection regulations–GDPR and LOPDGDD–within the company, making it possible to prioritise the activities for complying with those regulations, minimising the risks to the organisation's privacy.

Code of Ethics and Conduct

Prosegur Cash has a Code of Ethics and Conduct that was approved by the Board of Directors on 26 April 2017.

The Code of Ethics and Conduct sets the standards for behaviour and proper practices for all professionals at Prosegur Cash as they discharge their duties and also in their relations with third parties, providing guidance on aspects such as compliance with the law, respect for human rights and equality, and respect among employees. The Code of Ethics and Conduct is a binding instrument, and so must be known and complied with by all workers and members of Prosegur Cash governing bodies. The employees must also collaborate to facilitate its implementation and to report all possible breaches of which they might be aware through the Report Channel.

Report channel

In order to detect irregular or unlawful conduct, or conduct that contravenes the Code of Ethics and Conduct, and act in consequence, the company has a Report Channel enabling any person, whether or not they belong to the Company, to report such conduct safely and anonymously via a form available on the website www.prosegurcash.com. The Internal Audit Department confidentially manages any reports received and, where appropriate, and in line with their type and seriousness, sends them to the department responsible for managing, investigating and solving the complaint.

In accordance with the findings of the investigations, in the meetings of the Audit Committee the necessary measures are taken for cases requiring action on the part of the Company.

During 2019 a project was initiated for restructuring the Report Channel, the purpose of which was to optimise the administration and control of complaints in all countries where Prosegur Cash operates, by two improvements: the implementation of standardised procedures and the development of a single management tool. By means of these two developments:

- The channels are combined and standardised in all countries.
- Confidentiality and/or anonymity is guaranteed.
- Any reports that are not the authority of the channel are filtered.
- Unify procedures and the single format in all documents.
- It calculates deadlines and includes expiration reminder alarms.
- Consolidated indicators are generated for the extraction of aggregate information.
- It streamlines the review of the status of all reports.

In short, it improves the efficiency in the management and resolution of reports and includes the adaptations required by the Fifth Directive (entry into force in 2021), mainly consisting of the protection of informant identity and guarantee of any communications with them.

Contributions to sector-specific associations

Prosegur Cash's Code of Ethics and Conduct establishes the duty to act in accordance with the principles of legality, cooperation, truth and transparency in relations with the authorities, public administrations and regulatory bodies in the countries in which the Company operates.

Prosegur Cash is a member of industry associations and organisations in order to promote the development of the sector, to improve quality standards and to drive the most advanced public policies.

Some of the main international bodies of which the Company is a member are: International Security Ligue, European Security Transport Association (ESTA), Asian Cash Management Association (ACMA) and ATM Industry Association (ATMIA).

Moreover, Prosegur Cash is a member of the main sector organisations in the countries in which it is present.

5.4. Respect for Human Rights

As a standard-bearer in the cash in transit and cash management sector, Prosegur Cash undertakes to promote respect for human rights as a fundamental element in performing its activities.

The Company is concerned to uphold, in its practices and procedures, application of the human rights listed in the Universal Declaration of Human Rights (UDHR), adopted by the United Nations General Assembly. This commitment, included in the Prosegur Cash Corporate Social Responsibility Policy, is conceived as an additional responsibility to the fulfilment of the laws and regulations established in the territories in which it is present, and particularly in countries in which the State's capacity to safeguard human rights is limited.

Prosegur Cash, as a subsidiary of the Prosegur Group, has signed up to the United Nations Global Compact, demonstrating its firm commitment to integrate human rights into its business management. The participation in this initiative is included in the general principles for action of the Corporate Social Responsibility Policy.

For several years, the Company has been working with a view to adopting the principle of due diligence to define the necessary internal supervisory measures to help manage this matter. These transversal factors enable it to assert that it does its utmost to encourage good practices and prevent, detect and eradicate irregularities in connection with human rights. Furthermore, Prosegur Cash has an analysis of relevant issues having an impact on human rights in its activity, which has defined the degree of connection with each issue, their possible internal and external causes, the resulting impact on people, the risks for the Company and the human rights affected.

Within the framework of Prosegur Cash's management system, formal policies and procedures have been devised in connection with human rights, determining the structure and mechanism for supervision and reporting.

Prosegur Cash has a solid system to manage and control risks in which factors pertaining to human rights are considered. These include the breach of personal rights and freedoms and working rights. Through the system described in chapter 4.2. of this Directors' Report, the critical operating, regulatory, business, financial and reputational risks are identified, their management is evaluated and supervised using key risk indicators. Depending on the type of risk and its importance, adequate procedures are implemented to prevent, detect, avoid, mitigate, offset or share the effects of a potential materialisation of risks.

The Company's Report Channel enables employees and third party stakeholders to report, in a confidential and anonymous way, any potentially significant irregularity they might notice, including events linked to potential breaches of human rights.

Prosegur Cash remains determined to go ahead with an efficient approach in managing human rights. After the due diligence process implemented in 2018 by the Prosegur Group, of which Prosegur Cash forms a part, which made it possible to identify and prioritise human rights risks and to revise policies and procedures for the management of human rights, in 2019 the Company has made good progress in putting the opportunities identified into operation with a view to improving the management of mechanisms for prevention and/or control of human rights risks.

To this regard, work has been done on the design of a Human Rights management system, based on a continuous improvement method, for the perfection of processes by means of activity planning.

One of the main recommendations of the due diligence process was to draw up a specific Human Rights Policy. Throughout 2019 work has been undertaken on the development of this document, whose approval and publication is planned during 2020.

On the other hand, the Company trains its employees in the respect for human rights and publicly promotes this. This issue is included as part of the training courses given from the areas of human resources and regulatory compliance. In addition, given the relevance for its professional sphere, compulsory training plans for operating staff include sessions on critical issues such as the use of force, gender violence, cultural diversity and human rights within the context of the Company. In 2019, Prosegur Cash offered a total of 3,317 training hours in matters related to human rights.

As explained in chapter 3.3 of this Directors' Report, Prosegur Cash continuously provides detailed information to any shareholders, private and institutional investors, the leading stock market analysts and proxy advisors on matters of interest to them. In 2019, the most frequently asked questions regarding human rights were relative to the due diligence process implemented in 2018, specifically on the freedom of assembly and working conditions.

Prosegur Cash has not received any complaints through its Report Channel in relation to human rights breaches.

5.5. Company information

KPIs	2018	2019	Scope
Number of complaints received from clients/Number of complaints solved	22,783/19,375	31,075/23,822	97%

The scope of these KPIs excludes the scope of the new M&A acquisitions in 2019, disinvestments and the countries in which businesses are equity-accounted.

5.5.1. Commitment to Sustainable Development

Prosegur Cash includes the United Nations Sustainable Development Goals (SDGs) in its strategy and sees them as an opportunity for growth, rapprochement and dialogue with stakeholders and for competitive differentiation, while at the same time underpinning the process of transformation towards a global sustainable society.

In this regard, the Company contributes indirectly to most of the goals and their outcomes, and focuses its business vision on the five specific goals most closely related to its activities and lines of business.

	Prosegur Cash acknowledges that education is the basis for a better life and sustainable development. The commitment of the Company with inclusive, equal and quality education has been developed and expanded in time, to empower and strengthen employee capacities and opportunities. By means of various initiatives, the Company contributes toward the ongoing development of its human capital.

8 DECENT WORK AND ECONOMIC GROWTH	To achieve sustainable economic development, Prosegur Cash creates work spaces that respect and promote the workers' development. The distribution of a large portion of company income is focused on employee wages and benefits. This distribution has a direct impact on the gross domestic product and on the national employment situation in the various countries. Another of the action and contribution areas is based on the protection of occupational rights and promotion in a secure working environment. Furthermore, Prosegur Cash guarantees inclusion into the job market and decent employment for all collectives through different integration schemes and programmes.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Digital transformation is a catalyst for the business strategy of Prosegur Cash, which seeks to optimise its operations by becoming more efficient in managing resources and generating a direct effect on employees, clients, suppliers and communities in general. In this process, technology and innovation are a key element and a constant commitment in the endeavour for sustainable development.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Through the solid structure of Corporate Governance, as well as the monitoring and control mechanisms for ensuring compliance with the law and ethical behaviour in its actions, Prosegur Cash assures its contribution to the transparency and accountability that allows the effective and sustainable development of the institutions and their environment.
17 PARTNERSHIPS FOR THE GOALS	With the aim of promoting development in the sector, improving quality standards and furthering more advanced public policies that contribute to sustainable development, Prosegur Cash is involved in sectoral dialogue by participating in the main associations and organisations at global, regional, national and local level.

5.5.2. Suppliers

The Prosegur Group, of which Prosegur Cash forms part, has a Resources Management Department shared by the different business divisions, which is responsible for managing relations with suppliers and the necessary procurements. It is composed of four areas: Procurement and Supply Chain, Fleet, Property and Service Management.

Moreover, Prosegur Cash has a General Standard on Procurement within its 3P Management System establishing the criteria and way of managing procurements of goods and/or services in all its spheres of operation, in addition to the national requirements in this connection.

Prosegur Cash determines the level of management for each of the principal purchasing categories:

- Categories which, based on their global or regional market and provider, are managed on a centralised basis by Procurement Hubs.
- Local categories that are managed by the local Procurement teams. In any case, the purchasing processes are carried out in accordance with the General Standard on Procurement mentioned above.

Progress in recent years has focused on the search for excellence in management, improved service to the client, transparency and control and cost efficiency.

Supplier management at Prosegur Cash takes place within the context of the Code of Ethics and Conduct, which establishes that the process for selecting its collaborators has to follow the criteria of independence, objectivity and transparency, aspects that must be reconciled with the interest in obtaining the best commercial terms. In this respect, all suppliers are required to accept, abide by and comply with the Code once they have signed their contract with Prosegur Cash in all operations, at both corporate and local level.

In this regard, Prosegur Cash's Code of Ethics states that suppliers must accept the Code of Ethics and Conduct as soon as they sign a contract. Furthermore, the Company has an internal procedure of action that determines the steps to be taken if there is a conflict of interest or possible fraud between an employee and a supplier. Prosegur Cash does not conduct audits to supervise its suppliers.

Prosegur Cash currently has trade relationships with suppliers throughout the world, amongst which the following are some of the principal suppliers:

- Technology: Technological material and subcontracting of services.
- Fleet: Fuel and armoured vehicles for cash in transit.
- Service management: Supplies, cleaning, building maintenance, travel, telephony and others.
- Telecommunications and IT: Devices, software, hardware and technical assistance.
- Properties: Constructions, rentals and furnishing.
- Equipment and uniforms: For operating staff.
- Machines: Operational and maintenance materials in the Prosegur Cash business.
- Other services: External advisers, marketing and training.

An example of actions from both the aspect of social and environmental responsibility are as follows:

- Cash Bags: Prosegur Cash has initiated a pilot project for using bags made with recycled plastic. If the outcome is positive, this initiative will be escalated to the whole of Europe. With this, the negative environmental impact of the mass use of plastic will be reduced.

5.5.3. Consumers

Prosegur Cash aims to always meet the expectations of its clients and anticipate their needs through a friendly service based on transparency and a proactive approach.

The Company offers the CEM Client Experience platform to identify contact points in client relations, mainly B2B, including sales experience, experience in providing the service and global experience, each with specific associated indicators.

5.5.4. Public administrations and tax contribution

Prosegur Cash does not obtain material public subsidies that warrant breaking down in the Statement of Non-financial Information.

As a multinational company, Prosegur Cash has a presence in a number of countries over the four continents and contributes to boosting the economies where its operations are based, via its contribution to the public coffers. Accordingly, its tax strategy is based on OECD (Organisation for Economic Cooperation and Development) guidelines, in compliance with recommendations set forth in the document Base Erosion and Profit Shifting, concerning how to combat tax evasion or reduction and practices tending to shift profits to territories with low or zero tax rates.

The regions are a pivotal axis for the organisation and are represented in the General Regional Business Areas, which are in charge of commercial negotiations, as well as designing the services required by each client, covering all business lines in each region. Operating segments are defined in accordance with the organisational structure and based on the similarities between macroeconomic and commercial markets and market operations, as well as on the basis of the commercial negotiations between countries in each region.

Due to these interrelationships between the countries of each region, the information above is shown per geographic region, as it is understood that it reliably represents how Management conducts company business. With this, the main segments are identified in geographic terms as follows:

- Europe, comprising the following countries: Spain, Germany, Portugal and Luxembourg (although there is no actual operating activity here, it is included because of the existence of Luxembourg company Pitco Reinsurance, S.A., whose corporate purpose is insurance coverage).
- Asia-Oceania-Africa (AOA), comprising the following countries: Australia, India, The Philippines, Singapore (although there is no actual operating activity here, it is included because of the existence of Singapore company Singpai Pte Ltd, whose corporate purpose is administrative coverage) and Indonesia.
- Ibero-America, which includes the following countries: Argentina, Brazil, Chile, Colombia, Mexico, Paraguay, Peru, Uruguay, Guatemala, Nicaragua, El Salvador and Honduras.

The revenue and profits from each of the segments mentioned are as follows:

	Europe	AOA	Ibero-America	Total
Profit before tax	31,286	(21,820)	250,139	259,606

EUR 28 million of taxes were paid in the European region, 0 in AOA and EUR 69 million in Ibero-America.

The breakdown of the effective rate by country is as follows:

	Argentina	Brazil	Spain	Peru	Chile	Germany	Paraguay	France	Mexico	Other
Tax rate	29%	39%	54%	35%	0%	48%	10%	12%	24%	59%

The breakdown of the effective rate by geographic region is as follows:

	Europe	AOA	Ibero-America
Tax rate	60%	10%	30%

The effective rate of each company reflects the tax contribution as a percentage of the profit before income tax of each company. Therefore, the tax paid or to be paid year on year for those profits.

This Statement of Non-financial Information does not itemise the profit before income tax by country due to the risk that the disclosure of this information could pose in terms of competitiveness, assuming the flexibility allowed by Directive 2013/34/EU of the European Parliament and of the Council for the protection of sensitive trade information and assurance of fair competition.

The payment of tax for profits in 2019 was EUR 97 million.

5.5.5. Contribution to the Prosegur Foundation

Within the framework of the commitment of the Prosegur Group, of which Prosegur Cash forms a part, to contribute to the advancement of the regions where it operates, special mention is made of the work of the Prosegur Foundation in the social field. With three defined focus areas -Education, Employment Opportunities for the Intellectually Disabled and Corporate Volunteering- the activity of the Prosegur Foundation is aimed at the creation of shared value between Company and society and also impacts the attainment of the Sustainable Development Objectives.

The entity seeks to build a society with greater solidarity and to generate opportunities for the development of individuals. In 2019, the Prosegur Foundation reached the figure of 31,111 direct beneficiaries in 15 countries (2018: 42,063 direct beneficiaries in 10 countries), with milestones for the year being the entry into Central America with the internal Becas Talento (Talent scholarships) scheme, the 7% increase in the number of Prosegur group professionals involved in volunteer activities and the 6% increase in Latin American pupils in schools associated to our "Piecitos Colorados" Development Cooperation Programme. Furthermore, conscious of the current context of digital transformation, this year the institution has promoted educational initiatives aimed at encouraging innovation and training competences of the 21st century, such as creativity, entrepreneurship, teamwork and experiential learning.

On an annual basis, Prosegur Cash contributes to Prosegur Foundation the funds necessary for its operation. Contribution to Prosegur Foundation in 2019 amounted to EUR 1.1 million.

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-	The relations with local players of local communications and types of dialogue with them	GRI 102-43 GRI 413-1	160
-	Association or sponsorship actions	GRI 103-2	185 and 191

Subcontracting and suppliers			
-	Inclusion in the procurement policy of social, gender equality and environmental issues.	GRI 103-2	188
-	Consideration of social and environmental responsibility in relations with suppliers and subcontractors	GRI 102-9	188
-	Supervision and audits and their results	GRI 102-9 GRI 308-2 GRI 414-2	188
Consumers			
-	Measures for consumer health and safety	GRI 103-2	189
-	Systems for claims, complaints received and their resolution	GRI 103-2 GRI 418-1	189
Tax information			
-	The profits obtained country by country	GRI 207-4	191
-	Income tax paid	GRI 207-4	191
-	Public grants received	GRI 201-4	189

Appendix I - Compliance with the United Nations Global Compact

The United Nations Global Compact is a call to companies and organisations to align their strategies and operations with ten universal principles on human rights, labour rules, the environment and anti-corruption. It has the UN mandate for promotion of the Sustainable Development Goals (SDG) in the private sector.

Prosegur Cash is a subsidiary of the Prosegur Group, which has been a member of the United Nations Global Compact since 2002.

Global Compact Principle	Chapter
Human Rights	
Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights, within their scope of influence	5.4. Respect for Human Rights
Principle 2. Companies should make sure that they are not complicit in Human Rights abuses.	5.4. Respect for Human Rights
Labour laws	
Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	5.2. Social and employment matters
Principle 4. Companies should support the elimination of all forms of forced and compulsory labour.	5.2. Social and employment matters 5.5.2. Suppliers
Principle 5. Companies should support the effective abolition of child labour.	5.2. Social and employment matters 5.5.2. Suppliers
Principle 6. Companies should support the elimination of discrimination in respect of employment and occupation.	5.2. Social and employment matters
Environment	
Principle 7. Businesses should support a precautionary approach to benefit environmental challenges.	5.1. Environmental matters
Principle 8. Companies should undertake initiatives to promote greater environmental responsibility.	5.1. Environmental matters
Principle 9. Companies should encourage the development and diffusion of environmentally friendly technologies.	5.1. Environmental matters
Anti-Corruption	
Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	5.3. Anti-corruption and bribery matters

Appendix II - Index of GRI Standard Contents

The Directors' Report has been prepared in accordance with Global Reporting Initiative (GRI) standards, thus covering all indicators related to the material aspects of the Company that were defined in the materiality analysis.

GENERAL BASIC CONTENT

Indicators		Chapter / Information	Global Compact Principle
ORGANISATION PROFILE			
102-1	Company name	Prosegur Cash S.A.	-
102-2	Activities, trademarks, products and services	1.1. Business Model	-
102-3	Location of organisation headquarters	Calle Santa Sabina, 8, Madrid, Spain	-
102-4	Location of Operations	1. About Prosegur Cash	-
102-5	Ownership and legal nature	1.2.1. Ownership structure	-
102-6	Service markets	1. About Prosegur Cash	-
102-7	Organisation size	2. Business performance and profit/(loss)	-
102-8	Information on employees and other workers	5.2. Social and employment matters	-
102-9	Describe the organisation supply chain	5.5.2. Suppliers	-
102-10	Significant changes in the organisation and its supply chain	5.5.2. Suppliers	-
102-11	Precautionary principle or approach	4.2. Risk management	-
102-12	Prepare a list of the letters, the principles or other external initiatives of an economic, environmental and social nature to which the organisation subscribes or has adopted	5.3. Anti-corruption and bribery matters Appendix I- Compliance with the United Nations Global Compact	-
102-13	Association membership	5.3. Anti-corruption and bribery matters	-
STRATEGY AND ANALYSIS			
102-14	Statement of senior executives responsible for decision-making	Letter from the Chairman Message from the Executive Director	-
102-15	Main impacts, risks and opportunities	1.1.3. Business environment 1.3. Strategic Performance Framework	-

		2.5. Information on the foreseeable evolution of the entity 4.2. Risk management	
ETHICS AND INTEGRITY			
GRI 103: Management approach - Material topic: Ethics and anti-corruption			
103-1	Explanation of the material topic and its coverage	1.1.2. Purpose, Mission, Vision and Values 5.3. Anti-corruption and bribery matters	-
103-2	Management approach and its components	1.1.2. Purpose, Mission, Vision and Values 5.3. Anti-corruption and bribery matters	-
103-3	Evaluation of the management approach	1.1.2. Purpose, Mission, Vision and Values 5.3. Anti-corruption and bribery matters	-
102-16	Values, principles, standards and rules of conduct	1.1.2. Purpose, Mission, Vision and Values 5.3. Anti-corruption and bribery matters	10
102-17	Mechanisms for consultancy and ethical concerns	1.1.2. Purpose, Mission, Vision and Values 5.3. Anti-corruption and bribery matters	10
GOVERNANCE			
103-1	Explanation of the material topic and its coverage	1.2. Governance and organisational structure	-
103-2	Management approach and its components	4.1. Prosegur Management Model	-
103-3	Evaluation of the management approach	4.1. Prosegur Management Model	-
102-18	Describe the governance structure	1.2. Governance and organisational structure	-
102-19	Describe the process by which the Board of Directors delegates its authority to Senior Management and certain employees for matters of an economic, environmental and social nature	Annual Corporate Governance Report Available at www.prosegurcash.com	-
102-20	Indicate whether executive posts exist in the organisation or any with responsibility for economic, environmental and social matters, and whether those holding them are directly accountable before the Board of Directors	Annual Corporate Governance Report Available at www.prosegurcash.com	-
102-21	Describe the consulting processes among stakeholders and the Board of Directors with respect to economic, environmental and social matters.	1.2. Governance and organisational structure	-
102-22	Structure of the supreme governing body and its committees	1.2. Governance and organisational structure	-

102-23	Indicate if the person who presides over the Board of Directors also holds an executive post. If so, describe the executive duties and the reasons for this arrangement	1.2. Governance and organisational structure Annual Corporate Governance Report Available at www.prosegurcash.com	-
102-24	Describe the processes for appointment and selection of the Board of Directors and its committees, as well as the criteria on which the appointment and selection of its members are based	Annual Corporate Governance Report Available at www.prosegurcash.com	-
102-25	Describe the processes by means of which the Board of Directors prevents and manages possible conflicts of interest.	Annual Corporate Governance Report Available at www.prosegurcash.com	-
102-26	Describe the duties of the Board of Directors and of Senior Management in the development, approval and update of the proposal, the values or the mission statements, strategies, policies and objectives relative to economic, environmental and social impacts of the organisation	Annual Corporate Governance Report Available at www.prosegurcash.com	-
102-27	Indicate what measures have been adopted to develop and improve the collective knowledge of the Board of Directors in relation to economic, environmental and social matters	Annual Corporate Governance Report Available at www.prosegurcash.com	-
102-28	Describe the processes for evaluating the performance of the Board of Directors in relation to the governing of economic, environmental and social matters. Indicate whether the evaluation is independent and how frequently it is performed. Indicate if this is a self-evaluation	Annual Corporate Governance Report Available at www.prosegurcash.com	-
102-29	Describe the duty of the Board of Directors in the identification and management of the impacts, risks and opportunities of an economic, environmental and social nature. Likewise indicate the role of the Board of Directors in the application of due diligence processes	4.2. Risk management Annual Corporate Governance Report Available at www.prosegurcash.com	-
102-30	Describe the duty of the Board of Directors in the analysis of the effectiveness of risk management processes of the organisation with regard to economic, environmental and social matters.	4.2. Risk management Annual Corporate Governance Report Available at www.prosegurcash.com	-
102-31	Indicate the frequency with which the Board of Directors analyses and evaluates the impacts, risks and opportunities of an economic, environmental and social nature.	4.2. Risk management Annual Corporate Governance Report Available at www.prosegurcash.com	-
102-32	Indicate which committee or position of greatest importance reviews and approves the sustainability report of the organisation and ensures that all material Aspects are reflected.	The Annual Report is reviewed and approved by the Board of Directors	-

102-33	Describe the process for conveying significant concerns to the Board of Directors	1.2. Governance and organisation structure Annual Corporate Governance Report Available at www.prosegurcash.com	-
102-34	Indicate the nature and the number of important concerns that were conveyed to the Board of Directors; also describe the mechanisms used to address and evaluate them.	Annual Corporate Governance Report Available at www.prosegurcash.com	-
102-35	Describe the remuneration policies for the Board of Directors and Senior Management	Annual Corporate Governance Report Available at www.prosegurcash.com	-
102-36	Describe the processes by means of which the remuneration is determined. Indicate if consultants are used to determine the remuneration and whether they are independent from Management.	Annual Corporate Governance Report Available at www.prosegurcash.com	-
102-37	Explain how the opinion of stakeholders is requested and considered with regard to remuneration including, where appropriate, the results of votes on policies and proposals regarding this matter	In 2019 there was no consultation relative to this matter in any of the Company communication channels	-
102-38	Ratio of total annual compensation	Annual Corporate Governance Report Available at www.prosegurcash.com Director remuneration report Available at www.prosegurcash.com	-
102-39	Ratio of the percentage increase of total annual compensation	Annual Corporate Governance Report Available at www.prosegurcash.com Director remuneration report Available at www.prosegurcash.com	-
PARTICIPATION OF STAKEHOLDERS			
102-40	Prepare a list of stakeholders associated with the organisation	5. Statement of Non-financial Information	-
102-41	Percentage of employees covered by bargaining agreements	5.2. Social and employment matters	1, 3
102-42	Indicate the basis for the election of stakeholders with which it works	5. Statement of Non-financial Information	-
102-43	Describe the approach of the organisation regarding the participation of stakeholders, including the frequency of collaboration with the different stakeholder types and groups, or indicate if the participation of one group took place specifically in the process for preparation of the annual report	5. Statement of Non-financial Information	1, 2, 3, 4, 5, 6, 7, 8, 9, 10
102-44	Indicate which key issues and problems were identified as a result of the participation of the stakeholders and describe the evaluation made by the organisation, by means of its annual report among other	5. Statement of Non-financial Information	-

	aspects. Specify which stakeholders raised each of the key topics and problems		
REPORTING PRACTICE			
102-45	Entities included in the Consolidated Annual Accounts	2019 Consolidated Annual Accounts Report Available at www.prosegurcash.com 1. About Prosegur Cash	-
102-46	Definition of the contents of the report and coverage of each aspect	5. Statement of Non-financial Information	-
102-47	List of material topics	5. Statement of Non-financial Information	-
102-48	Re-statement of the information	None of the information published in any prior reports has been re-stated	-
102-49	Significant changes in the scope and coverage of reported aspects	5. Statement of Non-financial Information	-
102-50	Annual reporting period (for example, fiscal or calendar year)	2019	-
102-51	Date of the last report (if appropriate)	2018	-
102-52	Reporting cycle (annual, biennial, etc.)	Annual	-
102-53	Provide a point of contact to resolve any doubts that may arise over the content of the report	accionistascash@prosegur.com	-
102-54	Statement of report preparation in accordance with GRI standards	Appendix II	-
102-55	GRI indicator index	Appendix II	-
102-56	External audit	The Statement of Non-financial Information, contained in the 2019 Consolidated Directors' Report, has been audited by KPMG.	-
SPECIFIC CONTENT			
ECONOMY			
ECONOMIC PERFORMANCE			
201-1	Direct, generated and distributed economic value	2. Business performance and profit/(loss)	-
201-2	Financial consequences and other risks and opportunities for organisation activities owing to climate change	5. Statement of Non-financial Information	7, 8, 9
201-3	Restriction of organisation obligations owing to social benefit programmes	N/A. There is no benefit plan for employees	-
MARKET PRESENCE			
202-2	Percentage of Senior Managers from the local community in places where significant operations are undertaken	5.5. Company information	-

204-1	Percentage of the expense in places with significant operations that correspond to local suppliers	5.5.2. Suppliers	-
COMPANY			
ANTI-CORRUPTION			
GRI 103: Management approach - Material topic: Ethics and anti-corruption			
103-1	Explanation of the material topic and its coverage	5.3. Anti-corruption and bribery matters	-
103-2	Management approach and its components	5.3. Anti-corruption and bribery matters	-
103-3	Evaluation of the management approach	5.3. Anti-corruption and bribery matters	-
205-1	Number and percentage of centres in which risks regarding corruption have been appraised, and significant risks detected	5.3. Anti-corruption and bribery matters	10
205-2	Policies and procedures for communication and training on anti-corruption	5.3. Anti-corruption and bribery matters	10
205-3	Confirmed cases of corruption and measures adopted	5.3. Anti-corruption and bribery matters	10
UNFAIR COMPETITION PRACTICES			
206-1	Number of legal procedures for causes regarding monopolies and other unfair competition practices, and their results	5.3. Anti-corruption and bribery matters	10
REGULATORY COMPLIANCE			
419-1	Breach of laws and legislation in social and economic areas	5.3. Anti-corruption and bribery matters	10
ENVIRONMENT			
MATERIALS			
301-1	Materials by weight or volume	5.1. Environmental matters	-
301-2	Percentage of used materials that have been recycled	5.1. Environmental matters	9
ENERGY			
302-1	Internal energy consumption	5.1. Environmental matters	-
302-4	Decreased energy consumption	5.1. Environmental matters	9
WATER			
303-1	Water extraction by source	5.1. Environmental matters	-
303-3	Percentage and total volume of recycled and reused water	5.1. Environmental matters	9
EMISSIONS			
305-1	Direct greenhouse gas emissions (Scope 1)	5.1. Environmental matters	-
305-2	Indirect greenhouse gas emissions from generating energy (Scope 2)	5.1. Environmental matters	-

305-5	Reduced greenhouse gas emissions	5.1. Environmental matters	9
EFFLUENTS AND WASTE			
306-2	Total weight of waste managed, by type and treatment method	5.1. Environmental matters	-
SOCIAL PERFORMANCE			
LABOUR PRACTICES AND DIGNIFIED EMPLOYMENT			
EMPLOYMENT			
401-1	Number and rate of recruits and average rotation of employees, broken down by ethnic group, gender and region	5.2. Social and employment matters	6
401-2	Social benefits for full-time employees that are not offered to temporary or part-time employees, broken down by significant activity locations	The Company does not differentiate social benefits between temporary or part-time employees and full-time employees	-
401-3	Rates of returning to and remaining at the job following maternity or paternity leave, broken down by gender	5.2. Social and employment matters	6
RELATIONS BETWEEN EMPLOYEES AND MANAGEMENT			
402-1	Minimum notice periods for operating changes and possible inclusion of these in bargaining agreements	5.2. Social and employment matters	-
OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management approach - Material topic: Occupational health and safety			
103-1	Explanation of the material topic and its coverage	5.2. Social and employment matters	-
103-2	Management approach and its components	5.2. Social and employment matters	-
103-3	Evaluation of the management approach	5.2. Social and employment matters	-
403-1	Employee representation on formal employee-company committees on health and safety	5.2. Social and employment matters	1
403-2	Type of accidents and accident frequency rates, occupational illnesses, days lost, absenteeism and number of deaths by occupational accident or illness	5.2. Social and employment matters	-
403-3	Employees with a high incidence or at high risk for illnesses relating to their activity	5.2. Social and employment matters	-
403-4	Health and safety topics addressed in formal agreements with unions	The information is contained in the bargaining agreements of the various countries of operation.	-
TRAINING AND EDUCATION			

404-1	Average hours of annual training per employee, broken down by gender and professional category	5.2. Social and employment matters	-
404-2	Programmes for skill management and on-going training that promote the employability of workers and helps them manage the end of their professional careers	5.2. Social and employment matters	6
404-3	Percentage of employees who receive regular evaluations on performance and professional development, broken down by gender and professional category	5.2. Social and employment matters	-
DIVERSITY AND EQUAL OPPORTUNITIES			
405-1	Diversity in governance bodies and employees	1.2. Governance and organisational structure	1, 6
EQUAL REMUNERATION BETWEEN MEN AND WOMEN			
405-2	Ratio of the base salary and remuneration of women vs men	5.2. Social and employment matters	1, 6
HUMAN RIGHTS			
GRI 103: Management approach - Material topic: Human Rights			
103-1	Explanation of the material topic and its coverage	5.4. Respect for Human Rights	-
103-2	Management approach and its components	5.4. Respect for Human Rights	-
103-3	Evaluation of the management approach	5.4. Respect for Human Rights	-
NON-DISCRIMINATION			
406-1	Number of cases of discrimination and corrective measures adopted	5.3. Anti-corruption and bribery matters	-
FREEDOM OF ASSOCIATION AND COLLECTIVE NEGOTIATION			
407-1	Identification of centres and suppliers in which the freedom of association and the right to bargaining agreements may be infringed or threatened, and measures adopted in defence of these rights	5.2. Social and employment matters	3
SECURITY MEASURES			
410-1	Percentage of security staff that has received training on the policies or procedures of the organisation on human rights relevant to the operations	5.2. Social and employment matters	1
INVESTMENT			

412-3	Number and percentage of significant investment contracts and agreements that include clauses on human rights or that have been the subject of analysis on human rights	5.4. Respect for Human Rights	2
412-2	Training hours of employees on policies and procedures regarding those aspects of human rights relevant to their activities, including the percentage of trained employees	5.4. Respect for Human Rights	1, 2
PRODUCT RESPONSIBILITY			
CLIENT HEALTH AND SAFETY			
416-1	Percentage of categories of significant products and services whose impacts on health and safety have been evaluated to promote improvements	5.5.3. Consumers	9
416-2	Number of incidents deriving from the breach of legislation or of the voluntary codes relative to the impacts of the products and services on health and safety during their life cycle, broken down by the type of result of those incidents	No incidents have been recorded in this aspect	-

KPMG Asesores S.L.
Pº. de la Castellana, 259 C
28046 Madrid

Independent Assurance Report on the Non-Financial Information Statement of Prosegur Cash, S.A. for the year 2019

(Free translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the Non-Financial Information Statement (hereinafter NFIS) for the year ended 31 December 2019, of Prosegur Cash, S.A. (hereinafter The Company) which forms part of 2019 Directors' Report of Prosegur Cash, S.A.

The Directors' Report includes additional information to that required by prevailing mercantile legislation governing non-financial information that has not been the subject of our assurance work. In this regard, our work was limited only to providing assurance on the information contained in the "Table contents Act" of the accompanying Directors' Report.

Directors' responsibilities

The Board of Directors of the Company is responsible for the contents and the authorisation for issue of the NFIS included in the Company's Directors' Report, which has been prepared in accordance with the contents required by prevailing mercantile legislation and selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), in accordance with each subject area in the "Table contents Act" of the aforementioned Directors' Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The directors of the Company are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for preparing the NFIS was obtained.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our review engagement in accordance with International Standard on Assurance Engagements, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the Performance Guide on assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of Management, as well as of the different units of the Company that participated in the preparation of the NFIS, in the review of the processes for compiling and validating the information presented in the NFIS and in the application of certain analytical procedures and sample review testing described below:

- Meetings with Company personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these questions and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2019 based on the materiality analysis performed by the Company and described in the section "5. Statement of Non-financial Information. Introduction", considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2019.
- Review of the information relating to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2019.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2019 and whether it has been adequately compiled based on data provided by information sources.
- Procurement of a representation letter from the Directors and management.

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that The NFIS of Prosegur Cash, S.A. for the year ended 31 December 2019 has not been prepared, in all material respects, in accordance with the contents included in prevailing mercantile legislation and with the GRI Standards selected, in accordance with each subject area in the "Table contents Act" of the aforementioned Directors' Report.

Use and distribution

This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

(Signed on original in Spanish)

Ramón Pueyo Viñuales

27 February 2020

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT OF 2019

The members of the Board of Directors of Prosegur Cash, S.A. hereby confirm that, to the best of our knowledge, the Individual and Consolidated Annual Accounts for 2019, authorised for issue by the Board of Directors at the meeting held on 26 February 2020 and prepared in accordance with applicable accounting principles, present a fair view of the equity, financial position and profit/(loss) of Prosegur Cash, S.A. and the consolidated subsidiaries taken as a whole, and that the respective individual and consolidated directors' reports provide a reliable analysis of the Company's performance and results and the position of Prosegur Cash, S.A. and its consolidated group, together with the main risks and uncertainties facing the Group.

In Madrid, 26 February 2020.

Mr Christian Gut Revoredo
Executive President

Mr Pedro Guerrero
Vice-President

Mr José Antonio Lasanta Luri
Executive Director

Ms Chantal Gut Revoredo
Director

Mr Antonio Rubio Merino
Director

Mr Claudio Aguirre Pemán
Director

Ms María Benjumea Cabeza de Vaca
Director

Ms Ana Inés Sainz de Vicuña Bemberg
Director

Mr Daniel Guillermo Entrecanales Domecq
Director

DIRECTORS' RESPONSIBILITY OVER THE CONSOLIDATED ANNUAL ACCOUNTS

The Consolidated Annual Accounts of Prosegur Cash, S.A. and subsidiaries are the responsibility of the Directors of the Parent Company and have been prepared in accordance with International Financial Reporting Standards endorsed by the European Union.

The Directors are responsible for the completeness and objectivity of the Annual Accounts, including the estimates and judgements included therein. They fulfil their responsibility mainly by establishing and maintaining accounting systems and other regulations, supporting them adequately using internal accounting controls. These controls have been designed to provide reasonable assurance that the Company's assets are protected, that transactions are performed in accordance with the authorisations and regulations laid down by Management and that accounting records are reliable for the purposes of drawing up the Annual Accounts. The automatic correction and control mechanisms are also a relevant part of the control environment, insofar as corrective action is taken when weaknesses are observed. Nevertheless, an effective internal control system, irrespective of how perfect its design may be, has inherent limitations, including the possibility of circumventing or invalidating controls, and can therefore provide only reasonable assurance in relation with preparation of the Annual Accounts and the protection of assets. However, the effectiveness of internal control systems may vary over time due to changing conditions.

The Company evaluated its internal control system at 31 December 2019. Based on this evaluation, the Directors believe that existing internal accounting controls provide reasonable assurance that the Company's assets are protected, that transactions are performed in accordance with the authorisations laid down by Management, and that the financial records are reliable for the purposes of drawing up the Annual Accounts.

Independent auditors are appointed by the shareholders at their Annual General Meeting to audit the Annual Accounts, in accordance with the technical standards governing the audit profession. Their report, with an unqualified opinion, is attached separately. Their audit and the work performed by the Company's internal services include a review of internal accounting controls and selective testing of the transactions. The Company's management teams hold regular meetings with the independent auditors and with the internal services in order to review matters pertaining to financial reporting, internal accounting controls and other relevant audit-related issues.

Mr Javier Hergueta Vázquez
Chief Financial Officer

PROSEGUR
CASH

www.prosegurcash.com

Prosegur Cash, S.A.

Annual Accounts

31 December 2019

Directors' Report

2019

(With Independent Auditor's Report Thereon)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
Pº de la Castellana, 259C
28046 Madrid

Independent Auditor's Report on the Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the shareholders of Prosegur Cash, S.A.

REPORT ON THE ANNUAL ACCOUNTS

Opinion

We have audited the annual accounts of Prosegur Cash, S.A. (the "Company"), which comprise the balance sheet at 31 December 2019, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2 to the accompanying annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Accounts section of our report.

We are independent of the Company in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the annual accounts in Spain pursuant to the legislation regulating the audit of accounts. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Auditores S.L., sociedad española de responsabilidad limitada y firma miembro de la red KPMG de firmas independientes afiliadas a KPMG International Cooperative ("KPMG International"), sociedad suiza.
Paseo de la Castellana, 259C – Torre de Cristal – 28046 Madrid

Inscrita en el Registro Oficial de Auditores de Cuentas con el nº.S0702, y en el Registro de Sociedades del Instituto de Censores Jurados de Cuentas con el nº.10.
Reg. Mer Madrid, T. 11.961, F. 90, Sec. 8, H. M -188.007, Inscrip. 9
N.I.F. B-78510153

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverable amount of investments in Group companies See notes 9 and 25.4	
Key audit matter	*How the matter was addressed in our audit*
The Company has investments in Group companies amounting to Euros 1,170 million. In 2019 the Company did not recognise any impairment of investments in Group companies. There is a risk that the carrying amount of the investments in Group companies may exceed their recoverable amount. As required under the applicable financial reporting framework, the Company annually assesses whether there are indications of impairment of the investments in Group companies and estimates the recoverable amount at the reporting date of the entities which present indications of impairment. The recoverable amount of the entities that present indications of impairment was determined based on their fair value. To estimate this fair value, the Company used valuation techniques that require the Directors to exercise judgement and make assumptions and estimates. Due to the uncertainty associated with these estimates and the significance of the carrying amount of the investments in Group companies, this has been considered a key audit matter of the current period.	Our audit procedures included the following: • Assessing the design and implementation of the controls associated with the process of identifying indications of impairment and estimating the recoverable amount of investments in Group companies. • Analysing the indications of impairment of the investments in Group companies identified by the Company. • Assessing the reasonableness of the estimation of fair value of companies presenting indications of impairment, using valuation techniques and with the assistance of our valuation specialists. • Evaluating whether the information disclosed in the annual accounts meets the requirements of the financial reporting framework applicable to the Company.

Other Information: Directors’ Report

Other information solely comprises the 2019 Directors' Report, the preparation of which is the responsibility of the Company's Directors and which does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not encompass the directors' report. Our responsibility as regards the content of the directors' report is defined in the legislation regulating the audit of accounts, which establishes two different levels:

a) A specific level applicable to certain information included in the Annual Corporate Governance Report, as defined in article 35.2. b) of Audit Law 22/2015, which consists solely of verifying that the aforementioned information has been provided in the directors' report, and if not, to report on this matter.

b) A general level applicable to the rest of the information included in the directors' report, which consists of assessing and reporting on the consistency of this information with the annual accounts, based on knowledge of the entity obtained during the audit of the aforementioned accounts and without including any information other than that obtained as evidence during the audit. Also, assessing and reporting on whether the content and presentation of this part of the directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have verified that the information mentioned in section a) above has been provided in the directors' report, that the rest of the information contained in the directors' report is consistent with that disclosed in the annual accounts for 2019, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit Committee's Responsibility for the Annual Accounts

The Directors are responsible for the preparation of the accompanying annual accounts in such a way that they give a true and fair view of the equity, financial position and financial performance of the Company in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the preparation and presentation of the annual accounts.

Auditor's Responsibilities for the Audit of the Annual Accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the audit committee of Prosegur Cash, S.A. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the entity's audit committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated to the audit committee of the entity, we determine those that were of most significance in the audit of the annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Additional Report to the Audit Committee

The opinion expressed in this report is consistent with our additional report to the Company's audit committee dated 27 February 2020.

Contract Period

We were appointed as auditor by the shareholders at the ordinary general meeting on 3 June 2019 for a period of one year, specifically for the year ended 31 December 2019.

Previously, we were appointed by consensus of the shareholders at their general meeting, and have been auditing the annual accounts since the year ended 31 December 2016.

KPMG Auditores, S.L.
On the Spanish Official Register of Auditors (“ROAC”) with No. S0702

(*Signed on original in Spanish*)

Bernardo Rücker-Embden
On the Spanish Official Register of Auditors (“ROAC”) with No. 18,836

27 February 2020

PROSEGUR CASH

Auditors' Report, Annual Accounts and Directors' Report at 31 December 2019

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails).

Prosegur Cash, S.A

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I. PROFIT AND LOSS ACCOUNTS FOR THE YEARS ENDED AT 31 DECEMBER 2019 AND 2018

(Expressed in thousands of Euros)

	Notes	2019	2018
Net turnover	**3**	**113,016**	**161,789**
Dividend received		100,000	147,500
Loan interest income		1,490	2,887
Provision of services		11,526	11,402
Supplies		**(1)**	**-**
Consumption of raw materials and other consumables		(1)	-
Other operating income		**1**	**92**
Non-core and other operating revenues		-	92
Operating subsidies added to year's result		1	-
Personnel Expenses	**3**	**(3,876)**	**(4,892)**
Wages, salaries and similar charges		(3,163)	(4,281)
Social security obligations		(713)	(611)
Other operating expenses		**(7,567)**	**(8,281)**
External services	**3**	(5,545)	(7,377)
Taxes		(110)	(153)
Other ordinary expenses		(1,912)	(751)
Amortization and depreciation	**6 and 7**	**(2,925)**	**(2,827)**
EBIT		**98,648**	**145,881**
Financial income	**4**	**34**	**198**
Securities and other financial instruments		34	198
Third parties		34	198
Finance expenses	**4**	**(14,418)**	**(15,355)**
From payables to Group companies and associates		(3,597)	(4,519)
From payables to third parties		(10,821)	(10,836)
Exchange differences	**4**	**1,030**	**1,611**
NET FINANCE INCOME		**(13,354)**	**(13,546)**
PROFIT BEFORE TAX		**85,294**	**132,335**
Income tax	**15**	4,191	3,283
PROFIT/(LOSS) FOR THE YEAR		**89,485**	**135,618**

The accompanying notes form an integral part of the Annual Accounts for 2019.

II. BALANCE SHEET AT 31 DECEMBER 2019 AND 2018

(Expressed in thousands of Euros)

ASSETS	Note	2019	2018
NON-CURRENT ASSETS		**1,180,451**	**949,638**
Intangible assets	**6**	**8,697**	**7,913**
Patents, licences, trademarks and others		1,611	1,548
Computer software		5,920	2,925
Other intangible assets		1,166	3,440
Property, Plant and Equipment	**7**	**1,335**	**255**
Technical facilities and other property, plant and equipment		1,335	255
Long-term investments in Group companies and associates	**8**	**1,169,798**	**940,545**
Equity instrument		1,169,798	940,545
Loans to companies	**9**	-	-
Long-term financial investments	**9**	**86**	**-**
Other financial assets		86	-
Deferred tax assets	**15**	**535**	**925**
CURRENT ASSETS		**188,622**	**314,858**
Trade and other receivables		**25,290**	**23,369**
Clients, Group companies and associates	**9**	21,222	18,125
Miscellaneous receivables	**9**	97	497
Personnel	**9**	-	5
Public entities, other receivables	**15**	3,971	4,742
Short-term investments in Group companies and associates		**120,653**	**288,583**
Loans to companies	**9**	104,739	267,700
Other financial assets	**9**	15,914	20,883
Short-term deferrals		**1,697**	**620**
Cash and cash equivalents	**11**	**40,982**	**2,286**
Cash and other cash equivalents		40,982	2,286
TOTAL ASSETS		**1,369,073**	**1,264,496**

The accompanying notes form an integral part of the Annual Accounts for 2019

II. BALANCE SHEET AT 31 DECEMBER 2019 AND 2018

(Expressed in thousands of Euros)

NET EQUITY AND LIABILITIES	Notes	2019	2018
EQUITY		**72,560**	**70,120**
Shareholders' equity		**72,560**	**70,120**
Subscribed capital	**12**	**30,000**	**30,000**
Registered capital		30,000	30,000
Reserves	**12**	**41,771**	**24,495**
Legal and statutory reserves		6,000	6,000
Other reserves		35,771	18,495
(Own shares and equity holdings)	**12**	**(1,546)**	**(1,943)**
Profit/(loss) for the year	**5**	**89,485**	**135,618**
(Dividend on account)	**5**	**(87,150)**	**(118,050)**
NON-CURRENT LIABILITIES		**594,974**	**610,537**
Non-current provisions		**1,668**	**1,296**
Obligations for long-term personnel benefits	**25.9**	1,668	1,296
Long-term debts	**13**	**593,306**	**609,241**
Debentures and other negotiable securities		593,306	592,438
Debts with credit institutions		-	16,803
CURRENT LIABILITIES		**701,539**	**583,839**
Short-term debts	**13**	**102,482**	**95,050**
Debentures and other negotiable securities		8,872	8,872
Debts with credit institutions		75,635	61,830
Other financial liabilities	**5**	17,975	24,348
Short-term payables to Group companies and associates	**13**	**552,356**	**474,998**
Trade and other payables		**46,701**	**13,791**
Suppliers, Group companies and associates	**13**	40,232	4,578
Sundry accounts payable	**13**	3,892	4,736
Personnel (salaries payable)	**13**	1,124	2,690
Public entities, other payables	**15**	1,453	1,787
TOTAL EQUITY AND LIABILITIES		**1,369,073**	**1,264,496**

The accompanying notes form an integral part of the Annual Accounts for 2019.

III. STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE

(Expressed in thousands of Euros)

	Note	2019	2018
Profit/(losses) in the income statement	5	89,485	135,618
Total comprehensive income		**89,485**	**135,618**

The accompanying notes form an integral part of the Annual Accounts for 2019.

B) STATEMENT OF TOTAL CHANGES IN EQUITY

(Expressed in thousands of Euros)

	Share capital Subscribed (Note 12)	Reserves (Note 12)	(Own shares and equity holdings) (Note 12)	Profit/(loss) for the year (Note 5)	(Dividend on account) (Note 5)	TOTAL
BALANCE AT YEAR END 2017	**30,000**	**5,518**	**(2,127)**	**127,155**	**(107,400)**	**53,146**
Recognised income and expense	**-**	**-**	**-**	**135,618**	**-**	**135,618**
Operations with partners or owners	**-**	**18,977**	**184**	**(127,155)**	**(10,650)**	**(118,644)**
(-) Dividend distribution	-	-	-	-	(118,050)	(118,050)
Operations with own stocks or shares (net)	-	(778)	184	-	-	(594)
Distribution of profit	-	19,755	-	(127,155)	107,400	-
BALANCE AT YEAR END 2018	**30,000**	**24,495**	**(1,943)**	**135,618**	**(118,050)**	**70,120**
Total comprehensive income	**-**	**-**	**-**	**89,485**	**-**	**89,485**
Operations with partners or owners	**-**	**17,276**	**397**	**(135,618)**	**30,900**	**(87,045)**
Operations with own stocks or shares (net)	-	(292)	397	-	-	105
Distribution of profit	-	17,568	-	(135,618)	118,050	-
Dividend on account	-	-	-	-	(87,150)	(87,150)
BALANCE AT YEAR END 2019	**30,000**	**41,771**	**(1,546)**	**89,485**	**(87,150)**	**72,560**

The accompanying notes form an integral part of the Annual Accounts for 2019.

IV. CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

(Expressed in thousands of Euros)

	Note	2019	2018
Pre-tax financial year profit		**85,294**	**132,335**
Adjustments made to results		**(83,721)**	**(131,127)**
Fixed assets depreciation (+)	6 and 7	2,925	2,827
Financial income (-)	4	(34)	(198)
Dividend received (-)	3	(100,000)	(147,500)
Finance expenses (+)	4	14,418	15,355
Exchange differences (+/-)	4	(1,030)	(1,611)
Changes in current capital		**22,308**	**(32,023)**
Clients and other receivables (+/-)		(3,929)	(494)
Other current assets (+/-)		(301)	(26,931)
Trade and other payables (+/-)		34,811	(5,894)
Other current liabilities (+/-)		(8,273)	-
Other non-current assets and liabilities (+/-)		-	1,296
Other cash flows from operating activities		**(242)**	**6,862**
Interest payments (-)		(1,602)	(10,836)
Dividend collection (+)		-	17,500
Interest collection (+)		34	198
Other payments (receipts) (+/-)		1,326	-
Cash flows from operating activities		**23,638**	**(23,953)**
Payments for investments (-)		**(71,166)**	**(93,095)**
Group companies and associates		(66,292)	(88,124)
Intangible assets	6	(3,582)	(4,840)
Property, Plant and Equipment	7	(1,206)	(131)
Other financial assets	9	(86)	-
Collections from disposal of investments (+)		**197,600**	**52,994**
Group companies and associates		197,600	52,994
Cash flows from investing activities		**126,434**	**(40,101)**
Collections and payments for equity instruments	12	**397**	**(594)**
Purchases of equity instruments (-)		-	(778)
Sale of equity instruments (+)		397	184
Collections and payments for liability instruments		**(1,760)**	**71,496**
Issue		1,240	71,496
Debentures and similar securities (+)	17	1,240	7,193
Debts with credit institutions (+)		-	60,337
Other payables (+)		-	3,966
Repayment and amortisation of		(3,000)	-
Debts with credit institutions (-)		(3,000)	-
Dividends payable and remunerations from other equity instruments		**(110,013)**	**(94,552)**
Dividends (-)		(110,013)	(94,552)
Cash flows from financing activities		**(111,376)**	**(23,650)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**38,696**	**(87,704)**
Cash and equivalents at the beginning of the year	11	2,286	89,990
Cash and equivalents at the end of the year	11	40,982	2,286

The accompanying notes form an integral part of the Annual Accounts for 2019.

V. NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General Information

Prosegur Cash, S.A., (hereinafter, the Company) is a company belonging to the Prosegur Group. It is the parent Company of a Group of companies in accordance with current legislation (hereinafter the Prosegur Cash Group). The registered offices of Prosegur Cash, S.A. are at Calle Santa Sabina number 8, Madrid (Spain). It was incorporated on 22 February 2016 and is registered in the Mercantile Register of Madrid, in volume 34,442, page 34, section 8, page number M-619528, entry 1.

The Company is a subsidiary controlled by the Spanish company Prosegur Compañía de Seguridad, S.A. (hereinafter, Prosegur), which currently owns 51% of its shares, indirectly controlling another 21.5% via its 100%-owned investee Prosegur Assets Management, S.L.U., consolidating both the Company and its subsidiaries in its financial statements (hereinafter, Prosegur Group).

On 17 March 2017, the Company shares began trading at EUR 2 per share in the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia via the Spanish Stock Exchange Interconnection System (SIBE). On 7 April 2017, the Green Shoe period of the stock market flotation ended, and the free float attained 27.5% of the share capital of Company.

The corporate purpose is described in Article 2 of its Articles of Association and it is the following:

Provision of securities logistics services and cash management, including the following activities:

1. National and international transport services (by land, sea and air) of funds and other valuables (including jewellery, artworks, precious metals, electronic devices, voting ballots, legal evidence), including collection, transport, custody and deposit services;

2. Processing and automation of cash (including counting, processing and packaging, as well as coin recycling, cash flow control and monitoring systems);

3. Comprehensive ATM solutions (including planning, loading, monitoring, first- and second-tier maintenance and balancing);

4. Cash planning and forecasting for financial institutions;

5. Self-service cash machines – smart cash (including cash deposits, recycling services and dispensing of bank notes and coins, and payment of invoices); and

6. Added-value outsourcing services (AVOS) for banks (including outsourcing of tellers, multi-agency services, cheque processing and related administrative services).

The activities comprising the corporate purpose can also be performed indirectly by the Company, by means of the shareholding in other companies of an identical or similar corporate purpose. The main activity of the Company in 2019 corresponds to that of group company holding, with its income coming from group companies, mainly relating to dividends and services.

The Company's statutory activity does not include activities expressly restricted by law to entities that comply with special requirements not met by the Company, particularly financial brokerage activities that are restricted by financial legislation governing collective investment undertakings and the securities market law and supplementary provisions applicable to collective investment undertakings.

In accordance with generally accepted accounting principles in Spain, consolidated Annual Accounts must be prepared to present fairly the financial position of the Group Prosegur Cash, the results of operations and changes in its equity and cash flows.

The Directors prepare the Consolidated Annual Accounts of the Group Prosegur Cash, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and approved by the European Commission Regulations in force at 31 December 2019. The consolidated Annual Accounts were drawn up by the Board of Directors, together with these Individual Annual Accounts, on 26 February 2020 and are pending approval by the shareholders at their general meeting, after which they will be filed at the Mercantile Register of Madrid.

The Consolidated Annual Accounts of Prosegur Cash, S.A. and its subsidiaries for 2019 present consolidated profit of EUR 169,016 thousand (EUR 174,217 thousand in 2018) and consolidated equity of EUR 243,633 thousand (EUR 237,991 thousand in 2018).

2. Basis of Presentation

a) Fair image

The Annual Accounts have been in accordance with mercantile legislation in force and the rules established in the General Chart of Accounts approved by Royal Decree 1514/2007, in order to reflect a true and fair image of the equity, financial situation and results of the Company, as well as the veracity of the cash flows shown in the cash flow statement.

b) Comparative information

For comparative purposes and for each item in the balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the Annual Accounts, in addition to the figures for financial year 2019, the Annual Accounts show those pertaining to the previous year, those of 2018, approved by the General Shareholders' Meeting at 3 June 2019.

c) Functional currency

The figures disclosed in the Annual Accounts are expressed in thousands of EUR, the Company's functional and presentation currency.

d) Going concern

As of 31 December 2019, the Company has a negative working capital of EUR 512,917 thousand (EUR 268,981 thousand at 31 December 2018). As indicated in Note 1, the Company is the head of the Prosegur Cash Group, which at 31 December 2019 presented a positive working capital of EUR 57,235 thousand (EUR 166,595 thousand at 31 December 2018) in the Consolidated Annual Accounts. The Company also has the capacity to generate future cash flows via the management of its subsidiaries' dividends. Additionally, as of 31 December 2019, the Group presents a consolidated result attributable to Prosegur Cash, S.A. as Parent Company of EUR 168,942 thousand (EUR 174,217 thousand at 31 December 2018). Finally, as indicated in Notes 19 and 22 of the Consolidated Annual Accounts of the Prosegur Cash Group, at 31 December 2019, the Group companies had available treasury of EUR 307,423 thousand and had been granted undrawn additional financing of EUR 448,633 thousand (EUR 273,756 thousand and EUR 404,624 thousand as of 31 December 2018, respectively).

Taking these facts into consideration, the Company's Directors have prepared these Annual Accounts on the ongoing management principle.

e) Critical issues regarding the valuation and estimation of relevant uncertainties

Preparation of the Annual Accounts requires the Company to make certain estimates and judgements concerning the future. These are evaluated constantly and based on historical experience and other factors, including expectations of future events that are considered reasonable under certain circumstances.

Although estimates are calculated by the Company's Directors based on the best information available at year end, future events may require changes to these estimates in subsequent years. Any effect on the balance sheet of adjustments to be made in subsequent years would be recognised prospectively.

The estimates and judgements that present significant risk of a material adjustment to the carrying amounts of assets and liabilities in the subsequent reporting period are as follows:

Investments in Group companies

The Company carries out impairment testing on investments made in subsidiaries if there is any proof of value impairment. The calculation of impairment involves the comparison of the carrying amount of the investment with its recovery value, this being understood as the higher fair value less cost of sale and value in use. The Company generally uses cash flow discounting methods to calculate these values. Discounted cash flow calculations are based on four-year projections of the budgets approved by Management. The cash flows take into account past experience and represent Management's best estimate of future market performance. Cash flows as of four years are extrapolated using individual growth rates. The key assumptions to determine the fair value less cost of sale and value in use include growth rates, average weighted rate of capital and tax rates.

3. Income and Expenses

a) Net turnover

Details of net turnover by category of activity and geographical area are as follows:

	Thousands of euros							
	National		Rest of Europe		Rest of the world		Total	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Group companies and associates								
- Dividend received	100,000	147,500	-	-	-	-	100,000	147,500
- Loan interest income	393	1,713	285	620	812	554	1,490	2,887
- Provision of services	(3,730)	(8,095)	(8)	2,470	15,264	17,027	11,526	11,402
Total	**96,663**	**141,118**	**277**	**3,090**	**16,076**	**17,581**	**113,016**	**161,789**

Dividend income and loan interest income were considered under this category, taking into account the condition of the holding company (Note 1).

In the provision of services, income and expenditure corresponding to centralised services and trademark assignment services were considered, which implies that their distribution by geographical area is negative in the Country (Note 18). The negative amounts for the services are due to payments for trademark assignment billing.

b) Wages, salaries and similar charges

The breakdown of personnel expenses in 2019 and 2018 is as follows:

	Thousands of euros	
	2019	**2018**
Salaries and wages	3,163	4,281
Social security obligations	713	611
Total	**3,876**	**4,892**

The 2017 and 2020 long-term incentive plans for Executive Director and Senior Management (Note 25.9), within the Salaries and wages paragraph, have been included in the expense accrued during the year in relation to the 2019 commitment amounting to EUR 840 thousand (EUR 1,852 thousand in 2018). Additionally, under Salaries and wages have been included a reversal during 2019 for the mentioned incentive plan, amounted to EUR 2,889.

The breakdown of Social security obligationsin 2019 and 2018 are as follows:

	Thousands of euros	
	2019	**2018**
Social Security Payable by the Company	575	548
Other employee benefits expenses	138	63
Total	**713**	**611**

c) External services

The breakdown of external services in 2019 and 2018 are as follows:

	Thousands of euros	
	2019	**2018**
Leases and levies	785	138
Repairs and conservation	977	905
Independent professional services	3,328	5,233
Transport	4	20
Banking and similar services	112	214
Insurance expenses	-	92
Advertising, publicity and public relations	163	192
Supplies and others	84	120
Other services	92	463
Total	**5,545**	**7,377**

The maintenance expense of the Company's software is included under Other repairs and conservation.

The category of Independent professional services mainly includes the expenses for services of identification and capture of business opportunities, as well as IT technical assistance.

4. Net Finance Income

The breakdown of financial income and expenses in 2019 and 2018 are as follows:

	Thousands of euros	
	2019	**2018**
Financial income	**34**	**198**
Third parties	34	198
Finance expenses	**(14,418)**	**(15,355)**
From payables to Group companies (Note 18)	(3,597)	(4,519)
From payables to third parties	(10,821)	(10,836)
Exchange differences	**1,030**	**1,611**
Net Finance Income	**(13,354)**	**(13,546)**

The item from which the exchange difference comes is as follows:

	Thousands of euros	
	2019	**2018**
Loans to Group companies and associates	1,030	1,611
	1,030	**1,611**

Exchange profit/losses

The main currency conversion difference items are the following:

		Thousands of euros	
	Currency	**2019**	**2018**
Structured time deposits	US Dollar	-	174
Group company acquisition	US Dollar	-	228
Current accounts	US Dollar	162	(27)
Suppliers	US Dollar	(44)	4
Loans to Group company	South African Rand	798	1,485
Current accounts	South African Rand	171	334
Loans to Group company	Australian Dollar	13	(707)
Current accounts	Australian Dollar	141	(26)
Other Group company loans	Philippine Peso	(39)	-
Loans to Group company	Peruvian Sol	(207)	23
Suppliers	Argentine Peso	36	124
		1,030	**1,611**

5. Profit/(loss) for the year

On the date these Annual Accounts are authorised for issue, the Boards of Directors will propose to the General Shareholders' Meeting that profit for the year be distributed as follows:

	Thousands of euros	
	2019	**2018**
Basis of allocation		
Profit and losses	89,485	135,618
Total	**89,485**	**135,618**
Allocation		
Legal reserve	-	-
Voluntary reserves	2,335	17,568
Dividends on account	87,150	118,050
Total	**89,485**	**135,618**

In a meeting on 19 December 2018, the Board of Directors approved the distribution of a regular dividend on account of the profits of 2018 of EUR 0.07870 gross per share, which implies a maximum total dividend of EUR 118,050 thousand (considering that the current share capital is divided into 1,500 million shares). This dividend was distributed to shareholders as four payments, in December 2018 and March, June and September 2019. Each payment is calculated as EUR 0.019675 per outstanding share at the payment date.

As of 31 December 2018, a debt for dividends payable in 2019 was held for EUR 88,538 thousand, which was presented in current liabilities in other accounts payable under the heading of suppliers and other financial liabilities for an amount of EUR 24,348 thousand and in the heading of payables to group companies and associates for EUR 64,190 thousand.

As of 31 December 2019, a debt for dividends payable in 2020 is held for EUR 65,363 thousand, which is presented in current liabilities in other accounts payable under the heading of suppliers and other financial liabilities for an amount of EUR 17,975 thousand and in the heading of payables to group companies and associates for EUR 47,388 thousand.

In a meeting on 28 December 2019, the Board of Directors approved the distribution of a regular dividend on account of the profits of 2019 of EUR 0.0581 gross per share, which implies a maximum total dividend of EUR 87,150 thousand (considering that the current share capital is divided into 1,500 million shares). This dividend will be distributed to shareholders as four payments, in December 2019 and March, June and September 2020. Each payment is calculated as EUR 0.0145 per outstanding share at the payment date.

The maximum amount represented by own shares at each payment date, and therefore not distributed, will be transferred to voluntary reserves. The amount for undistributed as dividends out the maximum total agreed for the year 2019 is reflected in "own shares and equity holdings" of the statement of changes in equity for an amount of EUR 1,547 thousand.

Nevertheless, if the number of shares changes between two payment dates as a result of a share capital increase or reduction, the total maximum amount of the dividend at each payment date (EUR 19,756 thousand) should be divided by the new number of outstanding shares that corresponds following the aforementioned increase or reduction.

The provisional accounting statement presented by the Board of Directors in accordance with the legal requirements that evidenced the lack of sufficient liquidity to pay the aforementioned interim dividend is set forth below:

	Thousands of euros
	2019
1. Initial cash on hand (before the interim dividend)	(24,663)
2. Group current bank account balances	(157,678)
3. Proceeds pending	486
4. Proceeds through Financial Transactions	300,000
5. Receipts for Capital and Extraordinary Transactions	-
5. Payments for Current Operations	(2,557)
6. Payments for Financial Transactions	(7,497)
7. Extraordinary Payments	(1,413)
Forecast Cash	**106,678**
Less dividend payments according to the proposal	**(87,150)**
Final cash after dividends	**19,528**

6. Intangible assets

The composition and movements in the accounts of intangible fixed assets were as follows:

	Thousands of euros			
	Licences	**Computer software**	**Other intangible assets**	**Total**
Cost				
Balance at 1 January 2018	**1,923**	**4,698**	**4,223**	**10,844**
Additions	411	420	2,176	3,007
Transfers	-	2,244	(2,244)	-
Balance at 31 December 2018	**2,334**	**7,362**	**4,155**	**13,851**
Additions	344	3,140	318	3,802
Disposals	-	-	(220)	(220)
Transfers	-	2,208	(2,208)	-
Balance at 31 December 2019	**2,678**	**12,710**	**2,045**	**17,433**
Depreciation and amortisation				
Balance at 1 January 2018	**(506)**	**(2,357)**	**(340)**	**(3,203)**
Amortisation for the year	(280)	(2,080)	(375)	(2,735)
Balance at 31 December 2018	**(786)**	**(4,437)**	**(715)**	**(5,938)**
Amortisation for the year	(281)	(2,353)	(164)	(2,798)
Balance at 31 December 2019	**(1,067)**	**(6,790)**	**(879)**	**(8,736)**
Carrying amount				
At 31 December 2018	**1,548**	**2,925**	**3,440**	**7,913**
At 31 December 2019	**1,611**	**5,920**	**1,166**	**8,697**

a) Description of the main movements

The most significant additions in 2019 correspond to:

- Computer applications: GAP Evolutionary Project, CASH DEVICE INTEGRATION, DEVICE MANAGER Evolutionary Project and others for EUR 3,140 thousand. The remaining additions correspond to the development of applications or projects and their implementation for EUR 2,293 thousand.
- Microsoft Software Licences, GELT, ICOM and licences for device integration for EUR 344 thousand.
- The remaining additions corresponded to the development of applications or projects and their implementation for EUR 1,091 thousand.
- Intangible assets in progress in 2019 correspond entirely to IT applications and IT development projects of which we can cite PR6677 SSO Introduction for CASH INNOVATION for EUR 114 thousand, PR6869 PRY-Certificate system for GENESIS for EUR 94 thousand, PR5273 Project-Deployment PROFAT CL-CASH for EUR 37 thousand, and the rest correspond to the registration of projects and application developments amounting to EUR 73 thousand.

The most significant additions in 2018 correspond to:

- Licences AXWAY Licences for EUR 234 thousand, INTELLIMATCH Tool licences for EUR 100 thousand, CORPOINT DEPOSIT MANAGER licence for EUR 65 thousand; the rest corresponded to the addition of Digital Certificates and Microsoft Licences for EUR 11 thousand.
- Intangible fixed assets in progress in 2018 correspond entirely to DTI computer applications and IT development projects, of which we can mention PR5489 Switching-Value Date for EUR 330 thousand, PR5487 Integration CASH devices for EUR 320 thousand, PR5485 Evolutionary GAP Project for EUR 303 thousand, PR5484 Evolutionary DEVICE MANAGER for EUR 276 thousand, PR5823 Business Flows for the INNOVACION platform for EUR 175 thousand, PR5966 Cash Centres-Development module Treasury Balances for EUR 150 thousand and PR5518 Evolutionary Project QA CASH for EUR 149 thousand.

The most significant disposals in the intangible assets in 2019 correspond to disposals from ongoing projects that are cancelled or suspended, for EUR 220 thousand.

There are no significant disposals of property, plant and equipment in 2018.

b) Licences

Details of licences at year end are as follows:

Description and operation	Expiry date	Amortisation period	Amortisation for the year	Cost	Accumulated amortisation	Carrying amount
			Thousands of euros 2019			
Licences - Software	2017	1 years	-	172	172	-
Licences - Software	2022	1 years	11	97	97	-
Licences - Software	2023	10 years	12	56	42	14
Licences - Software	2024	10 years	36	220	123	97
Licences - Software	2025	10 years	119	825	406	419
Licences - Software	2026	10 years	21	206	71	135
Licences - Software	2027	10 years	36	347	86	261
Licences - Software	2028	10 years	41	411	65	346
Licences - Software	2029	10 years	5	344	5	339
			281	**2,678**	**1,067**	**1,611**

Description and operation	Expiry date	Amortisation period	Amortisation for the year	Cost	Accumulated amortisation	Carrying amount
			Thousands of euros 2018			
Licences - Software	2017	1 years	-	172	172	-
Licences - Software	2022	1 years	33	97	86	11
Licences - Software	2023	10 years	12	56	30	26
Licences - Software	2024	10 years	36	220	87	133
Licences - Software	2025	10 years	120	825	287	538
Licences - Software	2026	10 years	21	206	50	156
Licences - Software	2027	10 years	34	347	50	297
Licences - Software	2028	10 years	24	411	24	387
			280	**2,334**	**786**	**1,548**

c) Fully amortised intangible assets

The intangible assets fully amortised as of31 December 2019 and 2018 are the following:

	Thousands of euros	
	2019	**2018**
Computer software	3,383	1,036
Licences	269	172
Other intangible assets	491	421
	4,143	**1,629**

d) Other disclosures

There were no purchases of intangible assets from Group companies in 2019 or 2018.

At 31 December 2019 and 2018 the Company has no intangible fixed assets subject to title restrictions or pledged as security for liabilities.

7. Property, Plant and Equipment

The composition and movements of the accounts of property, plant and equipment were as follows:

	Thousands of euros			
	Technical installations and machinery	Other install., equipment and furniture	Other property, plant and equipment	Total
Cost				
Balance at 1 January 2018	**29**	**25**	**279**	**333**
Additions	53	64	15	132
Balance at 31 December 2018	**82**	**89**	**294**	**465**
Additions	22	985	199	1,206
Balance at 31 December 2019	**104**	**1,074**	**493**	**1,671**
Depreciation and amortisation				
Balance at 1 January 2018	**(3)**	**(4)**	**(110)**	**(117)**
Depreciation and amortisation	(9)	(7)	(77)	(93)
Balance at 31 December 2018	**(12)**	**(11)**	**(187)**	**(210)**
Depreciation and amortisation	(11)	(29)	(86)	(126)
Balance at 31 December 2019	**(23)**	**(40)**	**(273)**	**(336)**
Carrying amount				
At 31 December 2018	**70**	**78**	**107**	**255**
At 31 December 2019	**81**	**1,034**	**220**	**1,335**

a) Description of the main movements

The most significant additions of property, plant and equipment in 2019 correspond to the installation and rehabilitation of the Building in Calle San Máximo for EUR 775 thousand, additions of other property, plant and equipment in the same building for EUR 210 thousand, discharges for other property, plant and information processing equipment amounting to EUR 78 thousand, radio link equipment for EUR 97 thousand and other property, plant and equipment for EUR 23 thousand.

The most significant additions of property, plant and equipment in 2018 corresponded to Glory machinery, SDM-100 cash deposit for EUR 53 thousand, addition of installations in the Doctor Esquerdo Building for EUR 64 thousand and the addition of information and telephony processing equipment for EUR 15 thousand.

There were no disposals in property, plant and equipment in 2019 nor in 2018.

b) Fully depreciated property, plant and equipment

The items of property, plant and equipment fully depreciated as 31 December 2019 are as follows:

	Thousands of euros	
	2019	**2018**
Technical installations and machinery	1	1
Other property, plant and equipment	132	48
	133	**49**

c) Other disclosures

There were no purchases of property, plant and equipment from Group companies in 2019 nor in 2018.

At 31 December 2019 and 2018 the Company has no property, plant and equipment subject to restrictions on title or pledged as security for liabilities.

The Company has taken out insurance policies to cover the risk of damage to its property, plant and equipment. The coverage of these policies is considered sufficient.

8. Long-term investments in equity instruments of Group companies, jointly controlled companies and associates

Details of the movements in investments in Group companies, jointly controlled companies and associates are as follows:

	Thousands of euros	
Balance at 1 January	**2019**	**2018**
Investments	**940,545**	**940,545**
Additions	229,253	-
Disposals	-	-
Balance at 31 December	**1,169,798**	**940,545**

Investments in Group companies as of 31 December 2019 and 2018 include direct investments in the share capital of the following companies:

	Thousands of euros	
Company	**2019**	**2018**
Prosegur Global CIT, S.L.U.	920,954	763,904
Prosegur Global CIT ROW, S.L.U.	215,641	176,641
Prosegur Avos España, S.L.	30,200	-
Prosegur Alpha3 Cashlabs, S.L.	3,003	-
	1,169,798	**940,545**

From the incorporation of the Company and until the date of the Balance Sheet on 31 December 2019, the following operations were carried out:

a) Additions

During the 2019, the operations were as follows:

		Thousands of euros	
		2019	**2018**
Prosegur Global CIT, S.L.U.	(1)	157,050	-
Prosegur Global CIT ROW, S.L.U.	(2)	39,000	-
Prosegur Avos España, S.L.	(3)	30,200	-
Prosegur Alpha3 Cashlabs, S.L.	(4)	3,003	-
Total		**229,253**	**-**

(1) Prosegur Global CIT, S.L.U.:

- On 1 January 2019, the Company participated in the capital increase of the company Prosegur Global CIT S.L.U. for EUR 131,050 thousand through the partial depreciation of the credit right held against said Company.
- On 24 June 2019, the Company participated in the capital increase of the company Prosegur Global CIT S.L.U. for EUR 26,000 thousand through the partial depreciation of the credit right held against it.

(2) Prosegur Global CIT ROW, S.L.U

- On 1 January 2019, a capital increase was made in the company for an amount of EUR 39,000 thousand through the partial depreciation of the credit right held against said Company.

(3) Prosegur Avos España, S.L.

- On 19 December 2019 the Company participated in the purchase of shares in the Spanish company Prosegur Avos España, S.L. by capitalising loans totalling EUR 30,200 thousand.

(4) Prosegur Alpha3 Cashlabs, S.L.

- On 14 March 2019, Prosegur Cash, S.A. constituted the Spanish company Prosegur Alpha3 Cashlabs, S.L. with a capital of EUR 3 thousand, paid in full. This company subsequently received the following capital contributions:
- On 24 May 2019 the Company participated in the capital increase of the Spanish company Prosegur Alpha3 Cashlabs, S.L. by capitalising loans totalling EUR 2,250.
- On 29 May 2019 the Company participated in the capital increase of the Spanish company Prosegur Alpha3 Cashlabs, S.L.. by capitalising loans totalling EUR 450 thousand.
- On 18 November 2019 the Company participated in the capital increase of the Spanish company Prosegur Alpha3 Cashlabs, S.L. by fully out laid cash contributions of EUR 300 thousand.

b) Disposals

There have been no decreases in investments in Group, multi-group and associated companies during the years 2019 and 2018.

c) Impairment

The Company annually evaluates the existence of indicators of impairment of the stakes in Group companies and estimates the recoverable value at the closing date of those entities for which there are signs of impairment. The impairment indicator was calculated by comparing the net book value of the stake with the net worth of the investee and the recoverable value of the entities with an impairment indicator was determined considering its value in use for the Cash and Surveillance businesses and based on the fair value for the companies of the alarm business. Based on the analysis made, the Company did not record any valuation adjustments for stock impairment during the year. In 2019 and 2018, there were no impairment losses in investments in Group, multi-group and associated companies.

d) Investments in Group companies

Below is the information relating to shares held in Group companies as of 31 December 2019 and 2018:

2019

Name	Registered offices	Activity	Shareholding
Prosegur Global CIT, S.L.U.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	100%
Prosegur Global CIT ROW, S.L.U.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	100%
Prosegur Avos España, S.L.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	100%
Prosegur Alpha3 Cashlabs, S.L.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	88%

2018

Name	Registered offices	Activity	Shareholding
Prosegur Global CIT, S.L.U.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	100%
Prosegur Global CIT ROW, S.L.U.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	100%

The breakdown of the shareholders' equity as of 31 December 2019 of the investments in Group companies in which the Company holds 100% of the share capital is as follows:

(Expressed in thousands of Euros)	Share capital	Share premium	Reserves	Profit/(loss) for the year	Dividend
Prosegur Global CIT, S.L.U.	157,053	708,286	171,697	185,243	(100,000)
Prosegur Global CIT ROW, S.L.U.	39,003	180,002	27,766	36,129	-
Prosegur Avos España, S.L.	3	2,600	(1,286)	(709)	-
Prosegur Alpha3 Cashlabs, S.L.	380	3,019	-	(11)	-

The breakdown of the shareholders' equity as of 31 December 2018 of the investments in Group companies in which the Company holds 100% of the share capital is as follows:

(Expressed in thousands of Euros)	Share capital	Share premium	Reserves	Profit/(loss) for the year	Dividend
Prosegur Global CIT, S.L.U.	3	708,286	148,831	152,866	(130,000)
Prosegur Global CIT ROW, S.L.U.	3	180,002	4,802	40,464	(17,500)

9. Financial assets by category

Classification of the financial assets by categories

	Thousands of euros 2019		Thousands of euros 2018	
	At amortised cost or cost		At amortised cost or cost	
	Carrying amount	Total	Carrying amount	Total
Non-current				
Long-term financial investments				
Other financial assets	86	86	-	-
Total current	86	86	-	-
Current				
Loans and receivables				
Loans to Group companies (Note 18)	104,739	104,739	267,700	267,700
Current account with Group companies	-	-	-	-
Other financial assets (Note 18)	15,914	15,914	20,883	20,883
Clients, Group companies and associates (Note 18)	21,222	21,222	18,125	18,125
Clients receivables for sales and services	-	-	-	-
Personnel	-	-	5	5
Miscellaneous receivables	97	97	497	497
Total current	141,972	141,972	307,210	307,210
Total financial assets	**142,058**	**142,058**	**307,210**	**307,210**

The carrying amount of the financial assets valued at cost or at amortised cost is close to their fair value, given the non-significant effect of the discount.

In 2019, long-term bonds were established with other companies, amounting to EUR 86 thousand and recorded under the heading “Other financial assets” in the long term.

10. Financial investments and commercial debtors

a) Classification by maturities

The classification of financial assets by maturities is as follows:

	Thousands of euros	
	2019	2018
	Total	Total
Long-term financial investments		
Other financial assets	86	-
	86	**-**
Investments in Group		
Loans to companies	104,739	267,700
Other financial assets	15,914	20,883
	120,653	**288,583**
Trade and other receivables		
Clients, Group companies and associates	21,222	18,125
Personnel	-	5
Miscellaneous receivables	97	497
	21,319	**18,627**
Total	**142,058**	**307,210**

b) Other information on financial assets

Loans to companies

The breakdown of the main characteristics of the loans as of 31 December 2019 is as follows:

2019

				Thousands of euros	
					Carrying amount
Type	Currency	Interest rate	Maturity date	Par value	Current
Group and associates					
Prosegur Colombia 3 SLU	EUR	0.75%	31/12/2020	8,240	8,240
Prosegur AVOS España SL	EUR	0.75%	31/12/2020	45,477	45,477
Prosegur International CIT 1 SL	EUR	0.75%	31/12/2020	2,268	2,268
Inversiones CIT 2 SLU	EUR	0.75%	31/12/2020	49	49
Prosegur Global CIT ROW SLU	EUR	0.75%	31/12/2020	16,568	16,568
Prosegur Colombia 1 SLU	EUR	0.75%	31/12/2020	4,725	4,725
Prosegur Colombia 2 SLU	EUR	0.75%	31/12/2020	4,631	4,631
Prosegur Servicios de Pago EP SLU	EUR	0.75%	31/12/2020	181	181
Risk Management Solutions SLU	EUR	0.75%	31/12/2020	1,657	1,657
Complifficer SLU	EUR	0.75%	31/12/2020	131	131
Work 4 Data Lab SL	EUR	0.75%	31/12/2020	549	549
Enclama SL	EUR	0.75%	31/12/2020	1	1
Prosegur Cash Services Germany GmbH	EUR	1.00%	31/12/2020	10,000	10,000
Luxpai CIT SARL	EUR	1.00%	31/12/2020	375	375
Prosegur Global Resources Holding Philipines Incorporated	Philippine Peso	7.35%	31/12/2020	3,535	3,535
Prosegur Transportadora de Caudales SA	EUR	4.00%	31/12/2020	2,823	2,823
Prosegur Australia Investments PTY Limited	Australian Dollar	3.75%	31/12/2020	3,466	3,466
Prosegur Seguridad Privada Logistica y Gestion de Efectivo SA de CV	EUR	3.00%	31/12/2020	63	63
Total				**104,739**	**104,739**

(*) These balances are a consequence of the daily sweeping of cash-pooling accounts (Note 18)

The breakdown of the main characteristics of the loans as of 31 December 2018 is as follows:

2018

				Thousands of euros	
					Carrying
Type	Currency	Interest rate	Maturity date	Par value	Current
Group and associates					
MIV Gestion, S.A.	EUR	0.75%	31/12/2019	830	830
Prosegur Global CIT, S.L.U	EUR	0.75%	31/12/2019	126,860	126,860
Prosegur Colombia 3, S.L.	EUR	0.75%	31/12/2019	93	93
Prosegur Avos España, S.L.	EUR	0.75%	31/12/2019	31,071	31,071
Prosegur International CIT 1, S.L.U.	EUR	0.75%	31/12/2019	873	873
Inversiones CIT 2, S.L.U.	EUR	0.75%	31/12/2019	5,090	5,090
Prosegur Global CIT ROW, S.L.U.	EUR	0.75%	31/12/2019	47,105	47,105
Prosegur Colombia 2, S.L.	EUR	0.75%	31/12/2019	4,866	4,866
Prosegur Cash Holding France, SAS	EUR	3.25%	31/12/2019	14,344	14,344
Luxpai CIT SARL	EUR	1.00%	31/12/2019	450	450
Prosegur Transportadora de Caudales SA	Uruguayan Peso	5.00%	31/12/2019	2,944	2,944
Prosegur Seguridad Privada Logistica Y Gestion de Efectivo UO	Mexican Peso	7.25%	31/12/2019	48	48
Prosegur Australia Investments	Australian Dollar	3.50%	31/12/2019	17,115	17,115
Prosegur Cash Services Germany GMBH	EUR	0.75%	31/12/2019	11,146	11,146
Prosegur Colombia 1 SLU	EUR	0.75%	31/12/2019	4,865	4,865
Total				**267,700**	**267,700**

(*) These balances are a consequence of the daily sweeping of cash-pooling accounts (Note 18)

Other financial assets

Under this heading are the balances for the current accounts held with the different Group companies that include the payments and collections of the amounts to be paid/charged for the different services received/provided or other operations performed.

11. Cash and cash equivalents

Details of cash and cash equivalents at 31 December 2019 and 2018, are as follows:

	Thousands of euros	
	2019	**2018**
Cash and other cash equivalents	40,982	2,286
Total	**40,982**	**2,286**

Cash in hand and at banks essentially reflects cash at banks at each year end.

12. Net equity

a) Share capital

The Company was constituted by Prosegur Compañía de Seguridad, S.A. on 22 February 2016. The share capital of the Company was EUR three thousand, represented by 3,000 shares of EUR one par value each. The shareholdings were fully paid by Prosegur Compañía de Seguridad, S.A. through a monetary contribution.

The Company, by virtue of the agreement reached by the Sole Shareholder on 6 May 2016, increased its share capital by EUR one by issuing 1 new share of EUR one par value through a non-monetary contribution of 100% of the shares of the Spanish Prosegur Global CIT ROW, S.L.U.. This capital increase was created with a total share premium of EUR 176,641 thousand.

Also, by virtue of what was agreed upon by the Sole Shareholder on 26 July 2016, the Company increased its share capital by EUR 29,996,999 through the issuance of 29,996,999 new shares with a par value of EUR one, via a non-monetary contribution of 100% of the shares of the Spanish Prosegur Global CIT, S.L.U. This capital increase was made with a total share premium of EUR 733,907 thousand.

On 21 September 2016, the Sole Shareholder agreed to turn the Company into a public limited company and replace the 30,000,000 participations with a par value of EUR one each for 300,000,000 new nominative shares with a par value of EUR 0.10 each, all of the new shares being attributed to Prosegur Compañía de Seguridad, S.A.

On 30 November 2016 Prosegur Compañía de Seguridad, S.A. underwent a capital increase of the Spanish company Prosegur Assets Management, S.L.U. through the contribution of 49% of the shares of Prosegur Cash, S.A.

On 19 December 2016, the Shareholders' Meeting of the Company agreed to split each share of EUR 0.10 of par value into 5 shares of EUR 0.02 of par value, in such a way that the share capital became divided into 1,500,000,000 shares of EUR 0.02 of par value each. Likewise, it was agreed to transform the representation system of the Company shares from registered securities into book entries.

At 31 December 2019 and 2018,, the share capital of Prosegur Compañía de Seguridad, S.A. totals EUR 30,000 thousand and is represented by 1,500,000,000 shares with a par value of EUR 0.02 each, fully subscribed and paid. These shares are listed on the Madrid, Barcelona, Valencia and Bilbao Stock Markets and are traded via the Spanish Stock Market Interconnection System (electronic trading system) (SIBE).

These shares are freely transferable.

Details of the Company's shareholders are as follows:

Shareholders	Number of shares 31/12/2019	2019
Ms Helena Revoredo Delvecchio [1]	1,087,500,000	72.50%
Invesco [2]	56,805,000	3.79%
Others	355,695,000	23.71%
Total	**1,500,000,000**	**100.00%**

[1] *Investment through Prosegur Compañía de Seguridad, S.A.*
[2] *Investment through various managed funds.*

b) Own shares and equity holdings

On 7 July 2017, coming into force on 11 July of the same year, the Company entered into a liquidity contract to favour share liquidity. Said agreement is in force as of 31 December 2019, the date on which Prosegur Cash, S.A.'s treasury stock amounted to 1,119,862 shares (1,057,307 shares in 2018), of which 696,866 (602,496 in 2018) are linked to the liquidity contract.

Details of changes in own shares during the year are as follows:

	Number of shares	Thousands of euros
Balance at 31 December 2018	**1,057,307**	**1,943**
Purchase of own shares	10,593,125	17,656
Sale of own shares	(10,498,755)	(17,988)
Other awards	(31,815)	(64)
Balance at 31 December 2019	**1,119,862**	**1,546**

Prosegur Cash holds 0.07% (0.07% in 2018) of treasury stock deemed strategic to satisfy possible future corporate transactions.

13. Financial liabilities by category

a) Classification of financial liabilities by category

The classification of financial liabilities by categories and classes, as well as the comparison of fair value and carrying amount is as follows:

Thousands of euros

	2019					
	At amortised cost or cost					
	Debentures and other negotiable securities	Debts with credit institutions	Payables to Group companies	Trade and other payables	Other financial liabilities	Total
Non-currents						
Debts and payables (Note 14)	593,306	-	-	-	-	593,306
	593,306	**-**	**-**	**-**	**-**	**593,306**
Current						
Debts and payables (Note 14)	8,872	75,635	552,356	45,248	17,975	700,086
Total	**602,179**	**75,635**	**552,356**	**45,248**	**17,975**	**1,293,392**

Thousands of euros

	2018					
	At amortised cost or cost					
	Debentures and other negotiable	Debts with credit institutions	Payables to Group companies	Trade and other payables	Other financial liabilities	Total
Non-currents						
Debts and payables (Note 14)	592,438	16,803	-	-	-	609,241
	592,438	**16,803**	**-**	**-**	**-**	**609,241**
Current						
Debts and payables (Note 14)	8,872	61,830	474,998	12,004	24,348	582,052
	8,872	**61,830**	**474,998**	**12,004**	**24,348**	**582,052**
Total	**601,310**	**78,633**	**474,998**	**12,004**	**24,348**	**1,191,293**

Debentures and other negotiable securities

On 4 December 2017, Prosegur Cash, S.A. launched a EUR 600,000 thousand bond issue maturing on 4 February 2026. The bond was issued in the Euromarket as part of the Euro Medium Term Note Programme. This issue will enable the deferment of maturities of part of the debt of Prosegur Cash and the diversification of funding sources. The bonds are traded on the secondary market, on the Irish Stock Exchange. They accrue an annual coupon of 1.38% payable at the end of each year.

The carrying amount of the financial liabilities valued at cost or at amortised cost is close to their fair value, given the non-significant effect of the discount.

14. Financial debts and commercial creditors

a) Debts with credit institutions

The current and non-current debts with credit institutions at 31 December 2019 are the following:

Thousands of euros				
2019				
Type	**Interest rate**	**Maturity**	**Par value**	**Outstanding debt at 31/12/2019**
Bank borrowings	Eur+margin	14/02/2020	40,000	40,006
Bank borrowings	Eur+margin	27/02/2020	20,000	20,000
Bank borrowings	Eur+margin	12/03/2020	15,000	15,015
Loan agreement	Eur+margin	10/05/2020	10,000	8
Loan agreement	Eur+margin	04/11/2020	15,000	23
Loan agreement	Eur+margin	28/06/2020	5,000	6
Loan agreement	Eur+margin	31/07/2020	3,000	3
Loan agreement	Eur+margin	25/05/2020	5,000	567
Loan agreement	Eur+margin	12/10/2020	15,000	-
Loan agreement	Eur+margin	10/12/2020	5,000	7
Loan agreement	Eur+margin	04/11/2020	15,000	-
Total				**75,635**

The current and non-current debts with credit institutions at 31 December 2018 are the following:

Thousands of euros				
2018				
Type	**Interest rate**	**Maturity**	**Par value**	**Outstanding debt at 31/12/2018**
Bank borrowings	Jibar+margin	29/01/2020	18,296	16,969
Bank borrowings	Eur+margin	27/02/2019	15,000	15,000
Bank borrowings	Eur+margin	22/03/2019	15,000	15,000
Bank borrowings	Eur+margin	14/09/2019	15,000	15,000
Bank borrowings	Eur+margin	27/03/2019	15,000	15,000
Loan agreement	Eur+margin	28/04/2019	10,000	1,615
Loan agreement	Eur+margin	15/10/2019	15,000	10
Loan agreement	Eur+margin	31/07/2019	3,000	3
Loan agreement	Eur+margin	29/06/2019	5,000	5
Loan agreement	Eur+margin	10/05/2019	10,000	23
Loan agreement	Eur+margin	10/12/2019	5,000	8
Loan agreement	Eur+margin	25/05/2019	5,000	-
Loan agreement	Eur+margin	30/12/2019	5,000	-
Total				**78,633**

Syndicated credit facility

On 10 February 2017, Prosegur Cash, S.A. arranged a new five-year syndicated credit facility of EUR 300,000 thousand to afford the Company long-term liquidity. As of 31 December 2019, there are EUR 20,000 thousand of available balance of this credit (as of 31 December 2018 there was no available balance associated with this credit).

The interest rate of the drawdowns under the syndicated credit facility is equal to Euribor plus an adjustable spread based on the Company's rating.

Additionally, this financing has the guarantees granted by the following subsidiaries of Prosegur Cash, S.A.: Prosegur Brasil, S.A. Transportadora de Valores e Segurança (Brazil), Transportadora de Caudales Juncadella, S.A. (Argentina) and Compañía de Seguridad Prosegur, S.A. (Peru). This contract has the following obligatory covenant ratios:

- The net financial debt/EBITDA ratio should be less than 3.5.
- The EBITDA/finance costs ratio should be higher than 5.

b) Payables to Group companies

The breakdown of the main characteristics of the debts as of 31 December 2019 is as follows (Note 18):

Thousands of euros

Type	Currency	Interest rate	Maturity	Par value	Current
Loans with group companies					
Transportadora de Caudales Juncadella S.A.	EUR	0.75%	31/12/2020	30,554	30,554
Prosegur Brasil S/A Transportadora de Valores e Segurança	EUR	0.75%	31/12/2020	64,850	64,850
Compañia de Seguridad Prosegur SA	EUR	4.00%	31/12/2020	53	53
MIV Gestión SA	EUR	0.75%	31/12/2020	202	202
Prosegur Servicios de Efectivo España SLU	EUR	0.75%	31/12/2020	31,258	31,258
Prosegur Global CIT SLU	EUR	0.75%	31/12/2020	39,751	39,751
Armor Acquisition, S.A.	EUR	0.75%	31/12/2020	65,362	65,362
Juncadella Prosegur Internacional SA	EUR	0.75%	31/12/2020	217,464	217,464
Contesta Teleservicios SA	EUR	0.75%	31/12/2020	1,668	1,668
Integrum 2008 SLU	EUR	0.75%	31/12/2020	666	666
Bloggers Broker SL	EUR	0.75%	31/12/2020	1,402	1,402
Contesta Servicios Auxiliares SL	EUR	0.75%	31/12/2020	1,592	1,592
Prosegur Alpha3 Cashlabs SL	EUR	0.75%	31/12/2020	350	350
Prosegur Internationale Handels GmbH	EUR	0.75%	31/12/2020	3,011	3,011
Empresa de Transportes Cia de Seguridad Chile Ltda	EUR	0.75%	31/12/2020	2,863	2,863
Malcoff Holdings BV	EUR	0.75%	31/12/2020	100	100
Pitco Reinsurance SA	EUR	0.75%	31/12/2020	13,076	13,076
					474,222
Other financial liabilities					
MIV Gestión SA (**)	EUR		31/12/2020	3	3
Prosegur AVOS España SL (**)	EUR		31/12/2020	6	6
Armor Acquisition SA (**)	EUR		31/12/2020	535	535
Prosegur Global CIT ROW SLU (**)	EUR		31/12/2020	30,200	30,200
Singpai Alarms Private Ltd (**)	EUR		31/12/2020	2	2
					30,746
Short-term payables to Group companies and associates					
Prosegur Compañía de Seguridad S.A.	EUR			33,335	33,335
Prosegur Asset Management S.A.	EUR			14,053	14,053
					47,388
Total					**552,356**

(*) These balances are a consequence of the daily sweeping of cash-pooling accounts (Note 23)
(**) Balance corresponding to the current account held with the Company

The breakdown of the main characteristics of the debts as of 31 December 2018 is as follows (Note 18):

Thousands of euros

Type	Currency	Interest rate	Maturity	Par value	Current
Loans with group companies					
Transportadora de Caudales Juncadella S.A.	EUR	0.75%	31/12/2019	1,500	1,500
BIP Serviços de Vigilancia Patrimonial Ltda	EUR	0.75%	31/12/2019	11,956	11,956
Compañia de Seguridad Prosegur S.A.	EUR	2.50%	31/12/2019	1,480	1,480
Prosegur Servicios de Efectivo España S.L.U.	EUR	0.75%	31/12/2019	8,119	8,119
Armor Acquisition S.A.	EUR	0.75%	31/12/2019	70,050	70,050
Juncadella Prosegur Internacional, S.A.	EUR	0.75%	31/12/2019	301,144	301,144
Contesta Teleservicios S.A.	EUR	0.75%	31/12/2019	1,189	1,189
Integrum 2008 S.L.U.	EUR	0.75%	31/12/2019	553	553
Bloggers Broker S.L.	EUR	0.75%	31/12/2019	300	300
Contesta Servicios Auxiliares S.L.	EUR	0.75%	31/12/2019	715	715
Prosegur Servicios de Pago EP SLU	EUR	0.75%	31/12/2019	2	2
Prosegur Internationale Handels GmbH	EUR	0.75%	31/12/2019	2,526	2,526
Empresa de Transportes Cia de Seguridad Chile Ltda	EUR	3.75%	31/12/2019	8,594	8,594
Pitco Reinsurance SA	EUR	0.75%	31/12/2019	2,341	2,341
					410,469
Other financial liabilities					
Prosegur Servicios de Efectivo España, S.L.U. (**)	EUR		31/12/2019	28	28
Armor Acquisition, S.A. (**)	EUR		31/12/2019	47	47
Juncadella Prosegur Internacional, S.A. (**)	EUR		31/12/2019	237	237
Contesta teleservicios SAU (**)	EUR		31/12/2019	11	11
Prosegur Compañía de Seguridad S.A. (**)	EUR		31/12/2019	16	17
					340
Short-term payables to Group companies and associates					
Prosegur Compañía de Seguridad S.A.	EUR			45,154	45,154
Prosegur Asset Management S.A.	EUR			19,035	19,035
					64,189
Total					**474,998**

(*) These balances are a consequence of the daily sweeping of cash-pooling accounts (Note 23)
(**) Balance corresponding to the current account held with the Company

Likewise, the heading “short-term payables to Group companies and associates” recognises the amounts due for dividends with the companies Prosegur Compañía de Seguridad, S.A. and Prosegur Asset Management, S.A.

c) Trade payables

The breakdown of balances with commercial creditors is as follows:

	Thousands of euros	
	2019	**2018**
Current		
Suppliers, Group companies and associates (Note 18)	40,232	4,578
Sundry accounts payable	3,892	4,736
Personnel (salaries payable)	1,124	2,690
Total	**45,248**	**12,004**

The suppliers section contains the outstanding trademark billing. The Personnel section (salaries payable) includes the accrued incentive, payable in cash, corresponding to the 2017 and the 2020 Plans, for EUR 840 thousand (EUR 1,392 thousand in 2018) (Note 25.9).

The fair value of the incentives referred to the share quotation price was estimated on the basis of Prosegur Cash's share quotation price at the close of the period or at the payment time.

d) Classification by maturities

The classification of financial liabilities by maturities at 31 December 2019 is as follows:

	Thousands of euros					
	2019					
	Financial liabilities					
	2020	**2021**	**2022**	**2023**	**Subsequent years**	**Total**
Debts with credit institutions	75,635	-	-	-	-	**75,635**
Debentures and other negotiable securities	8,872	-	-	-	593,306	**602,178**
Other financial liabilities (Note 5)	17,975	-	-	-	-	**17,975**
Payables to Group companies (Note 18)	552,356	-	-	-	-	**552,356**
Trade and other payables	-	-	-	-	-	**-**
Suppliers, Group companies and associates (Note 18)	40,232	-	-	-	-	**40,232**
Sundry accounts payable	3,892	-	-	-	-	**3,892**
Personnel (salaries payable)	1,124	-	-	-	-	**1,124**
Total	**700,086**	**-**	**-**	**-**	**593,306**	**1,293,392**

The classification of financial liabilities by maturities at 31 December 2018 is as follows:

	Thousands of euros					
	2018					
	Financial liabilities					
	2019	**2020**	**2021**	**2022**	**Subsequent years**	**Total**
Debts with credit institutions	61,830	16,803	-	-	-	**78,633**
Debentures and other negotiable securities	8,872	-	-	-	592,438	**601,310**
Other financial liabilities	24,348	-	-	-	-	**24,348**
Loans to Group companies and associates	474,998	-	-	-	-	**474,998**
Trade and other payables	-	-	-	-	-	
Suppliers, Group companies and associates	4,578	-	-	-	-	**4,578**
Sundry accounts payable	4,736	-	-	-	-	**4,736**
Personnel (salaries payable)	2,690	-	-	-	-	**2,690**
Total	**582,052**	**16,803**	**-**	**-**	**592,438**	**1,191,293**

e) Deferred payments to suppliers. Third additional provision. "Reporting Requirement", of Act 15/2010 of 5 July 2010

The information required by the "Reporting Requirement", third additional provision of Act 15/2010 of 5 July 2010 (modified through the Final Provision Two of Act 31/2014, of 3 December) prepared in accordance with the ICAC Resolution of 29 January 2016, on the information to be included in the annual accounts report in relation to the average period of payment to suppliers in commercial operations is detailed below.

	2019	2018
	Days	
Average payment period to suppliers	59	52
Ratio of transactions paid	57	53
Ratio of transactions pending payment	76	46
	Amount	
	Thousands of euros	
Total payments made	23,530	11,462
Total payments pending	2,203	1,962

For the exclusive purposes of providing the disclosures envisaged in this Resolution, suppliers are deemed as commercial creditors holding debts for the supply of goods or services, included under "Suppliers and other payables" of current liabilities of the balance sheet.

"Average payment period to suppliers" is understood as the period between the delivery of the goods or the rendering of the services by the supplier and the material payment of the transaction.

The maximum legal term of payment applicable to the companies in 2019 and 2018, according to Act 11/2013, of 26 July, is of 30 days (unless the conditions set forth in the Act allowing the maximum payment period to be raised to 60 days are fulfilled).

15. Taxation

Details of balances with public entities are as follows:

	Thousands of euros			
	2019		**2018**	
	No Current	**Current**	**No Current**	**Current**
Assets				
Deferred tax assets	535	-	925	-
Value added tax and similar liabilities	-	3,971	-	4,742
	535	**3,971**	**925**	**4,742**
Liabilities				
Social Security	-	84	-	69
Withholdings	-	1,369	-	1,718
	-	**1,453**	**-**	**1,787**

Prosegur Compañía de Seguridad, S.A.,the majority shareholder of the Company is the parent company of a group that is taxed Corporate Income Tax under the fiscal consolidation regime in Spain. As well as Prosegur Compañía de Seguridad, S.A. as the parent, this consolidated tax group comprises the Spanish subsidiaries that meet the requirements set out in regulations governing consolidated taxation.

Pursuant to tax legislation in force for 2016 and following years, the Company's tax loss carryforwards may only be offset up to a maximum of 25% of taxable income prior to offset.
On 27 November 2013, the Official State Gazette (BOE) published the modifications to the Corporate Income Tax Act, which establishes, among other aspects, the reduction over two years of the general Corporate Income Tax rate, which, as of 1 January 2016 was at 25%.

Due to the different interpretations that could be made of the fiscal legislation in force, additional tax liabilities could arise in the event of inspection. In any event, the Directors of the Company do not consider that any such liabilities that could arise would have a significant effect on the consolidated annual accounts.

Income tax

The reconciliation of the accounting result and the corporate income tax carry forward is as follows:

	Thousands of euros	
	2019	**2018**
Account finance income before tax	**85,294**	**132,335**
Permanent differences	(98,952)	(148,359)
Temporary differences:	(1,387)	(1,530)
- Originating in the current period	1,733	1,917
- Arising in previous years	(3,120)	(3,447)
Taxable base for tax consolidation	**(15,045)**	**(17,553)**
Tax rate	25%	25%
Resulting tax payable	**(3,761)**	**(4,389)**
Deductions:	(5,044)	(3,655)
- Double taxation	(4,235)	(3,588)
- Other deductions	(809)	(67)
Tax payable	**(8,805)**	**(8,043)**

The permanent differences to the accounting result for 2019 correspond to items that are not tax deductible expenses or taxable income, and mainly due to: the exemption of dividends received from its subsidiary Prosegur Global CIT ROW, S.L. for EUR 100,000 thousand, (2018: EUR 130,000 thousand for Prosegur Global CIT, S.L. and EUR 17,500 thousand for Prosegur Global CIT ROW, S.L.), EUR 58 thousand correspond to taxes paid abroad and which are not liable to deduction for international double taxation and contributions to foundations for a positive amount of EUR 1,106 thousand.

The main temporary difference adjustments to accounting profit originating in the year that are deductible in subsequent years are as follows:

1. Positive:
    - Provision for personnel expenses, amounting to EUR 1,668 thousand (EUR 1,852 thousand in 2018).
    - Other adjustments for EUR 65 thousand (EUR 65 thousand in 2018).

The main temporary difference adjustments to accounting profit originating in previous years are as follows:

1. Positive:
    - Application for an amount of EUR one thousand (EUR one thousand in 2018), corresponding to the reversal of the negative adjustment of items of fixed assets subject to the freedom to amortise for 2009, 2010 and 2011.

2. Negative:
- Reversal of provisions from previous years amounting to EUR 3,119 thousand (EUR 3,448 thousand in 2018).

In 2019, the deductions correspond to the deduction for international double taxation in respect of taxes paid abroad for various services amounting to EUR 4,235 thousand (EUR 3,558 thousand in 2018), and deduction in technological innovation of EUR 422 thousand (EUR 67 thousand in 2018) and the deduction due to donations to non-profit companies for EUR 387 thousand.

The breakdown of the income tax expense of the income statement is as follows:

	Thousands of euros	
	2019	**2018**
Account finance income before tax	**85,294**	**132,335**
Permanent differences	(98,952)	(148,359)
Elimination of own shares transactions	1	(11)
Taxable base	**(13,657)**	**(16,034)**
Tax rate	25%	25%
Resulting tax payable	**(3,414)**	**(4,009)**
Deductions:	(5,044)	(3,655)
- Double taxation	(4,235)	(3,588)
- Other deductions	(809)	(67)
Expense (income) from tax on profit	**(8,458)**	**(7,664)**
Withholdings at source and other	4,267	4,381
Final expense (income) from tax on profit	**(4,191)**	**(3,283)**

The corporate income tax expense is as follows:

	Thousands of euros	
	2019	**2018**
Current tax	(8,805)	(8,043)
Elimination of own shares transactions	-	(4)
Deferred tax	347	383
Adjustments from previous years	4,267	4,381
	(4,191)	**(3,283)**

On 28 November 2016, by agreement of the then sole shareholder of the company Prosegur Cash, S.A., the company's admission was approved to the special regime of the Entities for the Holding of Foreign Securities provided for in Act 27/2014, of 27 November, on Corporate Income Tax. This was duly communicated to the Administration in a timely manner.

There were no restructuring operations during the 2018 and 2019 financial years.

The difference in value in both cases derives from the accounting entries at consolidated value of the acquired assets.

List of tax benefits of the transferring entity, with respect to which the entity must assume compliance with certain requirements in accordance with art. 84 LIS: not benefited.

Deferred taxes

Tax assets and tax liabilities are offset when the Company currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Movement in deferred tax is as follows:

	Thousands of euros				
Deferred tax assets	**Opening balance**	**Other adjustments**	**Disposals**	**Additions**	**Closing balance**
Intangible asset amortisation	64	16	-	16	96
Other provisions	861	(59)	(363)	-	439
	925	**(43)**	**(363)**	**16**	**535**

	Thousands of euros				
Deferred tax liabilities	**Opening balance**	**Other adjustments**	**Disposals**	**Additions**	**Closing balance**
Freedom to amortise	1,102	206	-	(383)	925
	1,102	**206**	**-**	**(383)**	**925**

16. Contingencies

a) Contingent liabilities

The Company has contingent liabilities from litigation arising in the ordinary course of business which are not expected to give rise to significant liabilities.

The Company has contingent liabilities for bank and other guarantees related with its normal business operations that are not expected to give rise to any significant liabilities.

Guarantees provided by the Company to third parties at year end are as follows:

	Thousands of euros	
	2019	**2018**
Financial guarantees	37	37
	37	**37**

Financial guarantees essentially include those relating to litigations in process.

b) Contingent assets

At 31 December 2019 and 2018 the Company has no contingent assets.

c) National Commission on Markets and Competition

On 22 April 2015, Spain’s National Commission on Markets and Competition (hereinafter, the CNMC) commenced disciplinary proceedings against Prosegur, Prosegur Servicios de Efectivo España, S.L.U (currently a subsidiary of Prosegur Cash) and Loomis España, S.A. for alleged anticompetitive practices in accordance with European Union legislation. On 10 November 2016, the CNMC’s Competition Chamber ruled to fine Prosegur and its subsidiary EUR 39,420 thousand.

On 13 January 2017, Prosegur announced it planned to file, in the National Court (Audiencia

Nacional), a contentious-administrative appeal against said ruling and requested the adoption of an interim measure consisting of suspending payment of the fine imposed.

On 13 February 2017, the National Court accepted the appeal proposed by Prosegur for processing, commencing the relevant proceedings, prior to formal filing of the appeal. On 6 September 2018, Prosegur filed the relevant appeal which at present remains pending resolution by the National Court in respect of the underlying matter.

With regard to the request for the interim measure, on 31 March 2017, the National Court agreed to it and suspended execution of the CNMC resolution in particular concerning payment of the fine by Prosegur, on the condition that, within a maximum of two months, Prosegur should provide surety or any other guarantee in the amount of the fine. On 9 June 2017, Prosegur presented the National Court with a bank guarantee amounting to EUR 39,420 thousand.

Prosegur will undertake solely and at its own expense the defence of Prosegur and Prosegur Servicios de Efectivo España, S.L. with regard to the disciplinary proceedings and the resolution by the Competition Chamber of the CNMC on 10 November 2016, with exclusive powers in respect of the supervision and control of said defence and of the contentious-administrative proceedings. Prosegur will hold Prosegur Cash and its subsidiary harmless from the potential negative economic effects of said proceedings.

17. Commitments

a) Purchase commitments for fixed assets

At 31 December 2019, the commitments correspond mainly to the purchase of hardware and software development amounting to EUR 114 thousand (EUR 622 thousand at 31 December 2018).

b) Operating lease commitments

At 31 December 2019, the commitments correspond mainly to the rental of vehicles under non-cancellable operating leases amounting to EUR 26 thousand (EUR 102 thousand at 31 December 2018).

18. Balances and transactions with related parties

a) Related Party Balances

The breakdown of the balances by categories is the following:

	Thousands of euros				
	2019				
	Revenue from dividends (Note 3)	Financial income (Note 3)	Provision of services (Note 3)	Expenses from interest (Note 4)	Services rendered
Prosegur Soluciones Integrales de Seguridad España SLU	-	-	-	-	(113)
Prosegur Compañia de Seguridad, S.A.	-	-	-	-	(23,391)
Prosegur Gestion de Activos, S.L.U.	-	-	-	-	(30,980)
MIV Gestión, S.A.	-	11	83	-	-
Prosegur Ciberseguridad SL	-	-	-	-	-
Prosegur Global SIS SLU	-	-	-	-	-
Prosegur Servicios de Efectivo España SLU	-	-	4,928	(176)	-
Prosegur Global CIT, S.L.U.	-	38	31,515	-	-
Prosegur Colombia 3, S.L.	-	8	-	-	-
Prosegur Avos España, S.L.U.	-	233	209	-	(12)
Armor Acquisition, S.A.	-	-	-	(531)	-
Juncadella Prosegur Internacional SA	-	-	-	(2,342)	-
Prosegur International CIT 1, S.L.	-	15	-	-	-
Prosegur Global CIT ROW, S.L.U.	100,000	-	14,118	(20)	-
ESC Servicios Generales SLU	-	-	-	-	(4)
Contesta Teleservicios SA	-	-	-	(16)	-
Integrum 2008 SLU	-	-	-	(5)	-
Bloggers Broker SL	-	-	-	(3)	-
Contesta Servicios Auxiliares SL	-	-	218	(9)	-
Prosegur Colombia 1 SLU	-	36	-	-	-
Prosegur Colombia 2 SLU	-	36	-	-	-
Risk Management Solutions SLU	-	4	173	-	-
Complioficer SLU	-	1	-	-	-
Work 4 Data Lab SL	-	3	-	-	-
Enclama SL	-	2	-	-	-
Prosegur Alpha3 Cashlabs SL	-	6	-	-	-
Transportadora de Caudales Juncadella SA	-	-	11,897	(157)	(850)
Prosegur Serviços e Participaçoes Societarias SA	-	-	53	-	-
Prosegur Brasil S/A Transportadora de Valores e Segurança	-	-	1,459	(103)	(3,106)
Compañia Transportadora de Valores Prosegur de Colombia S	-	-	48	-	-
Consultoría de Negocios CCR Consulting Costa Rica SA	-	-	273	-	-
Compañía de Seguridad Prosegur, S.A.	-	-	2,931	(52)	-
Prosegur Cajeros, S.A.	-	-	114	-	-
Prosegur Gestion de Activos SA	-	-	-	-	(14)
Prosegur Cash Holding France SAS	-	182	-	-	-
Prosegur Internationale Handels GmbH	-	-	-	(4)	-
Prosegur Cash Services Germany GmbH	-	101	-	-	-
SIS Cash Services Private Ltd	-	-	-	-	-
Servicios Prosegur Ltda	-	-	1,180	-	-
Empresa de Transportes Cia de Seguridad Chile Ltda	-	-	-	(60)	-
Prosegur Seguridad Privada Logistica y Gestion de Efectivo SA de CV	-	16	-	-	-
Grupo Mercurio de Transportes SA de CV	-	-	80	-	-
Pitco Reinsurance, S.A.	-	-	-	(119)	-
Luxpai CIT SARL	-	2	-	-	-
Prosegur Logistica e Tratamento de Valores Portugal SA	-	-	(7)	-	-
Armored Transport Plus Incorporated	-	14	-	-	-
Singpai Pte Ltd	-	-	-	-	(626)
Singpai Alarms Private Ltd	-	-	-	-	(71)
Prosegur Transportadora de Caudales SA	-	112	-	-	-
Prosegur Paraguay, S.A.	-	-	1,192	-	-
Prosegur Australia Holdings PTY Limited	-	-	-	-	(24)
Prosegur Australia Investments PTY Limited	-	670	-	-	-
Prosegur Australia Pty Limited	-	-	-	-	(20)
Total	**100,000**	**1,490**	**70,464**	**(3,597)**	**(59,211)**

	Thousands of euros					
	2018					
	Financial assets			Financial liabilities		
	Current			Current		
	Credits (Note 9)	Debtors (Note 9)	Other financial assets (Note 13)	Debts (Note 13)	Suppliers (Note 13)	Other financial liabilities (Note 13)
Group Companies						
Prosegur SIS España, S.L.	-	-	-	-	(2)	-
Prosegur Compañia de Seguridad, S.A.	-	13	9,864	(45,154)	(3,008)	(17)
Prosegur Gestion de Activos, S.L.U.	-	2	-	-	(11)	-
Prosegur Global Alarmas, S.L.U.	830	-	-	-	-	-
MIV Gestión, S.A.	-	-	1	-	-	-
Prosegur Assets Management, S.L.U.	-	-	-	(19,035)	-	-
Prosegur Servicios de Efectivo España, S.L.U.	-	1	-	(8,119)	(6)	(28)
Prosegur Global CIT, S.L.U.	126,860	505	93	-	-	-
Prosegur Berlin SLU	93	-	-	-	-	-
Prosegur Avos España, S.L.U.	31,071	-	20	-	(14)	-
Armor Acquisition, S.A.	-	-	-	(70,050)	-	(47)
Juncadella Prosegur Internacional, S.A.	-	-	-	(301,144)	-	(237)
Prosegur International CIT 1, S.L.	873	-	-	-	-	-
Prosegur International CIT 2 SLU	5,091	-	3	-	-	-
Prosegur Global CIT ROW, S.L.U.	47,105	255	43	-	-	-
Contesta Teleservicios	-	-	-	(1,189)	-	(11)
Integrum 2008	-	-	-	(553)	-	-
Bloggers Brokers	-	-	-	(300)	-	-
Contesta Servicios Auxiliares	-	-	-	(715)	-	-
Prosegur Colombia 1 SLU	4,865	-	-	-	-	-
Prosegur Colombia 2 SLU	4,866	-	3	-	-	-
Prosegur Servicios de Pago EP SLU	-	-	-	(2)	-	-
Transportadora de Caudales Juncadella SA	-	10,635	-	(1,500)	(74)	-
Prosegur Argentina PGA	-	-	-	-	(91)	-
Prosegur Brasil S/A Transportadora de Valores e Seguranç	-	4,260	-	(11,956)	(506)	-
Prosegur Procesos SAS	-	4	-	-	-	-
Compañía de Seguridad Prosegur, S.A.	-	38	-	(1,480)	-	-
Prosegur Gestion de Activos SA	-	-	-	-	(1)	-
Prosegur Cash Holding France SAS	14,344	-	379	-	-	-
Prosegur Traitment de Valeurs Azur SA	-	199	-	-	-	-
Prosegur Traitement de Valeurs Provence, SAS	-	-	-	-	(8)	-
Prosegur Internationale Handels GmbH	-	-	-	(2,526)	-	-
Prosegur Cash Services Germany GmbH	11,145	2,096	-	-	-	-
SIS Cash Services Private Ltd	-	22	-	-	-	-
Servicios Prosegur Ltda	-	-	-	-	(4)	-
Empresa de Transportes Cia de Seguridad Chile Ltda	-	-	-	(8,594)	-	-
Prosegur Seguridad Privada Logistica y Gestion de Efectivo SA de CV	48	-	-	-	-	-
Grupo Mercurio de Transportes SA de CV	-	71	-	-	-	-
Pitco Reinsurance SA	-	-	-	(2,341)	-	-
Luxpai CIT SARL	450	-	-	-	(426)	-
Prosegur Logistica e Tratamento de Valores Portugal SA	-	1	-	-	-	-
Prosegur Global Resources Holding Philipines Incorporatec	-	-	10,477	-	-	-
Singpai Pte Ltd	-	-	-	-	(427)	-
Prosegur Transportadora de Caudales SA	2,944	-	-	-	-	-
Prosegur Paraguay, S.A.	-	23	-	-	-	-
Prosegur Australia Investments PTY Limited	17,115	-	-	-	-	-
Total	**267,700**	**18,125**	**20,883**	**(474,658)**	**(4,578)**	**(340)**

Receivables and suppliers mostly reflect the outstanding balances relating to invoices for centralised services issued to and received from, respectively, the various Group companies.

Financial assets - the loans correspond, on the one hand, to short-term loans delivered to Group companies within the framework of the centralised treasury management. These are denominated in EUR, accruing annual interest of 0.75% in Spain (0.75% in 2018), of 2.25 % in France (3.25% in 2018), 1% in Germany (1% in 2018) and 1% in Luxembourg (0.75% in 2018). We also found short-term loans granted to subsidiaries in Australia in AUD and in Uruguay in EUR, accruing annual interest 3.75 % in Australia (3.50% in 2018) and 4.00 % in Uruguay (5.00% in 2018). Interest accrued amounted to EUR 1,490 thousand in 2019 (EUR 2,886 thousand in 2018).

Financial liabilities - the debts correspond, on the one hand, to short-term loans received from Group companies within the framework of the centralised treasury management. They are denominated mainly in EUR, accruing annual interest of 0.5% in Germany (0.75% in 2018). On the other hand, we find short-term loans denominated in EUR granted by subsidiaries in Luxembourg accruing an interest rate of 0.75% to the Company; Argentina of 0.75%, Brazil of 0.75%, Peru of 4%, and Chile of 0.75% (2018: 1% in Luxembourg, 1% in Argentina, 0.75% in Brazil, 2.50% in Peru, and 0.75% in Chile). Interest accrued amounted to EUR 3,597 thousand in 2019 (EUR 4,520 thousand in 2018).

b) Related Party Transactions

The amounts of the Company's transactions with related parties are the following:

	Thousands of euros				
	2019				
	Revenue from dividends (Note 3)	Financial income (Note 3)	Provision of services (Note 3)	Expenses from interest (Note 4)	Services rendered
Prosegur Soluciones Integrales de Seguridad España SLU	-	-	-	-	(113)
Prosegur Compañia de Seguridad, S.A.	-	-	-	-	(24,076)
Prosegur Gestion de Activos, S.L.U.	-	-	-	-	(30,980)
MIV Gestión, S.A.	-	11	83	-	-
Prosegur Ciberseguridad SL	-	-	-	-	-
Prosegur Global SIS SLU	-	-	-	-	-
Prosegur Servicios de Efectivo España SLU	-	-	4,928	(176)	-
Prosegur Global CIT, S.L.U.	-	38	31,515	-	-
Prosegur Colombia 3, S.L.	-	8	-	-	-
Prosegur Avos España, S.L.U.	-	233	209	-	(12)
Armor Acquisition, S.A.	-	-	-	(531)	-
Juncadella Prosegur Internacional SA	-	-	-	(2,342)	-
Prosegur International CIT 1, S.L.	-	15	-	-	-
Prosegur Global CIT ROW, S.L.U.	100,000	-	14,118	(20)	-
ESC Servicios Generales SLU	-	-	-	-	(4)
Contesta Teleservicios SA	-	-	-	(16)	-
Integrum 2008 SLU	-	-	-	(5)	-
Bloggers Broker SL	-	-	-	(3)	-
Contesta Servicios Auxiliares SL	-	-	218	(9)	-
Prosegur Colombia 1 SLU	-	36	-	-	-
Prosegur Colombia 2 SLU	-	36	-	-	-
Risk Management Solutions SLU	-	4	173	-	-
Complíofficer SLU	-	1	-	-	-
Work 4 Data Lab SL	-	3	-	-	-
Enclama SL	-	2	-	-	-
Prosegur Alpha3 Cashlabs SL	-	6	-	-	-
Transportadora de Caudales Juncadella SA	-	-	11,897	(157)	(850)
Prosegur Serviços e Participaçoes Societarias SA	-	-	53	-	-
Prosegur Brasil S/A Transportadora de Valores e Segurança	-	-	1,459	(103)	(2,421)
Compañia Transportadora de Valores Prosegur de Colombia S	-	-	48	-	-
Consultoría de Negocios CCR Consulting Costa Rica SA	-	-	273	-	-
Compañía de Seguridad Prosegur, S.A.	-	-	2,931	(52)	-
Prosegur Cajeros, S.A.	-	-	114	-	-
Prosegur Gestion de Activos SA	-	-	-	-	(14)
Prosegur Cash Holding France SAS	-	182	-	-	-
Prosegur Internationale Handels GmbH	-	-	-	(4)	-
Prosegur Cash Services Germany GmbH	-	101	-	-	-
SIS Cash Services Private Ltd	-	-	-	-	-
Servicios Prosegur Ltda	-	-	1,180	-	-
Empresa de Transportes Cia de Seguridad Chile Ltda	-	-	-	(60)	-
Prosegur Seguridad Privada Logistica y Gestion de Efectivo SA de CV	-	16	-	-	-
Grupo Mercurio de Transportes SA de CV	-	-	80	-	-
Pitco Reinsurance, S.A.	-	-	-	(119)	-
Luxpai CIT SARL	-	2	-	-	-
Prosegur Logistica e Tratamento de Valores Portugal SA	-	-	(7)	-	-
Armored Transport Plus Incorporated	-	14	-	-	-
Singpai Pte Ltd	-	-	-	-	(626)
Singpai Alarms Private Ltd	-	-	-	-	(71)
Prosegur Transportadora de Caudales SA	-	112	-	-	-
Prosegur Paraguay, S.A.	-	-	1,192	-	-
Prosegur Australia Holdings PTY Limited	-	-	-	-	(24)
Prosegur Australia Investments PTY Limited	-	670	-	-	-
Prosegur Australia Pty Limited	-	-	-	-	(20)
Total	**100,000**	**1,490**	**70,464**	**(3,597)**	**(59,212)**

	Thousands of euros				
	2018				
	Revenue from dividends (Note 3)	Financial income (Note 3)	Provision of services (Note 3)	Expenses from interest	Services rendered
Prosegur Soluciones Integrales de Seguridad España SLU	-	-	-	-	(7)
Prosegur Compañia de Seguridad, S.A.	-	-	-	-	(28,697)
Prosegur Gestion de Activos, S.L.U.	-	-	-	-	(28,219)
MIV Gestión, S.A.	-	5	76	-	-
Prosegur Ciberseguridad SL	-	-	-	-	(20)
Prosegur Global SIS SLU	-	-	-	-	(3)
Prosegur Servicios de Efectivo España SLU	-	-	4,734	(471)	(37)
Prosegur Global CIT, S.L.U.	130,000	1,017	28,905	-	-
Prosegur BPO España, S.L.U.	-	99	451	-	(3)
Armor Acquisition, S.A.	-	-	-	(542)	-
Juncadella Prosegur Internacional SA	-	-	-	(2,679)	(1)
Prosegur Global CIT ROW, S.L.U.	17,500	570	13,237	-	(12)
Prosegur International CIT 1, S.L.	-	5	-	-	-
Inversiones CIT 2 SLU	-	15	-	-	-
Prosegur Global SIS ROW, S.L.U.	-	-	-	-	(1)
ESC Servicios Generales SLU	-	-	-	-	(2)
Contesta Teleservicios SA	-	-	-	(11)	-
Integrum 2008 SLU	-	-	-	(3)	-
Bloggers Broker SL	-	-	-	(1)	-
Contesta Servicios Auxiliares SL	-	-	-	(2)	-
Prosegur Colombia 2 SLU	-	2	-	-	-
Transportadora de Caudales Juncadella SA	-	-	10,613	(565)	(214)
Prosegur Argentina SA	-	-	-	-	(1,045)
Prosegur Brasil S/A Transportadora de Valores e Segurança	-	-	4,260	(1)	(875)
Segurpro Vigilancia Patrimonial SA	-	-	-	-	(2)
Prosegur Procesos SAS	-	-	4	-	-
Compañía de Seguridad Prosegur, S.A.	-	132	2,636	(2)	-
Prosegur Gestion de Activos SA	-	-	-	-	(3)
Prosegur Cash Holding France SAS	-	379	-	-	-
Prosegur Traitment de Valeurs Azur SA	-	-	199	-	-
Prosegur Traitement de Valeurs Provence, SAS	-	-	(8)	-	-
Prosegur Internationale Handels GmbH	-	-	-	(2)	-
Prosegur Cash Services Germany GmbH	-	119	2,096	-	(1)
SIS Cash Services Private Ltd	-	-	21	-	-
Servicios Prosegur Ltda	-	-	1,344	-	-
Empresa de Transportes Cia de Seguridad Chile Ltda	-	-	-	(94)	-
Prosegur Seguridad Privada Logistica y Gestion de Efectivo SA de CV	-	6	-	-	-
Grupo Mercurio de Transportes SA de CV	-	-	147	-	-
Luxpai Holdo SARL	-	-	-	-	(426)
Pitco Reinsurance, S.A.	-	-	-	(161)	-
Luxpai CIT SARL	-	123	-	-	-
Prosegur Logistica e Tratamento de Valores Portugal SA	-	-	182	15	-
Singpai Pte Ltd	-	-	-	-	(427)
Prosegur Transportadora de Caudales SA	-	140	-	-	-
Prosegur Paraguay, S.A.	-	-	1,428	-	-
Prosegur Australia Investments PTY Limited	-	275	-	-	-
Total	**147,500**	**2,887**	**70,325**	**(4,519)**	**(59,995)**

The most relevant transactions with related parties during the 2019 and 2018 are as follows:

- Billing related to centralised services, with the related companies Prosegur Global CIT, S.L.U. and Prosegur Global CIT ROW, S.L.U., by virtue of which a service provision of EUR 45,634 thousand is recorded in 2019 (EUR 42,142 thousand in 2018). Also recorded for centralised services are services received of EUR 34,910 thousand in 2019 (EUR 31,537 thousand in 2018).

- Billing for trademark assignment, with different related companies across the world, under which EUR 23,391 thousand are billed in 2019 (EUR 28,697 thousand in 2018). Likewise, billing received for trademark assignment of EUR 23,391 thousand in 2019 (EUR 28,697 thousand in 2018) was recorded.

Interest income and borrowing costs reflect the amounts accrued on the aforementioned current loans extended to and by Group companies (Note 14).

19. Remuneration of Directors and Senior Management Personnel

a) Remuneration of members of the board of directors

The Board of Directors is understood to be the management group of the Company and is made up of persons elected by the General Shareholders' Meeting to carry out the management, control, representation and management functions of the same.

The members of the Board of Directors have received the following remuneration from the Company:

	Thousands of euros	
	2019	**2018**
Fixed remuneration	1,270	1,044
Variable remuneration	572	413
Remuneration in kind	120	53
Insurance premium	136	3
Total	**2,098**	**1,513**

b) Remuneration of senior management personnel

Senior management personnel are Company employees who hold, *de facto* or *de jure*, senior management positions reporting directly to the Board of Directors, executive committees or managing directors on the Board, including those with power of attorney not limited to the Company’s statutory activity or specific areas or matters.

The members of Senior Management have received the following remunerations from the Company:

	Thousands of euros	
	2019	**2018**
Fixed remuneration	467	1,257
Variable remuneration	1,017	445
Remuneration in kind	11	117
Per diems	1	126
Total	**1,496**	**1,945**

These provisions include the accrued cash incentive corresponding to the 2017 and 2020 Plan.

During the year, provisions to profit/(loss) amounted to EUR 840 thousand (EUR 1,852 thousand in 2018).

The fair value of the incentives referred to the share quotation price was estimated on the basis of Prosegur's share quotation price at the close of the period or at the payment time.

There has been no accrued expense for Senior Management civil liability insurance in 2019 and 2018.

c) Information required by article 229 of the Spanish Companies Act

As required by articles 228, 229 and 230 of the Revised Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010 and amended by Act 31/2014 concerning improvements to corporate governance, the members of the Board of Directors and their related parties declare that they have not been involved in any direct or indirect conflicts of interest with the Company in 2019.

In 2019, Euroforum Escorial, S.A. (controlled by Gubel, S.L.) invoiced Prosegur Cash EUR 71 thousand for hotel services (EUR 5 thousand at 31 December 2018).
Prosegur is controlled by Gubel S.L., which was incorporated in Madrid, and holds 50.075% of the share capital of Prosegur, which consolidates Prosegur Cash in its consolidated financial statements.

Proactinmo, S.L. (controlled by Gubel S.L.) billed services for leasing a property on Calle San Máximo to Prosegur Cash for EUR 677 thousand (no billing was received for services from Proactinmo S.L. in 2018).

J&A Garrigues, S.L.P. billed occasional legal services to Prosegur Cash for EUR 135 thousand (no billing was received for services from J&A Garrigues S.L.P. in 2018).

Moreover, Mr Christian Gut Revoredo and Mr Antonio Rubio Merino respectively hold the posts of Executive Director of Prosegur and Executive President of Prosegur Cash and Chief Financial Officer of Prosegur and Proprietary Director (representing Prosegur) at Prosegur Cash. Ms Chantal Gut Revoredo is a Proprietary Director at Prosegur and Prosegur Cash. The Board of Directors considers that their respective posts at Prosegur in no way affect their independence when discharging their duties at Prosegur Cash.

20. Employee Information

The average headcount of the Company is as follows:

	2019	2018
Average headcount of the Company	41	42
Total	**41**	**42**

The distribution of the Company's personnel at the end of the year by gender and category is as follows:

	2019		2018	
	Women	Men	Women	Men
Analyst	1	8	-	7
Administrative Assistant	1	-	1	-
Director	-	4	-	4
General Director	-	-	-	1
Technical Director	-	1	-	1
Manager	-	1	-	1
Head of Second	-	1	-	1
Management Secretary	1	-	1	-
Level 1 Officer	-	2	-	1
Medium Qualified	1	1	1	13
High Qualified	8	13	8	-
Total	**12**	**31**	**11**	**29**

There are no employees in the Company with a disability rating of 33% or more.

The distribution by gender of the Board of Directors and Senior Management at the end of the year is as follows:

	2019		2018	
	Women	Men	Women	Men
Directors	3	6	3	6
Senior Management	2	9	2	9
Total	**5**	**15**	**5**	**15**

21. Audit Fees

KPMG, the auditors of the Annual Accounts of the Company, have invoiced the following fees and expenses for professional services:

	Thousands of euros	
	2019	2018
Audit services	202	207
Total	**202**	**207**

Audit services detailed in the above table include the total fees for services rendered in 2019 and 2018, irrespective of the date of invoice.

Additionally, other KPMG International affiliates have invoiced the Company the following fees for professional services during the year:

In the year 2019 and 2018, KPMG Auditors provided other services related to the audit for EUR 20 thousand (in 2019 and 2018).

22. Environmental information

At 31 December 2019 and 2018, the Company has no environment-related contingencies, legal claims or income and expenses relating to the environment.

23. Financial risk management

Financial risk factors

The Company's activities are exposed to various financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Company's risk management programme focuses on uncertainty in the financial markets and aims to minimise potential adverse effects on the Company's business.

(i) Currency risk

The Company mainly operates on a national basis. Likewise, the Prosegur Cash Group, of which the Company is the parent, operates internationally. As a result, the Company is exposed to currency risk when operating with its subsidiaries in foreign currencies and through the assets and liabilities contracted in foreign currencies from third parties. Currency risk is associated with recognised assets and liabilities denominated in foreign currency.

Management has a currency risk management policy to control the risk arising from the exchange of foreign currencies to its functional currency to minimise the Company's exposure. Currency risk arises when future transactions or recognised assets and liabilities are presented in a currency other than the parent's functional currency.

When so required by its policies and market expectations, the Company uses forward contracts approved and contracted by the Treasury Department in the corresponding market to control currency risk arising on trade transactions and recognised assets and liabilities. The Treasury Department is responsible for managing the net position of each foreign currency by entering into external or local forward currency contracts, depending on their competitiveness and appropriateness.

Since the Company, as parent of the Prosegur Cash Group, intends to remain in the foreign markets in which it is present in the long term or permanently, it does not hedge the currency risk related to equity investments in those markets.

The value of the financial assets and liabilities attributable to the Company at 31 December, by type of currency, is as follows:

	Thousands of euros			
	2019		2018	
	Assets	Liabilities	Assets	Liabilities
Euros	127,536	1,292,838	279,235	1,189,815
US Dollar	7,026	-	10,504	-
Australian Dollar	3,479	-	-	-
Peruvian Nuevo Sol	-	-	-	1,478
South African Rand	-	-	17,125	-
Mexican Peso	-	-	346	-
Other currencies	3,944	-	-	-
Total	**141,985**	**1,292,838**	**307,210**	**1,191,293**

(ii) Interest rate, cash flow and fair value risks

As the Company does not have a significant amount of assets remunerated at variable interest rates, income and cash flows from operating activities are not basically by fluctuations in market interest rates.

Interest rate risk mainly arises from non-current borrowings. Borrowings at variable interest rates expose the Company to cash flow interest rate risks. Fixed-interest borrowings expose the Company to fair value interest rate risks. In 2019 the Company's borrowings at variable interest rates were denominated in EUR.

The Company analyses its interest rate risk exposure dynamically. A simulation of various scenarios, considering refinancing, the renewal of current positions, alternative financing and hedges is performed. Based on these scenarios, the Company calculates the effect of a certain variation in interest rates on profit and loss. These scenarios are only analysed for the liabilities that represent the most significant positions in which a variable interest rate is paid.

Details of loans and borrowings, indicating the portion considered to be hedged, at a fixed rate, are as follows:

	Thousands of euros	
	2019	
	Total debt	Hedged debt
Non-current (Note 13)	593,306	593,306
Current (Note 13)	83,940	51,196
Total debt	**677,246**	**644,502**

	Thousands of euros	
	2018	
	Total debt	Hedged debt
Non-current (Note 13)	609,241	609,241
Current (Note 13)	70,702	55,330
Total debt	**679,943**	**664,571**

(iii) Credit risk

The Company has no significant credit risk concentrations given that the main activity of the Company corresponds to group companies.

(iv) Liquidity risk

The Company applies a prudent policy to cover its liquidity risks, based on having sufficient cash and marketable securities as well as sufficient financing through credit facilities to settle market positions. Given the dynamic nature of its underlying business, the Company's Treasury Department aims to be flexible with regard to financing.

Management monitors the Company's liquidity reserve forecasts, which comprise credit drawdowns and available cash, and are forecast based on expected cash flows.

The table below presents an analysis of the financial liabilities that will be settled for the net amount, grouped by maturities based on the period remaining from the balance sheet date until contractual maturity dates. The amounts presented in this table reflect the cash flows stipulated in the contract.

	Thousands of euros				
	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
31 December 2019	73,944	-	-	-	73,944

Finally, systematic forecasts are prepared for cash generation and requirements, allowing the Company to determine and monitor its liquidity position on an ongoing basis.

24. Events after the reporting date

No subsequent events have taken place following the close of 2019 of any significant relevance to these Annual Accounts.

25. Accounting principles

25.1 Intangible assets

The assets in intangible assets are posted at purchase price or production cost. The capitalisation of production cost appears under “Self-constructed assets” in the income statement. Intangible fixed assets are shown in the balance sheet at cost value less the amount of accumulated depreciation and impairment.

The costs incurred in carrying out activities that contribute to the development of the value of the Company’s business as a whole, such as goodwill, trademarks and similar items generated internally, as well as the establishment expenses are recorded as expenses in the income statement as they are incurred.

a) Computer Software:

Computer software licences purchased from third parties are capitalised at the cost of acquisition or cost of preparation of the specific software for use. Such costs are amortised over the estimated useful lives of the applications, at 5 years.

Computer software maintenance costs are charged as expenses when incurred.

b) Patents, licences, trademarks and others:

Licences have finite useful lives and are recognised at cost less accumulated amortisation and impairment. Licences are amortised on a straight-line basis to allocate the cost over their estimated useful lives of between one and 10 years.

c) Other Intangible assets:

Other intangible assets mainly comprise the set of knowledge and technical resources of the personnel acquired from Prosegur Compañía de Seguridad, S.A. (Note 6) They are amortised on a straight-line basis over their estimated useful life of between two and 10 years.

25.2 Property, plant and equipment

Property, plant and equipment are recognised at cost of acquisition or production, less accumulated depreciation and any accumulated impairment.

Costs incurred to extend, modernise or improve property, plant and equipment are only recorded as an increase in the value of the asset when the capacity, productivity or useful life of the asset is increased and it is possible to ascertain or estimate the carrying amount of the assets that have been replaced in inventories.

The cost of major repairs is capitalised and depreciated over their estimated useful life, while recurring maintenance costs are charged to income statement during the year in which they are incurred.

Depreciation of property, plant and equipment is calculated systematically on a straight-line basis over the estimated useful lives of the assets based on the actual decline in value and use.

The Company uses the following depreciation rates:

	Depreciation rate
Other Installations	10%
Furniture	10%
Data processing equipment	25%
Other Property, Plant and Equipment	10% to 20%

The residual values and useful lives of assets are reviewed and adjusted, if necessary, at each balance sheet date.

When an asset's carrying amount exceeds its estimated recoverable amount, the carrying amount is written down immediately to the recoverable amount.

Profit and losses on the sale of property, plant and equipment are calculated as the difference between the consideration received and the carrying amount, and are recognised in the income statement.

25.3 Impairment Losses on Non-financial Assets

Assets subject to amortisation or depreciation are tested for impairment whenever an event or change in circumstances indicates that their carrying amount might not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use.

For impairment testing purposes, assets are grouped at the lowest level for which separate identifiable cash flows can be identified (cash-generating unit, CGU).

Non-financial assets for which impairment losses have been recognised, are tested at each balance sheet date in case the loss has reversed.

25.4 Financial assets

a) Investments in equity instruments of Group companies, jointly controlled companies and associates

These investments are initially recognised at cost, which is equivalent to the fair value of the consideration paid, including for jointly controlled companies and associates the transaction costs incurred, and are subsequently measured at cost net of any accumulated impairment losses. However, for investments made prior to classification as a Group company, jointly controlled company or associate, the cost of the investment is considered to be the carrying amount immediately before this classification. Valuation adjustments previously recognised in equity remain in equity until the investment is derecognised.

If there is objective evidence that the carrying amount is not recoverable, the amount of the impairment loss is measured as the difference between the carrying amount and the recoverable amount, the latter of which is understood as the higher of the fair value less costs to sell and the present value of estimated future cash flows from the investment. Unless there is better evidence of the recoverable amount of the investment, when estimating the impairment of these types of assets, the investee's equity is taken into consideration, corrected for any unrealised gains existing at the measurement date. Impairment losses are recognised and reversed in the income statement.

b) Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The assets are classified as current unless they mature in more than 12 months after the balance sheet date, in which case they are classified as non-current.

These financial assets are initially carried at fair value, including directly attributable transaction costs, and are subsequently measured at amortised cost, recognising accrued interest at the effective interest rate, which is the discount rate that matches the instrument's carrying amount with all estimated cash flows to maturity. Nevertheless, trade receivables falling due in less than one year are carried at their face value on both initial recognition and subsequent measurement, provided the effect of not updating is immaterial.

At least at year end, the necessary impairment losses are recognised when there is objective evidence that all the amounts receivable will not be collected.

The impairment loss is calculated as the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the effective interest rate upon initial recognition. Impairment losses are recognised and reversed in the income statement.

c) Disposals of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received, net of transaction costs, including any new assets obtained less any new liabilities assumed and any cumulative profit or loss deferred in recognised income and expense, is recorded in equity.

d) Value impairment on other financial assets

A financial asset or group of financial assets is impaired, and an impairment loss has occurred, if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and the event or events causing the loss and with an impact on the estimated future cash flows of the asset or group of financial assets that can be estimated reliably.

The Company follows the criterion of recording the appropriate value adjustments for impairment of loans and receivables and debt instruments when there has been a reduction or delay in future estimated cash flows due to debtor insolvency.

Likewise, in the case of equity instruments, there is value impairment when there is a lack of recoverability of the carrying amount of the asset due to a prolonged or significant decrease in its fair value.

e) Offsetting principles

A financial asset is offset only when the Company currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset simultaneously.

25.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits at banks and financial instruments that are convertible to cash and have a maturity of three months or less from the date of acquisition, provided that there is no significant risk of changes in value and that they form part of the Company's usual cash management policy.

25.6 Net equity

The acquisition by the Group of equity instruments of the Parent Company is presented at acquisition cost separately as a reduction in net equity in the consolidated statement financial position, regardless of the reason for the acquisition. No profit or loss was recognised in transactions with own equity instruments.

The subsequent amortisation of the parent's equity instruments leads to a capital reduction in the nominal amount of said shares and the positive or negative difference between the acquisition price and the nominal share price is charged or credited to reserves.

The transaction costs relating to own equity instruments are recognised as a reduction in net equity once any tax effect has been taken into account.

25.7 Financial liabilities

a) Debts and payables

This category includes trade and non-trade payables. These borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

The payables are initially recognised at fair value, adjusted for directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the discount rate that matches the instrument's carrying amount with the expected future flow of payments to the maturity date of the liability.

Nevertheless, trade payables falling due in less than one year without a contractual interest rate are carried at their face value on both initial recognition and subsequent measurement, provided the effect of not discounting flows is not significant.

If existing payables are renegotiated but the lender has not changed and the present value of future cash flows, including net fees paid, differs by less than 10% from the present value of future cash payments for the original liability, calculated using the same method, the liability is not considered to be substantially modified.

b) Disposals of financial liabilities

A financial liability, or part of a financial liability, is derecognised when the Company either discharges the liability by paying the creditor, or is legally released from primary responsibility for the liability either by process of law or by the creditor.

c) Offsetting principles

A financial liability is offset when the Company currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to settle the liability simultaneously.

25.8 Current and deferred taxes

The income tax expense (income) for the year comprises current tax and deferred tax.

The current and deferred tax expense (income) is recognised in the income statement. However, the tax effect of items recognised directly in equity is recorded in equity.

Current tax assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax assets and liabilities are calculated using the liability method on the basis of the temporary differences that arise between the tax base of assets and liabilities and their carrying amount. However, if deferred tax assets or liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affect neither accounting profit nor taxable income, they are not recognised. Deferred tax assets or liabilities are measured using the tax rates that have been enacted or substantially enacted at the balance sheet date and are expected to be applicable when the corresponding deferred tax asset is realised, or deferred tax liability is settled.

Deferred tax assets are recognised provided that it is probable that sufficient taxable income will be generated against which the temporary differences can be offset.

Deferred tax assets arising from deductible temporary differences are recognised provided future tax gains are likely to exist for offset thereof that will reverse within ten years. Assets arising from the initial recognition of assets and liabilities in a transaction which is not a business combination, and which does not affect either the carrying profit or the taxable base on transaction date, are not subject to recognition. Assets which will reverse in a period exceeding ten years are recognised over the years, provided there is a likelihood of future tax gains.

Tax planning opportunities are only considered when assessing the recovery of deferred tax assets, if the Company intends to use them or is likely to do so.

The Company recognises the reversal of a deferred tax asset in an account receivable with a Public Entity when it is enforceable in accordance with tax legislation in force. Likewise, the Company recognises the exchange of a deferred tax asset for Public Debt Securities when ownership thereof is acquired.

25.9 Employee benefits

Compensations based on the share price of Prosegur shares - 2017 and 2020 Plan

These provisions include the accrued incentive in the 2017 and 2020 long-term incentive plan for the Executive President, Executive Director and Senior Management of Prosegur Cash. During the year, provisions to profit/(loss) amounted to EUR 840 thousand (EUR 1,852 thousand at 31 December 2018). Said amount includes the amount accrued relating to the 2017 and 2020 Plan.

The 2017 Plan and 2020 Plan are generally linked to value creation and envisage the payment of share-based and/or incentives to the Executive President, Executive Director and Senior Management.

For both plans, for the purpose of determining the value of each share to which the Beneficiary has the right, the average quotation price of Prosegur Cash shares in the Madrid Stock Exchange will be taken as reference during the last fifteen trading sessions of the month prior to the one in which the shares must be delivered.

Quantification of the total incentive will depend on the degree of achievement of the targets established in line with the strategic plan.

At the general meeting held on 28 May 2018, the shareholders approved the 2020 Plan of long-term incentives for the Executive President, Executive Director and Senior Management of Prosegur Cash. The Plan is linked to the creation of value in the 2018-2020 period and envisages the payment of cash incentives, calculated for certain beneficiaries based on the share price. The Plan has a duration of three years and is based on length of service and target achievement. In the vast majority of cases, the Plan measures target achievement from 1 January 2018 until 31 December 2020 and length of service from 1 January 2018 until 31 December 2022.

The fair value of the incentives referred to the share quotation price was estimated on the basis of Prosegur Cash's share quotation price at the close of the period, EUR 1.98 share (EUR 1.93 share in 2018) or at the payment time.

25.10 Provisions and contingent liabilities

Provisions for possible restructuring costs and/or litigation are recognised when the Company has a present obligation (legal or tacit) as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the estimated expenditure required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Any adjustments made to update the provision are recognised as a financial expense when accrued.

Provisions expiring in one year or less, the financial effect of which is immaterial, are not discounted.

Reimbursements from third parties of the expenditure required to settle a provision are recognised as a separate asset provided that it is virtually certain that the reimbursement will be received.
Possible obligations arising from past events, the materialisation of which is contingent on one or more future events beyond the control of the Company, are considered contingent liabilities. These contingent liabilities are not recognised in the Annual Accounts but are disclosed in the notes (see Note 16).

25.11 Revenue recognition

Revenue is recognised at the fair value of the consideration receivable and reflects the amounts to be collected for goods handed over and services rendered in the ordinary course of the Company’s activities, less returns, rebates, discounts and value added tax.

The Company recognises revenue when the amount can be reliably estimated. It is probable that the future economic benefits will flow to the Company and the specific conditions are met for each of the activities, as described below. The Company's estimates are based on historical results, taking into account client type, transaction type and specific contractual terms.

a) Interest received

Interest income is recognised using the effective interest method. When a receivable is impaired, the Company writes the carrying amount down to the recoverable amount, discounting estimated future cash flows at the original effective interest rate of the instrument, and carries the discount as a reduction in interest received. Interest received on impaired loans is recognised using the effective interest method.

b) Dividend received

Dividends received are recognised in the income statement when the right to receive payment is established.

Dividend revenue from investments in equity instruments is recognised when the rights for the Company have arisen. If the distributed dividends come unequivocally from results generated prior to the acquisition date because amounts greater than the profits generated by the investee since the acquisition have been distributed, they reduce the carrying amount of the investment.

25.12 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the transaction date. Foreign currency profit and losses arising on the settlement of these transactions and the translation into EUR of monetary assets and liabilities denominated in foreign currencies at the closing exchange rate are recognised in the income statement.

25.13 Related party transactions

Transactions between Group companies, except those related to mergers, spin-offs and non-monetary contributions, are initially recognised at the fair value of the consideration given or received. If the agreed price differs from the fair value, the difference is recognised based on the economic substance of the transaction. Transactions are subsequently measured in accordance with applicable standards.

In the non-monetary contributions to a Group company, the contributor will value their investment at the carrying amount of the delivered equity items in the Consolidated Annual Accounts on the date on which the transaction is made, according to the Standards for the Preparation of Consolidate Annual Accounts. The acquiring company will recognise them for the same amount.

In the merger and spin-off transactions between companies of the group in which the parent company of the group or the parent company of a subgroup and its subsidiary directly or indirectly intervene, the acquired equity items are valued for the amount that would correspond to them after the operation in the consolidated annual accounts of the group or subgroup according to the aforementioned Standards for the Preparation of Consolidate Annual Accounts. The difference that could be shown in the accounting entry by the application of the above criteria will be recorded in a reserves item.

Directors' Report for 2019

Prosegur Cash, S.A. and subsidiaries

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Directors' Report for 2019

This Directors' Report has been prepared in accordance with the recommendations contained in the Guidelines for the preparation of the Directors' Reports of listed companies, published by the CNMV.

1. The Company's situation

Prosegur Cash, S.A. was incorporated as a single person limited company in accordance with Spanish law on 22 February 2016, and subsequently transformed into a public limited company on 21 September 2016.

This Company was the result of a spin-off of the Cash business unit of the Prosegur Group, performed by means of a non-monetary contribution of entities under the shared control of the Prosegur Group.

Shares in Prosegur Cash were listed on 17 March 2017 at a price of 2 Euros each, in the stock exchanges of Madrid, Barcelona, Bilbao and Valencia and are traded on the Spanish Stock Exchange Interconnection System (SIBE).

On 7 April 2017, the Green Shoe period of the stock market flotation ended, and the free float attained 27.5% of the share capital of Prosegur Cash, S.A.

The Prosegur Cash Group operates in the following countries: Germany, Argentina, Australia, Brazil, Chile, Colombia, Costa Rica, El Salvador, Spain, the Philippines, France, Guatemala, Honduras, India, Luxembourg, Mexico, Nicaragua, Paraguay, Peru, Portugal, Singapore, South Africa and Uruguay.

1.1. Business model

Prosegur Cash provides services ranging from basic cash in transit and cash management to added-value outsourced services. It includes, primarily, the transportation, storage, safekeeping, counting and classification of coins and banknotes, deeds, securities and other items that require special protection due to their economic value or associated risk. The activity focuses mainly on the banking and retail sectors.

Prosegur Cash comprises the following business lines:

- **Transport:** local and international transport services, via land, sea and air, of funds and other valuable goods, such as jewellery, works of art, precious metals, electronic devices, pharmaceutical products, voting ballots and legal evidence, among others. These services include collection, transport, custody, delivery and deposit in vaults.
- **Cash management:** comprises counting, processing, equipment, custody, packaging and delivery of cash in bank notes and coins, and the loading of ATMs.
- **New Products:**
  - Automation of payments in retail establishments via self-service cash machines (Prosegur Smart Cash), including devices for paying in cash, recycling or dispensing bank notes and coins, and payment of invoices.
  - ATM integrated management, including planning, supervision, first- and second-tier maintenance, and tallying.

- Added-value outsourced services (AVOS) for banks, including planning for branch requirements, reconciliation and tallying, and credit card support services.

The mission, vision and values of Prosegur Cash evidence the aspirations and challenges and define the company's approach.

Mission

Our mission or purpose (what makes us work every day) is to generate value for our shareholders, clients and society, offering integrated cash management solutions and related activities, incorporating cutting-edge technology and relying on the talent of top professionals.

Vision

Our vision (the goal we pursue) is to be a leader (nimble and efficient) in the emerging markets sector through the consolidation and transformation of the industry, harnessing the third round of outsourcing at banks.

Values

Our values (the principles that identify us) encompass the beliefs that guide our conduct. They are the reflection of who we are, how we behave and the way we work for our clients: Proactive Approach, Value Creation, Client Friendliness, Transparency, Excellence, Leadership, Teamwork and Brand.

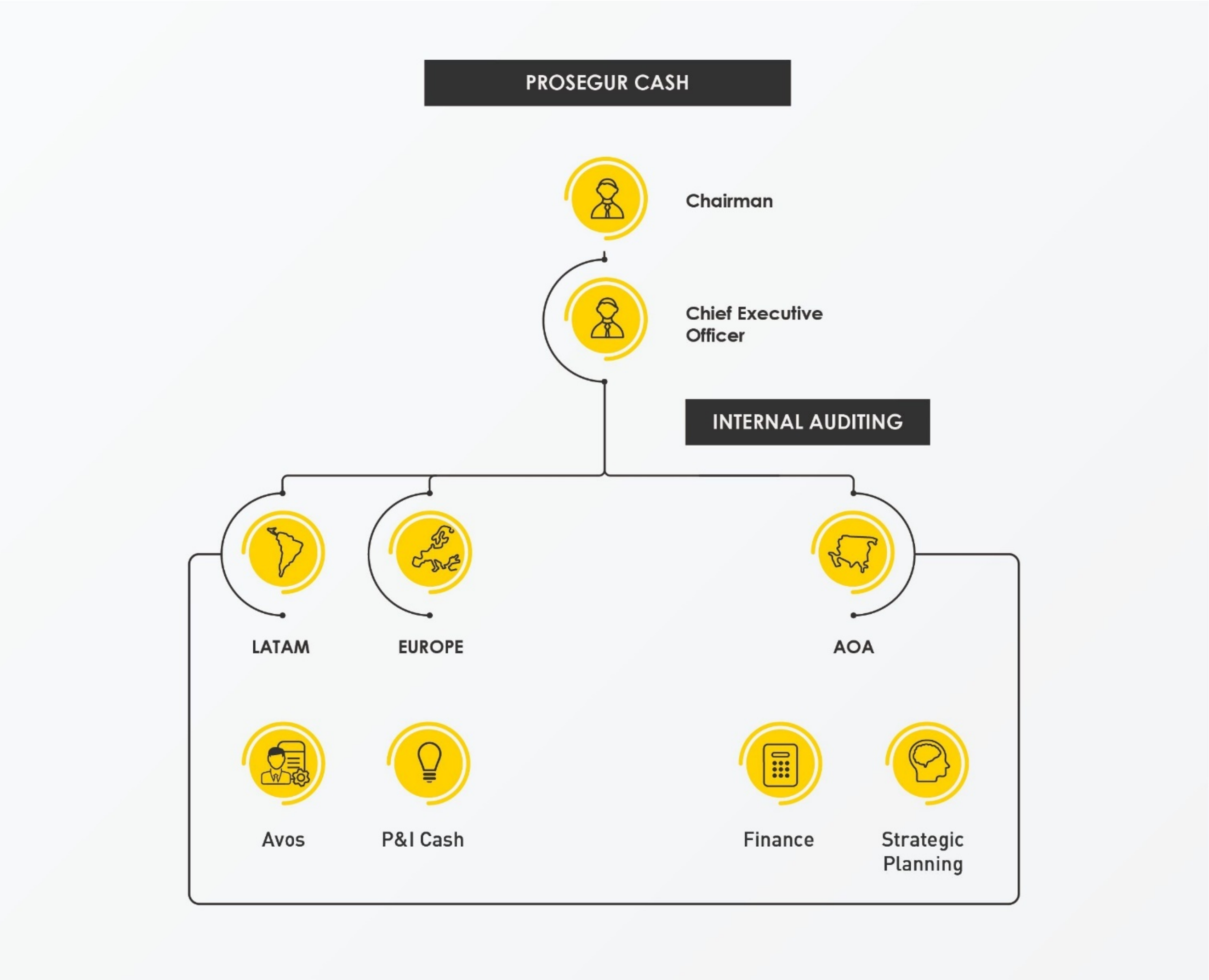
1.2. Organisational structure

The organisational structure of the Group, of which the Company is parent, is designed to improve business processes and add value to our clients every day. Its flexibility allows for a permanent adaptation to an ever-changing environment and the evolution of Prosegur Cash Group as a business group.

The Business Areas are divided into three geographical segments—Europe, Asia-Oceania-Africa (AOA) and LatAm—plus a fourth, the Division for Innovation and Productivity, affording us a nimble and efficient structure that is entirely client-oriented, adapting to the various needs of our clients and ensuring innovation in our products.

The corporate functions are supervised by the Global Support Divisions that cover the Finance, Human Resources, Investor Relations, Legal, Strategic Planning and Risk Management areas.

The organisation of Prosegur Cash Group is shown in the table below:



The Board of Directors is the top management body and the body ultimately responsible for decision-making with regard to operations and reviewing the internal financial information with a view to evaluating profit/(loss) and allocating resources.

Changes to the Group's structure

The changes in the composition of the Prosegur Cash Group, of which the Company is the parent, during 2019 were mainly due to the following acquisitions:

- Cash business combinations in LatAm: In 2019, in LatAm Prosegur acquired a series of security companies and assets providing cash in transit and cash management services and conducting correspondent banking activities. The total purchase price was EUR 65,093 thousand, comprising a cash consideration of EUR 30,811 thousand, a deferred contingent consideration amounting to a total of EUR 24,506 thousand, due in 2019 and 2020 and a deferred payment of EUR 9,776 thousand, due in 2020 and 2021.
- Cash business combinations in ROW: in 2019, Prosegur acquired a security company providing cash in transit and cash management services. The total purchase price was EUR 4,320 thousand, comprising a cash payment of EUR 1,242 thousand, and a deferred payment of EUR 3,079 thousand maturing in 2019 and 2020.

- Cash business combinations in Europe: In 2019, in Europe, Prosegur acquired a software engineering company specialised in the development of technological solutions for the insurance industry implemented in open systems and platforms, and a company that provides service management services related to digital software of the retail sector. The total purchase price was EUR 22,845 thousand, consisting of a cash payment of EUR 15,320 thousand, and a deferred contingent consideration for a total of EUR 7,525 thousand due for payment in 2020, 2021, 2022 and 2023.

The following companies were incorporated or wound up in 2019:

- In March 2019, Prosegur Alpha3 Cashlabs S.L. was incorporated in Spain.
- In April 2019, Prosegur Pay Consultoria em Tecnologia da Informação Ltda. was incorporated in Brazil.
- In September 2019, Prosegur STV 1 PTY Limited was incorporated in Australia.
- In October 2019, Gelt Cash Transfer, S.L. was incorporated in Spain.
- In October 2019, Dopar Servicios, S.L. was wound up in Spain.
- In October 2019, Iberprofin, S.L. was wound up in Spain.

The following mergers took place between subsidiaries in 2019:

- In August 2019, the takeover merger of Tellex, S.A. by Transportadora de Caudales Juncadella, S.A. was formalised in Argentina.
- In November 2019, the takeover merger of Enclama, S.L. by Prosegur AVOS España, S.L. was formalised in Spain.

Prosegur Cash exercised the put option on its 33.33% stake in SBV Services Propietary Limited on 4 June 2019.

Prosegur signed the sale agreement of 100% of the capital of Prosegur Cash Holding France to Loomis AB on 22 July 2019.

1.3. Operation

The unceasing development of the environment in which Prosegur Cash operates has played a crucial role in the company's transformation over the last few years. In this connection, Prosegur Cash established three main goals:

- Respond to clients' new needs, in line with market trends.
- Become their trusted strategic partner.
- Boost their value through efficiency in processes and by implementing increasingly technological services.

At present, Prosegur Cash is in the midst of a new Prosegur Group Three-Year Strategic Plan 2018-2020. Our ambition to lead the transformation of the industry has led us to embark on a digital transformation of the company, hinging upon three basic pillars: Digitalise, Innovate and Grow.

Specific goals have been set in connection with each pillar and, after the first year of the plan, considerable progress has already been made.

Agility (Digitalisation)

With regard to digitalisation, the established goals are:

- Roll out the necessary platforms and tools to simplify management and enhance the client experience, paving the way for Prosegur Cash to lead the industry in the future.
- Support operational excellence and the technological improvement of processes in order to boost profitability.
- Reduce the weight of indirect costs that do not create value for clients.
- Attract, develop and retain the most highly-qualified professionals. To do this, Prosegur offers them the necessary know-how and tools to enhance their skills and grow within the Company.

In 2019, the second year of the 2018-2020 Three-Year Plan, progress was made in the following areas:

- Advances in the process for digital transformation with regard to agility, scalability and operational excellence.

Consolidation (Growth)

With regard to growth, the established goals are:

- Maintain high rates of profitable organic growth.
- Continue with the pace of growth logged in recent years, spearheading market consolidation and stimulating the sale of new products.

2019 has seen advances made in the following business lines:

- The solidity of the business model translated into a strong growth in local currency.
- Bolt-on acquisitions in traditional businesses and acceleration of new products.
- Strategic divestments.

Transformation (Innovation)

With regard to innovation, the established goals are:

- Listen to clients to develop new value proposals that meet their needs.
- Introduce new products that improve client satisfaction, transform the business, help to increase margins and evidence our firm commitment to innovation.

The following advances have already been made in 2019:

- Increase in the weight of new products over total sales.
- Definition of innovation methodology based on horizons and under ad hoc governance model.
- Incorporation of talent in innovation.
- Collaboration with Amazon in challenges of digital innovation.

2. Business performance and profit/(loss)

2.1. Main financial and non-financial indicators

(Thousands of euro)	2019	2018	Variation
Sales	**113,016**	**161,789**	**-30.15%**
EBITDA	**101,573**	**148,708**	**-31.70%**
Margin	90%	92%	
PPE depreciation	(126)	(93)	
Amortisation of intangible assets	(2,798)	(2,735)	
EBIT	**98,648**	**145,881**	**-32.38%**
Margin	87%	90%	
Financial results	(13,354)	(13,546)	
Profit before tax	**85,294**	**132,336**	**-35.55%**
Margin	75%	82%	
Tax	4,191	3,283	
Tax rate	5%	2%	
Net result	**89,485**	**135,619**	**-34.02%**

2.2. Investments

All of the Prosegur Cash Group's investments are analysed by the corresponding technical and operating areas and the management control department, which estimate and examine the strategic importance, return period and yields of the investments before these are approved. Subsequently these are submitted to the Investment Committee for a final decision on whether to proceed with the investment. Investments in excess of EUR 0.6 million are submitted to Prosegur Cash's Management for approval.

2.3. Personnel

The company's personnel as of 31 December 2019 was 43 people (40 in 2018).

2.4. Environment

At the end of 2019, the Company has no environment-related contingencies, legal claims or income and expenses relating to the environment.

3. Liquidity and capital resources

Liquidity

Prosegur Cash keeps a reasonable level of liquid reserves and a great financing capacity available to ensure flexibility and rapidity in meeting the requirements of working capital, of investing capital or inorganic growth.

Capital resources

The structure of the long term financial debt is determined by the following contracts:

a) In order to partially finance the subscription of shares representing 33.33% of the share capital of the South African company SBV Services Proprietary Limited, Prosegur arranged a 4-year bullet loan on 29 January 2016 for ZAR 272,000 thousand. On 20 June 2019, and as consequence of exercising the sales option on the 33.33% holding in SBV (Note 6 of the Consolidated Annual Accounts), the entire loan has been cancelled in advance, therefore there is no outstanding amount at 31 December 2019 (at 31 December 2018: Rand 272,000 thousand, equivalent value at 31 December 2018: EUR 16,534 thousand).

b) On 10 February 2017, a new syndicated financing operation was arranged for a credit facility in the amount of EUR 300 million for a five-year term. At 31 December 2019, the capital drawn down amounted to EUR 20 million.

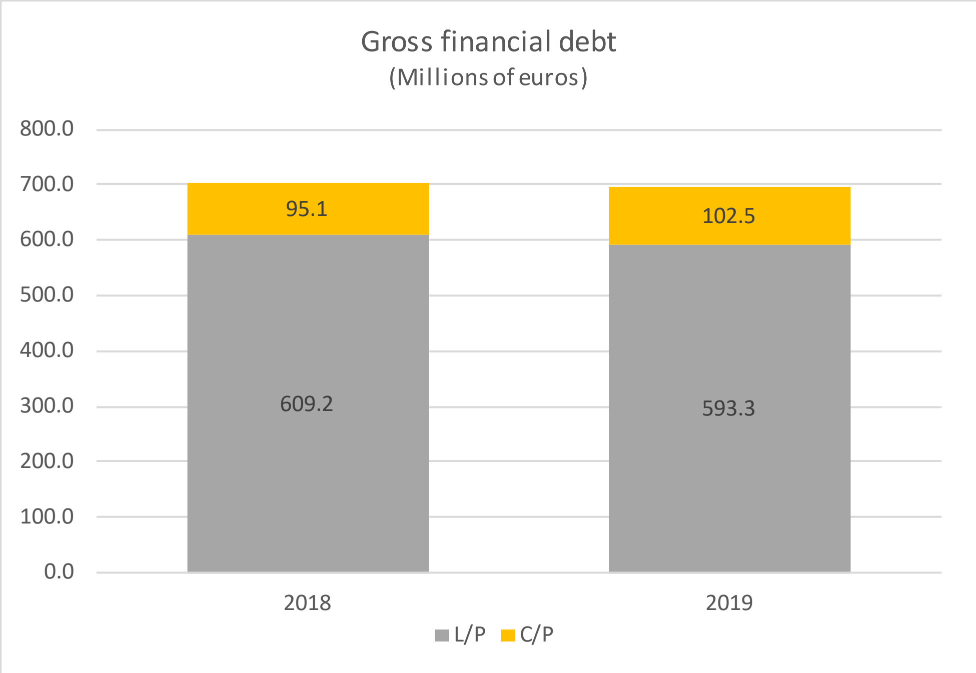
c) On 28 April 2017, Prosegur Cash, via its subsidiary Prosegur Australia Investments Pty, arranged a syndicated financing operation in the amount of AUD 70,000 thousand for a 3-year term. At 31 December 2019 the drawn down capital corresponding to the loan amounts to AUD 70,000 thousand (equivalent to EUR 43.8 million at 31 December 2019).

d) On 4 December 2017, Prosegur Cash, S.A. launched a EUR 600 million bond issue maturing on 4 February 2026. The bonds trade in the secondary market—the Irish Stock Exchange—accruing an annual coupon of 1.38%, payable at the end of each year.

Long-term gross financial debt maturing over one year has reached at the end of 2019 the amount of EUR 592 million (EUR 609 million in 2018).

Current gross financial debt totals EUR 83 million (EUR 74 million in 2018) mainly due to loans with credit institutions.

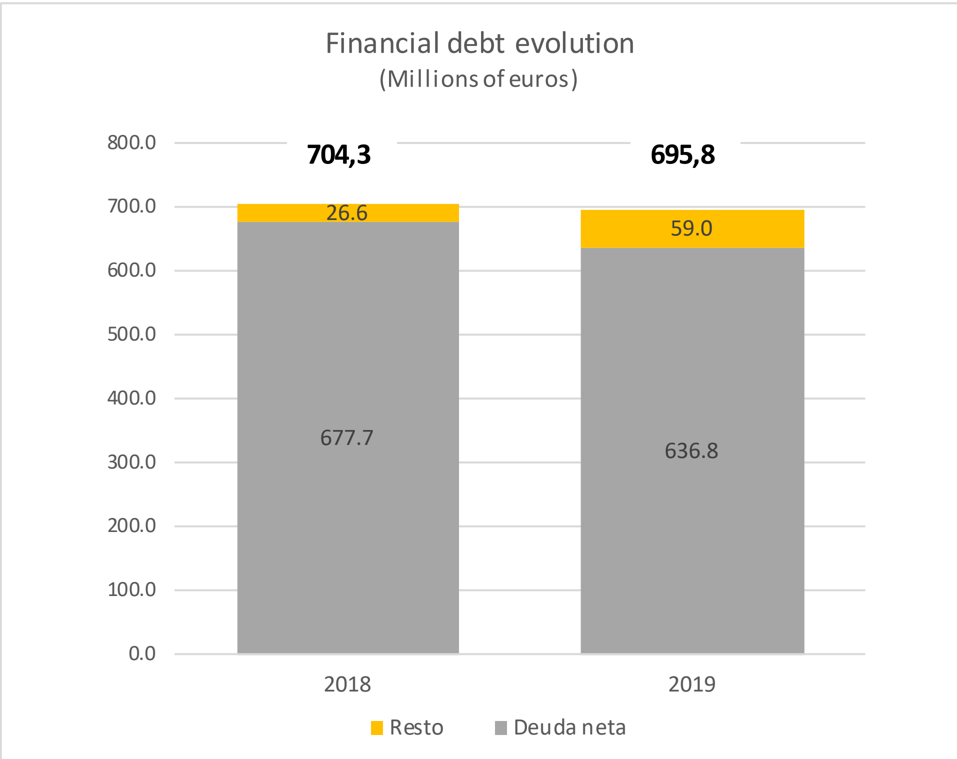
The current and non-current maturities of gross financial debt are distributed as follows:



The average cost of financial aid for the 2019 market was 1.70% (2018: 2.02%). The reduction of the cost of the product is due to the reduction of the cost of the Corporate product and its subsidiaries.

The financial aid net (excluding other non-bank payments corresponding to the payments settled by M&A acquisitions) at the beginning of 2019 is 636.8 million euros (2018: 677.7 million euros).

Next, a comparative chart of gross income and net income (excluding payments paid for M&A purchases) for 2018 and 2019 is shown:



No significant changes are expected in 2020 in regard to the structure of own funds and capital or in regard to the relative cost of capital resources in relation to the financial year ending 31 December 2019.

Analysis of contractual obligations and off balance sheet obligations

At 31 December 2018 there are no commitments to purchase and sale assets or of any other nature.

4. Main risks and uncertainties

The Prosegur Cash Risk Management system is mainly based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) system and works together with applied standards in the main clients of financial industry, such as Basel III, and the ISO 31000 standards. The maximum responsibility for risk management falls on the Board of Directors. Among the basic responsibilities of the Audit Committee are to supervise the efficiency of internal control and risk management systems, to verify their suitability and integrity and to review the designation and replacement of the persons responsible.

The main risks identified are:

- Regulatory risk. Regulatory non-compliance, including laws concerning labour and social security, tax, arms control or anti-money laundering in each market and/or as a whole. Adverse changes in regulatory conditions, including tax legislation, or restrictions on obtaining or renewing permits and licences.
- Risks relating to incidents involving assets guarded or loss of cash. Insufficient insurance cover.
- Transactions in markets with a temporary reduction in demand. Prolonged reduction in the use of cash.
- Transactions in highly competitive markets. Pressure on prices and margins. Economic environment.
- Reputational risk. Negative publicity in connection with the Company. Loss of confidence.
- Financial risks, including changes in interest rates or exchange rates, counterparty and tax risks.
- Failures or incidents in the IT infrastructure.
- Loss or theft of confidential information on clients or pertaining to the Company. Cyberattacks, security breaches and IT failures.
- Inadequate management of labour costs.
- Decline in liquidity generation or in cash management.

4.1. Operational Risks

The Prosegur Cash risk management cycle is the following:

Regulatory risk

The security sector is subject to a variety of regulations that are constantly changing and are applicable to the activities of the Group and its clients all over the world. Increasing regulations in the regions where Prosegur Cash conducts its business could have a substantial adverse effect on its activity, financial situation and operating income.

Specifically, Prosegur Cash's activity is directly and indirectly affected by legislation, regulations and administrative requirements of local, regional and national authorities of the countries where it operates, and the special requirements of other entities, such as insurance companies and organisations within the sector. Certain aspects of Prosegur Cash's activity are subject to licensing requirements. Furthermore, many countries require permits for security services, including for carrying weapons when armoured vehicles are used to transport goods. The Group depends on maintaining these licences and permits, and on renewing them where appropriate. Similarly, many of the Group's clients, such as financial institutions, are subject to regulations, and if these regulations change they may indirectly have a material adverse effect on the Group's business, financial situation and operating income.

There is no guarantee that legislation, regulations and requirements imposed by authorities and other entities will not change in the future and, accordingly, alter the conditions of the Group's activity. The authorities may introduce new guidelines concerning requirements for specific practices, security solutions and training and certification of staff. The Group could be required to effect changes in its operations or additional investments to adapt to new or amended laws or standards, such as increasing the number of staff manning an armoured vehicle or using cash degradation mechanisms, such as staining bank notes to render them unusable in the event of robbery. These changes and the relevant investments could have a substantial adverse impact on the Group's business, financial situation and operating income. Likewise, a reduction or easing of local regulations could result in increased competition for the Group due to the entry of new participants in the market or a larger number of smaller competitors. Moreover, failure to comply with applicable laws or regulations could lead to sizeable finds or the revocation of the Group's permits and operating licences, which would also have a substantial adverse effect on its business, financial activity and operating income.

Prosegur strives to ensure regulatory compliance and the management of operational and regulatory compliance risks, in view of their impact on the commitments undertaken with stakeholders and, in particular, with clients.

Regulatory risks are mitigated by identifying the risk at an operational level, regularly assessing the control environment and implementing and continuously monitoring programmes to ensure the proper operation of controls implemented.

The local Business Areas define the policies, procedures and tools for their identification and quantification, as well as the proposal of measures to mitigate risk and the ongoing monitoring of any deviation from established tolerance levels, at an operational control level and in regard to regulatory compliance. For this purpose, there are standard procedures in place in all the countries where the group operates, consistent with the requirements of regulations applicable in each case.

Likewise, Management plays a crucial role in compliance with all regulations affecting the Prosegur Cash Group. With regard to regulations affecting the prevention of money laundering, it has money laundering prevention units (MLPUs) in those countries where it is subject to applicable regulations (Spain, Australia and all LatAm countries where it operates). These units focus on implementing control and supervisory measures to prevent the cash in transit business from being used to launder funds.

Operational risks

Operational risks are those related to burglaries and robberies, errors in operations, legal penalties and, as a result thereof, business continuity risk. There are formal programmes and policies that help to control this type of risk.

We would highlight the monitoring duties carried out by the Security Area in traceability control and monitoring processes of operations carried out in the transport, handling and storage of cash. Furthermore, additional assistance is provided for claims or differences in the cash management activity, helping to identify best practices and designing procedures to minimise the risk of loss.

Client concentration

The Prosegur Cash Group does not have significant concentrations of clients. Note 30.1 of the Consolidated Annual Accounts shows tables of representativity of the main clients over the overall turnover of Prosegur Cash Group.

4.2. Financial risks

Interest rate risk

Prosegur Cash Group is exposed to interest rate risk due to its monetary assets and liabilities.

The Prosegur Cash Group analyses its interest rate risk exposure dynamically. In 2019, the majority of Prosegur Cash Group's financial liabilities at floating interest rates were denominated in Euros.

A simulation of various scenarios, considering refinancing, the renewal of current positions, alternative financing and hedges is performed. On the basis of these scenarios, the Prosegur Cash Group calculates the impact on the profit/(loss) of a given variation of the interest rate. Each simulation uses the same variation in the interest rate for all currencies. These scenarios are only analysed for the liabilities that represent the most significant positions in which a variable interest rate is paid.

Currency risk

Prosegur Cash is exposed to foreign currency exchange risks arising from its revenues being generated in various currencies (mainly Brazilian real, Argentine, Colombian, Chilean and Mexican pesos, Peruvian sol and Australian dollar), while its functional currency is the Euro.

To the extent that local costs and revenues are denominated in the same currency, the effect of exchange rate fluctuations on Prosegur Cash's margins may be neutral (although the absolute size of these margins in Euros would continue to be affected). Fluctuations in exchange rates may also affect the Company's financing costs for instruments denominated in currencies other than the Euro. While some of these effects can be offset by corresponding inflation fluctuations, this will not necessarily be the case.

In general, Prosegur Cash does not use currency derivatives to hedge its expected future operations and cash flows, so exchange rate fluctuations may have an adverse effect on the business and, accordingly, the Company's financial situation and profit/(loss).

The natural coverage made by Prosegur Cash Group is based on the capital expenditure required in the industry, which varies by business area, is in line with the operating cash flow generated and it is possible to time the investments made in each country based on operating requirements.

The debt in EUR represents almost all of the financial debt.

Note 23 of the Prosegur Cash's Individual Annual Accounts reflects the value of financial liabilities by currency.

Credit risk

The Credit and Collection Departments of each of the countries in which the Prosegur Cash Group operates carries out a risk assessment of each client on the basis of the contract data and establishes credit limits and payment terms which are recorded in the Prosegur Cash Group's management systems and periodically updated. Monthly tracking of the credit situation of the clients is carried out, making any value corrections deemed necessary on the basis of clearly established policies.

As for financial investments and other operations, these are carried out with defined rating entities and financial transaction framework agreements are entered into (CMOF or ISDA). Restrictions on counterparty risk are clearly defined in the corporate policies of Financial Management and updated credit limits and levels are periodically published.

5. Average payment period to suppliers

The average payment period to suppliers in 2019 was 59 days (52 days in 2018).

6. Important circumstances after the reporting period

No subsequent events have taken place following the close of financial year 2019 that might suppose any significant change to the presentation of the Annual Accounts.

7. Information on the foreseeable performance of the entity

If 2019 was marked by an uncertain political environment in LatAm and an adverse macroeconomic and exchange rate scenario, the forecasts for 2020 are moderately optimistic. Aspects such as greater certainty in the Brazilian economy or the relaxation of monetary conditions in the United States may translate into more favourable prospects for emerging economies.

In any case it is considered necessary to pay attention to those economies presenting sizeable external imbalances and/or high levels of indebtedness, since they will likely continue to face adverse financial conditions.

In Brazil, the estimate is that it is likely to continue with the reformist agenda and, after the reformation of the pension system, address other relevant issues such as the reformation of the tax system. In Argentina, special attention will be given to the renegotiation of the debt which, according to the new government, is expected to be undertaken during the first half of the year. This situation could introduce some uncertainty until an agreement is reached. Finally, the possible impact that trade tensions between the United States and China could have on the economic growth of the European region will be monitored.

Against this macroeconomic backdrop, the company will remain focused on developing its business in new products, where it expects to post significant growth. Moreover, it will work to improve its profitability in local terms and will continue to apply best practices in order to optimise efficiency in the operations and in cash generation.

LatAm currencies are expected to continue to depreciate over the course of 2020, albeit less so than in the previous year. In this sense, the Company expects to reduce this impact as far as possible by capturing natural growth in these markets, preserving and increasing margins and offering new solutions and services that allow the client base to be expanded.

The experience and ability of the Company to pass cost increases on to prices in economic environments which are undergoing a gradual maturity process, allow us to approach 2020 with optimism.

Prosegur Cash has also consolidated a successful and resilient business model over the years. The company is thus able to mitigate the impact of events that could affect the normal performance of the activity, while maintaining or improving the results. Some examples of these situations are markets in recession, capital control policies or currency devaluations.

In the case of Europe, the macroeconomic environment should gently boost business growth. Additionally, an improvement in profitability might be seen, benefited by the sale of the operations in France. Prosegur Cash therefore hopes to continue to show a high capacity for adaptation to various situations and to leverage the burgeoning favourable situation in order to become a leading provider of advanced banking outsourcing services in Europe.

Lastly, in the rest of the world, the Company will address the challenge of completing the integration of operations in the Philippines and Indonesia and of resuming growth in Australia. In this sense, the progress in certain commercial and operational initiatives implemented in 2019, allows us to view 2020 more optimistically.

The combination of a solid financial structure, limited levels of leverage, and the capacity to generate cash puts the Company in a comfortable position to face the inorganic growth strategy. Furthermore, Prosegur Cash will not exceed the debt levels that it has imposed on itself. These limits, it should be remembered, are more stringent than those included in the bank financing contracts that the Company has, or those required by the rating agencies for investment grade companies.

For all the above, Prosegur Cash will continue to promote organic growth, both through traditional services and through new products, while maintaining its current profitability levels. The Company also expects to continue consolidating its leadership, gaining market share and enhancing its image as a global flagship in the sector.

In conclusion, it is worth noting that the Company has excellent growth levers, one of the world's best platforms for transporting funds and handling cash, with a notable presence in emerging markets, unequalled by any competitor, and optimal solvency and financial solidity to drive its expansion and to satisfactorily face the great challenges approaching in the coming financial years.

Estimates and opinions regarding the future development and profit/(loss) at Prosegur Cash's businesses are subject to risks, uncertainties, changes in circumstances and other factors that may lead the actual profit/(loss) to differ materially from forecasts.

8. Acquisition and disposal of own shares

On 8 May 2017, the Company signed a liquidity agreement in accordance with the regulations in force at that time. Prior to signing this agreement, the Company did not have treasury stock. The operating process prior to the liquidity contract to set up treasury stock ended on 8 June 2017, having attained treasury stock of 1,000,000 shares. The liquidity contract came into operation on 9 June 2017 and ended on 10 July, when the liquidity agreement was terminated. On 7 July 2017, the Company S.A. signed a new liquidity agreement, entering into force on 11 July 2017, in accordance with the new legislation, commencing operations again to boost the contractual liquidity.

At 2019 year end, Prosegur Cash, S.A.'s treasury stock amounted to 1,119,862 shares (1,057,307 shares in 2018), of which 696,866 are linked to the liquidity agreement (602,496 in 2018).

9. Alternative performance measures

In order to meet ESMA guidelines on Alternative Performance Measures (hereinafter, APMs), the Prosegur Cash Group presents this additional information to enhance the comparability, reliability and understanding of its financial reporting. The company presents its profit/(loss) in accordance with International Financial Reporting Standards (IFRS-EU). However, Management considers that certain alternative performance measures provide additional useful financial information that should be taken into consideration when assessing its performance. Management also uses these APMs to make financial, operating and planning decisions, as well as to assess the Company's performance. The Prosegur Cash Group provides those APMs it deems appropriate and useful for users to make decisions and those it is convinced represent a true and fair view of its financial information.

APM	Definition and calculation	Purpose
Capex	Capex (Capital Expenditure), is the expense that a company incurs in capital goods and that creates benefits for the company, whether through the acquisition of new fixed assets or by means of an increase in the value of fixed assets already in existence. CAPEX includes additions of property, plant and equipment as well as additions of IT applications of the intangible assets.	CAPEX is an important indicator of the life cycle of a company at any given time. When the company grows rapidly, the CAPEX will be greater than fixed asset depreciations, which means that the value of the capital goods is increasing rapidly. On the other hand, when the CAPEX is similar to the depreciations or even less, it is a clear sign that the company is decapitalising and may be a symptom of its clear decline.
EBIT margin	The EBIT margin is calculated by dividing the operating income of the company by the total figure of revenue.	The EBIT margin provides the profitability obtained of the total revenue accrued.
Net Financial Debt	The Company calculates financial debt as the sum of the current and non-current financial liabilities (including other non-bank payable corresponding to deferred M&A payments and financial liabilities with Group companies) minus cash and cash equivalents, minus current investments in group companies and minus other current financial assets.	The net debt provides the gross debt less cash in absolute terms of a company.
EBITA	EBITDA is calculated on the basis of the consolidated profit/(loss) for the period without including the profit/(loss) after taxes from discontinued operations, taxes on earnings, financial income or costs, or depreciations of Goodwill or the amortisation of intangible assets, but including the depreciation of IT applications.	The EBITDA provides an analysis of earnings before taxes, tax burden and amortisation of intangible assets.
EBITDA	EBITDA is calculated on the basis of the consolidated profit/(loss) for the period for a company, excluding earnings after taxes from discontinued operations, income taxes, financial income or costs, and amortisation expenses or depreciation on goodwill.	The purpose of the EBITDA is to obtain a fair view of what the company is earning or losing in the business itself. The EBITDA excludes variables not related to cash that may vary significantly from one company to another depending upon the accounting policies applied. Amortisation is a non-monetary variable and thereof of limited interest for investors.

The reconciliation of Alternative Performance Measures is as follows:

CAPEX (In thousands of Euro)	31.12.2019	31.12.2018
Technical installations and machinery	22	53
Other installations and furniture	985	64
Other assets	199	15
Subtotal: Property, Plant and Equipment additions	1,206	132
Software additions	3,140	420
Total **CAPEX**	**4,346**	**552**

EBIT Margin (In thousands of Euro)	31.12.2019	31.12.2018
EBIT	98,648	145,880
Revenue	113,016	161,789
EBIT margin	**87.3%**	**90.2%**

Financial liabilities	31.12.2019	31.12.2018
Financial liabilities **(A)**	695,788	704,291
Cash and cash equivalents (B)	(40,982)	(2,286)
Less: other financial current assets **(C)**	-	-
Total Net Financial Debt **(A+B+C)**	654,806	702,005
Less. Other non banking debts **(D)**	(17,975)	(24,348)
Total Net Financial Debt (excluding other non-bank payables corresponding to deferred payments for M&A acquisitions) **(A+B+C+D)**	**636,831**	**677,657**

EBITA (In thousands of Euro)	31.12.2019	31.12.2018
Profit of the year	89,485	135,618
Income tax	(4,191)	(3,283)
Financial costs	13,354	13,546
Amortisation	2,798	2,735
EBITA	**101,446**	**148,616**

EBITDA (In thousands of Euro)	31.12.2019	31.12.2018
Profit of the year	89,485	135,618
Income tax	(4,191)	(3,283)
Financial costs	13,354	13,546
Depreciation and amortization	2,925	2,828
EBITDA	**101,573**	**148,708**

10. Other significant information

Stock market information

Prosegur Cash focuses its efforts in the creation of value for its shareholders. Improving profit/(loss) and transparency, as well as rigour and credibility, are what guides the Company's actions.

The Company's corporate website features the policy that governs its relationship with shareholders and investors, as approved by its Board of Directors. In this connection it undertakes to foster effective and open communication with all shareholders, at all times ensuring that the information it provides is both coherent and clear. Moreover, the company seeks to maintain transparent and regular contact with its shareholders, so as to nurture mutual understanding of their goals.

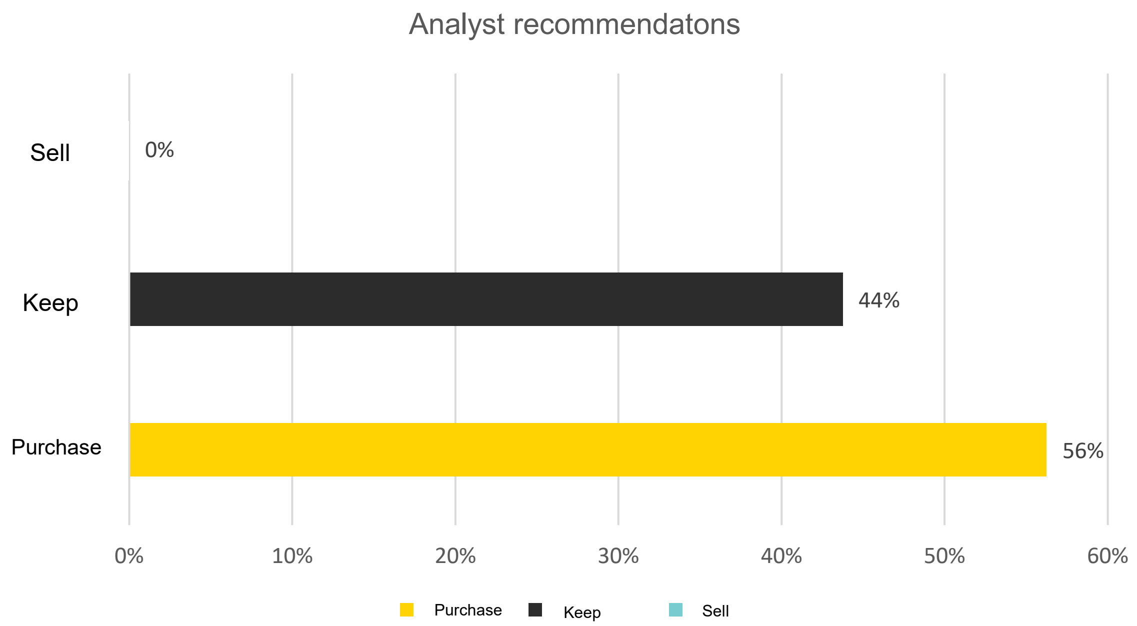
In order to fulfil our commitment to transparency, the Company tries to provide all its financial and strategic communications in an open and coherent manner, ensuring, wherever possible, the use of simple language to make them comprehensible, and that the information shows a fair, balanced and understandable view of the situation and prospects of Prosegur Cash.

The company is open to receiving comments and suggestions for improvement, which may be submitted through the specific channels for this purpose mentioned on the website and/or in the investor communication policy.

Finally, in order to present the financial information to investors, the company reports its profit/(loss) quarterly via webcast (on its website). The company's profit/(loss) presentation is led by the Chief Financial Officer and the Director of Investor Relations, and, on an annual basis, by the Executive Director.

Analysts coverage

The recommendations of the 16 investment companies that follow Prosegur Cash are as follows:



On 31 December 2019, Prosegur Cash's share price closed at EUR 1.36 , i.e. 30% lower than in the previous December.

Main shareholders

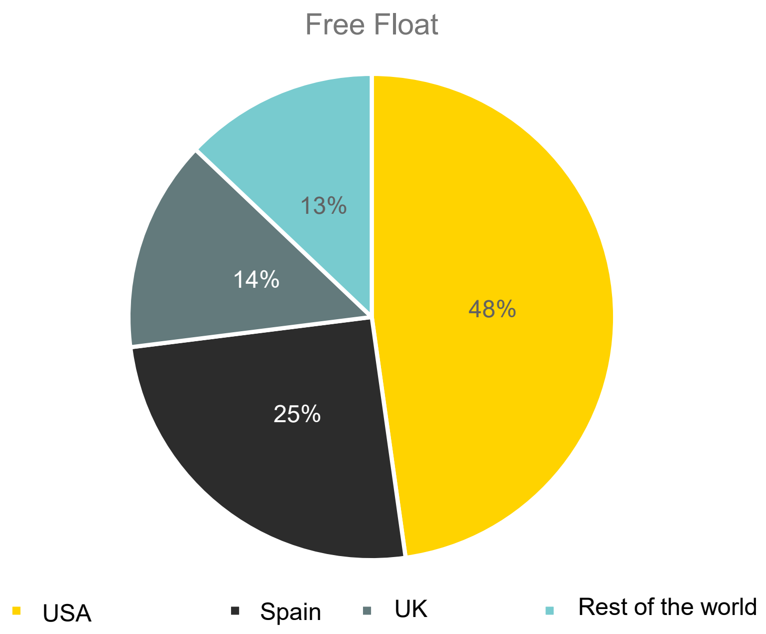
The shareholding structure of Prosegur Cash reflects its solidity and stability.

At 31 December 2019, 72.50% of share capital belongs directly or indirectly to Prosegur, whereas the remaining 27.5% is free float, with notable holdings belonging to Invesco Limited with 3.787%.

The composition of the Board of Directors enables the management bodies to define the strategic lines and decisions in line with the interests of all its shareholders. This solid and stable shareholder base of relevance, made up of significant shareholders and institutional investors, provides Prosegur Cash with the ideal conditions to develop its project and achieve its objectives.

Geographical distribution of free float

Prosegur Cash is widely accepted among both domestic and foreign investors. In this regard, most of the free float is distributed among American, Spanish and British investors.



Annual Corporate Governance Report

The Annual Corporate Governance Report of Prosegur for financial year 2019 forms part of the Directors’ Report and as of the date of publication of the Annual Accounts is available on the web page of the National Securities Market Commission and the Prosegur website.

This report includes section E, analysing control and risk management systems of the Company; and F, providing details on the risk control and management system in relation with the process of issue of financial information (SCIIF).

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT OF 2019

The members of the Board of Directors of Prosegur Cash, S.A. hereby confirm that, to the best of our knowledge, the Individual Annual Accounts of Prosegur Compañía de Seguridad, S.A. for 2019, authorised for issue by the Board of Directors at the meeting held on 26 February 2020 and prepared in accordance with applicable accounting principles, present fairly the equity, financial position and profit/(loss) of Prosegur Cash, S.A., and that the respective individual Directors' Reports provide a reliable analysis of the Company's performance and results and the position of Prosegur Cash, S.A., together with the main risks and uncertainties facing the Company.

In Madrid, 26 February 2020.

Mr Christian Gut Revoredo
Executive President

Mr Pedro Guerrero
Vice-President

Mr José Antonio Lasanta Luri
Executive Director

Ms Chantal Gut Revoredo
Director

Mr Antonio Rubio Merino
Director

Mr Claudio Aguirre Pemán
Director

Ms María Benjumea Cabeza de Vaca
Director

Ms Ana Inés Sainz de Vicuña Bemberg
Director

Mr Daniel Guillermo Entrecanales Domecq
Director

DIRECTORS' RESPONSIBILITY OVER THE ANNUAL ACCOUNTS

The Consolidated Annual Accounts of Prosegur Cash, S.A. and subsidiaries are the responsibility of the Directors of the parent company and have been prepared in accordance with international financial reporting standards endorsed by the European Union.

The Directors are responsible for the completeness and objectivity of the Annual Accounts, including the estimates and judgements included therein. They fulfil their responsibility mainly by establishing and maintaining accounting systems and other regulations, supporting them adequately using internal accounting controls. These controls have been designed to provide reasonable assurance that the Company's assets are protected, that transactions are performed in accordance with the authorisations and regulations laid down by Management and that accounting records are reliable for the purposes of drawing up the Annual Accounts. The automatic correction and control mechanisms are also a relevant part of the control environment, insofar as corrective action is taken when weaknesses are observed. Nevertheless, an effective internal control system, irrespective of how perfect its design may be, has inherent limitations, including the possibility of circumventing or invalidating controls, and can therefore provide only reasonable assurance in relation with preparation of the Annual Accounts and the protection of assets. However, the effectiveness of internal control systems may vary over time due to changing conditions.

The Company evaluated its internal control system at 31 December 2019. Based on this evaluation, the Directors believe that existing internal accounting controls provide reasonable assurance that the Company's assets are protected, that transactions are performed in accordance with the authorisations laid down by Management, and that the financial records are reliable for the purposes of drawing up the Annual Accounts.

Independent auditors are appointed by the shareholders at their Annual General Meeting to audit the Annual Accounts, in accordance with the technical standards governing the audit profession. Their report, with an unqualified opinion, is attached separately. Their audit and the work performed by the Company's internal services include a review of internal accounting controls and selective testing of the transactions. The Company's management teams hold regular meetings with the independent auditors and with the internal services in order to review matters pertaining to financial reporting, internal accounting controls and other relevant audit-related issues.

Mr Javier Hergueta Vázquez
Chief Financial Officer

PROSEGUR CASH

www.prosegurcash.com