Audit Report on consolidated Annual Accounts
issued by an Independent Auditor

PROSEGUR CASH, S.A. AND SUBSIDIARIES
Consolidated Annual Accounts and
Consolidated Director's Report
for the year ended
December 31, 2020

Building a better
working world

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AUDIT REPORT ON CONSOLIDATED ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and annual accounts originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of PROSEGUR CASH, S.A.:

Audit report on the consolidated annual accounts

Opinion

We have audited the consolidated annual accounts of PROSEGUR CASH, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated statement of financial position at December 31, 2020, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flow, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2020 and of its financial performance and its 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 in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations 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 related to independence, that are relevant to our audit of the consolidated annual accounts in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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 judgment, were of most significance in our 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 audit opinion thereon, and we do not provide a separate opinion on these matters

Tax and labor provisions and contingencies

Description

As of December 31, 2020, the Group is involved in litigations of different nature, and it is exposed, in the course of its business, to possible claims, mainly related to tax and labor.

The evaluation of the contingencies arising from these litigations and claims and, when applicable, the valuation of possible associated provisions, requires complex estimations to be made by Group's Management, which entails the application of judgements in determine the assumptions considered in relation to these estimates, which are, in turn, conditioned by the specificities of the legislation and regulatory requirements in force in the various countries in which the Group operates.

With respect to tax and labor matters, at December 31, 2020, the Group has recorded, under current and non-current provisions in the consolidated statement of financial position, provisions amounting to 114 and 2 million euros, respectively, concentrated mainly in Spain and Brazil. In addition, with respect to the estimation of the uncertainties associated to income tax contingencies, in accordance with the interpretation contained in the IFRIC 23, the Group has recognized, under the current tax liabilities heading of the consolidated statement of financial position, provisions related to these uncertainties for 26 million euros. Finally, the Group discloses contingencies for tax records not provisioned for an amount of 27 million euros.

In relation to labor matters, which primarily affect Brazil, given the size of its workforce, are referred mainly to claims lodged by employees and former employees. As of December 31, 2020, the Group has recognized, under non-current provisions in the consolidated statement of financial position, provisions amounting to 33 million euros, related to labor matters.

We have considered this area to be a Key Audit Matter, due to the complexity of the inherent judgements assigning value to the main assumptions considered, and because changes in such judgements could result in material differences in the amounts recognised to date, with a significant effect on the consolidated statement of financial position and the consolidated income statement.

Disclosures for the recognition and valuation criteria, as well as the breakdown of these provisions and contingencies, which are recognised in the long and short term, are included in Notes 22, 25, 26 and 33.16 of the accompanying consolidated annual accounts.

Our response

Our audit procedures included, among others, the following:

- Understand the processes established by Group Management for the estimation of provisions and contingencies, including assessment of the design and implementation of relevant controls.

- Obtain confirmation letters from the internal and external legal and tax advisors of the Group, with their representation regarding the current status of the ongoing lawsuits and claims, as well as the assessment of the risk related to them.
- Involve our legal and tax specialists to analyze the reasonableness of the conclusions reached by Group Management.
- Review disclosures included in the consolidated annual accounts in accordance with the applicable financial reporting framework.

Impairment of non-financial non-current assets

Description As at December 31, 2020, the Group has recognised non-current tangible and intangible assets amounting 978 million euros, of which 393 million euros, correspond to goodwill.

For the purpose of assessing the impairment of non-current non-financial assets, the Group allocates such assets to the corresponding cash-generating units (CGU), which are established at a country level.

The Group estimates, at least at year-end, or earlier in the case of impairment indicators being identified, the recoverable amount of each cash-generating unit considering their value in use.

The determination of the recoverable amount of the assets, requires complex estimations, which entails the application of judgements in establishing the assumptions considered by Group Management in relation to those estimates.

We have considered this a Key Audit Matter due to the significance of the amounts involved, and the inherent complexity of the estimation process in determining the recoverable amount of the assets.

The main aspects on which the Group applies judgements in determining the related assumptions are the future margins estimate, working capital evolution, discount and growth rates, as well as the economic and regulatory conditions in the different markets in which it operates.

Disclosures for the recognition and valuation criteria as well as the main assumptions used by Group Management in assessing the impairment of non-financial non-current assets, are included in Notes Notes 13 and 33.9 of the accompanying consolidated annual accounts.

Our response Our audit procedures included, among others, the following:

- Understand the processes established by Group Management to determine impairment of the value of non-financial non-current assets, including assessment of the design and implementation of relevant controls.
- Assessment of the analysis of the impairment indicators of the cash generating units performed by the Group Management.

- Review of the models used by Group Management, in collaboration with our valuation specialists, encompassing its mathematical coherence, reasonableness of the projected cash flows, discount rates and long-term growth rates, as well as the consistency of these models with the business plans approved by the Group's governing bodies. Throughout the performance of our work, we held interviews with those responsible for the preparation of the models and using renowned external sources and other available information to contrast data.
- Review of the sensitivity analysis performed by Group Management regarding the estimates performed in determining the recoverable amount in the event of changes in the relevant assumptions considered.
- Review disclosures included in the consolidated annual accounts in accordance with the applicable financial reporting framework.

Other matters

On February 27, 2020 other auditors issued their audit report on the consolidated annual accounts for the year ended December 31, 2019, where they expressed an unmodified opinion.

Other information: consolidated director's report

Other information refers exclusively to the 2020 consolidated directors' report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated directors' report. Our responsibility for the consolidated directors' report, in conformity with prevailing audit regulations in Spain, entails:

a. Checking only that the consolidated statement of Non-financial information and certain information included in the Corporate Governance Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the consolidated directors' report with the consolidated annual accounts, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated directors' report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated directors' report is consistent with that provided in the 2020 consolidated annual accounts and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company´s directors and the audit committee for the consolidated annual accounts

The directors of the parent company are responsible for the preparation of the accompanying consolidated annual accounts so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory 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 directors of the parent company 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 has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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 audit regulations 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 the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional skepticism 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 management.
- 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 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 audit 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 fair presentation.

- 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 the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the parent company 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 audit committee of the parent company with a statement that we have complied with relevant ethical requirements, including those related to 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 with the audit committee, we determine those matters that were of most significance in the audit of the consolidated annual accounts of the current period and 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.

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on February 25, 2021.

Term of engagement

The ordinary general shareholders' meeting held on June 3, 2019 appointed us as auditors for 3 years, commencing on December 31, 2020.

ERNST & YOUNG, S.L.
(Registered in the Official Register of
Auditors under No. S0530)

(Signature on the original in Spanish)

David Ruiz-Roso Moyano
(Registered in the Official Register of
Auditors under No. 18336)

February 25, 2021

PROSEGUR
CASH

Consolidated Annual Accounts and Directors´ Report for the year ended 31 December 2020

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

(Free translation for 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 2020 AND 2019

(In thousands of Euros)

	Note	2020	2019
Revenue	3	1,507,517	1,798,654
Cost of sales	4	(1,010,936)	(1,163,843)
Gross Profit/(Loss)		**496,581**	**634,811**
Other income	6	11,538	19,376
Administration and sales expenses	4	(334,652)	(342,841)
Other expenses	6	(38,051)	(5,432)
Participation in profits / (losses) of the year, regarding investments accounted for using the equity method	15	(1,045)	(1,157)
Operating profit/(loss) (EBIT)		**134,371**	**304,757**
Financial income	7	5,410	16,579
Financial expense	7	(51,466)	(61,730)
Net financial income/(expense)		**(46,056)**	**(45,151)**
Profit/(loss) before tax		**88,315**	**259,606**
Income tax	25	(72,685)	(90,590)
Post-tax profit of ongoing operations		**15,630**	**169,016**
Consolidated profit/(loss) for the year		**15,630**	**169,016**
Attributable to:			
Owners of the parent		15,892	168,942
Non-controlling interests		(262)	74
Proceeds per share from ongoing activities attributable to the owners of the parent company (Euro per share)			
- Basic	8	0.01	0.11
- Diluted	8	0.01	0.11

The Notes on pages 10 to 110 form an integral part of the Consolidated Annual Accounts.

II. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 December 2020 AND 2019

(In thousands of Euros)

	Note	2020	2019
Consolidated profit/(loss) for the year		**15,630**	**169,016**
Other comprehensive income:			
Items that are not going to be reclassified to profit/(loss)			
Actuarial gains/(losses) on defined benefit schemes	5.2	(536)	(2,986)
		(536)	**(2,986)**
Items that are going to be reclassified to profit/(loss)			
Translation differences for foreign operations	21	(135,115)	(10,727)
		(135,115)	**(10,727)**
Total comprehensive income for the year, net of tax		**(120,021)**	**155,303**
Attributable to:			
- Owners of the parent		(119,757)	155,287
- Non-controlling interests		(264)	16

The Notes on pages 10 to 110 form an integral part of the Consolidated Annual Accounts.

III. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 December 2020 AND 2019

(In thousands of Euros)

	Note	2020	2019
ASSETS			
Property, Plant and Equipment	11	321,984	345,382
Goodwill	13	393,009	375,467
Other intangible assets	14	189,892	216,694
Rights of use	12	72,623	91,603
Investments accounted for using the equity method	15	5,718	7,510
Non-current financial assets	18	6,252	4,714
Deferred tax assets	25	45,482	47,871
Non-current assets		**1,034,960**	**1,089,241**
Inventories	17	9,768	14,099
Clients and other receivables	19	275,253	381,070
Receivables with Prosegur Group	29	43,558	67,692
Current tax assets		53,956	73,411
Current financial assets		1,196	1,379
Cash and cash equivalents	20	401,773	307,423
Current assets		**785,504**	**845,074**
Total assets		**1,820,464**	**1,934,315**
EQUITY			
Share capital	21	30,891	30,000
Share premium	20	33,134	—
Own shares	21	(18,261)	(1,546)
Translation differences	21	(662,886)	(167,215)
Retained earnings and other reserves	21	698,087	382,101
Equity attributed to holders of equity instruments of the Parent		**80,965**	**243,340**
Non-controlling interests		(730)	293
Total equity		**80,235**	**243,633**
LIABILITIES			
Financial liabilities	23	826,529	646,566
Deferred tax liabilities	25	48,065	37,588
Provisions	22	114,460	144,609
Long-term lease liabilities	12	57,753	74,080
Non-current liabilities		**1,046,807**	**902,843**
Suppliers and other payables	24	326,891	346,790
Current tax liabilities		66,829	93,865
Short-term financial liabilities	23	186,552	210,524
Short-term lease liabilities	12	22,613	31,375
Accounts payable with Prosegur Group	29	79,538	95,729
Short-term provisions	22	2,199	1,449
Other current liabilities		8,800	8,107
Current liabilities		**693,422**	**787,839**
Total liabilities		**1,740,229**	**1,690,682**
Total equity and liabilities		**1,820,464**	**1,934,315**

The Notes on pages 10 to 110 form an integral part of the Consolidated Annual Accounts.

IV. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

	Equity attributed to holders of equity instruments of the Parent							
(In thousands of Euros)	**Capital (Note 21)**	**Share premium (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 2018	**30,000**	**—**	**(156,546)**	**(1,943)**	**366,474**	**237,985**	**6**	**237,991**
Transition adjustment (Note 33.1)	—	—	—	—	(37,247)	(37,247)	—	**(37,247)**
Balance at 1 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
Adjustments for hyperinflation	—	—	—	—	(26,354)	(26,354)	—	(26,354)
Dividends (Note 9)	—	—	—	—	(87,150)	(87,150)	—	(87,150)
Exercise of share incentives 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**
Reclassification of reserves to translation differences (Note 2.4)	**—**	—	(360,558)	—	360,558	—	—	—
Balance at 1 January 2020	**30,000**	**—**	**(527,773)**	**(1,546)**	**742,659**	**243,340**	**293**	**243,633**
Total comprehensive income for the year	—	—	(135,113)	—	15,356	(119,757)	(264)	(120,021)
Capital increase	891	33,134	—	—	—	34,025	—	34,025
Dividends (Note 9)	—	—	—	—	(59,928)	(59,928)	—	(59,928)
Purchase of own shares (Note 21)	—	—	—	(16,715)	—	(16,715)	—	(16,715)
Other changes	—	—	—	—	—	—	(759)	(759)
Balance at 31 December 2020	**30,891**	**33,134**	**(662,886)**	**(18,261)**	**698,087**	**80,965**	**(730)**	**80,235**

The Notes on pages 10 to 110 form an integral part of the Consolidated Annual Accounts.

V. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

	Note	2020	2019
Cash flows from operating activities			
Profit for the year		**15,630**	**169,016**
Adjustments for:			
Depreciation and amortisation	11, 12, 14	111,016	103,169
Loss for impairment of non-current assets	6, 13.14	27,000	—
Impairment losses on trade receivables and inventories	6, 19	3,193	1,691
Changes in provisions	22	(7,618)	14,040
Financial income	7	(5,410)	(16,579)
Financial expense (excludes hyperinflation effect in EBIT)		39,327	61,730
Participation in profits / (losses) regarding investments accounted for using the equity method	15	1,045	1,157
(Profit)/loss from disposals and sales of fixed assets and property investments		2,940	1,733
Income tax	25	72,685	89,981
Changes in working capital, excluding the effect of acquisitions and translation differences			
Inventories		3,137	7,457
Clients and other receivables (includes Group companies)		22,590	(9,220)
Suppliers and other payables (includes Group companies)		11,474	19,928
Payments of provisions	22	(9,110)	(19,575)
Other current assets and liabilities		2,364	3,124
Cash generated from operations			
Interest payments		(13,571)	(18,341)
Income tax paid		(39,523)	(96,273)
Net cash generated from operating activities		**237,373**	**313,038**
Cash flows from investing activities			
Interest received		132	4,012
Purchase of subsidiaries, net of cash and cash equivalents	28	(23,845)	4,162
Payments for the purchase of property, plant and equipment	11, 16	(65,867)	(96,608)
Payments for the purchase of intangible assets	14, 16	(3,840)	(7,882)
Proceeds from the sale of property, plant and equipment		3,803	—
Net cash generated from investing activities		**(89,617)**	**(96,316)**
Cash flows from financing activities			
Payments from the issue of own shares and equity instruments		(16,715)	397
Financing received		416,280	19,623
Payments from debts		(239,186)	(11,648)
Payments from lease debts		(29,924)	(30,073)
Payments from other debts		(84,197)	(21,170)
Paid dividends	9	(31,811)	(110,013)
Net cash generated from financing activities		**14,447**	**(152,884)**
Net increase/(decrease) in cash and cash equivalents		162,203	63,839
Cash and cash equivalents at the beginning of the year		307,423	273,756
Effect of exchange differences on cash		(67,853)	(30,172)
Cash and equivalents at the end of the year		**401,773**	**307,423**
includes:			
- Cash and cash equivalents at the end of the period of ongoing operations	20	401,773	307,423

The Notes on pages 10 to 110 form an integral part of the Consolidated Annual Accounts.

VI. NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS AT 31 DECEMBER 2020

1. General information about the Company

Prosegur Cash is a business group made up of Prosegur Cash, S.A. (hereinafter “the Company”) and its subsidiaries (together, Prosegur Cash or Prosegur Cash Group) which provides services in the following countries: Spain, Portugal, Germany, Luxembourg, Argentina, Brazil, Chile, Peru, Uruguay, Paraguay, Colombia, The Philippines, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Ecuador, Mexico, India, Singapore, 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 53.3% of its shares, indirectly controlling another 21.68% 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 59.37% of the shares 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) 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 23 February 2021 and are pending approval by the shareholders at their Shareholders 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 for 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 2020, 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 2020 are detailed below.

The following companies were incorporated or wound up in 2020:

- In February 2020, Prosegur Custodia de Activos Digitales, S.L. was incorporated in Spain.
- In March 2020, Gelt Brasil Consultoria em Tecnologia da Informação Ltda. was incorporated in Brazil.
- In June 2020, Spike GmbH was incorporated in Germany.
- In December 2020, Prosegur Cash Servicios S.A.C was incorporated in Peru.

The following mergers took place between subsidiaries in 2020:

- In January 2020, the takeover merger of Transfederal Transporte de Valores Ltda by Prosegur Brasil S.A. Transportadora de Valores e Segurança was formalised in Brazil.
- In March 2020, the takeover merger of Transvip Transporte de Valores e Vigilância Patrimonial Ltda. by Prosegur Brasil S.A. Transportadora de Valores e Segurança was formalised in Brazil.
- In December 2020, the takeover merger of Tevsur Cia Ltda. by Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda. was formalised in Ecuador.
- In December 2020, the takeover merger of BaS Solution Gmbh by Prosegur Cash Services Germany Gmbh was formalised in Germany.

On 14 February 2020 Prosegur sold all its stake in the Mexican companies Prosegur Seguridad Privada Logistica y Gestión de Efectivo S.A. de CV, Prosegur Servicios de Seguridad Privada Electronica S.A. de CV and Grupo Tratamiento y Gestión de Valores SAPI de CV.

Furthermore, in March 2020, the inactive Portuguese company Alicerces Duradouros Unipessoal Ltda. was purchased, and in October 2020 the inactive company Dinero Gelt, S.A. was acquired in Argentina.

Additionally, other changes to the consolidation scope in 2020 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 of sales.

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 carrying amounts 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 2020 include comparative figures for the previous year.

As a result of the IFRIC agenda decision reached in 2020 the Prosegur Cash Group has amended the previous presentation of the translation differences of the business in Argentina, regarding them as reserves. In its agenda decision, the IFRIC clarified that the effects of the inflation corrected in IAS 29 in the equity located in the country affected by hyperinflation (excluding the part of the net monetary position that directly affects profit/(loss)) has a currency effect similar to the one that arises when converting the country's financial statements to the presentation currency, whereby both concepts should be reflected in translation differences.

Likewise, the IFRIC clarified that in the first application of IAS 29, the treatment should be the same as that explained above and with retroactive effect and therefore present the effects in accumulated translation differences, though separating the part of inflation corresponding to the net monetary position, which should be presented in reserves.

In application of all the above, the Group has proceeded to reclassify the treatments that it had carried out directly against reserves in previous years for an amount of EUR 360,558 thousand between translation differences and reserves in the year 2020 and cumulatively, without modifying the comparative presentation of said periods.

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 2020 and 2019, that pose a significant risk of causing material adjustments in the year ended on 31 December 2020, 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 33.9).
- Impairment of financial assets: Calculated based on the expected loss (Note 19).
- Recognition and valuation of provisions and contingencies: assumptions used to determine the probability of occurrence and the estimate amounts of resource outflows (Notes 22, 26 and 33.16).
- Recognition and valuation of the defined benefit schemes for employees: actuarial hypotheses for the provision of defined benefit schemes for employees (Notes 5.2, 22 and 33.19).
- Recognition and valuation of deferred tax assets: estimates and assumptions used to measure the recoverability of tax credits (Notes 25 and 33.18).

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).

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 financial team, reporting directly to Financial Management, with general responsibility over the supervision of all relevant fair value calculations.

On a regular basis the financial 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 financial team verifies the fulfilment of such information with the IFRS-EU and the level of fair value in which such valuations should be classified.

Significant valuation 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.

COVID-19

On 11 March 2020, the World Health Organization declared the outbreak of Coronavirus COVID-19 to be a pandemic. As a result, many governments have taken restrictive measures to contain the spread, including: isolation, lockdowns, quarantine and restriction of the free movement of people, closure of public and private premises, among others.

This situation is having a significant effect on the world economy due to the interruption or slowing down of the supply chains and the significant increase of economic uncertainty which is evidenced by a greater volatility in the price of assets, exchange rates and reduced long-term interest rates.

The measures adopted by the different governments for combatting the spread of COVID-19 and the circumstances arising from the coronavirus crisis have brought about a fall in the total market accessible by the Prosegur Cash Group for carrying out its business. This is due to restrictions on opening hours and closings of restaurants and retail premises, successive and multiple ceasing of activity and restrictions to the free movement of people.

With this situation, characterised by a drastic drop in the different sectors of the economy, and absolute uncertainty for the future, the main consequences and decisions adopted derived from it have been the following:

- The deferred payment of tax liabilities in several countries, in an amount of EUR 2,287 thousand.
- Non-refundable subsidies awarded by the Administration for the maintenance of employment in the context of the COVID-19 pandemic in Australia, amounting to EUR 10,962 thousand.
- Loan received at a reduced interest rate in Peru in an amount of EUR 362 thousand (Note 23).
- Temporary layoffs have also been made to try to adapt organisational, production and cost structures to the new activity levels. The amount of this measure had a positive impact of EUR 1,273 thousand on the income statement.
- Investments in property, plant and equipment have been reduced,
- unnecessary client service expenses such as travel expenses, consultancy fees and other professional fees have been limited.
- With respect to safeguarding employee health, the working method of structural personnel has been adapted, who have been working remotely since the declaration of the pandemic,
- Exemption from Social Security payments associated with the Temporary Workforce Reduction Plans (ERTE) have been granted in Spain, Portugal, Germany, Argentina and Colombia.

Prosegur Cash has adopted a series of measures to mitigate these effects in the countries in which it operates.

The following aspects stand out from the results of these measures:

- Liquidity risk: The situation of uncertainty generated by the COVID-19 pandemic has led to greater liquidity constraints in the economy as a whole, as well as reduced access to credit. For this reason, the Cash Group has drawn EUR 155,000 thousand from the contracted credit facility, associated with the syndicated financing facility in the amount of EUR 300,000 thousand respectively (Note 23).
- Risk of measurement of assets and liabilities on the balance sheet: The Group has carried out an analysis and a series of calculations associated with the accounting valuation of certain assets (goodwill, tax credits and non-current assets).
- Credit risk: the Group has complied with the applicable Covenants at the end of the year.
- Operational risk: due to the aforementioned restrictions, the volume of cash in transit decreased, and the Cash business has been negatively affected as a result. From the start of the pandemic, the Group has been applying a cost containment programme and measures to preserve cash generation in order to limit the impact of reduced activity.
- Going concern risk: in light of the aspects mentioned above, the Cash Group considers that at the date of the preparation of the consolidated annual accounts, no risk associated with the application of the going concern principle was detected.

3. Revenue

Revenue was obtained solely through the services provided.

Thousands of Euros	**2020**	**2019**
Provision of services	1,507,517	1,798,654
Total revenue	**1,507,517**	**1,798,654**

See Note 10 for further information on revenue by geographical area. See Note 33.20 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	2020	2019
Supplies	39,351	53,814
Employee benefits expenses (Note 5)	699,677	819,980
Operating leases and associated expenses (Note 12)	10,000	10,277
Supplies and external services	121,981	135,902
Depreciation and amortisation	44,587	46,637
Other expenses	95,340	97,233
Total cost of sales	**1,010,936**	**1,163,843**

Thousands of Euros	2020	2019
Supplies	1,114	2,480
Employee benefits expenses (Note 5)	107,729	94,435
Operating leases and associated expenses (Note 12)	8,338	10,879
Supplies and external services	51,739	60,315
Depreciation and amortisation	66,429	56,226
Other expenses	99,303	118,506
Total administration and sales expenses	**334,652**	**342,841**

The general decline of all items arises as a result of the COVID-19 pandemic (Note 2.5)

The heading Other expenses, under administration and sales expenses, includes expenses for management support services and trademark usage expenses totalling EUR 82,626 thousand (2019: EUR 89,596 thousand), (Note 29).

This heading also includes indirect taxation costs, mainly from Argentina and Brazil in the amount of EUR 16,166 thousand (2019: EUR 21,731 thousand).

The decrease in employee benefits expenses, included under total cost of sales, is due to the net impact of COVID-19 (Note 2.5) and to the new business combinations (Note 28).

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

The heading on operating leases and associated expenses 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).

5. Employee benefits

5.1. Employee benefits expenses

Details of the employee benefits expense are as follows:

Thousands of Euros	2020	2019
Salaries and wages	605,804	697,351
Social Security expenses	142,375	162,239
Other employee benefits expenses	23,132	33,264
Indemnities	36,095	21,561
Total employee benefits expenses	**807,406**	**914,415**

The generalised drop in all items is due to the impact of the COVID-19 pandemic (Note 2.5), with the exception of compensations, which increased as a result of the need to adapt organisational structures to the new situation posed by COVID-19.

Salaries and wages includes the expense relating to the commitment accrued in 2020 under the 2017 Plan and the 2020 Plan for the Executive President, Executive Director and Senior Management of Prosegur Cash (Note 33.19). Due to the impact of the COVID-19 pandemic on the Cash Group 's results (Note 2.5), it is foreseeable that the objectives set for the liquidation of the entire 2020 Plan will not be achieved. Consequently, the Group has adjusted the provision based on a new settlement, recording a positive impact on the income statement for the year amounting to EUR 2,465 thousand (Note 22).

During the year 2019, provisions to profit/(loss) amounted to EUR 3,263 thousand.

5.2. Employee benefits

The Prosegur Cash Group contributes to various defined benefit schemes in Germany, Brazil, Honduras, Nicaragua, El Salvador, Ecuador and Mexico. The defined benefit scheme 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 Germany and Ecuador consist of retirement awards; while the pension plans in Nicaragua, El Salvador and Honduras consist of severance compensation.

In 2020, the amount recognised as higher employee benefits expenses in the consolidated income statement under the heading cost of sales and administration and sales expenses came to a lower expense of EUR 357 thousand (a higher expense of EUR 1,158 thousand in 2019).

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

Thousands of Euros	2020	2019
Balance at 1 January	**10,632**	**8,983**
Business combination	7,157	—
Net Expense/(Income) for the year	(357)	1,158
Contributions to scheme	(955)	(184)
Actuarial Loss/(Profit)	536	3,129
Exit from the scope	(1,177)	(1,844)
Translation differences	(2,897)	(610)
Balance at 31 December	**12,939**	**10,632**

During 2020 the negative impact on equity arising from actuarial losses amounted to EUR 536 thousand (negative impact of EUR 2,986 thousand in 2019).

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

Thousands of Euros	2020	2019
Brazil	4,960	8,562
Germany	548	624
Mexico	46	1,354
Ecuador	7,276	—
Central America	109	92
	12,939	**10,632**

At 31 December 2020, the defined benefit schemes in Brazil involved 11,144 employees (10,875 employees in 2019). The Germany plan involved 3 employees at 31 December 2020 (3 employees in 2019). The Mexico plan involved 14 employees (975 employees in 2019). The Central America plans involved 819 employees at 31 December 2020 (922 employees in 2019). The Ecuador plans involved 1,576 employees at 31 December 2020.

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

	Brazil		**Germany**		**Mexico**		**Nicaragua**		**Honduras**		**El Salvador**		**Ecuador**
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**
Inflation rate	3.3%	4.0%	1.8%	1.8%	3.5%	4.3%	5.0%	5.0%	4.0%	7.0%	2.0%	2.0%	3.0%
Annual discount rate	3.8%	3.6%	0.6%	1.0%	8.5%	8.8%	10.3%	9.9%	6.6%	6.6%	3.0%	4.3%	8.2%

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		Germany		Mexico		Central America		Ecuador
2020	2019	2020	2019	2020	2019	2020	2019	2020
AT 2000 reduced by 10% itemised per gender	AT 2000 reduced by 10% itemised per gender	Heubeck Richttafeln 2018 G	Heubeck Richttafeln 2005 G	Mexican Social Security Experience for Assets 2009	Mexican Social Security Experience for Assets 1997	100% of the securities in Watson Wyatt Worldwide	100% of the securities in Watson Wyatt Worldwide	TM IESS 2002

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	2020	2019
Loss for impairment of receivables (Note 19)	(3,193)	(1,624)
Loss for impairment of non-current assets (Note 13 and 14)	(27,000)	—
Net profit/(loss) on disposal of fixed assets	(2,940)	(1,733)
Other expenses	(4,918)	(2,075)
Total other expenses	**(38,051)**	**(5,432)**

The increase in loss for impairment of receivables is a result of the COVID-19 pandemic (Note 2.5).

The section for loss for impairment of non-current assets includes the impairment losses of goodwill and intangible assets (Note 13 and 14).

In 2020, the item “Other expenses” mainly includes expenses for the divestment of Mexico, which has entailed an expense of EUR 1,041 thousand.

The section on losses on the disposal of fixed assets includes losses associated with disposals of property, plant and equipment, which correspond mainly to Spain and Brazil. During 2019, the section mainly included losses associated with disposals of property, plant and equipment in Brazil.

Other income

Thousands of Euros	2020	2019
Other income	11,538	19,376
Total other income	**11,538**	**19,376**

The item “Other income” in 2020 mainly includes extraordinary income from insurance.

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.

7. Net financial expenses

Details of the net financial expenses are as follows:

Thousands of Euros	2020	2019
Borrowing costs:		
- Bank borrowings	(10,297)	(12,497)
- Debentures and other negotiable securities	(8,250)	(8,250)
- Loans with other companies	—	(200)
- Financial expenses for the update of lease liabilities (Note 12)	(5,703)	(8,407)
	(24,250)	**(29,354)**
Interest received:		
- Loans and other investments (includes Group companies)	1,303	4,394
	1,303	**4,394**
Other profit/(loss)		
Net (loss)/profit on foreign currency transactions	(8,789)	(14,034)
Net financial (expense)/income from the net monetary position	(2,331)	6,419
Other financial income	4,107	5,766
Other financial expenses (includes Group companies)	(16,096)	(18,342)
	(23,109)	**(20,191)**
Net financial expenses	**(46,056)**	**(45,151)**
Total financial Income	**5,410**	**16,579**
Total financial expense	**(51,466)**	**(61,730)**
Net financial expenses	**(46,056)**	**(45,151)**

The main change in the financial profit/(loss) at 31 December 2020 compared to December 2019 is due primarily to the net effect of:

- Volatility of transactions in foreign currencies other than the functional currency contained under “Net Profits/(Losses) on foreign currency transactions”
- A financial expense deriving from the net monetary position that amounts to EUR 2,331 thousand; at December 2019 the item recorded income in the amount of EUR 6,419 thousand. That item reflects the exposure to the change in the purchasing power of the Argentine currency.
- Lower financial expenses for the update of lease liabilities that amount to EUR 5,703 thousand (EUR 8,407 thousand in 2019) (Note 12).
- Decreased financial income under Loans and other investments for income obtained following the investment of cash surpluses, mainly from Argentina, for a total amount of EUR 770 thousand (EUR 4,394 thousand in 2019).

On the other hand, interest expenses on obligations and other negotiable securities remain in line as a result of the issuance of bonds in the nominal amount of EUR 600,000 thousand (Note 23).

Financial income and expenses with companies belonging to the Prosegur Group amounted to EUR 411 thousand and EUR 1,380 thousand, respectively (2019: EUR 1,256 thousand and EUR 3,053 thousand, respectively) (Note 29.2).

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

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 2020 and 2019, 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).

Euros	2020	2019
Year profit attributable to the owners of the parent company	15,891,325	168,941,365
Weighted average ordinary shares in circulation	1,508,972,371	1,499,998,941
Basic earnings per share	**0.0105**	**0.1126**

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 16 December 2020, the Board of Directors approved an interim dividend amounting to EUR 59,928 thousand, i.e. EUR 0.03880 per share. This dividend will be paid to shareholders in four payments of EUR 14,982 thousand each, at a rate of 25%, in January, April, July and October 2021.

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

	Thousands of
	2020
1. Initial cash on hand (before the interim dividend)	29,914
2. Group current bank account balances	52,426
3. Current proceeds	1,299
4. Temporary financial investments	—
5. Receipts for Capital and Extraordinary Transactions	132,000
6. Payments for Current Operations	(4,678)
7. Payments for Financial Transactions	(9,672)
8. Extraordinary Payments	(570)
Forecast Cash	**200,719**
Less dividend payments according to the proposal	**(59,928)**
Final cash after dividends	**140,791**

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, which includes the following countries: Spain, Germany and Portugal.
- Rest of the world (AOA), which includes the following countries: Australia, Indonesia, India and The Philippines.
- LatAm, which includes the following countries: Argentina, Brazil, Ecuador, 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 EBITA 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 amortisation, financial income/(expense), corporate income tax and earnings from discontinued operations.
- EBITA: consolidated profit/(loss) before amortisation, 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 EBITA 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 and include rights of use that have emerged in 2019 as a result of the application of IFRS 16.

The total liabilities assigned to segments exclude debts with credit institutions as Prosegur Cash jointly handles the financing, and they include lease liabilities arising from the application of IFRS 16.

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

Details of revenues by segment are as follows:

	Europe		**AOA**		**LatAm**		**Total**	
Thousands of Euros	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Revenue	436,115	508,568	98,868	104,784	972,534	1,185,302	1,507,517	1,798,654
% of total	29 %	28 %	7 %	7 %	64 %	66 %	100 %	100 %
Total Sales	**436,115**	**508,568**	**98,868**	**104,784**	**972,534**	**1,185,302**	**1,507,517**	**1,798,654**

Details of EBITA and profit/(loss) after tax from ongoing operations broken down by segment are as follows:

	Europe		**AOA**		**LatAm**		**Total**	
Thousands of Euros	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Sales	436,115	508,568	98,868	104,784	972,534	1,185,302	1,507,517	1,798,654
Other net expenses	(403,742)	(444,960)	(104,647)	(102,906)	(726,741)	(843,168)	(1,235,130)	(1,391,034)
EBITDA	32,373	63,608	(5,779)	1,878	245,793	342,134	272,387	407,620
PPE depreciation	(27,479)	(24,478)	(9,225)	(7,911)	(50,689)	(51,886)	(87,393)	(84,275)
EBITA	4,894	39,130	(15,004)	(6,033)	195,104	290,248	184,994	323,345
Amortisation of intangible assets	(2,541)	(2,137)	(4,643)	(1,336)	(16,439)	(15,115)	(23,623)	(18,588)
Amortisation and depreciation in the year	—	—	(27,000)	—	—	—	(27,000)	—
Operating profit/(loss) (EBIT)	2,353	36,993	(46,647)	(7,369)	178,665	275,133	134,371	304,757
Net financial expenses	(16,477)	(12,273)	(5,388)	(4,841)	(24,191)	(28,037)	(46,056)	(45,151)
Income tax	(8,956)	(16,346)	465	(89)	(64,194)	(74,155)	(72,685)	(90,590)
Post-tax profit of ongoing operations	(23,080)	8,374	(51,570)	(12,299)	90,280	172,941	15,630	169,016

There is no profit/(loss) that has not been allocated to a segment. Segment income and expenses are composed by those deriving from the operating activities directly attributable to them and that the Board of Directors considers reasonable and which are distributed by using an analytical distribution criteria.

Details of revenues by activity are as follows:

	Europe		**AOA**		**LatAm**		**Total**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
National and international Shipping and Custody of Valuable Goods:	220,428	264,541	60,759	68,190	591,395	751,328	872,582	1,084,059
% of total	50.6 %	52.0 %	61.5 %	65.1 %	60.8 %	63.4 %	57.9 %	60.3 %
Cash Management	116,596	149,988	25,210	30,920	210,582	242,162	352,388	423,070
% of total	26.7 %	29.5 %	25.5 %	29.5 %	21.7 %	20.4 %	23.4 %	23.5 %
New Products	99,091	94,039	12,899	5,674	170,557	191,812	282,547	291,525
% of total	22.7 %	18.5 %	13.0 %	5.4 %	17.5 %	16.2 %	18.8 %	16.2 %
	436,115	**508,568**	**98,868**	**104,784**	**972,534**	**1,185,302**	**1,507,517**	**1,798,654**

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 (internal personnel management) at retail clients. This includes parts 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		LatAm		Not allocated to segments		Total	
Thousands of Euros	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Non-current assets allocated to segments	**291,926**	**294,289**	**131,607**	**116,246**	**889,469**	**1,090,361**	**99,437**	**121,282**	**1,412,439**	**1,622,178**
Other non-allocated assets	**—**	**—**	**—**	**—**	**—**	**—**	**408,025**	**312,137**	**408,025**	**312,137**
Other non-current financial assets	—	—	—	—	—	—	6,252	4,714	6,252	4,714
Cash and cash equivalents	—	—	—	—	—	—	401,773	307,423	401,773	307,423

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 distribution of liabilities by segment

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

	Europe		AOA		LatAm		Not allocated to segments		Total	
Thousands of Euros	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Liabilities allocated to segments	**207,227**	**282,545**	**164,502**	**96,846**	**313,580**	**501,326**	**114,897**	**42,430**	**800,206**	**923,147**
Other non-allocated liabilities	**—**	**—**	**—**	**—**	**—**	**—**	**940,023**	**767,535**	**940,023**	**767,535**
Bank borrowings	—	—	—	—	—	—	940,023	767,535	940,023	767,535

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	Advances and work in progress	Total
Cost						
Balance at 1 January 2019	**39,354**	**166,066**	**203,085**	**313,178**	**33,795**	**755,478**
Transition adjustment (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
Additions	346	30,629	18,205	15,994	31,434	96,608
Disposals	—	(5,676)	(7,218)	(10,315)	(3,158)	(26,367)
Disposal of the scope of consolidation	—	(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**
Translation differences	(6,401)	(25,064)	(38,739)	(37,122)	(5,700)	(113,026)
Business combinations (Note 28)	7,987	954	8,020	5,539	59	22,559
Additions	698	17,600	10,492	9,101	27,976	65,867
Disposals	(256)	(5,936)	(1,027)	(6,243)	(1,777)	(15,239)
Disposal of the scope of consolidation	—	(1,786)	(7,395)	(8,034)	(332)	(17,547)
Transfers	402	4,122	7,568	10,073	(22,165)	—
Balance at 31 December 2020	**45,405**	**180,577**	**196,206**	**279,273**	**25,859**	**727,320**

Thousands of Euros	Land and buildings	Technical installations and machinery	Other installations and furniture	Armoured vehicles and other property, plant and equipment	Advances and work in progress	Total
Depreciation and impairment losses						
Balance at 1 January 2019	**(4,566)**	**(86,977)**	**(102,262)**	**(228,212)**	**—**	**(422,017)**
Transition adjustment (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
Disposals	124	2,936	844	6,830	—	10,734
Transfers	—	—	—	(31,591)	—	(31,591)
Depreciation and amortisation for the year	(935)	(15,404)	(17,384)	(23,031)	—	(56,754)
Disposal of the scope of consolidation	—	1,935	12,104	11,362	—	25,401
Balance at 31 December 2019	**(5,338)**	**(94,808)**	**(106,002)**	**(233,176)**	**—**	**(439,324)**
Translation differences	789	10,179	22,341	33,514	—	66,823
Disposals	142	2,166	320	5,868	—	8,496
Transfers	—	(136)	(501)	637	—	—
Depreciation and amortisation for the year	(885)	(15,340)	(17,673)	(19,205)	—	(53,103)
Disposal of the scope of consolidation	—	1,143	4,566	6,063	—	11,772
Balance at 31 December 2020	**(5,292)**	**(96,796)**	**(96,949)**	**(206,299)**	**—**	**(405,336)**
Carrying amount						
At 1 January 2019	34,788	79,089	100,823	84,966	33,795	333,461
At 31 December 2019	37,637	95,879	111,285	72,783	27,798	345,382
At 1 January 2020	37,637	95,879	111,285	72,783	27,798	345,382
At 31 December 2020	40,113	83,781	99,257	72,974	25,859	321,984

At 31 December 2020, the additions recorded in property, plant and equipment amount to EUR 65,867 thousand, and correspond mainly to cash automation equipment fitted in clients premises and purchasing of and fitting-out work on bases and armoured vehicles in Spain, Brazil and Argentina.

At 31 December 2019, additions to property, plant and equipment amount to EUR 96,608 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.

As a result of the application of the IAS 29 for Argentina in 2020, after the interpretation issued by the International Financial Reporting Interpretations Committee (IFRIC), the Group has adopted the accounting policy of recording changes in equity, associated with the currency effect and the inflation effect, under the heading “Translation differences” as a whole. In the 2019 financial year, the hyperinflation adjustment included the aforementioned impacts due to the application of IAS 29 and the application of IAS 21.42 . The devaluation of the Argentine peso has had a greater effect than the effects of inflation in both 2020 and 2019.

The heading Advances and work in progress, at the end of 2020, includes mainly advances for work on armoured vehicles in Germany, amounting to EUR 4,555 thousand, advances for machinery in Spain, Peru, Brazil and Chile, amounting to EUR 11,620 thousand, and refurbishments at facilities in Brazil and The Philippines, amounting to EUR 5,802 thousand.

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.

No assets are subject to restrictions on title or pledged as security for particular transactions at 31 December 2020 and 2019.

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 2020 and 2019 there was no hedge shortfall whatsoever regarding such risks.

12. Rights of use and lease liabilities

The breakdown of changes in right of use assets for the year ended at 31 December 2020 and 2019 is as follows:

	Thousands of Euros	
	2020	**2019**
Cost		
Balance at 31 December of the previous year	**114,208**	**—**
Transition adjustment (Note 33.1)	—	103,976
Reclassification of property, plant and equipment under finance lease under IAS 17 (Note 11 and 33.1)	—	51,209
Balance at 1 January	**114,208**	**155,185**
Additions	21,272	11,868
Adjustment for hyperinflation	—	263
Business combinations (Note 28)	108	2,296
Disposal of the scope of consolidation	(2,095)	(3,608)
Disposals and transfers	(2,007)	(50,903)
Translation differences	(12,102)	(893)
Balance at 31 December	**119,384**	**114,208**
Accumulated depreciation		
Balance at 31 December of the previous year	**(22,605)**	**—**
Reclassification of accumulated depreciation of property, plant and equipment under finance leases under IAS 17 (Note 11 and 33.1)	—	(32,210)
Balance at 1 January	**(22,605)**	**(32,210)**
Exits from the scope	585	666
Adjustment for hyperinflation	—	(43)
Provisions charged against the income statement	(27,190)	(23,038)
Translation differences	2,449	73
Disposals and transfers		31,947
Balance at 31 December	**(46,761)**	**(22,605)**
Net balance		
At 31 December of the previous year	91,603	—
At 1 January	**91,603**	**122,975**
At 31 December	**72,623**	**91,603**

Of the total amount of rights of use at 31 December 2020, EUR 61,280 thousand correspond to buildings, EUR 10,223 thousand to vehicles and EUR 1,120 thousand to machinery. (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 binding duration of the contract in force for each asset.

The breakdown of changes in lease liabilities for the year ended at 31 December 2020 is as follows:

	Thousands of Euros	
	2020	**2019**
Liabilities		
Balance at 31 December of the previous year	**105,455**	**—**
Transition adjustment (Note 33.1)	—	117,698
Reclassification from debentures due to finance lease (Note 33.1)	—	11,940
Balance at 1 January	**105,455**	**129,638**
Additions	21,272	11,868
Business combinations (Note 28)	108	2,325
Write offs and cancellations	(36,257)	(42,012)
Financial expenses (Note 7)	5,703	8,407
Translation differences	(13,949)	(1,041)
Disposal of the scope of consolidation	(1,966)	(3,730)
Balance at 31 December	**80,366**	**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 months to 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Right of use liabilities	10,166	12,447	17,017	28,031	12,705
	10,166	**12,447**	**17,017**	**28,031**	**12,705**

The average incremental discount rates for the main countries affected by this standard, used for calculating the current value of the recognised rights of use and lease liabilities were as follows:

	1 to 3 years	**3 to 5 years**	**5 to 10 years**
Germany	0.73 %	0.96 %	1.28 %
Brazil	5.17 %	7.55 %	8.51 %
Peru	2.65 %	3.35 %	4.67 %
Argentina	45.80 %	42.64 %	42.28 %
Colombia	5.08 %	6.16 %	7.40 %
Chile	2.42 %	3.30 %	4.16 %
Spain	0.94 %	1.15 %	1.51 %

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 contracts (leases for one year or less) and leases for low value assets (USD 5 thousand or less). Those exceptions have been recorded entirely under the heading on operating leases. The total lease expense not subject to IFRS 16 for term as well as amount came to EUR 18,338 thousand (Note 4).

13. Goodwill

Details of movement in goodwill are as follows:

	Thousands of Euros	
	2020	**2019**
Balance at 1 January	**375,467**	**356,138**
Business combinations (Note 28)	63,059	36,053
Additions	1,743	178
Disposals	—	(16,938)
Additions for hyperinflation	—	(325)
Provision for impairment losses recognised in profit/(loss)	(17,342)	—
Translation differences	(29,918)	361
Balance at 31 December	**393,009**	**375,467**

Additions to goodwill deriving from business combinations are as follows:

	2020
	Thousands of Euros
Cash business combinations in LatAm (1)	59,933
Business combinations in Cash Europe (1)	3,018
Cash business combinations in AOA (1)	108
	63,059

	2019
	Thousands of Euros
Cash business combinations in LatAm (1)	24,919
Business combinations in Cash Europe (1)	7,512
Cash business combinations in AOA (1)	3,622
	36,053

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:

	2020
	Thousands of Euros
Cash business combinations in LatAm (1)	1,743
	1,743

	2019
	Thousands of Euros
Cash business combinations in LatAm (1)	178
	178

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

Disposals recorded in 2019 corresponded to the goodwill associated with Prosegur Cash Holding France, which was sold to Loomis AB.

Details of the estimated goodwill in the tables above and the allocation of the amounts for which valuation 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.

The nature of the assets included for establishing the carrying amount of a CGU are: Property, Plant and Equipment, Goodwill, Other Intangible Assets and Working Capital (Note 33.9).

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

	Thousands of Euros	
	2020	**2019**
CGU Spain	24,903	20,143
CGU Portugal	5,730	5,730
CGU Germany	35,985	35,985
Subtotal Europe	**66,618**	**61,858**
CGU Australia	17,758	34,772
CGU Indonesia	3,341	3,623
CGU Philippines	12,680	13,090
Subtotal AOA	**33,779**	**51,485**
CGU Brazil	117,780	103,756
CGU Chile	35,586	35,586
CGU Peru	30,764	32,583
CGU Argentina	49,737	51,740
CGU Colombia	21,282	19,897
CGU Ecuador	19,753	—
CGU rest of LatAm	17,710	18,562
Subtotal LatAm	**292,612**	**262,124**
Total	**393,009**	**375,467**

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 33.9.

The recoverable amount of a CGU is determined based on its value in use.

Value in use as a method for calculation:

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. During the 2020 financial year, Prosegur prepared the strategic plan to cover the periods from 2021 to 2023. 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.

During the 2020 financial year and as a consequence of the deterioration of the recovery perspectives in the short term due to the impact of COVID-19, the effects of the pandemic on the estimated cash flows were considered, both at the macroeconomic level and at the business level, leading to lower projections in terms of turnovers for the year 2021. In the medium term, turnovers are expected to return close to pre-COVID levels in 2022-2023.

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/(Loss): 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 sales revenue less cost of sales, divided by total sales 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, and its fortified offices.
- Working capital: based on optimising DSO or average collection period for receivables. The projection is based on sales growth, in accordance with the DSO determined.
- 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 2020 are as follows:

	Spain	**Germany**	**Portugal**	**Australia**	**India**	**Chile**	**Brazil**	**Colombia**	**Peru**	**Argentina**
Growth rate	1.69 %	1.97 %	1.52 %	2.42 %	4.04 %	3.00 %	3.25 %	2.91 %	2.00 %	15.00 %
Discount rate	6.04 %	5.74 %	7.30 %	7.20 %	12.20 %	8.21 %	9.25 %	9.21 %	7.85 %	29.93 %

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

	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 %

The discount rates used are post-tax values and reflect specific risks related to the country of operation.

As a result of the impairment tests carried out in 2020, the recoverable values calculated according to the previous methodology were higher than the net carrying amount, except for:

CGU Australia: in recent years Australia has experienced a gradual weakening in its client portfolio, aggravated by a drop in volumes due to COVID-19 as well as a fall in sector prices. All this caused the estimated growths to be reduced in the 2021-2023 Plan.

As a result, an impairment of EUR 17,342 thousand was recorded for goodwill and an impairment of EUR 9,658 thousand for intangible assets (Note 14).

Along with impairment testing, Prosegur Cash 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 made on the discount rate consists of determining the basis of which weighted average discount rate used for extrapolating cash flows would incur impairment losses for each of the most representative CGUs.

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:

	2020			**2019**		
	Discount rate	**Growth rate**	**EBITDA**	**Discount rate**	**Growth rate**	**EBITDA**
Brazil	14.55 %	-4.91 %	-22.66 %	13.74 %	-0.67 %	-14.98 %
Argentina	93.66 %	-100.00 %	-57.82 %	96.77 %	-100.00 %	-65.91 %
Spain	19.98 %	-44.35 %	-39.96 %	16.65 %	-23.88 %	-48.39 %
Colombia	9.82 %	2.38 %	-3.09 %	11.96 %	0.74 %	-6.16 %
Peru	29.84 %	-100.00 %	-46.95 %	35.22 %	-100.00 %	-49.92 %
Chile	12.00 %	-1.09 %	-19.68 %	11.46 %	-1.87 %	-16.51 %
Germany	15.25 %	-43.10 %	-36.95 %	10.05 %	-11.63 %	-32.01 %
Australia	6.17 %	3.86 %	10.13 %	7.76 %	1.42 %	-7.07 %

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 Group considers that none of these scenarios are reasonably possible.

Prosegur Cash does not consider it likely that the sensitivity assumptions used in the above tables would occur, so it does not consider there to be any indicator of impairment problems.

14. Other intangible assets

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

Thousands of Euros	Computer software	Client portfolios	Trademarks and licences	Other intangible assets	Total
Cost					
Balance at 1 January 2019	**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
Adjustments for hyperinflation	41	3,724	—	—	3,765
Additions	7,882	881	—	968	9,731
Disposal of the scope of consolidation	(795)	(357)	—	—	(1,152)
Disposals	(1,837)	(14,127)	(140)	—	(16,104)
Balance at 31 December 2019	**46,674**	**296,365**	**15,130**	**11,974**	**370,143**
Translation differences	(3,608)	(65,581)	(3,681)	(2,359)	(75,229)
Business combinations (Note 28)	36	40,121	517	7,150	47,824
Additions	6,099	716	—	438	7,253
Disposals	(1,199)	—	—	(521)	(1,720)
Disposal of the scope of consolidation	(369)	—	—	—	(369)
Balance at 31 December 2020	**47,633**	**271,621**	**11,966**	**16,682**	**347,902**
Depreciation and amortisation					
Balance at 1 January 2019	**(26,333)**	**(101,927)**	**(11,734)**	**(4,801)**	**(144,795)**
Translation differences	12	3,390	525	209	4,136
Disposals	201	—	—	—	201
Adjustments for hyperinflation	(330)	(1,654)	470	—	(1,514)
Depreciation and amortisation for the year	(4,760)	(17,147)	(618)	(852)	(23,377)
Disposal of the scope of consolidation	1,578	10,182	140	—	11,900
Balance at 31 December 2019	**(29,632)**	**(107,156)**	**(11,217)**	**(5,444)**	**(153,449)**
Translation differences	2,056	27,049	4,363	1,514	34,982
Disposals	258	—	—	294	552
Depreciation and amortisation for the year	(7,100)	(21,574)	(557)	(1,492)	(30,723)
Provision for impairment losses recognised in profit/(loss)		(9,658)			(9,658)
Disposal of the scope of consolidation	286	—	—	—	286
Balance at 31 December 2020	**(34,132)**	**(111,339)**	**(7,411)**	**(5,128)**	**(158,010)**
Carrying amount					
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
At 1 January 2020	17,042	189,209	3,913	6,530	216,694
At 31 December 2020	13,501	160,282	4,555	11,554	189,892

The carrying amount at 31 December 2020 of individually significant client portfolios and their remaining useful lives are as follows:

	2020				
Thousands of Euros	**Country**	**Cost**	**Depreciation and impairment losses**	**Carrying amount**	**Remaining useful lives**
Nordeste Group Large Clients Portfolio	Brazil	48,869	(23,982)	24,887	10 years and 2 months
Norsegel Vigilancia y Transporte de Valores LTDA Large Clients Portfolio	Brazil	14,487	(10,097)	4,391	6 years
Preserve y Transpev Large Clients Portfolio	Brazil	13,082	(10,826)	2,256	3 years and 5 months
Portfolio of the 5 Main Clients of Chubb Security Services PTY LTD	Australia	12,518	(9,441)	3,077	13 years
Portfolio of the Remaining Clients of Chubb Security Services PTY LTD	Australia	18,495	(11,643)	6,852	13 years
Portfolio of business combinations Prosegur Cash	LatAm	11,981	(549)	11,432	19 years and 1 month
Cash LatAm portfolio	LatAm	16,380	(1,985)	16,700	10 years and 7 months
Contesta Group portfolio	Spain	9,812	(2,290)	7,522	10 years and 8 months
Cash LatAm portfolio 2020	LatAm	12,524	(820)	16,700	14 years and 1 month
Cash AOA portfolio	AOA	6,127	(872)	5,255	11 years and 6 months
Transbank Client portfolio	Brazil	4,971	(2,709)	2,262	6 years and 2 months
Nordeste Group Sergipe Clients portfolio	Brazil	4,070	(3,595)	474	2 years and 2 months
Fiel Large Clients portfolio	Brazil	3,103	(2,149)	954	5 years
Nordeste Group Bahia Other Clients portfolio	Brazil	3,180	(2,341)	840	4 years and 2 months
		179,599	**(83,299)**	**103,602**	

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

	2019				
Thousands of Euros	**Country**	**Cost**	**Depreciation and impairment losses**	**Carrying amount**	**Remaining useful lives**
Nordeste Group Large Clients Portfolio	Brazil	60,293	(22,889)	37,404	11 years and 2 months
Norsegel Vigilancia y Transporte de Valores LTDA Large Clients Portfolio	Brazil	20,784	(11,966)	8,818	7 years
Preserve y Transpev Large Clients Portfolio	Brazil	18,768	(13,205)	5,563	4 years and 5 months
Portfolio of the 5 Main Clients of Chubb Security Services PTY LTD	Australia	12,273	(3,230)	9,043	14 years
Portfolio of the Remaining Clients of Chubb Security Services PTY LTD	Australia	18,131	(4,771)	13,360	14 years
Portfolio of business combinations Prosegur Cash	Sundry	3,238	(270)	2,968	17 years and 8 months
Contesta Group portfolio	Spain	9,812	(889)	8,923	11 years and 8 months
Cash LatAm portfolio	LatAm	17,289	(589)	16,700	Sundry
Cash AOA portfolio	AOA	5,717	(207)	5,510	6 years
Transbank Client portfolio	Brazil	6,159	(3,006)	3,153	7 years and 2 months
Nordeste Group Sergipe Clients portfolio	Brazil	5,838	(3,990)	1,848	3 years and 2 months
Fiel Large Clients portfolio	Brazil	4,453	(2,398)	2,055	6 years
Nordeste Group Bahia Other Clients portfolio	Brazil	4,563	(2,598)	1,965	5 years and 2 months
		187,318	**(70,008)**	**117,310**	

The cost at 31 December 2020 and 2019 for each individually significant client portfolio differs due to exchange differences.

In 2020, 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):

	Thousands of Euros			
	Computer software	**Client portfolios**	**Trademarks and licences**	**Other intangible assets**
Cash business combinations in LatAm	33	40,121	—	—
Cash business combinations in Europe	3	—	517	3,172
Cash business combinations in AOA	—	—	—	3,978
	36	**40,121**	**517**	**7,150**

In 2019, 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	**Client portfolios**	**Trademarks and licences**	**Other intangible assets**
Cash business combinations in LatAm	48	41,871	—	5,294
Cash business combinations in Europe	477	9,882	—	—
Cash business combinations in AOA	—	512	28	—
	525	**52,265**	**28**	**5,294**

All intangible assets above have finite useful lives and are amortised at rates of between 5% 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 an indefinite useful life except the trademark on the website domain resulting from a business combination in Europe in 2020.

This intangible asset, that amounts to EUR 517 thousand at 31 December 2020, has an indefinite useful life since there is no foreseeable limit to the period during which the asset is expected to generate net cash flows.

The factors analysed in determining the indefinite life include:

- It is expected to use the asset indefinitely and there are no plans to change the trademark
- Regular disbursements are being made to maintain the trademarks and there is no contractual expiration
- The life of the asset does not depend on the useful lives of other assets held by the entity

On the other hand, the asset is tested for impairment at the end of each reporting period.

The other intangible assets are tested for impairment as described in Notes 33.8 and 33.9. The result of the value impairment tests is detailed in Note 13.

No intangible assets are subject to restrictions on title or pledged as security for particular transactions at 31 December 2020 and 2019.

15. Investments accounted for using the equity method

Equity-accounted investments derive from joint arrangements.

The joint arrangements in place in 2020 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.

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-accounted in accordance with IFRS 11 (Note 33.2).

Details of changes in the investments in joint ventures accounted for under the equity method are as follows:

Thousands of Euros	2020	2019
Participation in joint ventures	5,718	7,510
	5,718	**7,510**

Thousands of Euros	2020	2019
Balance at 1 January	**7,510**	**26,433**
Acquisitions	—	1,179
Participation in profits/(losses)	(1,045)	(1,157)
Sale	—	(18,894)
Transfers	—	27
Translation differences	(747)	(78)
Balance at 31 December	**5,718**	**7,510**

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 share 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 income from the sale was recorded under the heading on 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 2020 financial year.

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

Thousands of Euros	2020	2019
SIS Cash Services Private Limited	2,063	2,049
SIS Prosegur Holdings Private Limited	3,038	4,313
Dinero Gelt S.L.	617	1,148
Balance at 31 December	**5,718**	**7,510**

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.

The 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

Assets relating to the Security business in Guatemala

On 8 June 2018 the Almo Group in Central America was purchased. By means of this purchase a series of assets were acquired relative to the security business under 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	2020	2019
Fuel and others	6,051	12,108
Operative material	1,783	1,838
Uniforms	170	179
Others	2,081	480
Impairment of inventories	(317)	(506)
	9,768	**14,099**

No inventories have been pledged as securities for liabilities.

18. Non-current financial assets

Non-current financial assets at 31 December 2020 mainly include deposits and guarantees held by the Prosegur Cash Group amounting to EUR 3,040 thousand (2019: EUR 1,159 thousand) and other financial investments for EUR 750 thousand (2019: EUR 667 thousand).

This heading also includes a loan granted for EUR 2,190 thousand in May 2017, maturing in six years (2019: EUR 2,450 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	
	2020	**2019**
Clients' receivables for sales and services	214,751	292,267
Less: impairment of receivables	(8,079)	(8,229)
Clients – Net	206,672	284,038
Public Administrations	24,906	45,385
Employee prepayments	3,477	6,036
Court Deposits	18,318	20,658
Prepayments	9,545	15,219
Other receivables	12,335	9,734
	275,253	**381,070**

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 2020 and 2019 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	
	2020	**2019**
0 to 3 months	39,495	66,356
3 to 6 months	3,315	4,176
Over 6 months	1,756	4,222
	44,566	**74,754**

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	
	2020	**2019**
Balance at 1 January	**(8,229)**	**(8,497)**
Adjustments for hyperinflation	—	265
Provision for impairment (Note 6)	(3,193)	(1,624)
Applications and others	1,618	1,606
Translation differences	1,725	21
Balance at 31 December	**(8,079)**	**(8,229)**

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 Portugal 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	
	2020	**2019**
Cash in hand and at banks	354,067	266,365
Current bank deposits	47,706	41,058
	401,773	**307,423**

The effective interest rate on current bank deposits for 2020 is 3.67% (2019: 7.08%) and the average term of the deposits held during the first half of 2020 was 69 days (2019: 24 days).

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			
	No. of Shares (thousands)	**Share capital**	**Share premium**	**Own shares**	**Total**
Balance at 1 January 2019	**1,500,000**	**30,000**	**—**	**(1,943)**	**28,057**
Acquisition of own shares	—	—	—	397	397
Balance at 31 December 2019	**1,500,000**	**30,000**	**—**	**(1,546)**	**28,454**
Sale and acquisition of own shares	—	—	—	(16,715)	(16,715)
Capital increase	44,536	891	33,134	—	34,025
Balance at 31 December 2020	**1,544,536**	**30,891**	**33,134**	**(18,261)**	**45,764**

Capital increase

Associated with the reinvestment programme of the third payment of the dividend, the capital increase agreed by the Board of Directors under item 9 of the agenda of the Shareholders General Meeting of the Company held on 6 February 2017 was executed on 3 July 2020. The increase was registered on 6 July 2020.

The capital increase was charged against monetary contributions of Prosegur Cash for a total nominal amount of EUR 421,159, through the issuance of 21,057,953 ordinary shares with a par value of EU 0.02 each. All the shares have been subscribed and paid up. The amount of the share premium was set at EUR 16,381,508.

Associated with the reinvestment programme of the fourth payment of the dividend, the capital increase agreed by the Board of Directors under item 9 of the agenda of the Shareholders General Meeting of the Company held on 6 February 2017 was executed on 5 October 2020. The increase was registered on 6 October 2020.

The capital increase was charged against monetary contributions of Prosegur Cash for a total nominal amount of EUR 469,560, through the issuance of 23,478,026 ordinary shares with a par value of EU 0.02 each. All the shares have been subscribed and paid up. The amount of the share premium was set at EUR 16,752,173.

As a result of the mentioned capital increases, article 6 of the Articles of Association of Prosegur Cash has been modified to reflect the new share capital figure.

Share capital and Share premium

At 31 December 2020, the share capital of Prosegur Cash, S.A. totals EUR 30,891 thousand, represented by 1,544,535,979 shares with a par value of EUR 0.02 each (2019: 1,500,000,000 shares), 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 (SIBE).

The amount of the share premium totals EUR 33,134 thousand.

Details of the Company’s shareholders are as follows:

	Number of shares
Shareholders	**2020**
Ms Helena Revoredo Delvecchio (1)	1,158,046,095
Invesco Limited (2)	41,900,012
Others	344,589,872
	1,544,535,979

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

(2) Investment through various managed funds

Own shares

Share buyback programme

On 3 June 2020 the Board of Directors of Prosegur Cash decided to implement an own share buyback programme.

The programme has been put into effect under the provisions of Regulation (EU) no. 506/2014 on market abuse and the Commission Delegated Regulation 2016/1052, making use of the authorisation granted by the Shareholders General Meeting held on 6 February 2017 for the purchase of own shares, for the purpose of redeeming them pursuant to a share capital reduction resolution which will be submitted for the approval of the next Shareholders General Meeting.

The Programme will apply to a maximum of 45,000,000 shares, representing approximately 3% of Prosegur Cash’s share capital (1,500,000,000 shares at the time of the meeting of the Board of Directors of 3 June 2020).

The Programme has the following features:

- Maximum amount allocated to the Programme: EUR 40,000 thousand.
- Maximum number of shares that can be acquired: up to 45,000,000 shares representing approximately 3% of the Company’s share capital.
- Maximum price per share: shares are purchased in compliance with the price and volume limits established in the Regulations. In particular, the Company cannot buy shares at a price higher than the highest of the following: (i) the price of the last independent trade; or (ii) that corresponding to the highest current independent bid on the trading venues where the purchase is carried out.
- Maximum volume per trading session: in so far as volume is concerned, the Company cannot purchase more than 25% of the average daily volume of the shares in any one day on the trading venues on which the purchase is carried out.
- Duration: the Programme has a maximum duration of one year. Notwithstanding the above, the Company reserves the right to conclude the Programme if, prior to the end of said maximum term of one year, it has acquired the maximum number of shares authorised by the Board of Directors, if it has reached the maximum monetary amount of the Programme or if any other circumstances arise that call for it.

As a result of the implementation of the Programme, the operation of the liquidity contract which came into force on 11 July 2017 and that was signed by the Company has been suspended.

At 2020 year end, Prosegur Cash, S.A.’s treasury stock amounted to 23,436,659 shares (1,119,862 shares in 2019), of which 768,667 are linked to the current liquidity contract which came into force on 11 July 2017 (696,866 in 2019).

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

	Number of shares	Thousands of Euros
Balance at 31 December 2019	**1,119,862**	**1,546**
Purchase of own shares	24,943,309	20,225
Sale of own shares	(2,557,262)	(3,412)
Other awards	(69,250)	(98)
Balance at 31 December 2020	**23,436,659**	**18,261**

b) Retained earnings and other reserves

The main movements in the consolidated statement of changes in equity in 2020 are as follows:

Thousands of Euros	Legal reserve	Other retained income	Total
Balance at 31 December 2019	**6,000**	**376,101**	**382,101**
Reclassification of reserves to translation differences (Note 2.4)	—	360,558	360,558
Balance at 1 January 2020	**6,000**	**736,659**	**742,659**
Total comprehensive income for the year	—	15,356	15,356
Dividends (Note 9)	—	(59,928)	(59,928)
Balance at 31 December 2020	**6,000**	**692,087**	**698,087**

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 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 the share capital. 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 for 2020, 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 Shareholders General Meeting, is as follows:

Thousands of Euros	2020	2019
Basis of allocation		
Profit/(loss) for the year	301,995	89,485
	301,995	**89,485**
Allocation		
Legal reserve	178	—
Voluntary reserves	241,889	2,335
Dividends	59,928	87,150
	301,995	**89,485**

c) Cumulative translation difference

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

Details of these translation differences are as follows:

	Thousands of Euros	
	2020	**2019**
Balance at 1 January	**(167,215)**	**(156,546)**
Transfer of translation differences to reserves	(360,558)	—
Translation difference for foreign operations	(135,113)	(10,669)
Balance at 31 December	**(662,886)**	**(167,215)**

As a result of the IFRIC agenda decision reached in 2020 the Prosegur Cash Group has amended the previous presentation of the translation differences of the business in Argentina, regarding them as reserves. In its agenda decision, the IFRIC clarified that the effects of the inflation corrected in IAS 29 in the equity located in the country affected by hyperinflation (excluding the part of the net monetary position that directly affects profit/(loss)) has a currency effect similar to the one that arises when converting the country's financial statements to the presentation currency, whereby both concepts should be reflected in translation differences.

Likewise, the IFRIC clarified that in the first application of IAS 29, the treatment should be the same as that explained above and with retroactive effect and therefore present the effects in accumulated translation differences, though separating the part of inflation corresponding to the net monetary position, which should be presented in reserves.

In application of all the above, the Group has proceeded to reclassify the treatments that it had carried out directly against reserves in previous years for an amount of EUR 360,558 thousand between translation differences and reserves in the year 2020 and cumulatively, without modifying the comparative presentation of said periods.

The change in the balance of the cumulative translation differences at 31 December 2020 as compared to 31 December 2019 was EUR 135,113 thousand, mainly due to the depreciation of the Brazilian Real and the Argentine Peso.

d) Dividends

Dividends distributed to the Company's shareholders are recognised as a liability in the Consolidated Annual Accounts of the Prosegur Cash Group in the year in which the dividends are approved by the Shareholders General Meeting. 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.

Reinvestment of the third and fourth payment of the interim dividend for 2019

In the framework of the current situation arising from the COVID-19 pandemic and in order to potentially help strengthen the Company's equity position, the Board of Directors of Prosegur Cash has agreed to offer shareholders who voluntarily agree, the possibility of reinvesting the total net amount of the third payment of the interim dividend for 2019 in ordinary Prosegur Cash shares with a par value of EUR 0.02 each from the treasury stock.

The reinvestment price per share was EUR 0.797925. This price corresponds to the simple average of the weighted average changes of the Company's share in the SIBE market corresponding to the five trading days prior to the payment date of the third payment of the interim dividend for 2019, that is, on 22, 23, 24, 25, and 26 June 2020 (for 22, 23 and 24 June, reducing the gross amount of said dividend payment).

Each shareholder who has voluntarily joined the reinvestment programme has subscribed a number of newly issued ordinary shares of the Company equal to the result of dividing: (a) the total net amount (no partial reinvestment) of the third payment of the interim dividend for 2019 that they are entitled to receive on the payment date, by (b) the reference price calculated according to the reference price, rounding the result of this division by default up/down to the nearest unit. The rest of this net amount not applied to reinvestment as a result of the aforementioned rounding up/down was paid in cash to the shareholder.

The majority shareholder of the Company, the entity Prosegur Compañía de Seguridad, S.A., and its 100%-owned investee, the company Prosegur Assets Management, S.A., holders of 73.35% of the share capital at 30 June 2020, have accepted the reinvestment programme for the third payment of the interim dividend for 2019.

In relation to the reinvestment programme of the fourth payment of the interim dividend for 2019, the reinvestment price per share was EUR 0.733525654. This price corresponds to the simple average of the weighted average changes of the Company's share in the SIBE market corresponding to the five trading days prior to the payment date of the third payment of the interim dividend for 2019, that is, on 21, 22, 23, 24, and 25 September 2020 (for 21, 22 and 23 June, reducing the gross amount of said dividend payment).

Each shareholder who has voluntarily joined the reinvestment programme has subscribed a number of newly issued ordinary shares of the Company equal to the result of dividing: (a) the total net amount (no partial reinvestment) of the fourth payment of the interim dividend for 2019 that they are entitled to receive on the payment date, by (b) the reference price calculated according to the reference price, rounding the result of this division by default up/down to the nearest unit. The rest of this net amount not applied to reinvestment as a result of the aforementioned rounding up/down was paid in cash to the shareholder.

The majority shareholder of the Company, the entity Prosegur Compañía de Seguridad, S.A., and its 100%-owned investee, the company Prosegur Assets Management, S.A., holders of 74.98% of the share capital at 30 September 2020, have accepted the reinvestment programme for the fourth payment of the interim dividend for 2019.

22. Provisions

Details of provisions and movement are as follows:

Thousands of Euros	Occupational risks	Legal risks	Employee benefits (Note 5.2)	Other risks	Total
Balance at 1 January 2020	**35,101**	**7,368**	**10,632**	**92,957**	**146,058**
Provisions charged against the income statement	3,578	4,319	—	7,090	14,987
Reversals credited to the income statement	(1,890)	(430)	(357)	(19,928)	(22,605)
Applications	(4,207)	(745)	(955)	(3,203)	(9,110)
Financial effect of discounting	1,585	417	—	3,401	5,403
Transfers	—	—	—	(676)	(676)
Disposal of the scope of consolidation	(489)	(759)	(1,177)	(39)	(2,464)
Business combinations	7,997	—	7,157	8,860	24,014
Provisioning charged to Equity	—	—	536	—	536
Translation differences	(8,544)	(1,768)	(2,897)	(26,275)	(39,484)
Balance at 31 December 2020	**33,131**	**8,402**	**12,939**	**62,187**	**116,659**
Non-current	33,131	8,402	12,939	59,988	114,460
Current	—	—	—	2,199	2,199

a) Occupational risks

The provisions for occupational risks, which amount to EUR 33,131 thousand at 31 December 2020 (2019: EUR 35,101 thousand), 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. In addition, an internal review is carried out of the probabilities of reaching agreements in each of the cases, based on past experience, in order to arrive at the final provision to be recorded.

The provision for occupational risks includes mainly provisions linked to labour legal cases in Brazil, which include lawsuits brought by former and current employees of the Prosegur Cash Group. The characteristics of labour legislation in that country and the regulatory requirements of the business activity result in such processes becoming drawn out, and has led to a provision of EUR 17,851 thousand at 31 December 2020 (2019: EUR 21,719 thousand). At 31 December 2020, there were 1,619 labour actions open in Brazil (2019: 1,524).

This heading also includes a provision for EUR 2,116 thousand (2019: EUR 2,987 thousand) associated with the business combination with Transpev. During the 2020 financial year, 20 cases were closed (2019: 25 cases), with 58 cases still pending (2019: 70).

Provisions charged to and reversals credited to the 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, which amount to EUR 8,402 thousand (31 December 2019: EUR 7,368 thousand), 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 processes under way. There are no additional significant legal risks.

c) Employee benefits

As indicated in Note 5.2, Prosegur maintains defined benefit schemes in Germany, Brazil, Honduras, Nicaragua, El Salvador, Ecuador and Mexico. The actuarial valuation, carried out by qualified actuaries, of the value of the benefits to which the Company is committed is updated at the 2020 financial year-end.

The defined benefit schemes of Germany and Ecuador consist of Pension and retirement schemes, while the defined benefit scheme for Mexico consists of a seniority scheme.

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

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

d) Other risks

The provision for other risks, amounting to EUR 62,187 thousand at 31 December 2020 (EUR 92,957 thousand at 31 December 2019), 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 processes under way.

We list the most significant ones below:

Tax risks

These refer mainly to tax risks in Brazil and Argentina, amounting to EUR 49,745 thousand (EUR 78,867 thousand at 31 December 2019).

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 business 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 against and reversals credited to the income statement are included under other expenses in Note 4.

Comcare Australia

In 2020, payments have been made for commitments associated to the occupational accident insurance plan in Australia amounting to EUR 684 thousand (EUR 452 thousand in 2019). The allocation for the year amounted to EUR 275 thousand, reaching a provisional total of EUR 2,498 thousand (EUR 2,907 thousand in 2019), of which EUR 427 thousand fall due in the short term (2019: EUR 484 thousand).

Accruals with personnel

These provisions include the incentive due and payable in cash and in shares, corresponding to the 2020 Plan (Note 33.19) for the Executive President, the Executive Director and the Senior Management of Prosegur Cash.

Due to the impact of the COVID-19 pandemic on the Cash Group 's results (Note 2.5), it is foreseeable that the objectives set for the liquidation of the entire 2020 Plan will not be achieved. Consequently, the Group has adjusted the provision based on a new settlement, recording a positive impact on the income statement for the year amounting to EUR 2,465 thousand (Note 5.1).

During the year, provisions to profit/(loss) amounted to EUR 3,263 thousand (Note 5.1)

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.

During 2020, payments were made corresponding to the 2017 Plan, taking as a reference the Prosegur Cash share price at the time of the payment, thus substituting the method of share settlement initially planned.

In 2020 EUR 484 thousand were used (2019: EUR 785 thousand) corresponding to the third payment of the 2017 Plan.

Lastly, part of this provision was recognised as current provisions in an amount of EUR 1,613 thousand, since the maturity of this commitment will take place in 2021 associated with the 2020 Plan (2019: EUR 965 thousand, maturing in 2020 associated with the 2017 Plan) (Note 24).

23. Financial liabilities

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

Thousands of Euros	Average interest rate	2020		Average interest rate	2019	
		Non-current	Current		Non-current	Current
Debentures and negotiable securities	1.38%	595,576	7,471	1.38%	593,306	8,872
Bank borrowings	4.81%	195,616	123,879	1.41%	20,214	106,145
Credit accounts	22.36%	—	17,481	44.42%	—	38,998
Other payables	10.08%	35,337	37,721	18.37%	33,046	56,509
		826,529	**186,552**		**646,566**	**210,524**

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

Thousands of Euros	Currency	Years of maturity	2020		2019	
			Non-current	Current	Non-current	Current
Debentures and other negotiable securities	Euro	2026	595,576	7,471	593,306	8,872
Bank borrowings	Euro	2021-2025	154,104	70,106	18,966	55,115
Bank borrowings	Brazilian Real	2021-2022	12	2,382	54	56
Bank borrowings	Australian Dollar	2021-2023	37,746	6,624	29	44,014
Bank borrowings	Peruvian Sol	2021-2023	250	2,165	—	1,655
Bank borrowings	Argentine Peso	2021	—	30,375	—	—
Bank borrowings	Other currencies	2021-2024	3,504	12,227	1,165	5,305
Credit accounts	Euro	2021	—	4,933	—	29
Credit accounts	Argentine Peso	2021	—	9,416	—	28,152
Credit accounts	Other currencies	2021	—	3,132	—	10,817
Other payables	Euro	2021-2023	11,699	6,384	7,857	4,571
Other payables	Brazilian Real	2021-2032	9,293	14,230	15,850	22,742
Other payables	Argentine Peso	2021	—	8,465	1	14,290
Other payables	Other currencies	2021-2033	14,345	8,642	9,338	14,906
			826,529	**186,552**	**646,566**	**210,524**

At 31 December 2020 drawdowns from credit facilities in current accounts totalled EUR 17,481 thousand (2019: EUR 38,998 thousand). Details of undrawn credit facilities are as follows:

	Thousands of Euros	
	2020	**2019**
Maturing in less than 1 year	129,199	168,633
Maturing in more than 1 year	145,000	280,000
	274,199	**448,633**

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's subsidiary, Prosegur Cash, S.A., arranged a new five-year syndicated credit financing facility of EUR 300,000 thousand to provide the Company with long-term liquidity. On 7 February 2019 this syndicated credit facility was renewed, and its maturity extended by another 5 years. In February 2020 the maturity was extended until February 2025 (Note 32). At 31 December 2020 the balance drawn down from this credit amounted to EUR 155,000 thousand (EUR 20,000 thousand at 31 December 2019).

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

Prosegur has complied with the applicable Covenants relative to the financial transactions at the end of 2020.

Syndicated loan (Australia)

On 28 April 2017, Prosegur, via its subsidiary Prosegur Australia Investments Pty Limited, arranged a syndicated credit financing facility in the amount of AUD 70,000 thousand. In April 2020, the operation was renewed with a maturity ranging from 2021 to 2023. (AUD 10,000,000 in 2021, AUD 10,000,000 in 2022, and AUD 50,000,000 in 2023).

At 31 December 2020, the drawn down capital corresponding to the loan amounts to AUD 70,000 thousand (at 31 December 2020 equivalent to: EUR 44,063 thousand). At 31 December 2019, the drawn down capital corresponding to the loan amounts to AUD 70,000 thousand (at 31 December 2019 equivalent to: EUR 43,764 thousand).

Bailment

In Australia, Prosegur has access to facilities under bailment for the supply of cash to automated teller machines belonging to Prosegur Cash. The cash is, according to the contract, owned by the provider. Prosegur Cash has access to this money for the sole purpose of loading cash into the ATMs belonging to it, supplied by this contract. The settlement of the assets and liabilities is carried out via regulated clearing systems, such as the right of set-off of balances. As a result of the foregoing, no assets and liabilities are shown in these consolidated financial statements for this item. The amount of outstanding cash at 31 December 2020 was AUD 54,400 thousand (equivalent to EUR 34,214 thousand) (at 31 December 2019 it was AUD 50,500 thousand, equivalent to EUR 31,600 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	
	2020	**2019**
Non-current		
Deferred and contingent payments relating to acquisitions	31,218	28,771
Others	4,119	4,275
	35,337	**33,046**
Current		
Deferred and contingent payments relating to acquisitions	37,445	56,244
Others	276	265
	37,721	**56,509**

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

		2020		**2019**	
Thousands of Euros	**Currency**	**Non-current**	**Current**	**Non-current**	**Current**
Made in 2017					
Fiel Vigilancia e Transp. Values	Brazilian Real	—	127	—	649
Nordeste and Transbank Group	Brazilian Real	—	2,614	—	4,427
Contesta Group	Euro	—	1,233	—	1,762
Remaining business combinations of Prosegur Cash 2017	Miscellanea	—	—	—	1,919
Made in 2018					
Business combinations in LatAm	Miscellanea	1,603	3,615	4,563	11,061
Business combinations in AOA	Miscellanea	9,647	4,085	8,850	3,142
Business combinations in Europe	Miscellanea	1,103	1,167	1,905	1,137
Made in 2019					
Business combinations in LatAm	Miscellanea	—	16,629	7,619	27,764
Business combinations in AOA	Miscellanea	—	1,156	—	2,692
Business combinations in Europe	Miscellanea	6,138	3,081	5,834	1,691
Made in 2020					
Business combinations in LatAm	Miscellanea	9,197	3,738	—	—
Business combinations in Europe	Miscellanea	3,530	—	—	—
		31,218	**37,445**	**28,771**	**56,244**

24. Suppliers and other payables

Details of suppliers and other payables are as follows:

	Thousands of Euros	
	2020	**2019**
Trade payables	102,652	111,928
Accruals with personnel	79,960	85,767
Social Security and other taxes	86,778	81,875
Other payables	57,501	67,220
	326,891	**346,790**

Accruals with personnel

Prosegur's remuneration policy for indirect personnel includes a variable component determined through specifically designed incentive programmes, which aim 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.

The cost recognised in the income statement for that scheme under employee benefits expense amounts to EUR 21,546 thousand (2019: EUR 25,628 thousand).

Accruals with personnel include EUR 1,613 thousand relating to the incentive programme (2019: EUR 965 thousand) (Note 22).

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

Other payables

This heading includes EUR 14,687 thousand in dividends to non-group shareholders for the interim dividend approved on 16 December 2020 by the Board of Directors (2019: EUR 17,668 thousand) (Note 9).

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:

	2020	**2019**
	Days	**Days**
Average payment period to suppliers	63	66
Ratio of transactions paid	65	68
Ratio of transactions pending payment	25	52

	Thousands of	**Thousands of**
Total payments made	47,149	54,434
Total payments pending	2,654	5,411

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 2020, 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 consolidated 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 S.A.
- 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 subsidiaries.
- In Australia, Prosegur has a consolidated tax group made up of the following Australian companies: Prosegur Australia Holdings Pty Limited, Prosegur Australia Investments Pty Limited, Prosegur Australia Pty Limited, Prosegur Technology Pty Limited, Prosegur Assets Management and Prosegur SPV1 PTY Limited.

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	**2020**	**2019**
Current tax	74,631	104,149
Deferred tax	(1,946)	(13,559)
	72,685	**90,590**

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

Thousands of Euros	2020	2019
Tax loss carryforwards and Tax Deductions	2,310	(4,965)
Provisions	(3,000)	(9,775)
Intangible asset amortisation	(1,049)	1,129
Others	(207)	52
	(1,946)	**(13,559)**

The deferred tax assets 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	2020	2019
Profit before tax	**88,315**	**259,606**
Tax rate	25 %	25 %
Profit/(loss) adjusted to tax rate	22,079	64,902
Permanent differences	25,297	13,378
Effect of applying different tax rates	2,662	8,593
Tax Losses and deferred tax adjustments	16,772	5,753
Tax credits	5,875	(2,036)
Income tax expense	**72,685**	**90,590**

The effective tax rate stood at 82.3% for 2020, compared with 34.9% in the same period of 2019, which represents an increase of 47.4 percentage points, mainly due to the fall in the accounting profit/(loss).

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

	2020	2019
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	32.0 %	33.0 %
Costa Rica	30.0 %	30.0 %
El Salvador	30.0 %	30.0 %
Ecuador	25.0 %	25.0 %
Spain	25.0 %	25.0 %
The Philippines	30.0 %	30.0 %
France	28.0 %	33.3 %
Guatemala	25.0 %	25.0 %
The Netherlands	25.0 %	25.0 %
Honduras	30.0 %	30.0 %
India	28.0 %	28.0 %
Indonesia	22.0 %	25.0 %
Luxembourg	24.9 %	24.9 %
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 %
Singapore	17.0 %	17.0 %
South Africa	28.0 %	28.0 %
Uruguay	25.0 %	25.0 %

In 2020, 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 starting from:	Colombia
01/01/2021	31%

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

Deferred tax assets

Thousands of Euros	**Balance at 31 December 2018**	Charged against or credited to the income statement	Business combinations (Note 28)	Charged against or credited to equity	Disposal of the scope of consolidation	Translation differences	**Balance at 31 December 2019**	Charged against or credited to the income statement	Business combinations (Note 28)	Charged against or credited to equity	Disposal of the scope of consolidation	Translation differences	**Balance at 31 December 2020**
Depreciation of PPE	**1,815**	(244)	56	—	—	(45)	**1,582**	172	—	—	(232)	(141)	**1,381**
Amortisation of Intangible Assets	**3,650**	(2,593)	—	—	—	(1)	**1,056**	(483)	—	—	—	(245)	**328**
Losses and Tax Deductions	**24,056**	4,965	—	—	(1,573)	(1,379)	**26,069**	(2,310)	—	—	(10)	(1,338)	**22,411**
Provisions and Others	**45,356**	8,922	114	7,652	(1,083)	(1,685)	**59,276**	4,390	—	(2)	(5,598)	(13,512)	**44,554**
	74,877	**11,050**	**170**	**7,652**	**(2,656)**	**(3,110)**	**87,983**	**1,769**	**—**	**(2)**	**(5,840)**	**(15,236)**	**68,674**

Deferred tax liabilities

Thousands of Euros	**Balance at 31 December 2018**	Charged against or credited to the income statement	Business combinations (Note 28)	Charged against or credited to equity	Disposal of the scope of consolidation	Translation differences	**Balance at 31 December 2019**	Charged against or credited to the income statement	Business combinations (Note 28)	Charged against or credited to equity	Disposal of the scope of consolidation	Translation differences	**Balance at 31 December 2020**
Amortisation and depreciation of assets	**(38,901)**	1,464	(6,235)	—	1,314	4,511	**(37,847)**	1,532	(8,072)	1,764	—	9,232	**(33,391)**
Stock impairment	**(118)**	59	—	—	—	—	**(59)**	59	—	—	—	—	**—**
Brand (Note 6)	**(9,010)**	—	—	—	—	—	**(9,010)**	—	—	—	—	—	**(9,010)**
Provisions	**(31,549)**	854	(37)	—	90	(159)	**(30,801)**	(1,390)	—	—	2,701	579	**(28,911)**
Others	**(221)**	133	—	—	—	105	**17**	(24)	—	—	—	62	**55**
	(79,799)	**2,510**	**(6,272)**	**—**	**1,404**	**4,457**	**(77,700)**	**177**	**(8,072)**	**1,764**	**2,701**	**9,873**	**(71,257)**

Tax loss assets at 31 December 2020 were EUR 22,385 thousand (2019: EUR 26,069 thousand).

Breakdown of total current and deferred income tax in relation to items directly charged against or credited to other comprehensive income during the year is as follows:

Thousands of Euros	2020	2019
Profit/(loss) equity	—	142
	—	**142**

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	2020	2019
Deferred tax assets	60,235	78,108
Deferred tax liabilities	(68,497)	(73,623)
	(8,262)	**4,485**

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

	2020		2019	
Thousands of Euros	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Brazil	31,270	(11,789)	40,281	(19,870)
Germany	18,817	(551)	15,339	(602)
Argentina	911	(10,438)	9,344	(12,697)
Spain	2,825	(17,374)	1,710	(16,682)
Others	14,851	(31,105)	21,309	(27,849)
Total	**68,674**	**(71,257)**	**87,983**	**(77,700)**

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, Luxembourg, 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 2020 are as follows:

	Thousands of Euros		
Year	**Total**	**Non-capitalised**	**Capitalised**
2021	2,677	2,677	—
Subsequent years or no time limit	184,267	110,579	73,688
	186,944	**113,256**	**73,688**

The breakdown of tax carryforwards and prescriptive periods at 31 December 2020 is as follows:

	Thousands of Euros		
	Total amount	**2021**	**Subsequent years or no time limit**
Germany	60,337	—	60,337
Argentina	44,451	—	44,451
Australia	52,147	—	52,147
Brazil	2,775	—	2,775
Chile	11,547	—	11,547
Colombia	6,797	—	6,797
Costa Rica	53	—	53
Ecuador	94	—	94
Spain	302	—	302
The Philippines	714	—	714
The Netherlands	216	—	216
India	6	—	6
Indonesia	2,075	—	2,075
Luxembourg	379	—	379
Peru	399	—	399
Portugal	653	—	653
Uruguay	3,999	2,677	1,322
Total	**186,944**	**2,677**	**184,267**

Detail of the tax loss carryforwards offset and pending offsetting at 31 December 2020 is as follows:

	Thousands of Euros		
	Total	**Non-capitalised**	**Capitalised**
Germany	60,337	1,900	58,437
Argentina	44,451	44,340	111
Australia	52,147	42,080	10,067
Brazil	2,775	1,676	1,099
Chile	11,547	9,893	1,654
Colombia	6,797	5,224	1,573
Costa Rica	53	53	—
Ecuador	94	—	94
Spain	302	302	—
The Philippines	714	714	—
The Netherlands	216	216	—
India	6	6	—
Indonesia	2,075	2,075	—
Luxembourg	379	379	—
Peru	399	399	—
Portugal	653	—	653
Uruguay	3,999	3,999	—
Total	**186,944**	**113,256**	**73,688**

At 31 December 2020 most of the tax carryforwards pending offsetting are in Argentina, Australia, Chile and Colombia.

Of the EUR 186,944 thousand of tax carryforwards offset and pending offsetting by the Company with a period of limitation extending beyond 2021, there is no time limit for offsetting EUR 127,109 thousand and there is a time limit for the remaining EUR 59,835 thousand.

Deferred tax assets are recognised provided that it is likely 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 five-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 Corporate Income Tax, Social Security and withholdings at source in relation to the corporate cost incurred from 2014 to 2016. The amount of said act was BRL 214,820 thousand (tax debt BRL 102,938 thousand, interest BRL 30,833 thousand and penalties BRL 81,049 thousand), (equivalent of EUR 33,703 thousand, tax debt EUR 16,150 thousand, interest EUR 4,837 thousand and penalties EUR 12,716 thousand at 31 December 2020). 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 (equivalent value at 31 December 2020 EUR 7,041 thousand) . The Company has proceeded to appeal this in the second administrative instance, where a favourable resolution to this lawsuit is anticipated.

On 10 July 2020 notice of the opening of a general inspection procedure was received for Prosegur Servicios de Efectivo de España, S.A., Juncadella Prosegur Internacional, S.A. and Prosegur Global CIT, S.A. for the 2015-2018 tax periods for Corporate Income Tax and for the 2016-2018 tax periods for all other tax items. At 31 December the possible impact of this inspection procedure is not known.

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.

In 2019, the Company implemented IFRIC 23 (Note 33.1) referring to the application of 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 Prosegur Cash Group.

With this, if the Company 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.

However, if the Company 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. In this manner the effect of the uncertainty for each uncertain tax treatment will be reflected by the Company by using the most likely amount or the expected value of the probability-weighted amounts.

The variation of the provision of IFRIC 23 has been taken to "income tax expenses", with that variation having entailed a lower expense of EUR 1,136 thousand. At 31 December 2020 the IFRIC 23 provision amounts to EUR 25,478 thousand.

In 2020 the following corporate restructuring operations were carried out under the neutral tax regime:

- In January 2020, the takeover merger of Transfederal Transporte de Valores Ltda by Prosegur Brasil S.A. Transportadora de Valores e Segurança was formalised in Brazil.
- In March 2020, the takeover merger of Transvip Transporte de Valores e Vigilância Patrimonial Ltda by Prosegur Brasil S.A. Transportadora de Valores e Segurança was formalised in Brazil.
- In December 2020, the takeover merger of TEVSUR Cia Ltda. by Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda was formalised in Ecuador.
- In December 2020, the takeover merger of BaS Solution Gmbh by Prosegur Cash Services Germany Gmbh was formalised in Germany.

26. Contingencies

Sureties and guarantees

The 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 the Prosegur Cash Group to third parties are as follows:

Thousands of Euros	2020	2019
Commercial guarantees	152,850	133,274
Financial guarantees	141,091	159,683
	293,941	**292,957**

Commercial guarantees include those given to clients.

Financial guarantees include mainly those relating to civil and labour-related litigation in process, totalling EUR 95,606 thousand (EUR 107,109 thousand at 31 December 2019). The deposits and guarantees for litigation underway in Brazil amount to EUR 34,814 thousand (EUR 47,205 thousand at 31 December 2019) (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 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 Council on 10 November 2016, with exclusive powers in respect of the supervision and control of said defence and of the contentious-administrative proceedings. In accordance with the agreements existing between both companies, 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 the close of the year are as follows:

Thousands of Euros	**2020**	**2019**
Property, Plant and Equipment	6,736	20,979
Other intangible assets	506	669
	7,242	**21,648**

At 31 December 2020, 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 2020	Thousands of Euros		
Type	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Buildings	430	910	—
Vehicles	141	188	—
	571	**1,098**	**—**

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

28. Business combinations

Details of changes in goodwill are presented in Note 13.

28.1. Goodwill added in 2020

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

Thousands of Euros	Cash payment	Deferred at fair value	**Total purchase price**	Fair value of identifiable net assets	**Goodwill**
Business combinations in LatAm (1)	24,816	50,863	**75,679**	15,747	**59,933**
Business combinations in Europe (1)	2,247	3,854	**6,101**	3,083	**3,018**
Business combinations in AOA (1)	10,454	—	**10,454**	10,346	**108**
	37,517	**54,717**	**92,234**	**29,176**	**63,059**

(1) 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 business acquired in 2020 been acquired on 1 January 2020, consolidated income statement revenues would have been EUR 7,049 thousand higher and consolidated profit/(loss) for the year would have been reduced by EUR 102 thousand.

Prosegur Cash has recognised under administration and sales expenses of the consolidated income statement transaction costs of EUR 2,030 thousand (2019: EUR 2,541 thousand).

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

Thousands of Euros	Cash payment	Cash and cash equivalents acquired	**Cash outflow in acquisition**
Business combinations in LatAm (1)	24,816	(6,661)	18,155
Business combinations in Europe (1)	2,247	(227)	2,021
Business combinations in AOA (1)	10,454	—	10,454
	37,517	(6,888)	30,629

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

Business combinations in LatAm

During 2020, Prosegur Cash acquired a number of security companies in LatAm providing cash in transit and ancillary banking services. The total purchase price was EUR 75,679 thousand, comprising a cash consideration of EUR 24,816 thousand, a deferred contingent consideration amounting to a total of EUR 27,691 thousand, due in 2020 and 2024 and a deferred payment of EUR 23,172 thousand, due in 2020, 2021, 2022, 2023, 2024 and 2025.

The revenue and net profits contributed to the consolidated income statement for 2020 amounted to EUR 54,307 thousand and EUR 2,058 thousand respectively.

The assets and liabilities that arose from these acquisitions are as follows:

(Thousands of Euros)	**Carrying amount of the business acquired**	**Fair value**
Cash and cash equivalents	6,661	6,661
Property, Plant and Equipment	16,191	16,191
Inventories	199	199
Deferred tax assets	7,271	7,271
Current tax liabilities	(105)	(105)
Current tax assets	1,017	1,017
Clients and other receivables	10,228	10,228
Suppliers and other payables	(15,347)	(15,347)
Provisions	(24,014)	(24,014)
Rights of use	108	108
Long-term lease liabilities	(33)	(33)
Short-term lease liabilities	(75)	(75)
Other intangible assets	33	40,154
Other current liabilities	(33)	(33)
Deferred tax liabilities	(454)	(7,962)
Short-term financial liabilities	(13,257)	(13,257)
Long-term financial liabilities	(5,256)	(5,256)
Identifiable net assets acquired	**(16,866)**	**15,747**

The goodwill on this acquisition has been allocated to the LatAm 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 40,121 thousand) with a useful life between 12 and 20 years.

Business combinations in Europe

During the 2020 financial year, Prosegur acquired a company in Europe that provides on-line purchase and sale services through a web platform that connects sellers with end clients. The total purchase price was EUR 6,101 thousand, comprising a cash payment of EUR 2,247 thousand, and a deferred contingent consideration totalling EUR 3,854 thousand maturing in 2023 and 2025.

The assets and liabilities that arose from these acquisitions are as follows:

(Thousands of Euros)	**Carrying amount of the business acquired**	**Fair value**
Cash and cash equivalents	227	227
Current tax assets	49	49
Clients and other receivables	87	87
Suppliers and other payables	(54)	(54)
Non-current financial assets	4	4
Other intangible assets	3	3,692
Deferred tax liabilities	—	(922)
Identifiable net assets acquired	**316**	**3,083**

The goodwill on this acquisition was allocated to the Cash segment and to the European 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 other intangible assets (EUR 3,172 thousand) with a useful life of 10 years, and trademarks (EUR 517 thousand) with an indefinite useful life.

Business combinations in AOA

In 2020, Prosegur acquired assets relative to cash in transit services. The total purchase price was EUR 10,454 thousand, entirely comprising a cash payment.

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

(Thousands of Euros)	**Carrying amount of the business acquired**	**Fair value**
Property, Plant and Equipment	6,368	6,368
Other intangible assets	—	3,978
Identifiable net assets acquired	**6,368**	**10,346**

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 other intangible assets (EUR 3,978 thousand) with a useful life of 7 years.

28.2. Goodwill added in 2019 with valuation completed in 2020

Details of the net assets acquired and goodwill recognised on business combinations during 2019 for which measurement was completed in 2020 are as follows:

Thousands of Euros	Cash payment	Deferred at fair value	**Total purchase price**	Fair value of identifiable net assets	**Goodwill**
Business combinations in Europe (1)	15,320	9,932	25,252	15,996	**9,256**
	15,320	**9,932**	**25,252**	**15,996**	**9,256**

Goodwill is not tax deductible.

At 31 December 2019, total goodwill of EUR 7,512 thousand was recognised on these additions for the Europe Cash business combinations. The difference generated by the verification of the fair values in 2020 corresponded to the reassessment of the postponed contingent payments associated with Europe Cash business combinations. Prosegur has not restated 2019 figures as the changes are not significant.

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

Thousands of Euros	Cash payment	Cash and cash equivalents acquired	**Cash outflow in acquisition**
Business combinations in Europe (1)	15,320	(5,928)	9,392
	15,320	(5,928)	9,392

Business combinations in Europe

In 2019, Prosegur acquired a number of 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 25,252 thousand, comprising a cash consideration of EUR 15,320 thousand, a deferred contingent consideration amounting to a total of EUR 8,358 thousand, due in 2020, 2021, 2022, 2023, and a deferred payment of EUR 1,574 thousand, due in 2020.

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

(Thousands of Euros)	**Carrying amount of the business acquired**	**Fair value**
Cash and cash equivalents	5,928	5,928
Clients and other receivables	1,452	1,452
Non-current financial assets	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
Suppliers and other payables	(1,540)	(1,540)
Short-term financial liabilities	(5)	(5)
Deferred tax liabilities	(12)	(2,821)
Other intangible assets	3	11,242
Identifiable net assets acquired	**7,566**	**15,996**

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 10,598 thousand) with a useful life of 14 years and a software specialised in the development of technological solutions for the insurance industry (EUR 641 thousand) with a useful life of 8 years.

28.3. Goodwill added in year 2019 not reviewed in 2020

Details of the net assets acquired and goodwill recognised on business combinations during 2019 whose valuation has not been reviewed in 2020 are as follows:

Thousands of Euros	Cash payment	Deferred at fair value	**Total purchase price**	Fair value of identifiable net assets	**Goodwill**
Business combinations in LatAm (1)	30,812	34,282	**65,094**	40,175	**24,919**
Business combinations in AOA (1)	1,241	3,079	**4,320**	698	**3,622**
	32,053	**37,361**	**69,414**	**40,873**	**28,541**

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

Thousands of Euros	Cash payment	Cash and cash equivalents acquired	**Cash outflow in acquisition**
Business combinations in LatAm (1)	30,812	(3,153)	27,659
Business combinations in AOA (1)	1,241	(5)	1,236
	32,053	(3,158)	28,895

Business combinations in LatAm

During 2019, Prosegur acquired in LatAm a number of security companies and assets providing securities logistics, cash in transit 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 assets and liabilities that arose from this acquisition are as follows:

(Thousands of Euros)	**Carrying amount of the business acquired**	**Fair value**
Cash and cash equivalents	3,153	3,153
Rights 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)
Suppliers 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 was allocated to the LatAm 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 are based on client relationships (EUR 41,871 thousand) with a useful life of between 9 and 13 years and a non-competition agreement (EUR 5,294 thousand) with a useful life of between 5 and 10 years.

Cash business combinations in AOA

In 2019, Prosegur acquired a security company that provides cash in transit 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 assets and liabilities that arose from this acquisition are as follows:

(Thousands of Euros)	**Carrying amount of the business acquired**	**Fair value**
Cash and cash equivalents	5	5
Property, Plant and Equipment	374	374
Rights of use	269	269
Clients and other receivables	502	502
Suppliers 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)
Inventories	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.

29. Related parties

Prosegur Cash, S.A. is a subsidiary of the Spanish listed company Prosegur Compañía de Seguridad, S.A., which currently holds 53.3% of the shares, and indirectly controls another 21.68% through its 100%-owned investee, Prosegur Assets Management, S.L.U. The remaining 25.02% 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	**2020**	**2019**
Short-term investments in Group companies and associates		
Credits	4,066	3,491
Trade and other receivables		
Clients	2,797	3,145
Advances for expenses	—	4,971
Other receivables	36,695	56,085
Total current assets with Prosegur Group companies	43,558	67,692
Total assets	**43,558**	**67,692**
Loans granted by group companies		
Payable Dividends (Note 9)	44,932	47,388
Trade and other payables		
Suppliers	34,606	48,110
Other payables	—	231
Total current liabilities with Prosegur Group companies	79,538	95,729
Total liabilities	**79,538**	**95,729**

As a result of the tax consolidation of the Prosegur Group in Spain, at 31 December 2020 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 2020 and 2019.

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 2020, the outstanding amount came to EUR 2,190 thousand (EUR 2,450 thousand in 2019) (Note 18).

Financial transactions

In 2020 and 2019 there were no loan transactions between related parties.

Investment operations

In 2020 and 2019 there were no investment operations with the Prosegur Group.

Trade transactions

At 31 December 2020, Trade receivables between the Prosegur Cash Group and the Prosegur Group amount to EUR 2,797 thousand (EUR 8,116 thousand in 2019).

The amounts are associated with trade receivables as yet unpaid by the Prosegur Group to the Group (Note 29.2). In 2019 these also included EUR 4,971 thousand in advances for the rental of a building in Peru.

At 31 December 2020, trade receivables between the Prosegur Cash Group and the Prosegur Group in favour of the Prosegur Group amount to EUR 34,606 thousand (EUR 48,341 thousand at 31 December 2019). These amounts correspond, among other items, to prices for transfers, trademark, utilities and leases and trade accounts pending payment by Prosegur Cash to the Prosegur Group (Note 29.2).

29.2. Transactions with Prosegur Group companies

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	2020	2019
Income		
Provision of services	1,325	1,399
Financial income (Note 7)	411	1,256
Total income	**1,736**	**2,655**
Expense		
Other services	(101,611)	(110,839)
Financial expenses (Note 7)	(1,380)	(3,053)
Total expenses	**(102,991)**	**(113,892)**

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

Thousands of Euros	2020	2019
Leases and Supplies	576	509
Services rendered	749	890
Total income from other services	**1,325**	**1,399**

Thousands of Euros	2020	2019
Expense for other services		
Brand (Note 4)	(15,129)	(23,391)
Management Fees (Note 4)	(67,497)	(66,205)
Leases and Supplies	(5,842)	(8,239)
IFRS 16 depreciation	(7,322)	(6,449)
Services rendered	(5,821)	(6,555)
Total expense for other services	**(101,611)**	**(110,839)**

The general decline of all items arises as a result of the COVID-19 pandemic (Note 2.5)

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	
	2020	**2019**
Fixed remuneration	1,059	1,270
Variable remuneration	483	572
Remuneration for membership of the Board	120	120
Per diems	170	136
	1,832	**2,098**

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	
	2020	**2019**
Fixed remuneration	1,886	2,131
Variable remuneration	743	1,015
Remuneration in kind	83	117
Life insurance premiums	—	10
	2,712	**3,273**

Civil liability insurance expenses covering the Board of Directors and Senior Management amount to EUR 75 thousand and are included in other expenses under administration and sales expenses (2019: EUR 74 thousand).

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 2020.

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 in market terms. 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 2020, fees totalled EUR 41 thousand (EUR 66 thousand at 31 December 2019).

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 Mr 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 89 thousand for hotel services (EUR 81 thousand at 31 December 2019). Prosegur is controlled by Gubel S.L., which was incorporated in Madrid, and holds 59.37% of the shares of Prosegur, which consolidates Prosegur Cash in its consolidated financial statements.

Furthermore, Agrocinegética San Huberto, S.L. (controlled by Gubel, S.L.) invoiced Prosegur for EUR 192 thousand.

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 9 in Madrid; the term of the lease is 5 years, and it was signed under market conditions. A total expense of EUR 975 thousand was incurred in relation to this contract in 2020 (2019: EUR 701 thousand).

Also during the year, Prosegur Cash provided services to Gubel, S.L. amounting to EUR 15 thousand (EUR 18 thousand at 31 December 2019).

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 in those markets, 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 risk, with details on the carrying amounts of the financial instruments denominated in a foreign currency other than the functional one of each country:

31/12/2020

Thousands of Euros	Euro	US Dollar	Argentine Peso	Colombian Peso	Australian Dollar	Other currency	**Total position**
Non-current financial assets	—	20	—	—	—	—	20
Total non-current assets	**—**	**20**	**—**	**—**	**—**	**—**	**20**
Clients and other receivables	2,440	5,495	249	—	—	3,410	11,594
Other current financial assets	94,716	—	—	—	28,403	—	123,119
Cash and cash equivalents	20,597	42,037	—	—	1,606	149	64,389
Total current assets	**117,753**	**47,531**	**249**	**—**	**30,009**	**3,559**	**199,101**
Financial liabilities	—	50	—	4,612	—	—	4,662
Non-current liabilities	**—**	**50**	**—**	**4,612**	**—**	**—**	**4,662**
Suppliers and other payables	1,708	4,631	118	19	112	(11)	6,577
Financial liabilities	57	1,542	8,465	2,371	—	—	12,435
Current liabilities	**1,765**	**6,173**	**8,583**	**2,390**	**112**	**(11)**	**19,012**
Net position	**115,988**	**41,329**	**(8,334)**	**(7,002)**	**29,897**	**3,570**	**175,448**

At 31 December 2019

Thousands of Euros	Euro	US Dollar	Argentine Peso	Colombian Peso	Australian Dollar	Other currency	**Total position**
Loans between related parties	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**
Suppliers 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**

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:

		31/12/2020		**31/12/2019**	
		Average	Closing rate	Average	Closing rate
US Dollar	USD	1.14	1.23	1.12	1.12
Australian Dollar	AUD	1.66	1.59	1.61	1.60
Brazilian Real	BRL	5.89	6.37	4.41	4.52
Argentine Peso	ARS	80.76	103.14	53.70	67.17
Chilean Peso	CLP	902.96	872.76	786.45	836.51
Mexican Peso	MXP	24.52	24.42	21.55	21.22
Paraguayan Guaraní	PYG	7,734.65	8,487.61	6,985.93	7,249.46
Peruvian Nuevo Sol	PEN	3.99	4.45	3.74	3.73
Uruguayan Peso	UYU	47.97	51.96	39.44	41.91
Colombian Peso	COP	4,215.17	4,212.02	3,672.04	3,681.54

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 results 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 exchange rate		Decrease exchange rate	
	Equity	Profit/(loss)	Equity	Profit/(loss)
31/12/2020				
Brazilian Real (15% fluctuation)	36,642	8,471	(49,574)	(11,461)
Argentine Peso (25% fluctuation)	17,848	6,943	(29,746)	(11,571)
Chilean Peso (10% fluctuation)	6,350	310	(7,761)	(379)
Peruvian Nuevo Sol (10% fluctuation)	4,914	12	(6,006)	(15)
Colombian Peso (10% fluctuation)	15,997	(227)	(19,552)	(1,231)
31/12/2019				
Brazilian Real (15% fluctuation)	43,563	(4,304)	(58,939)	5,823
Argentine Peso (25% fluctuation)	27,010	6,832	(45,017)	(11,386)
Chilean Peso (10% fluctuation)	7,177	630	(8,772)	(771)
Peruvian Nuevo Sol (10% fluctuation)	5,684	(303)	(6,947)	370
Colombian Peso (10% fluctuation)	27,194	131	(33,237)	(161)

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, as well as a credit risk impairment based on the expected loss. 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. The value impairment of accounts receivable from commercial clients as of 31 December 2020 amounts to EUR 8,079 thousand (2019: EUR 8,229 thousand) (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:

	2020	2019
Counterparty		
Client 1	3.46 %	8.31 %
Client 2	3.17 %	7.05 %
Client 3	2.38 %	6.16 %
Client 4	2.20 %	5.59 %
Client 5	1.91 %	3.93 %
Client 6	1.88 %	3.56 %
Client 7	1.44 %	2.86 %
Client 8	1.34 %	2.05 %

Other current financial assets include a fixed-term deposit. All financial assets contracted in 2020 and 2019 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 6,591 clients with monthly average turnover of EUR 2,749 per client. 92% of payments are made by bank transfer and the remaining 8% 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 2020 and 2019 is based on the following:

- Cash and cash equivalents of EUR 401,773 thousand at 31 December 2020 (2019: EUR 307,423 thousand) (Note 20).

- EUR 274,199 thousand available in undrawn credit facilities at 31 December 2020 (2019: EUR 448,633 thousand) (Note 23).

- Cash flows from operating activities in 2020 amounted to EUR 237,373 thousand (2019: EUR 313,038 thousand).

The amounts presented in this table reflect the cash flows stipulated in each one of the contracts:

		2020					
Thousands of Euros	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6 months to 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Non-derivative financial liabilities							
Debentures and other negotiable securities	603,047	641,250	8,250	—	8,250	16,500	608,250
Bank borrowings	319,495	361,110	117,935	26,162	26,629	190,384	—
Credit accounts	17,481	20,017	14,239	5,778	—	—	—
Other payables	73,058	96,565	33,449	10,136	10,166	33,917	8,897
Accounts payable to group companies (Note 29)	79,538	79,538	79,538	—	—	—	—
Lease liabilities	80,366	120,289	13,018	15,299	22,720	45,141	24,111
Suppliers and other payables	326,891	326,891	326,891	—	—	—	—
	1,499,876	**1,645,659**	**593,320**	**57,375**	**67,765**	**285,942**	**641,258**

		2019					
Thousands of Euros	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6 months to 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Non-derivative financial liabilities							
Debentures and other negotiable securities	602,178	657,750	8,250	—	8,250	24,750	616,500
Bank 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 to group companies (Note 29)	95,729	95,729	95,729	—	—	—	—
Lease liabilities	105,455	163,866	20,119	20,617	40,821	52,440	29,869
Suppliers 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**

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**	**More than 5 years**	**Total**
31/12/2020					
Total financial liabilities (fixed rate)	72,146	14,782	48,815	608,280	744,023
Total financial liabilities (floating rate)	64,320	20,197	191,849	—	276,366
	136,466	**34,979**	**240,664**	**608,280**	**1,020,389**
At 31 December 2019					
Total financial liabilities (fixed rate)	30,047	17,249	61,776	606,774	715,846
Total financial liabilities (floating rate)	135,511	2,582	19,051	—	157,144
	165,558	**19,831**	**80,827**	**606,774**	**872,990**

The Prosegur Cash Group analyses its interest rate risk exposure dynamically. In 2020, the majority of Prosegur Cash Group's financial liabilities at floating interest rates were denominated in euros and Australian dollars.

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 floating interest rate is paid.

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

31/12/2020	**Total debt**	**Hedged debt**	**Debt exposure**
Europe	892,149	628,907	263,242
AOA	112,315	51,579	60,736
LatAm	88,984	63,540	25,444
	1,093,447	**744,025**	**349,422**

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

Debt includes a bond issuance and bank borrowings at fixed rates. There are liabilities for credit accounts and fixed interest rate bank borrowings in Chile, Peru, Argentina, Colombia, Brazil, Ecuador and The Philippines.

At 31 December 2020, had interest rates on bank loans and borrowings been 100 basis points higher, with the other variables remaining constant, post-tax profit would have been EUR 1,292 thousand lower (2019: EUR 1,124 thousand lower), mainly as a result of higher interest expense on variable rate 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 returns for shareholders 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 on a leverage ratio basis in order to optimise its financial structure. 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 borrowings) 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	**2020**	**2019**
Financial liabilities excluding deferred payments	940,023	767,535
Less: Cash and cash equivalents (Note 20)	(401,773)	(307,423)
Net financial debt (excluding other non-bank borrowings)	538,250	460,112
Other non-bank borrowings (Note 23)	72,206	89,555
Non-bank borrowings with Group (Note 29)	—	231
Own shares	(18,749)	(1,546)
Lease liabilities (Note 12)	80,366	105,455
Total Net Financial Debt	672,072	653,807
Net Assets	80,235	243,633
Total capital: Net financial debt excluding other non-bank borrowings and net assets	**618,485**	**703,745**
Leverage ratio	**0.87**	**0.65**

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.

31/12/2020	**Carrying amount**				**Fair value**			
Thousands of Euros	Loans and receivables	Financial assets held for trading	Debts and payables	**Total**	Level 1	Level 2	Level 3	**Total**
Financial assets not measured at fair value								
Deposits and guarantees	3,040	—	—	**3,040**				
Short-term receivables with Group companies (Note 29)	43,558	—	—	**43,558**				
Clients and other receivables (Note 19)	275,253	—	—	**275,253**				
Cash and cash equivalents (Note 20)	401,773	—	—	**401,773**				
	723,624	**—**	**—**	**723,624**				
Financial liabilities at fair value								
Contingent payments	—	(3,357)	—	**(3,357)**	—	—	(3,357)	**(3,357)**
	—	**(3,357)**	**—**	**(3,357)**				
Financial liabilities not measured at fair value								
Financial liabilities due to the issuance of debentures	—	—	(603,047)	**(603,047)**	554,427	—	—	**554,427**
Financial liabilities with credit institutions	—	—	(336,976)	**(336,976)**	—	(330,965)	—	**(330,965)**
Other financial liabilities	—	—	(73,058)	**(73,058)**	—	(73,058)	—	**(73,058)**
Short-term payables to Group companies (Note 29)	—	—	(79,538)	**(79,538)**	—	(79,538)	—	**(79,538)**
Lease liabilities			(80,366)	**(80,366)**		(80,366)		**(80,366)**
Suppliers and other payables (Note 24)	—	—	(326,891)	**(326,891)**	—	(326,891)	—	**(326,891)**
	—	**—**	**(1,499,876)**	**(1,499,876)**				

31/12/2019					**Fair value**			
Thousands of Euros	Loans and receivables	Financial assets 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 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**				
Contingent payments	—	(23,079)	—	**(23,079)**	—	—	(16,309)	**(16,309)**
	—	(23,079)	—	**(23,079)**				
Financial liabilities not measured at fair value								
Financial liabilities due to the issuance of debentures	—	—	(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 payables to Group companies (Note 29)	—	—	(95,729)	**(95,729)**	—	(95,729)	—	**(95,729)**
Lease liabilities	—	—	(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)**				

Valuation methods for financial instruments not measured at fair value:

The following are the valuation methods used in 2020 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 EBITDA 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.	-EBITDA -Gross Margin	-The estimated fair value would increase (decrease) according to the value of EBITDA. -The estimated fair value would increase (decrease) according to the value of gross margin.	-If the estimated EBITDA and gross margin were within 5% of the agreed scenario, the value of the contingent payments would have varied by EUR 213 thousand; if these were within 10%, the value of contingent payments would have varied by EUR 425 thousand. -In the event of a 5% reduction in EBITDA and gross margin, the contingent payments would have varied by EUR -213 thousand, and a 10% reduction would have resulted in a variation in contingent payments of EUR -425 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 ended 31 December 2020 and 2019 there were no transfers of assets and liabilities among the various levels.

31. Other information

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

	2020	2019
Operations personnel	41,722	42,209
Other	2,863	2,267
	44,585	**44,476**

The average headcount of operations personnel employed by equity-accounted subsidiaries in 2020 is 8,495 employees (2019: 8,864 employees).

The average headcount of personnel employed in Spain with a disability of 33% or more, by category, is as follows:

	2020	2019
Operations personnel	40	46
Other	2	6
	42	**52**

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

	2020		2019	
	Man	**Woman**	**Man**	**Woman**
Operations personnel	32,320	11,543	32,860	10,136
Other	1,372	885	1,279	844
	33,692	**12,428**	**34,139**	**10,980**

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

	2020		2019	
	Man	**Woman**	**Man**	**Woman**
Board of Directors	6	3	6	3
Senior Management	8	2	9	2
	14	**5**	**15**	**5**

Ernst & Young, S.L., the auditors of the 2020 Annual Accounts for the Prosegur Cash Group, invoiced the fees for professional services as detailed below (in 2019, KPMG Auditores, S.L. were the auditors of the Annual Accounts):

Thousands of Euros	2020	2019
Audit	380	459
Other services	25	20
	405	**479**

Audit services detailed in the above table include the total fees for services rendered in 2020, irrespective of the date of invoice.

Additionally, other Ernst & Young and KPMG International affiliates have invoiced the Prosegur Cash Group the following fees and expenses for professional services during 2020 and 2019 respectively:

Thousands of Euros	2020	2019
Audit services	523	765
Other audit-related services	—	46
Tax advisory services	122	106
Other services	134	72
	779	**989**

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 Ernst & Young S.L. and KPMG Auditores, S.L. to Prosegur Cash, S.A. and subsidiaries during the years ended on 31 December 2020 and 2019, respectively.

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	2020	2019
Audit services	—	—
	—	**—**

32. Events after the reporting date

In February 2021 the maturity of the syndicated loans contracted by Prosegur Cash in an amount of EUR 300,000 thousand was extended until February 2026 (Note 23).

33. Summary of the main accounting policies

The main accounting policies used in the preparation of these Consolidated Annual Accounts are described below. 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 have been prepared in accordance with the same accounting principles used by the Prosegur Cash Group for the preparation of the Consolidated Annual Accounts dated 1 January 2019, with the exception of the compulsory standards and modifications adopted by the European Union from 1 January 2020.

a) Standards effective from 1 January 2019

IFRS 16 Leases

This standard establishes that companies which are the lessee in lease contracts 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 or finance leases under IAS 17. With respect to the leases classified as finance leases in accordance with IAS 17, the carrying amount 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-time application, without restating the information presented in 2019 under the aforementioned standards. Under this option, the Prosegur Cash Group has calculated the lease liability as the current value of the outstanding instalments on the contracts in force at the date of first-time application determined on the basis of the incremental interest rates on the aforementioned date and has retrospectively calculated the value of the right of use asset, using that rate for this.

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 contracts (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
	1 January 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)**

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

	Thousands of Euros
Operating lease commitments at 31 December 2018 (Note 27)	**71,688**
Impact of the financial updating of future payments on the application date	(13,886)
Low-cost and short-term leases	(15,373)
Differences in term and discount rate	75,269
Reclassification IAS 17 (Note 12)	11,940
Finance lease liabilities at 1 January 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).

b) Standards effective from 1 January 2020

Amendments to IFRS 3 Business combinations

The amendments change the business definition in IFRS 3 to help entities determine whether a transaction should be recorded as a business combination or as the acquisition of a group of assets. This distinction is important, as the acquirer only recognises goodwill when a business is acquired.

The new definition of business emphasises that the product of a business is to provide goods and services to clients that generate investment income (such as dividends or interest) or that generate other income from ordinary activities; whereas the previous definition focused on providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants.

Amendments to IFRS 16 rent concessions related to COVID-19

These amendments allow, as a practical solution, lessees to choose not to count the rent concessions derived from COVID-19, as an amendment of the lease. Where appropriate, the lessee will account for the concessions applying the criteria of IFRS 16 Leases as if said concessions were not a modification.

This practical solution can only be applied to rent concessions that have been a direct consequence of COVID-19. Which requires meeting the following conditions: (i) the change in the lease payments results in a review of the lease consideration that is substantially the same as, or less than, the consideration that was immediately prior to the change; (ii) any reduction in lease payments only affects payments that were originally due on or before 30 June 2021, and; (iii) there are no substantive changes in other terms and conditions of the lease.

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

- Revised version of the Conceptual Framework of IFRS. The revised conceptual framework includes a new chapter on valuation, improves definitions and guidance, and clarifies more important areas such as prudence and uncertainty valuation.

- Amendments to IAS 1 and IAS 8: Definition of materiality. Changes are made to the definition of material to make it easier to make judgments about what is material.

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.

c) Standards and interpretations issued, but which are not applicable in this year

- Amendments to IAS 1 Presentation of financial statements: classification of financial liabilities as current or non-current. The IASB clarifies the requirements to be applied in classifying liabilities as current or non-current.

- Amendments to IFRS 3 Business combinations. Reference to the conceptual framework. These interpretations replace the reference to the 1989 Conceptual Framework with a reference to that of 2018, without significantly changing its requirements.

- Amendments to IAS 16 Property, plant and equipment: Amounts obtained prior to the intended use. These changes prohibit deducting the amount of the sales obtained from the asset from the acquisition cost of the assets while it taken to the place and given conditions necessary for it to be able to operate in the manner foreseen by the Management. Instead, these amounts will be recorded in the income statement.

- Amendments to IAS 37 Costs of fulfilling a contract. The costs that entities have to include when evaluating whether a contract is onerous or in losses are detailed. The amendments propose a "direct cost approach".

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 that entity. The Company has 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 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 valuation 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 the identification and valuation of 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 gains from income tax.

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/(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 holding and non-controlling interests after consolidation adjustments and eliminations are determined in accordance with the ownership percentage 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/(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 associates for the year, 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 income of the associates obtained since the acquisition date is posted as an increase or decrease of the value of investments in the associates, recognising the difference 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 less 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, unless it is not a cash-generating unit (CGU) (Note 33.9).

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 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 constructive obligations, or else has made payments in the name of the 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 of joint expenses pertaining to it.

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 transactions where the Prosegur Cash Group purchases from 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 based on function

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 based on their nature.

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 items of 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 expenses.

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 securities and other changes in the carrying amount of the securities. 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/(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 exchange differences on cash".

Translation of foreign operations

Foreign operations whose functional currency is not the currency of a hyperinflationary 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 exchange 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 shareholders’ equity. 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 regional offices. 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 33.9). 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-time application.

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 reassesses 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 contracts (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 current 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 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 33.9 to right of use assets.

The Prosegur Cash Group measures the lease liability increasing it by the financial expenses accrued, decreasing it by the payments made and reassessing 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 valuation 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 reassessments of the liability as an adjustment to the right of use asset, until it is reduced to zero, and subsequently in profit/(loss).

The Prosegur Cash Group reassesses 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 reassesses 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 reassesses 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 as profit/(loss). 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

On the starting date, the Prosegur Cash Group recognises in its statement of financial position any assets it holds under finance leases, and it presents 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 incurred for obtaining lease income as an expense, including depreciation.

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 33.9) posted at cost less accumulated 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 purchase 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 (CGU) 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 current value of the reassessed cash flows from the contracts over their useful lives.

If client churn rates have risen, Prosegur reassesses 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.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 five 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, a sensitivity analysis on goodwill is performed, which consists of verifying the impact of deviations in key assumptions on the recoverable amount of a CGU (Note 13).

33.10. 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 valuation, 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 in the statement of financial position (Note 33.12).

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 substantially transferred 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 securities classified as available for sale are recognised in equity. When securities 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 securities.

If there is objective evidence, 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 financial assets available for sale, the cumulative loss, calculated as the difference between the acquisition cost and the current fair value less any impairment loss previously recognised, is reclassified from equity to the income statement. Impairment losses recognised for equity instruments through the income statement cannot be reversed.

The Prosegur Cash Group derecognises financial assets when they expire or the rights over the 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.

33.11. 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.

33.12. 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 current 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 a bad debt, it is written off against the allowance account for receivables.

33.13. 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.

33.14. 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.

33.15. 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/(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 purchase 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.

33.16. 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 past events.
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 current 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.

33.17. 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 the 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 one or all of them will be drawn down. In this case, the fees and commissions are deferred until funds are drawn. If there is no evidence that the credit facility is likely to be drawn down, the fees and commissions are capitalised as a prepayment for liquidity services and amortised over the term of the credit facility.

33.18. Current and deferred taxes

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 likely that sufficient taxable income will be generated against which the temporary differences can be offset.

Deferred tax is 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 income 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.

33.19. Employee benefits

Compensation based on the quoted share price 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, the Executive Director and the Senior Management of the Company.

For the purpose of determining the value of each share to which the beneficiary is entitled, 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 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 end of the year or at the payment time.

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 involuntary termination, it is considered that the Prosegur Cash Group can no longer withdraw the offer when the plan has been notified to the affected employees and union representatives, and the actions necessary to complete it indicate that the occurrence of significant changes to the plan are unlikely, 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 EBITA (earnings before interest, tax, amortisation).

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

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 constructive 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 scheme.

The current value of employee benefits depends on a number of factors determined using various assumptions on an actuarial basis. 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 current value of any economic benefit available in the form of reimbursements from the scheme 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 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 scheme 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 scheme 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 current value of defined benefit obligations is calculated annually by independent actuaries using the projected credit unit 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 scheme and do not derive from a constructive obligation or as actuarial losses and gains, if they are established in the formal terms of the scheme or derive from a constructive obligation.

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

33.20. Revenue recognition

Recognition of revenue from contracts with clients (IFRS 15)

On 1 January 2019, 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 retroactively 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 replaced 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 that asset is allocated.

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 securities logistics 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 is 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.

33.21. 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.

33.22. Distribution of dividends

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 General Meeting. 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.

33.23. 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 a subsidiary 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 income statement and other comprehensive income is restated as though the operation had been discontinued since the start of the comparative year.

33.24. Environmental issues

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 end of 2020, the Company has no environment-related contingencies, legal claims or income and expenses relating to the environment.

33.25. 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 investing 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 equity and in financing liabilities. In particular this section includes bank overdrafts.

33.26. Operating leases

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.

33.27. 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 restated the previous financial information.

Hyperinflation accounting was applied to all assets and liabilities of the subsidiary company prior to translation. 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 end 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 the end of 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 2020 and 2019 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 2020 and 2019 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 were 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 adjustment for hyperinflation includes the impacts from the application of IAS 29 and IAS 21.42.

As a result of the IFRIC agenda decision reached in 2020 the Prosegur Cash Group has amended the previous presentation of the translation differences of the business in Argentina, regarding them as reserves. In its agenda decision, the IFRIC clarified that the effects of the inflation corrected in IAS 29 in the equity located in the country affected by hyperinflation (excluding the part of the net monetary position that directly affects profit/(loss)) has a currency effect similar to the one that arises when converting the country's financial statements to the presentation currency, whereby both concepts should be reflected in translation differences.

Likewise, the IFRIC clarified that in the first application of IAS 29, the treatment should be the same as that explained above and with retroactive effect and therefore present the effects in accumulated translation differences, though separating the part of inflation corresponding to the net monetary position, which should be presented in reserves.

In application of all the above, the Group has proceeded to reclassify the treatments that it had carried out directly against reserves in previous years for an amount of EUR 360,558 thousand between translation differences and reserves in the year 2020 and cumulatively, without modifying the comparative presentation of said periods.

APPENDIX I. – Subsidiaries within the Consolidation Scope

Information at 31 December 2020

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
MIV Gestión, S.A.	Avda. Gran Vía 175-177, Pol. Gran Vía Sur, 08908 L 'Hospitalet de Llobregat (Barcelona)	100.00 %	Prosegur Servicios de Efectivo España, S.L.U.	a	1	B
Prosegur Servicios de Efectivo España S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	1	A
Prosegur Global CIT S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Cash, S.A.	a	3	A
Prosegur Smart Cash Solutions, S.L. (former Prosegur Colombia 3), S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	3	B
Prosegur AVOS España, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Cash, S.A.	a	1	A
Armor Acquisition S.A.	Pajaritos, 24 (Madrid)	95.00 % 5.00 %	Prosegur Internationale Handels GmbH Prosegur Global CIT, S.L.U.	a	3	A
Juncadella Prosegur Internacional, S.A.	Pajaritos, 24 (Madrid)	68.79 % 31.21 %	Armor Acquisition, S.A. Prosegur International Handels GmbH	a	3	A
Prosegur International CIT 1, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	3	B
Inversiones CIT 2, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	3	B
Prosegur Global CIT ROW S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Cash, S.A.	a	3	A
Contesta Teleservicios, S.A.	Antonio Lopez, 247 (Madrid)	100.00 %	Prosegur AVOS España, S.L.	a	1	A
Integrum 2008 SL	Antonio Lopez, 247 (Madrid)	100.00 %	Contesta Teleservicios, S.A.	a	1	B
Bloggers Broker, S.L.	Antonio Lopez, 247 (Madrid)	100.00 %	Contesta Teleservicios, S.A.	a	1	B
Contesta Servicios Auxiliares, S.L.	Antonio Lopez, 247 (Madrid)	100.00 %	Contesta Teleservicios, S.A.	a	1	B
Prosegur Colombia 1, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT S.L.U.	a	1	B
Prosegur Colombia 2, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT S.L.U.	a	1	B
Prosegur Servicios de Pago EP S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT ROW SLU	a	1	A
Risk Management Solutions S.L.U.	Ochandiano, 8 (Madrid)	100.00 %	Prosegur AVOS España, S.L.	a	1	A
Compliofficer S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur AVOS España, S.L.	a	1	B
Work 4 Data Lab, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Risk Management Solutions S.L.U.	a	1	B
Alpha3 Cashlabs, S.L.	Pajaritos, 24 (Madrid)	92.96 %	Prosegur Cash, S.A.	a	0	B
Wohcash APP SL	La Paz 44 - 4º, 46003 (Valencia)	51.00 %	Alpha3 Cashlabs, S.L.	a	0	B
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 %	Alpha3 Cashlabs, S.L.	a	2	B
Netijam Technologies S.L.	Cedaceros, 11 (Madrid)	100.00 %	Prosegur AVOS España, S.L.	a	2	B
Garantis Sumarmas S.L.	Cedaceros, 11 (Madrid)	100.00 %	Netijam Technologies S.L.	a	2	B
QSNet Comunicaciones y Servicios S.L.	Ateca 4 (Zaragoza)	50.00 %	Netijam Technologies S.L.	a	2	B
Prosegur Custodia de Activos Digitales, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Alpha3 Cashlabs, S.L.	a	1	B
MiRubi Internet S.L.	Avda. Manoteras 38 (Madrid)	100.00 %	Alpha3 Cashlabs, S.L.	a	1	B
Prosegur International Handels GmbH	Poststrabe, 33 (Hamburg)	100.00 %	Malcoff Holding BV	a	3	B
Prosegur Cash Services Germany GmbH	Kokkolastrasse 5 (Ratingen)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	1	A
Prosegur Spike GmbH	Kokkolastrasse 5 (Ratingen)	100.00 %	Prosegur Cash, S.A.	a	1	C
Malcoff Holdings BV.	Herikerbergweg 238 (Amsterdam)	100.00 %	Prosegur Global CIT, S.L.U	a	3	B
Pitco Reinsurance, S.A.	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, S.L.U.	a	3	A
Prosegur AVOS Portugal Unipessoal Ltda	Avenida de Berna nº 54 (Lisbon)	100.00 %	Prosegur AVOS España, S.L.	a	1	B
Prosegur Logistica e Tratamento de Valores Portugal, Unipessoal Ltda.	Av. Infante Dom Henrique, 326 (Lisbon)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	1	A
Transportadora de Caudales de Juncadella S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	94.79 % 4.98 % 0.23 %	Juncadella Prosegur Internacional, S.A. Armor Acquisition, S.A. Prosegur Holding CIT ARG, S.A.	a	1	A

Information at 31 December 2020 (continued)

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Prosegur Holding CIT ARG, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	95.00 % 5.00 %	Prosegur Global CIT, S.L.U Prosegur International CIT 1, S.L.	a	3	A
Grupo N, S.A.	La Rioja N° 441, oficinas D, E and F (Ciudad de Córdoba)	90.00 % 10.00 %	Prosegur Global CIT, S.L.U Prosegur Internacional CIT 1, S.L.	a	2	A
VN Global BPO, S.A.	La Rioja N° 441, oficinas D, E and F (Ciudad de Córdoba)	90.00 % 10.00 %	Prosegur Global CIT, S.L.U Prosegur Internacional CIT 1, S.L.	a	2	A
Dinero Gelt S.A.	Calle Grecia (Ciudad de Buenos Aires)	95.00 % 5.00 %	Transportadora de Caudales de Juncadella S.A. Prosegur Holding CIT ARG, S.A.	a	1	B
Prosegur Serviços e Participações Societarias S.A.	Av. Ermano Marchetti, nº 1.435 (São Paulo)	39.76 % 60.24 %	Juncadella Prosegur Internacional, S.A. Prosegur Global CIT, S.L.U.	a	3	A
Prosegur Logistica e Armazenamento Ltda	Av. Marginal do Ribeirão dos Cristais, 200 (São Paulo)	100.00 %	Prosegur Serviços e Participações Societarias S.A.	a	1	B
Log Cred Tecnologia Comercio e Serviços Ltda	Avenida Santos Dumont, 1883 (Ciudad de Lauro de Freitas)	100.00 %	Prosegur Serviços e Participações Societarias S.A.	a	1	B
Luma Empreendimientos Eireli- ME	Avenida Santos Dumont, 1883 (Ciudad de Lauro de Freitas)	100.00 % 100.00 %	Prosegur Serviços e Participações Societarias S.A. Prosegur Serviços e Participações Societarias S.A.	a	1	B
Prosegur Brasil S.A. Transportadora de Valores e Segurança	Av.Guaratã, 633, (Belo Horizonte)	99.99 %	Prosegur Serviços e Participações Societarias S.A.	a	3	A
Gelt Brasil Consultoria em Tecnologia da Informacão Ltda	Av. Pedroso de Morais, 2120 (São Paulo)	100.00 %	Prosegur Alpha3 Cashlabs, S.L.	a	1	B
Juncadella Prosegur Group Andina S.A.	Los Gobelinos 2567 (Santiago de Chile)	99.99 % 0.01 %	Juncadella Prosegur Internacional, S.A. Armor Acquisition, S.A.	a	3	A
Capacitaciones Ocupacionales Sociedad Ltda.	Los Gobelinos 2567 (Santiago de Chile)	86.17 % 10.00 % 1.55 % 2.28 %	Prosegur Global CIT, S.L.U. Prosegur International CIT 1, S.L. Prosegur International Handels GmbH Juncadella Prosegur Group Andina S.A.	a	1	A
Servicios Prosegur Ltda.	Los Gobelinos 2567 (Santiago de Chile)	99.98 % 0.01 % 0.01 %	Prosegur Global CIT, S.L.U. Prosegur International Handels GmbH Juncadella Prosegur Group Andina S.A.	a	1	A
Empresa de Transportes Compañía de Seguridad Chile Ltda.	Los Gobelinos 2567 (Santiago de Chile)	60.00 % 40.00 %	Juncadella Prosegur Group Andina S.A. Prosegur International Handels GmbH	a	1	A
Procesos Técnicos de Seguridad y Valores S.A.S.	DB 74 # 6-51 (Bogotá)	99.51 %	Inversiones CIT 2, S.L.U.	a	1	A
Compañía Colombiana de Seguridad Transbank Ltda	Avda. Américas 41-09 (Bogotá)	50.00 % 49.00 % 1.00 %	Prosegur Colombia 1, S.L.U. Prosegur Colombia 2, S.L.U. Prosegur Smart Cash Solutions, S.L.	a	2	A
Corresponsales Colombia SAS	Calle 11 No. 31-89 Edificio Bosko Oficina 501 de Medellín	100.00 %	Prosegur Cash, S.A.	a	1	A
Compañia Transportadora de Valores Prosegur de Colombia S.A.	Avda. De las Américas, 42-25 (Bogotá)	94.90 % 5.10 % 0.00 % 0.00 % 0.00 %	Prosegur Global CIT, S.L.U. Prosegur International CIT 1, S.L.U. Prosegur Cash, S.A. Prosegur Servicios de Efectivo España, S.L.U. Prosegur Global CIT ROW S.L.U.	a	1	A
Prosegur Procesos S.A.S.	Avda. De las Américas, 42-25 (Bogotá)	100.00 %	Inversiones CIT 2, S.L.U.	a	1	A
Prosegur Paraguay S.A.	C/ Artigas, esq. Concepción Leyes de Chávez (Asunción)	99.00 % 1.00 %	Juncadella Prosegur Internacional, S.A. Transportadora de Caudales Juncadella, S.A.	a	1	A
Prosegur Cash Servicios, S.A.C.	Av. Morro Solar 1086 (Lima)	90.00 % 10.00 %	Prosegur Cash, S.A. Prosegur Global CIT S.L.U.	a	1	B
Compañía de Seguridad Prosegur S.A.	Av. Morro Solar 1086 (Lima)	52.00 % 48.00 %	Juncadella Prosegur Internacional, S.A. Transportadora de Caudales de Juncadella S.A.	a	1	A
Prosegur Cajeros S.A.	La Chira, 103 (Lima)	52.00 % 48.00 %	Juncadella Prosegur Internacional, S.A. Transportadora de Caudales de Juncadella S.A.	a	1	B
Prosegur Transportadora de Caudales S.A.	Guarani 1531 (Montevideo)	99.91 % 0.09 %	Juncadella Prosegur Internacional, S.A. Armor Acquisition, S.A.	a	1	A
Singpai Pte Ltd.	80 Robinson Road #02-00 (Singapore)	100.00 %	Luxpai CIT S.A.R.L.	a	3	A

Information at 31 December 2020 (continued)

Company name	Registered office	Share			Basis of consolidation	Activity	Auditor
		% of Par Value		Company Owning Shareholdings			
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 1, 65 Epping Road, Macquarie Park NSW 2113	100.00	%	Prosegur Global CIT ROW, SLU	a	3	A
Prosegur Australia Investments PTY Limited	Level 1, 65 Epping Road, Macquarie Park NSW 2113	100.00	%	Prosegur Australia Holdings PTY Limited	a	3	B
Prosegur Australia Pty Limited	Level 1, 65 Epping Road, Macquarie Park NSW 2113	100.00	%	Prosegur Australia Investments PTY Limited	a	1	B
Prosegur Services Pty Ltd	Level 1, 65 Epping Road, 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	0	B
Prosegur SPV 1 PTY Limited	Level 1, 65 Epping Road, Macquarie Park NSW 2113	100.00	%	Prosegur Australia Holdings PTY Limited	a	2	B
Prosegur CIT Integral System India Private Ltd.	Regus Elegance, 2F, Elegance Jasola District Centre, Old Mathura Road (New Delhi)	95.00 5.00	% %	Prosegur Global CIT ROW, S.L.U. Luxpai CIT SARL	a	1	B
PT Prosegur Cash Indonesia	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, S.L.U.	a	2	A
CASH Centroamerica Dos	Distrito Panamá (Panama)	16.67	%	Prosegur Global CIT S.L.U.	a	1	B
Protección de Valores S.A.	Km 4.5 Carretera a Masaya, (Managua)	49.94 39.94 10.12	% % %	CASH Centroamerica 1 CASH Centroamerica 2 CASH Centroamerica 3	a	1	A
Proteccion de Valores S.A. de CV	Calle Padres Aguilar No. 9 (San Salvador)	60.00 40.00	% %	CASH Centroamerica 1 CASH Centroamerica 2	a	1	A
Protección de Valores S.A.	Colonia San Ignacio, 4ta calle 5ta Avenida, (Tegucigalpa)	60.00 40.00	% %	CASH Centroamerica 1 CASH Centroamerica 2	a	1	A
Corporacion Allium S.A.	15 Avenida "A" 3-67 Oficina No 5 Zona 13 (Guatemala)	90.00 10.00	% %	Prosegur Global CIT S.L.U. Prosegur International CIT 1, S.L.	a	1	B
Prosegur Filipinas Holding Corporation	21st Floor, Philamlife Tower, 8767 Paseo de Roxas, Makati City (The Philippines)	100.00	%	Prosegur Global CIT ROW S.L.U.	a	3	B
Prosegur Global Resources Holding Philippines Incorporated	18th Floor, Philamlife Tower, 8767 Paseo de Roxas, Makati City, NCR (The Philippines)	100.00	%	Prosegur Global CIT ROW S.L.U.	a	3	A
Armored Transport Plus Incorporated	Unit 401 J & L Bldg. 251 EDSA, Wack-Wack, Mandaluyong City (Philippines)	36.00	%	Prosegur Global Resources Holding Philippines	a	1	B
E-CTK Solutions Incorporated	Suite 21G Burgundy Corporate Tower, 252 Sen. Gil Puyat Ave., Makati City (Philippines)	36.00	%	Prosegur Global Resources Holding Philippines	a	1	A
Fortress Armored Transport Incorporated	IWMPC Bldg., Ilang-Ilang St. Alido Subd. Brgy. Bulihan Malolos Bulacan (Philippines)	36.00	%	Prosegur Global Resources Holding Philippines	a	1	A
Consultoría de Negocios CCR Consulting Costa Rica, S.A.	San Jose, Costa Rica	70.00 30.00	% %	Prosegur Global CIT, S.L.U. Prosegur International CIT 1, S.L.	a	2	B
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	90.00 10.00	% %	Prosegur Cash, S.A. Prosegur Global CIT S.L.U.	a	1	A
Tevlogistic S.A.	Tevlogistic S.A.	99.99 0.01	% %	Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda. Prosegur Global CIT S.L.U.	a	1	B
Transportadora Ecuatoriana de Productos Valorados Setaproval S.A.	Transportadora Ecuatoriana de Productos Valorados Setaproval S.A.	99.99 0.01	% %	Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda. Prosegur Global CIT S.L.U.	a	1	B
Blindados, S.R.L.	Guarani 1531 (Montevideo)	99.00	%	Prosegur Transportadora de Caudales, S.A.	a	1	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 (See Note 18 – Non-current assets held for sale)
3. Holding company
4. Financial services
5. Ancillary services
6. Dormant
7. Other services

Auditor:

A. Audited by EY.
B. Not subject to audit.
C. Audited by other auditors.

Information at 31 December 2019

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
MIV Gestión, S.A.	Carretera Carga Aerea Of A002 (Barcelona)	100.00 %	Prosegur Servicios de Efectivo España, S.L.U.	a	1	B
Prosegur Servicios de Efectivo España S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT AOA 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, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT AOA SLU	a	3	B
Prosegur AVOS España, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT AOA SLU	a	1	B
Armor Acquisition S.A.	Pajaritos, 24 (Madrid)	95.00 % 5.00 %	Prosegur Internationale Handels GmbH Prosegur Global CIT, S.L.U.	a	3	A
Juncadella Prosegur Internacional, S.A.	Pajaritos, 24 (Madrid)	68.79 % 31.21 %	Armor Acquisition, S.A. Prosegur International Handels GmbH	a	3	A
Prosegur International CIT 1, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	3	B
Prosegur International CIT 2, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	3	B
Prosegur Global CIT AOA S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Cash, S.A.	a	3	B
Contesta Teleservicios, S.A.	Antonio Lopez, 247 (Madrid)	100.00 %	Prosegur AVOS España, S.L.	a	1	
Integrum 2008 SL	Antonio Lopez, 247 (Madrid)	100.00 %	Contesta Teleservicios, S.A.	a	1	
Bloggers Broker, S.L.	Antonio Lopez, 247 (Madrid)	100.00 %	Contesta Teleservicios, S.A.	a	1	
Contesta Servicios Auxiliares, S.L.	Antonio Lopez, 247 (Madrid)	100.00 %	Contesta Teleservicios, S.A.	a	1	
Prosegur Colombia 1, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	1	
Prosegur Colombia 2, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	1	
Prosegur Servicios de Pago EP, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT AOA SLU	a	1	
Risk Management Solutions, S.L.U.	Ochandiano, 8 (Madrid)	100.00 %	Prosegur AVOS España, S.L.	a	1	
Compliofficer, S.L.U.	Ochandiano, 8 (Madrid)	100.00 %	Prosegur AVOS España, S.L.	a	1	
Work 4 Data Lab, S.L.	Arquímedes, 4 (Madrid)	100.00 %	Risk Management Solutions, S.L.U.	a	1	
Prosegur Alpha3 Cashlabs, S.L.	Pajaritos, 24 (Madrid)	87.30 %	Prosegur Cash, S.A.			
Wohcash APP SL	La Paz 44 - 4º, 46003 (Valencia)	51.00 %	Prosegur Alpha3 Cashlabs, S.L.			
CASH Centroamerica Uno, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U	a	2	
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, S.L.	a	2	B
Netijam Technologies S.L.	Cedaceros, 11 (Madrid)	100.00 %	Prosegur AVOS España, S.L.	a	2	B
Garantis Sumarmas S.L.	Cedaceros, 11 (Madrid)	100.00 %	Netijam Technologies S.L.	a	2	
QSNet Comunicaciones y Servicios S.L.	Cedaceros, 11 (Madrid)	50.00 %	Netijam Technologies S.L.	b	2	B
Prosegur International Handels GmbH	Poststrabe, 33 (Hamburg)	100.00 %	Malcoff Holding BV	a	3	B
Prosegur Cash Services Germany GmbH	Kokkolastrasse 5 (Ratingen)	100.00 %	Prosegur Global CIT AOA SLU	a	1	A
Prosegur Berlin SL & Co KG.	Kokkolastrasse 5 (Ratingen)	100.00 %	Prosegur Global CIT AOA SLU	a	1	B
BaS Solution GmbH	Daimlerstrasse 25 (Munich)	100.00 %	Prosegur Global CIT AOA S.L.U.	a	1	
Prosegur Traitement de Valeurs S.A.S.U.	Rue Rene Cassin ZI de Molina (La Talaudière)	100.00 %	Prosegur Traitement de Valeurs EST S.A.S.	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 AOA SLU	a	3	A
Prosegur Traitement 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 % 100.00 % 100.00 %	Prosegur Cash Holding France SAS Prosegur Global CIT, S.L.U Luxpai CIT SARL	a	1	B
Malcoff Holdings BV.	Herikerbergweg 238 (Amsterdam)	100.00 %	Prosegur Global CIT, S.L.U	a	3	B
Pitco Reinsurance, S.A.	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 AOA SLU	a	3	B
Prosegur Logistica e Tratamento de Valores Portugal, Unipessoal Ltda.	Av. Infante Dom Henrique, 326 (Lisbon)	100.00 %	Prosegur Global CIT AOA 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, S.A. Prosegur Holding CIT ARG, S.A.	a	1	A

Information at 31 December 2019 (continued)

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Prosegur Holding CIT ARG, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	95.00 % 5.00 %	Prosegur Global CIT, S.L.U Prosegur International CIT 1, S.L.	a	3	B
Grupo N, S.A.	La Rioja N° 441, oficinas D, E and F (Ciudad de Córdoba)	90.00 % 10.00 %	Prosegur Global CIT, S.L.U Prosegur Internacional CIT 1, S.L.	a	2	
VN Global BPO, S.A.	La Rioja N° 441, oficinas D, E and F (Ciudad de Córdoba)	90.00 % 10.00 %	Prosegur Global CIT, S.L.U Prosegur Internacional CIT 1, S.L.	a	2	
Prosegur Serviços e Participações Societarias S.A.	Av.Thomas Edison, 813 (São Paulo)	47.08 % 52.92 %	Juncadella Prosegur Internacional, S.A. Prosegur Global CIT, S.L.U.	a	3	B
Prosegur Logistica e Armazenamento Ltda	Av. Marginal do Ribeirão dos Cristais, 200 (São Paulo)	99.00 % 1.00 %	Prosegur Global CIT S.L.U. 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 Participações Societarias S.A.	a	1	
Luma Empreendimientos Eireli- ME	Avenida Santos Dumont, 1883 (Ciudad de Lauro de Freitas)	100.00 %	Prosegur Serviços e Participações Societarias S.A.	a	1	
Prosegur Pay Consultoria em Tecnologia da Informação Ltda	Av. Ermano Marchetti, nº 1.435 (São Paulo)	90.00 % 10.00 %	Prosegur Global CIT, S.L.U. Prosegur International CIT 1, S.L.	a	2	B
Transfederal Transporte de Valores Ltda	Saan Quadra 3, Número 360, ASA Norte (Brasilia)	100.00 %	Prosegur Brasil S.A. Transportadora de Valores e Segurança	a	2	
Prosegur Brasil S/A Transportadora de Valores e Segurança	Av.Guaratã, 633, (Belo Horizonte)	100.00 %	Prosegur Serviços e Participações Societarias S.A.	a	3	
Juncadella Prosegur Group Andina S.A.	Los Gobelinos 2567 (Santiago de Chile)	99.99 % 0.01 %	Juncadella Prosegur Internacional, S.A. Armor Acquisition, S.A.	a	3	B
Capacitaciones Ocupacionales Sociedad Ltda.	Los Gobelinos 2567 (Santiago de Chile)	83.80 % 10.00 % 2.50 % 3.70 %	Prosegur Global CIT, S.L.U. Prosegur International CIT 1, S.L. Prosegur Internationale Handels GmbH Juncadella Prosegur Group Andina S.A.	a	1	B
Servicios Prosegur Ltda.	Los Gobelinos 2567 (Santiago de Chile)	99.98 % 0.01 % 0.01 %	Prosegur Global CIT, S.L.U. Prosegur International Handels GmbH Juncadella Prosegur Group Andina S.A.	a	1	B
Empresa de Transportes Compañía de Seguridad Chile Ltda.	Los Gobelinos 2567 (Santiago de Chile)	60.00 % 40.00 %	Juncadella Prosegur Group Andina S.A. 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, S.L.U.	a	1	B
Compañía Colombiana de Seguridad Transbank Ltda (ex G4S Cash Solutions Colombia Ltda)	Avda. Américas 41-09 (Bogotá)	50.00 % 49.00 % 1.00 %	Prosegur Colombia 1, S.L.U. Prosegur Colombia 2, S.L.U. Prosegur Colombia 3, S.L.U.	a	2	A
Compañia Transportadora de Valores Prosegur de Colombia S.A.	Avda. Américas 41-09 (Bogotá)	94.90 % 5.10 % 0.00 % 0.00 % 0.00 %	Prosegur Global CIT, S.L.U. Prosegur International CIT 1, S.L.U. Prosegur Cash, S.A. Prosegur Servicios de Efectivo España, S.L.U. Prosegur Global CIT AOA SLU	a	1	A
Prosegur Procesos S.A.S.	Avda. De las Américas, 42-25 (Bogotá)	100.00 %	Prosegur International CIT 2, S.L.U.	a	1	B
Prosegur Paraguay S.A.	C/ Artigas, esq. Concepción Leyes de Chávez (Asunción)	99.00 % 1.00 %	Juncadella Prosegur Internacional, S.A. Transportadora de Caudales Juncadella, S.A.	a	1	B
Compañía de Seguridad Prosegur S.A.	Av. Morro Solar 1086 (Lima)	52.00 % 48.00 %	Juncadella Prosegur Internacional, S.A. Transportadora de Caudales de Juncadella S.A.	a	1	A
Prosegur Cajeros S.A.	La Chira, 103 (Lima)	52.00 % 48.00 %	Juncadella Prosegur Internacional, S.A. Transportadora de Caudales de Juncadella S.A.	a	1	B
Prosegur Seguridad Privada Logística y Gestión de Efectivo, S.A. de C.V.	Norte 79 B No. 77 Colonia Sector Naval (Mexico City)	100.00 % 0.00 %	Prosegur Global CIT, S.L.U. Prosegur International CIT 1, SL	a	1	B
Prosegur Servicios de Seguridad Privada Electrónica S.A. de C.V.	Piña, 297 (Mexico City)	100.00 % 0.00 %	Prosegur Global CIT, S.L.U. Prosegur International CIT 1, S.L.	a	1	B
Grupo Mercurio de Transportes S.A. de C.V.	Avda de las Granjas, 76 (Mexico City)	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 (Mexico City)	8000.00 %	Prosegur Global CIT, S.L.U.	a	3	B

Information at 31 December 2019 (continued)

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Prosegur Transportadora de Caudales S.A.	Guarani 1531 (Montevideo)	99.92 %	Juncadella Prosegur Internacional, S.A.	a	1	B
		0.08 %	Armor Acquisition, S.A.			
Blindados, S.R.L.	Guarani 1531 (Montevideo)	99.00 %	Prosegur Transportadora de Caudales, S.A.	a	1	B
		1.00 %	Prosegur Global CIT, S.L.U.			
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 AOA, 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. (formerly 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 AOA SLU	a	1	B
		5.00 %	Luxpai CIT SARL			
Protección de Valores S.A.	Km 4.5 Carretera a Masaya, (Managua)	50.00 %	CASH Centroamerica 1	a	1	
		10.00 %	CASH Centroamerica 3			
Proteccion de Valores S.A. de CV	Calle Padres Aguilar No. 9 (San Salvador)	60.00 %	CASH Centroamerica 1	a	1	
CASH Centroamérica Dos S.A.	Distrito Panamá (Panama)	100.00 %	Prosegur Global CIT S.L.U.	a	1	
Protección de Valores S.A.	Colonia San Ignacio, 4ta calle 5ta Avenida, (Tegucigalpa)	60.00 %	CASH Centroamerica 1	a	1	
Corporacion Allium S.A.	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 - The Philippines	100.00 %	Prosegur Global CIT AOA S.L.U.	a	3	
Prosegur Global Resources Holding Philippines Incorporated	18th Floor Philamlife Tower, 8767 Paseo de Roxas Bel-Air CITY OF MAKATI, FOURTH DISTRICT, NCR, Philippines, 1226	100.00 %	Prosegur Global CIT AOA 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 Philippines 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 Philippines Incorporated	a	1	
Fortress Armored Transport Incorporated	IWMPC Bldg., Ilang-Ilang St. Alido Subd. Brgy. Bulihan Malolos Bulacan	36.00 %	Prosegur Global Resources Holding Philippines 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 AOA SLU	a	2	B
Consultoría de Negocios CCR Consulting Costa Rica, S.A.	San José (Costa Rica)	70.00 %	Prosegur Global CIT, S.L.U.	a	2	B
		30.00 %	Prosegur International CIT 1, S.L.			
Prosegur BSI Canada Limited	700 - 401 WEST GEORGIA STREET, VANCOUVER BC V6B 5A1-CANADA	77.08 %	Prosegur Compañia de Seguridad S.A.	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 (See Note 18 – 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 2020 - Joint Ventures

Company name	Registered office	Share			Basis of consolidation	Activity	Auditor
		% of Par Value		Company Owning Shareholdings			
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 S.L.	Moscatelar nº 1K, 28043 (Madrid)	60.05	%	Prosegur Alpha3 Cashlabs, S.L.			

Information at 31 December 2020 - Temporary Joint Ventures (JVs)

Company name	Registered office	Share			Notes	Activity
		% of Par Value		Partner company in the joint venture		
UTE PSISE ESC AEROPUERTO DE SANTIAGO	Pajaritos, 24 (Madrid)	100.00	%		d	1
UTE PSISE ESC MERCABARNA	Pajaritos, 24 (Madrid)	100.00	%		d	1
UTE PSISE ESC PSEE REAL ALCAZAR DE SEVILLA	Pajaritos, 24 (Madrid)	100.00	%		d	1
UTE PSIS-ESC GOBIERNO VASCO II	Pajaritos, 24 (Madrid)	100.00	%		d	1
UTE PSISE-PSEE MUSEOS VALENCIA	Pajaritos, 24 (Madrid)	100.00	%		d	2

Information at 31 December 2019 - Joint Ventures

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
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 S.L.	Moscatelar nº 1K, 28043 (Madrid)	60.05 %	Prosegur Alpha3 Cashlabs, S.L.			

Information at 31 December 2019 - Temporary Joint Ventures (JVs)

Company name	Registered office	Share		Notes	Activity
		% of Par Value	Partner company in the joint venture		
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
UTE PSISE ESC HZ (Hipódromo de la Zarzuela)	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PSISE ESC MUSEO GUGGENHEIM DE BILBAO III	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PSISE PSEE FNMT - REAL CASA DE LA MONEDA DE MADRID	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PSISE CIPHER CONSORCIO DE AGUAS DE LA ZONA GADITANA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PSISE ESC GOBIERNO VASCO LOTES 1 Y 2	Pajaritos, 24 (Madrid)	100.00 %		d	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 (See 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 EY (KPMG in 2019).
B. Not subject to audit.
C. Audited by other auditors

APPENDIX III. – Summary Information on Joint Ventures

Information at 31 December 2020

Thousands of Euros	SIS Cash Services Private Limited	SIS Prosegur Holdings Private Limited	Dinero Gelt	Other companies of little significance	Total
Information on the estatement of financial position					
Non-current assets	**11,332**	**9,206**	**500**	**3**	**21,041**
Non-current liabilities	**(8,214)**	**(1,268)**	**(100)**	**—**	**(9,582)**
Total non-current net assets	3,118	7,938	400	3	11,459
Current assets	**17,327**	**12,930**	**1,585**	**705**	**32,546**
Cash and cash equivalents	**2,805**	**1,067**	**327**	**6**	**4,204**
Current liabilities	**(16,235)**	**(14,670)**	**(809)**	**(709)**	**(32,422)**
Non-current financial liabilities	—	—	—	—	—
Total current net assets	1,092	(1,738)	776	(3)	126
Net assets	4,210	6,199	1,176	—	11,585
Percentage share	49 %	49 %	52.42 %	0 %	
Share in net assets	2,063	3,038	617	—	5,718
Share accounting value	**2,063**	**3,038**	**617**	**—**	**5,718**
Income statement information					
Revenue	**28,080**	**13,668**	**2,021**	**801**	**44,570**
Cost of sales	**(25,810)**	**(14,961)**	**(2,826)**	**(787)**	**(44,384)**
Investment impairment using the equity method	—	—	—	—	—
Financial income	—	—	—	—	—
Depreciation and amortisation	(1,512)	(470)	(37)	(1)	(2,020)
Financial expense	(1,708)	(686)	(5)	—	(2,400)
Expense (income) from income tax	(87)	226	—	(2)	137
Profit/(loss) of the year from ongoing operations	475	(1,754)	(810)	12	(2,076)
Expense (income) from income tax paid on earnings from operations					—
Profit/(loss) for the year	475	(1,754)	(810)	12	(2,076)
Other comprehensive income					
Profit/(loss) for Investments accounted for using the equity method	**233**	**(859)**	**(424)**	**6**	**(1,045)**

Information at 31 December 2019

Thousands of Euros	SIS Cash Services Private Limited	SIS Prosegur Holdings Private Limited	Dinero Gelt	Other companies of little significance	Total
Information on the estatement of financial position					
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)
Non-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 share	49 %	49 %	52.42 %		
Share in net assets	2,049	4,313	1,148	—	7,510
Share accounting value	**2,049**	**4,313**	**1,148**	**—**	**7,510**
Income statement information					
Revenue	**26,220**	**15,766**	**494**	**76,022**	118,502
Cost of sales	**(25,681)**	**(16,501)**	**(602)**	**(74,441)**	(117,225)
Investment impairment using the equity method	—	—	—	—	—
Financial income	—	—	—	(27)	(27)
Depreciation and amortisation	(1,472)	(496)	(47)	(523)	(2,538)
Financial expense	(1,500)	(654)	(17)	(1,884)	(4,054)
Expense (income) from income tax	92	55	65	103	315
Profit/(loss) of the year from ongoing operations	(868)	(1,334)	(60)	(227)	(2,489)
Profit/(loss) for the year	(868)	(1,334)	(60)	(227)	(2,489)
Other comprehensive income	(868)	(1,334)	(60)	(227)	(2,489)
Profit/(loss) for Investments accounted for using the equity method	**(425)**	**(654)**	**(32)**	**(46)**	**(1,157)**

PROSEGUR
CASH

Consolidated Directors´ Report for 2020

Prosegur Cash, S.A. and Subsidiaries.

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Letter from the President

On behalf of the entire Prosegur Cash team, welcome to this 2020 Directors' Report.

This has been a particularly complicated year, in which the COVID-19 coronavirus pandemic has posed an enormous challenge for all. For this reason, I would like to begin

by thanking all company professionals for their great work and dedicated commitment. People who have worked every day to make cash available to all citizens.

This has been no easy feat. During 2020 we registered record volumes of cash in circulation in economic areas as important as the United States or the European Union, as well as markets of relevance to us such as those of LatAm.

These increases once again reveal the critical importance of cash in the global economic system. In the first place, as a safe-haven asset. In exceptional circumstances citizens want to have available cash for whatever may happen in the future. Furthermore, numerous governments decided to provide financial assistance to those individuals most affected by the pandemic and, in the majority of cases, they did this in cash as the most efficient and direct vehicle. And the fact is that cash is an essential part of the domestic economy of the most vulnerable consumers. In other words, those individuals with the lowest income, with a lower level of banking services or limited Internet access.

Beyond anti-cash movements, I would like to highlight the role that central banks have played since the start of the pandemic. These institutions have played a critical role in ensuring the availability of cash. At the same time, they have categorically conveyed that the use of notes and coins is absolutely safe. To this regard, several studies have been prepared by various institutions that ensure that the risk of virus transmission via cash is highly improbable.

Nevertheless, we cannot overlook that the lockdowns and subsequent drop in retail activity have had a relevant impact on our activities. Even though we verified that our level of activity gradually recovered as restrictions on mobility eased. For this reason, we maintain a positive outlook on the role that cash should continue to play in society.

As you will see in reading this report, and over and above any difficulties that the pandemic caused us, in Prosegur Cash we remain fully committed to our project to make this company a global leader. The measures carried out during these months are furthermore allowing us to advance in the implementation of our strategy that is founded on the pillars of Agility, Consolidation and Transformation.

In terms of agility, the efficiency programmes are producing positive results, and we are also observing a slightly positive evolution in the growth of operations in local currency. Within the scope of consolidation, we continue to invest in opportunities to reinforce the traditional business as well as strengthen our offer of new services. In fact, regarding transformation, I would like to emphasise two aspects. The first is the greater resilience of the new solutions within the context of the pandemic. And the second is the continued growth of the sales of these services with respect to total turnover.

In concluding, I only wish to reiterate our appreciation for the trust you have placed in us, and to convey the commitment of the Prosegur Cash team to create value for all stakeholders with which we interact.

Christian Gut

Executive President

Message from the Executive Director

The year 2020 posed a major challenge for Prosegur Cash. The pandemic has put our ability to operate in a highly hostile health and economic environment to the test. During this introduction, I would first like to remember all those close to us whom we have lost to this pandemic.

In such an extremely hostile environment, we have again proven our team's commitment to face these difficulties and maintain a level of service excellence deemed essential by all governments of the geographical areas in which we operate. An enormous challenge that, together, we are successfully overcoming. I therefore wish to show my gratitude and express my appreciation to the entire Prosegur Cash team, whose devotion I have witnessed throughout all of these past months.

From an operational viewpoint, and in spite of the essential status of our sector, our volumes have contracted mainly due to the cease of retail activity as a result of the lockdowns. This has made the year a difficult one, in economic terms, for our company.

This circumstance generated a notable decrease in the economic growth outlook in the countries where we operate, and a new depreciation of their currencies.

On the positive side, the distribution of stimulus aid in cash to those individuals in LatAm most affected by the pandemic allowed us to increase the volumes transported and again stress the value of cash in times of crisis.

I would also like to comment on the measures implemented for employee protection, which has been our priority. Given the nature of our service, the implementation of teleworking plans has not been possible for 90% of our collaborators. We therefore implemented contingency plans to ensure compliance with hygiene-health recommendations. Furthermore, in Prosegur Cash, all jobs that may be performed remotely by teleworking have been underway since March of last year thanks to the foresight of our IT team and to the contingency plans we have implemented.

Secondly, we have prioritised the service to our clients. To do so, we have deployed our business continuity plans in all delegations. Thanks to the operations and commercial teams, we have been able to maintain the service for our clients with the least amount of disruption.

Thirdly, we have endeavoured to contribute to the fight against the pandemic in those communities in which we are present. To do so, we placed our resources at the disposal of the authorities to transport medical supplies, which was used on several occasions during the various waves of the pandemic.

These measures are in addition to the implementation of a series of initiatives at the economic level that have allowed us to adapt our costs structure to the existing activity levels. Thanks to these actions, we have been able to improve our cash flow generation, which has allowed us to reduce our debt with respect to the position at the start of the pandemic.

With regard to our activities by region, in LatAm we recorded positive organic growth, while the profitability of the operations was strongly affected. In the case of European operations, we saw a certain recovery of activity levels in the third quarter that, nevertheless, slowed at the end of the year with the new restrictions on mobility. On the positive side, the new products have continued to show an upward trend. Lastly, in Asia-Oceania-Africa (AOA) the sequential improvement in sales has been maintained, where the inclusion of the ATM business in Australia is worthy of note.

The negative impact on the business overall caused our operating earnings to drop by close to 43%. This difference reduces to 30% if we exclude non-recurrent impacts from the analysis.

I would like to emphasise that, against this backdrop, we have been able to generate EUR 161 million of free cash flow, due to the effort undertaken to minimise working capital and investment outflows.

All of this allows us to maintain an optimistic outlook for the future that we also wish to convey to our commitment with society. At this point, I would like to highlight the new supervisory duties granted to the Board of Directors and the Appointments and Remuneration Committee, in line with the recommendations of the Good Governance Code.

Our commitment with the environment is also highly relevant for us. We are therefore working intensely on programmes to reduce our CO2 emissions. In 2020 we introduced the world's first 100% electric armoured vehicles, along with others with hybrid engines. In addition to being lighter, these vehicles will allow us to reduce our CO2 emissions and fuel consumption. We add this to initiatives to limit the consumption of plastics and to promote plastic and oil recycling, aimed at a circular economy. Finally, I would like to showcase the efforts underway in the company to decrease the accident rate of our operations to zero.

There is no doubt that this year has been very difficult. And it is precisely because of this that I am very proud of the commitment made by the entire Prosegur Cash team. The arrival of the vaccines opens a new horizon of hope for all. In the meantime, we will continue working to facilitate society's access to cash. A universal, efficient and safe method of payment.

As always, we thank you for your trust.

José Antonio Lasanta

Executive Director

PROSEGUR
CASH

1. About Prosegur

Consolidated Directors' Report for 2020

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.

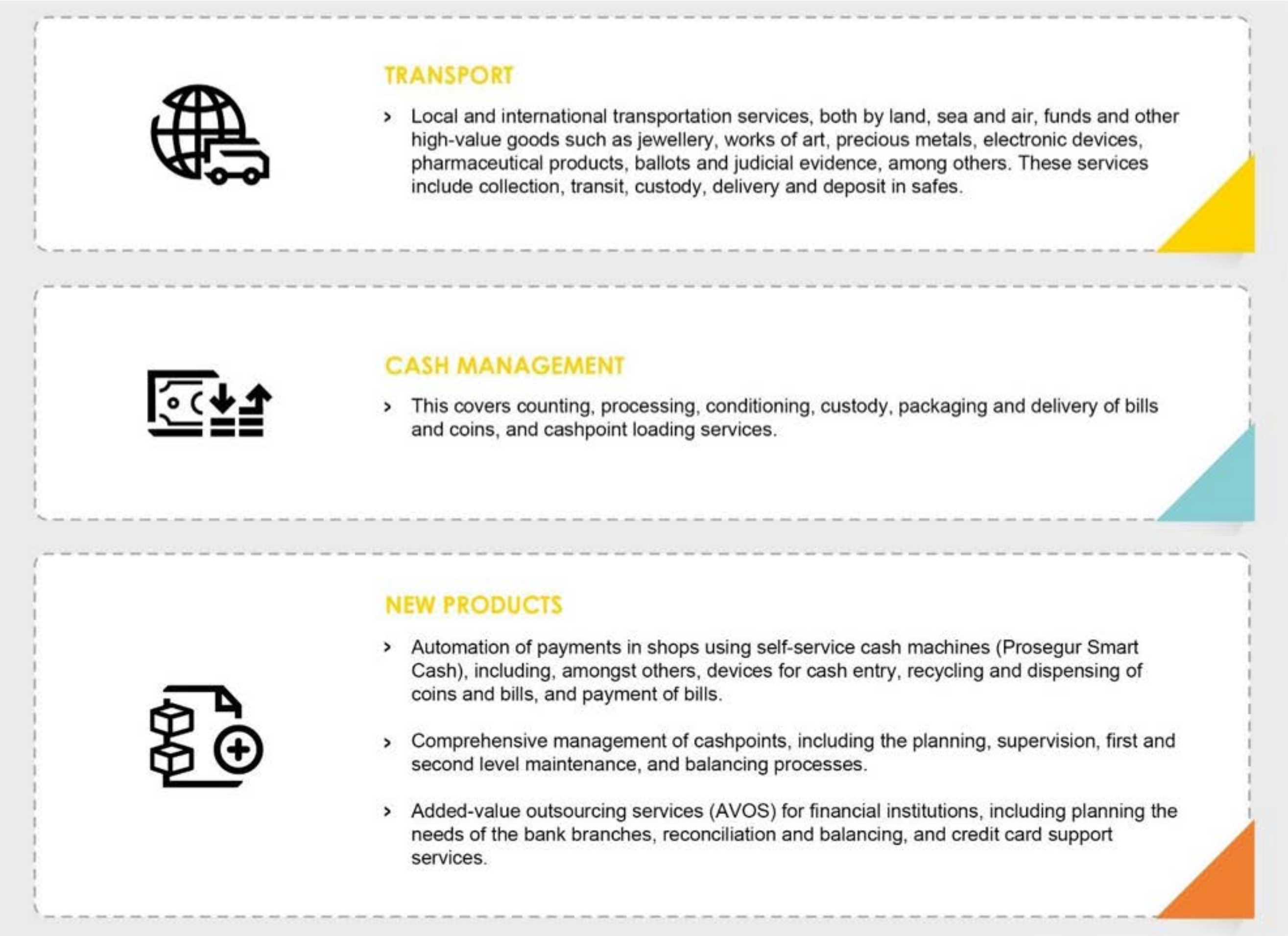
The Prosegur Cash group is present in the following countries: Spain, Portugal, Germany, Argentina, Brazil, Chile, Peru, Uruguay, Paraguay, Colombia, The Philippines, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Ecuador, India, Indonesia and Australia.

1.1. Business Model

Prosegur Cash is a leading company at world-wide level engaged in cash in transit. The activity focusses on transporting high value merchandise, integrated cash cycle management, solutions aimed at automating payments in retail establishments and integrated ATM management, mainly for financial institutions, business, government agencies and central banks, mints and jewellery stores.

1.1.1. Business lines

Prosegur Cash comprises the following business activities:



TRANSPORT

- Local and international transportation services, both by land, sea and air, funds and other high-value goods such as jewellery, works of art, precious metals, electronic devices, pharmaceutical products, ballots and judicial evidence, among others. These services include collection, transit, custody, delivery and deposit in safes.

CASH MANAGEMENT

- This covers counting, processing, conditioning, custody, packaging and delivery of bills and coins, and cashpoint loading services.

NEW PRODUCTS

- Automation of payments in shops using self-service cash machines (Prosegur Smart Cash), including, amongst others, devices for cash entry, recycling and dispensing of coins and bills, and payment of bills.
- Comprehensive management of cashpoints, including the planning, supervision, first and second level maintenance, and balancing processes.
- Added-value outsourcing services (AVOS) for financial institutions, including planning the needs of the bank branches, reconciliation and balancing, and credit card support services.

1.1.2. Purpose, Mission, Vision and Values

In 2020 the Prosegur Group, of which Prosegur Cash forms part, reviewed its corporate identity which reflects the transformation the company is going through and shows it position as a leader in the security sector through innovation. The new identity is also intended to strengthen, the commitment of the Prosegur group with security for employees, business and society as a whole.

This aspiration has materialised as a new purpose and values that emphasise the company's responsibility toward its stakeholders and the essential role played by the professionals of all Prosegur group subsidiaries.

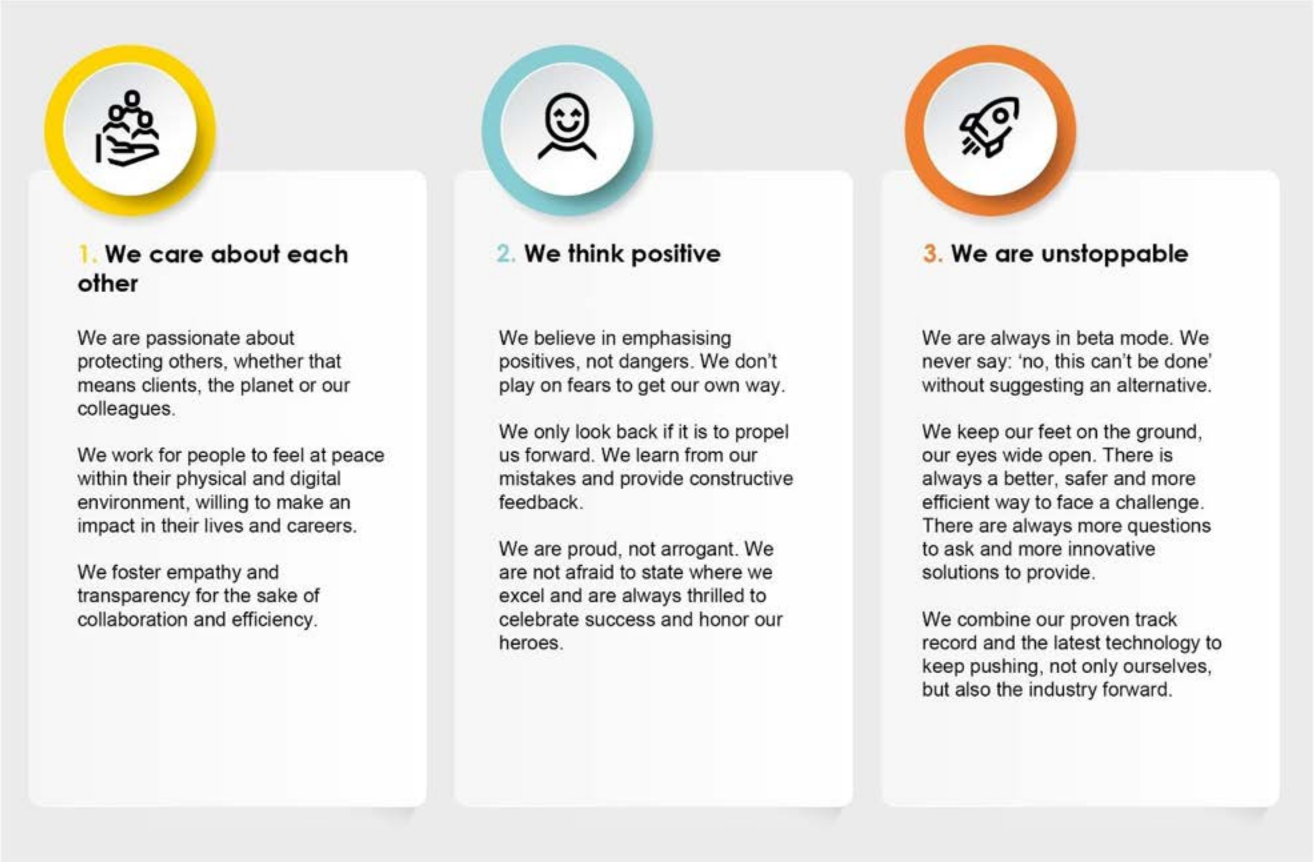
Purpose

To make the world a safer place by taking care of people and companies, staying at the forefront of innovation.

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.

Values



1. We care about each other

We are passionate about protecting others, whether that means clients, the planet or our colleagues.

We work for people to feel at peace within their physical and digital environment, willing to make an impact in their lives and careers.

We foster empathy and transparency for the sake of collaboration and efficiency.

2. We think positive

We believe in emphasising positives, not dangers. We don't play on fears to get our own way.

We only look back if it is to propel us forward. We learn from our mistakes and provide constructive feedback.

We are proud, not arrogant. We are not afraid to state where we excel and are always thrilled to celebrate success and honor our heroes.

3. We are unstoppable

We are always in beta mode. We never say: 'no, this can't be done' without suggesting an alternative.

We keep our feet on the ground, our eyes wide open. There is always a better, safer and more efficient way to face a challenge. There are always more questions to ask and more innovative solutions to provide.

We combine our proven track record and the latest technology to keep pushing, not only ourselves, but also the industry forward.

1.1.3. Business environment

The irruption of new technologies, their rapid growth and the democratised access to digital tools and devices have led to a revolution in new methods of payment, whose presence has increased in recent years.

This new scenario has spread the belief that cash is in decline, but data show just the opposite. According to the European Central Bank, cash is the primary means of payment in countries of the Eurozone, by number of transactions as well as by the amounts of these.

And in 2020, with a global health crisis, cash has reinforced the characteristics that make it an irreplaceable asset and the essential role it plays in our society.

During the pandemic the governments of several countries recognised the importance of cash, considering its distribution a critical and essential activity, and ensuring its supply in collaboration with central banks. In recent months, cash in circulation has not stopped growing in spite of the lockdowns decreed in several countries and the decrease in consumption. For example, according to data of the European Central Bank, the value of notes in circulation increased by EUR 36,000 million in March, representing an 8% increase with respect to the previous year. In Australia, the value of notes in circulation increased by 16% as of the COVID-19 breakout in the country. And according to data of the Central Bank of Colombia, cash in circulation increased by 26.8% with respect to the same period in 2019.

In times of uncertainty, cash reveals its role as a safe-haven asset because it is an asset that citizens trust since, down through time and in a variety of contexts, it has proven essential in emergency situations.

Neither can we overlook its role as a cohesive element in society. In a world where 2,500 million people lack access to financial services, cash is essential for their inclusion. The universal aspect of cash allows the most vulnerable individuals to participate actively in the economy. And the current context underlines that key role that prevents the generation of a gap between those who have access to digital payments and those who do not.

Furthermore, in an environment in which there is an increasing awareness of the use of personal data, cash guarantees user privacy. Transactions in cash, aside from representing an instant transfer of value, do not require any third-party infrastructure or intermediary. This means that users need not disclose personal information between the parties involved in the transaction.

In short, cash continues to play a key role as a universal, cohesive, agile and safe element for the development of society. With these characteristics, Prosegur Cash believes cash is irreplaceable in the current economy, and has a bright future ahead.

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
- Director Appointment and Remuneration Policy.
- Corporate Social Responsibility Policy.
- Investor Communication Policy.
- Dividend Policy.
- Risk Management Policy
- Tax Strategy Policy.
- Human Rights policy
- Communication Policy.

1.2.1. Ownership structure

The share capital of Prosegur Cash, S.A. is EUR 30,890,719.58, represented by 1,544,535,979 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 3 June 2020 the Board of Directors of Prosegur Cash decided to implement an own share buyback programme.

The programme has been put into effect under the provisions of Regulation (EU) no. 506/2014 on market abuse and the Commission Delegated Regulation 2016/1052, making use of the authorisation granted by the Shareholders General Meeting held on 6 February 2017 for the purchase of own shares, for the purpose of redeeming them pursuant to a share capital reduction resolution which will be submitted for the approval of the next Shareholders General Meeting.

The Programme will apply to a maximum of 45,000,000 shares, representing approximately 3% of Prosegur Cash's share capital (1,500,000,000 shares at the time of the meeting of the Board of Directors of 3 June 2020).

The Programme has the following features:

- Maximum amount allocated to the Programme: EUR 40,000 thousand.
- Maximum number of shares that can be acquired: up to 45,000,000 shares representing approximately 3% of the Company's share capital.
- Maximum price per share: shares are purchased in compliance with the price and volume limits established in the Regulations. In particular, the Company cannot buy shares at a price higher than the highest of the following: (i) the price of the last independent trade; or (ii) that corresponding to the highest current independent bid on the trading venues where the purchase is carried out.
- Maximum volume per trading session: in so far as volume is concerned, the Company cannot purchase more than 25% of the average daily volume of the shares in any one day on the trading venues on which the purchase is carried out.
- Duration: the Programme has a maximum duration of one year. Notwithstanding the above, the Company reserves the right to conclude the Programme if, prior to the end of said maximum term of one year, it has acquired the maximum number of shares authorised by the Board of Directors, if it has reached the maximum monetary amount of the Programme or if any other circumstances arise that call for it.

As a result of the implementation of the Programme, the operation of the liquidity contract which came into force on 11 July 2017 and that was signed by the Company has been suspended.

At 2020 year end, Prosegur Cash, S.A.'s treasury stock amounted to 23,436,659 shares (1,119,862 shares in 2019), of which 768,667 are linked to the current liquidity contract which came into force on 11 July 2017 (696,866 in 2019).

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 2020, the Annual General Meeting was held on 28 October, 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 2019, approval of the management of the Board of Directors during 2019, re-election of Directors, approval of the capital decrease and the director remuneration policy.

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 in 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 Sustainability, Corporate Governance, Appointments and Remuneration Committee, whose organisation and functioning are regulated in the Articles of Association, the Regulations 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 Sustainability, Corporate Governance, 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. It also has powers for information, consultancy and proposals on environmental, social and of corporate governance matters, and also for following up the Company's commitment to attaining the Sustainable Development Goals approved by the United Nations.

Structure of the Board of Directors

At 31 December 2020, 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 President 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** 🟠 **Sustainability, Corporate Governance, Appointments and Remuneration Committee**

Annual Corporate Governance Report

Prosegur Cash Annual Corporate Governance Report for 2020 forms part of the Directors’ Report, and is available on the website of the National Securities Market Commission and on the Prosegur Cash website as from the date of publication of the Annual Accounts.

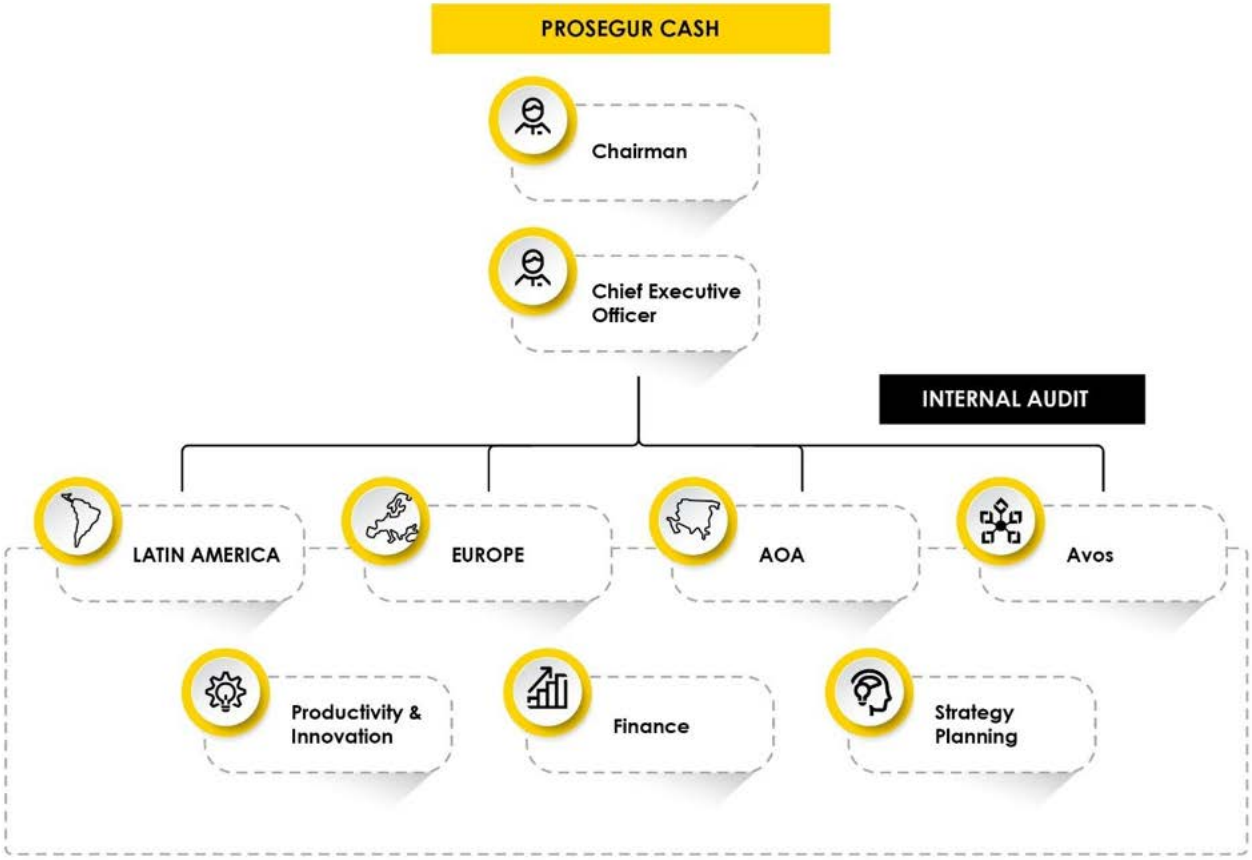
This report includes section E, analysing control and risk management systems of the Company; and F, providing details on the risk control and management system in relation with the process of issue of financial information (ICFR).

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: Europa, AOA and LatAm. There is also a Division for Innovation and Productivity and an Prosegur AVOS Division.

The corporate functions are supervised by the Global Support Directorates that cover the Finance, Human Resources, Investor Relations, Legal, Security and Strategic Planning.

The organisation of Prosegur Cash is shown in the table below:



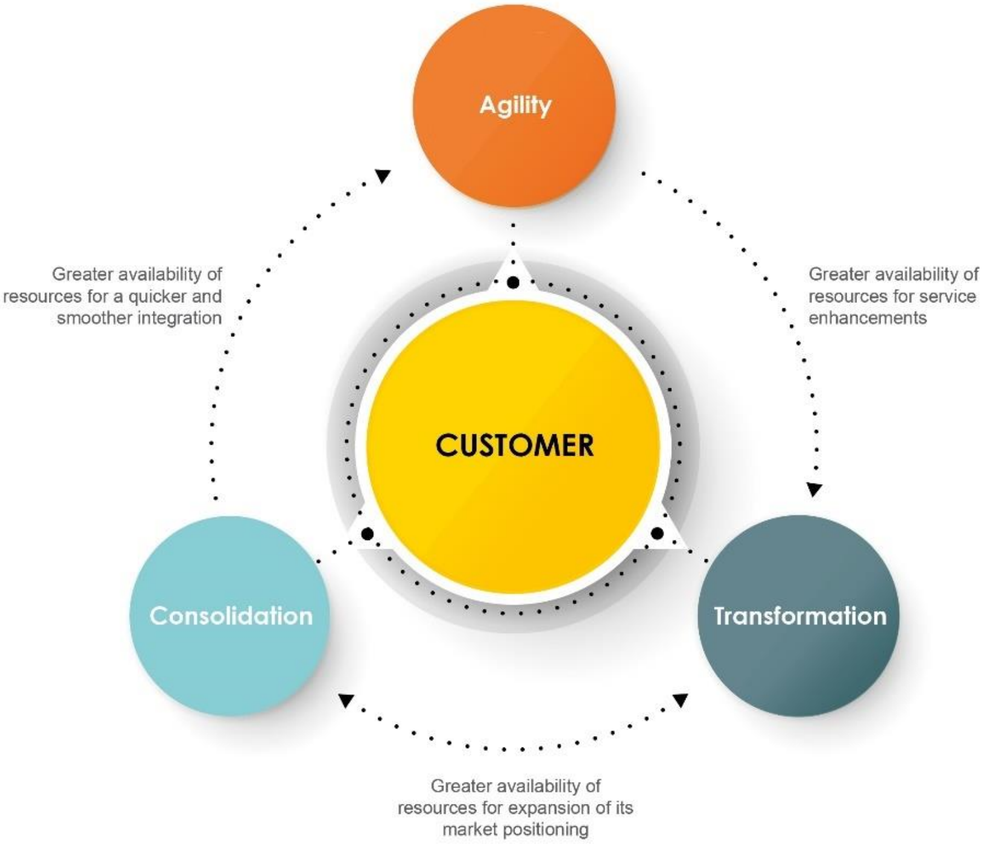
1.3. Strategic Performance Framework

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:

- To respond to the new needs of clients in line with market trends, especially accelerated as a result of the global emergence of COVID-19.
- Continue being 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 has completed the last phase 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 Cash offers them the necessary know-how and tools to enhance their skills and grow within the Company.

In 2020, the second year of the 2018-2020 Three-Year Plan, progress was made in the following areas:

- Promoting agility in terms of reaction to COVID-19, placing at the disposal of clients and employees the tools necessary to ensure the continuity of the business.
- 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.

2020 has seen advances made in the following business lines:

- Confirmation of the resilience of the business model, with a rapid recovery of the figures at the levels prior to the pandemic.
- Bolt-on acquisitions in traditional business and acceleration of new products.
- Specific Strategic disinvestments.

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, contribute to increase margins and evidence our firm commitment to innovation.

The following advances have already been made in 2020:

- Increase in the weight of new products over total sales.
- Launch of new business lines.
- Implementation of innovation methodology based on horizons and under ad hoc governance model.
- Incorporation of talent in innovation.
- Active collaboration with Ecosystem start-up companies through the COME IN Global Open Innovation Programme.

1.3.2. Transformation Plan

The rapid emergence of new technological currents has had a noticeable impact on most economic sectors. This phenomenon has forced companies to rethink not only their way of doing things, but their own business model. Some of these technologies, such as IoT (Internet of Things), Artificial Intelligence (AI), 5G or Data Science offer innumerable opportunities to improve processes that enhance efficiency, agility and effectiveness.

Prosegur Cash is not oblivious to this reality and is aware of the importance of applying the advantages offered by new technologies to improve its operation as an organisation and offer its clients the service in line with the needs that arise in this new paradigm.

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*), and finances and accounting *(Record to Report*) processes.
- To simplify the technological footprint, endeavouring that the critical systems for each one of the business 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”.
- Collaborate with ecosystem enterprise companies through open innovation, with the aim of incorporating innovative solutions into the business lines and support department to improve processes and make it possible to offer innovative solutions to clients.
- 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 2020, Prosegur Cash promoted the development of agile methodology aimed at achieving excellence through the ongoing improvement of processes and services. A wide group of Prosegur Cash associates work using this methodology, which has made it possible to obtain 35% more product output in 27% less time.

In addition, the company has worked on improving and strengthening its range of Prosegur Smart Cash solutions, through technology, to offer its clients a specialised service, improving communication through a new mobile application that is more agile and accessible.

To promote innovation, Prosegur Cash has implemented new initiatives in such as the launch of the COME IN Open Innovation Programme, which aims to encourage collaboration between the start-up ecosystem and the company. This programme launched a challenge to find innovative solutions to improve business processes and provide support for their specific needs.

2. Business performance and profit (loss)

2. Business performance and profit/(loss)

2.1. 2020 Economic and financial results

(Millions of Euros)		2020	2019	Variation
Sales		**1,507.5**	**1,798.7**	**(16.2) %**
EBITDA		**272.4**	**407.6**	**(33.2) %**
	Margin	18.1 %	22.7 %	
PPE depreciation		(87.4)	(84.2)	
EBITA		**185.0**	**323.3**	**(42.8) %**
	Margin	12.3 %	18.0 %	
Intangible asset amortisation		(33.3)	(18.6)	
Goodwill impairment		(17.3)		
EBIT		**134.4**	**304.8**	**(55.9) %**
	Margin	8.9 %	16.9 %	
Financial results		(46.1)	(45.2)	
Profit/(loss) before tax		**88.3**	**259.6**	**(66.0) %**
	Margin	5.9 %	14.4 %	
Taxes		(72.7)	(90.6)	
	Tax rate	(82.3) %	(34.9) %	
Net profit/(loss) from ongoing operations		**15.6**	**169.0**	**(90.8) %**
Net result		**15.6**	**169.0**	**(90.8) %**
Non-controlling interests		0.3	(0.1)	
Consolidated net profit/(loss)		**15.9**	**168.9**	**(90.6) %**
Basic profit per share		**0.01**	**0.1**	

Prosegur Cash decreased its consolidated turnover by 16.2%, essentially due to the impact of COVID-19 and to the negative impact of currency. All of this has resulted in a deterioration of the EBITA and of the net profit/(loss) compared to 2019.

2.1.1. Sales by geographical area

Consolidated sales are distributed by geographical area as follows:

(Millions of Euros)	2020	2019	Variation
Europe	436.1	508.5	(14.2) %
AOA	98.9	104.8	(5.7) %
LatAm	972.5	1,185.3	(18.0) %
Prosegur Cash Total	**1,507.5**	**1,798.7**	**(16.2) %**

Prosegur Cash consolidated sales for 2020 amounted to EUR 1,507.5 million (2019: EUR 1,798.7 million) entailing a decrease of 16.2% owing mainly to the joint effect of the exchange rate and the result of applying IAS 29 and IAS 21.4, which had a negative impact of 17.9%. On the other hand, pure organic growth was 0.1% and inorganic growth was 1.6%, deriving mainly from acquisitions made in 2020.

2.1.2. Sales by business area

Aggregated consolidated sales are distributed by business area as follows:

	Europe			AOA			LatAm			Prosegur Cash Total		
(Millions of Euros)	**2020**	**2019**	**Variation**	**2020**	**2019**	**Variation**	**2020**	**2019**	**Variation**	**2020**	**2019**	**Variation**
Transport	220.4	264.5	(16.7) %	60.8	68.2	(10.9) %	591.4	751.3	(21.3) %	872.6	1,084.1	(19.5) %
% of total	50.5 %	52.0 %		61.5 %	65.1 %		60.8 %	63.4 %		57.9 %	60.3 %	
Cash Management	116.6	150.0	(22.3) %	25.2	30.9	(18.5) %	210.6	242.2	(13.0) %	352.4	423.1	(16.7) %
% of total	26.7 %	29.5 %		25.5 %	29.5 %		21.7 %	20.4 %		23.4 %	23.5 %	
New products	99.1	94.0	5.4 %	12.9	5.7	127.3 %	170.6	191.8	(11.1) %	282.5	291.5	(3.1) %
% of total	22.7 %	18.5 %		13.0 %	5.4 %		17.5 %	16.2 %		18.8 %	16.2 %	
Prosegur Cash Total	**436.1**	**508.5**	**(14.2) %**	**98.9**	**104.9**	**(5.7) %**	**972.5**	**1,185.3**	**(18.0) %**	**1,507.5**	**1,798.7**	**(16.2) %**

The Transport and Cash Management business decreased their turnover by 19.5% and 16.7% respectively, as a result of the negative impact of the exchange rate, the COVID-19 effect and the disinvestments in France and Mexico.

On the other hand, the New Products business decreased by 3.1%, due mainly to the reduced turnover in LatAm as a result of the impact of the currency exchange rate and COVID-19. However, this business has continued to grow in Europe with an increased turnover of 5.4%, and in AOA with an increase of 127.3%, supported by cash automation solutions for retail, ATMs and AVOS.

Changes to the Group's structure

The changes in the composition of the Prosegur Cash Group during 2020 were mainly due to the following acquisitions:

- Business combinations in LatAm: During 2020, Prosegur acquired a number of security companies in LatAm providing securities logistics, cash in transit and ancillary banking services. The total purchase price was EUR 75.7 million, comprising a cash consideration of EUR 24.9 million, a deferred contingent consideration amounting to a total of EUR 27.7 million, due in 2020 and 2024 and a deferred payment of EUR 23.2 million, due in 2020, 2021, 2022, 2023, 2024 and 2025.
- Business combinations in Europe. Prosegur acquired a company in Europe that provides buying and selling services online through an internet platform that puts the seller in contact with the end client. The total purchase price was EUR 6.1 million, comprising a cash payment of EUR 2.2 millions, and a deferred contingent consideration totalling EUR 3.9 millions maturing in 2023 and 2025.
- Business combinations in AOA. In 2020, Prosegur acquired assets relative to cash in transit services. The total purchase price was EUR 10,5 million, entirely comprising a cash payment.

The following companies were incorporated or wound up in 2020:

- In February 2020, Prosegur Custodia de Activos Digitales, S.L. was incorporated in Spain.
- In March 2020, Gelt Brasil Consultoria em Tecnologia da Informação Ltda. was incorporated in Brazil.
- In June 2020, Spike GmbH was incorporated in Germany.
- In December 2020, Prosegur Cash Servicios S.A.C was incorporated in Peru.

The following mergers took place between subsidiaries in 2020:

- In March 2020, the takeover merger of Transvip Transporte de Valores e Vigilância Patrimonial Ltda. by Prosegur Brasil SA Transportadora de Valores e Segurança was formalised in Brazil.
- In August 2020, the takeover merger of Transvip Transporte de Valores e Vigilância Patrimonial Ltda. by Prosegur Brasil S.A. Transportadora de Valores e Segurança was formalised in Brazil.
- In December 2020, the takeover merger of Tevsur Cia Ltda. by Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda. was formalised in Ecuador.
- In December 2020, the takeover merger of BaS Solution Gmbh by Prosegur Cash Services Germany Gmbh was formalised in Germany.

On 14 February 2020 Prosegur Cash sold all its stake in the Mexican companies Prosegur Seguridad Privada Logistica y Gestión de Efectivo S.A. de CV, Prosegur Servicios de Seguridad Privada Electronica S.A. de CV and Grupo Tratamiento y Gestión de Valores SAPI de CV.

2.1.3. Management analysis

The performance of Prosegur Cash in 2020 was negatively impacted by the COVID-19 pandemic.

In this regard, and despite being considered an essential service in all our geographical areas, the health crisis and subsequent lockdown and social distancing measures implemented by governments to combat it have significantly reduced our level of activity, which has reduced our operated volumes.

This environment has also had a detrimental effect on world economic growth and on the performance of LatAm currencies, which has also had a negative effect on the performance of all the markets where the company is present.

Additionally, issues such as the political uncertainty in Brazil and the fiscal imbalances in Argentina, which seemed to have been overcome, became topical once again and affected investor sentiment towards these two countries in the LatAm region.

As a result, Prosegur Cash consolidated sales were impacted negatively not only due to the translation impact of the currency but also because of the fewer services provided during the period. Despite this, our growth in local currency has been positive and close to two percent.

In terms of EBITA operating margin, the devaluation of currencies in LatAm, reduced income due to decreased activity levels from restrictions to mobility and certain costs incurred during the implementation of various efficiency programmes explain the deterioration in profitability compared to the same period of the previous year.

During 2020, Prosegur Cash continued to execute its consolidation and transformation strategy and increased its remuneration commitment with the shareholder.

To this regard, the company allocated nearly EUR 100 million toward inorganic growth, boosted the penetration of its new solutions up to 18.8% of its total sales, compared to 16.2% the year before, and announced a share buyback programme in addition to the dividend already approved in December 2019.

Additionally, and in light of the uncertain environment, Prosegur Cash decided to deploy a series of policies aimed at spending control, preserving cash generation and maintaining liquidity levels appropriate to the situation generated by the pandemic.

Thanks to all of this and in spite of the decline in activity, Prosegur Cash managed to maintain its cash flow conversion rate in terms that are similar to those of the previous year and to gradually decrease its debt levels, following a very intense first quarter in terms of M&A.

The company has exercised strict control over its investments, deferring non-essential maintenance projects, and has continued to actively manage its working capital, closely monitoring average client payment times and possible insolvency risks.

Last October, the Standard & Poor's rating agency again repeated the BBB credit rating for Prosegur Cash with a stable outlook, revealing the solidity of its balance sheet, its capacity for cash flow generation and the absence of relevant refinancing needs through 2025 and 2026.

At the regional level, the sales in local currency in LatAm increased by 9.1%. The low level of banking services in the region, the economic subsidy programmes for citizens decreed by some governments and the acquisitions of companies carried out during 2019 and early 2020, have partially offset the devaluation in major currencies and the fewer services provided as a result of the lockdown measures decreed to combat the pandemic.

Similarly, the EBITA operating margin in LatAm was impacted negatively by the devaluation of currencies, less activity deriving from measures to fight the pandemic and certain restructuring costs resulting from the launch of various efficiency programmes.

The Europe region, greatly impacted during the first half of the year by lockdown measures and the launch of various efficiency programmes, has reflected a more benign second half in terms of sales and profitability. And this is thanks to a gradual economic recovery in the company's main geographical areas and a certain easing of restrictions on mobility.

Lastly, AOA experienced a deterioration in sales and an improved EBITA operating margin, if we exclude the capital gain from the disinvestment executed in South Africa in 2019.

In Australia, our main country in that region, the company has won several tenders that mitigated the drop in activity deriving from the pandemic and the termination of government aid programmes, which at the same time have made it possible to boost the penetration of the new solutions. These additional volumes will enable Prosegur Cash to make more efficient use of the resources in the country when the situation returns to normal.

The sales team continues to work to achieve new volumes that will enable the company to recover billing levels consistent with the infrastructure deployed in the country. Similarly, the Operations and Back-office teams continue to redesign the processes to continually improve quality and efficiency in the operations.

2.1.4. Commercial information

In 2020, Prosegur Cash has continued to foster the development of the IT platform underpinning its AVOS (Added-Value Outsourcing 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 83.8 million in 2020 (2019: EUR 80.0 million). Property, plant and equipment accounts for EUR 53.1 million (2019: EUR 56.7 million), computer software to EUR 7.1 million (2019: EUR 4.7 million) and other intangible fixed assets to EUR 23.6 million (2019: EUR 18.6 million).

The total investments analysed by the Investment Committee in 2020 with comparative figures from 2019 are detailed below:

(Millions of Euros)	2020	2019
First Quarter	10.7	30.0
Second Quarter	6.8	14.0
Third Quarter	10.8	27.1
Fourth Quarter	18.5	19.6
Total	**46.8**	**90.7**

EUR 65.9 million was invested in property, plant and equipment in 2020 (2019: EUR 96.6 million). Investment of EUR 3.8 million was also made in computer software (2019: EUR 7.9 million).

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 2020 amounts to EUR 538.2 million (2019: EUR 460.1 million).

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 2020 the Prosegur Cash Group has available liquidity for its Cash business of EUR 676.0 million (2019: EUR 756.0 million). This amount is mainly compound by:

- EUR 401.8 million of cash and cash equivalents (2019: EUR 307.4 million).
- EUR 145.0 million of non-current credit available, relating to the drawable syndicated loan arranged on 10 February 2017 (2019: EUR 280.0 million).
- Other unused credit facilities for EUR 129.2 million (2019: EUR 168.6 million).

This liquidity figure accounts for 44.8% of consolidated annual sales (2019: 42.0%), which ensures both the short-term financing needs 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 repay it.

2.2.2. Capital resources

The structure of the long term financial debt is determined by the following contracts:

- On 10 February 2017 Prosegur Cash S.A. arranged a new five-year syndicated credit financing facility of EUR 300 million to provide the company with long-term liquidity. On 7 February 2019 this syndicated credit facility was renewed, and its maturity extended by another 5 years. In February 2020 the maturity was extended until February 2025. At 31 December 2020 the balance drawn down from this credit amounted to EUR 155 million (EUR 20 million at 31 December 2019).

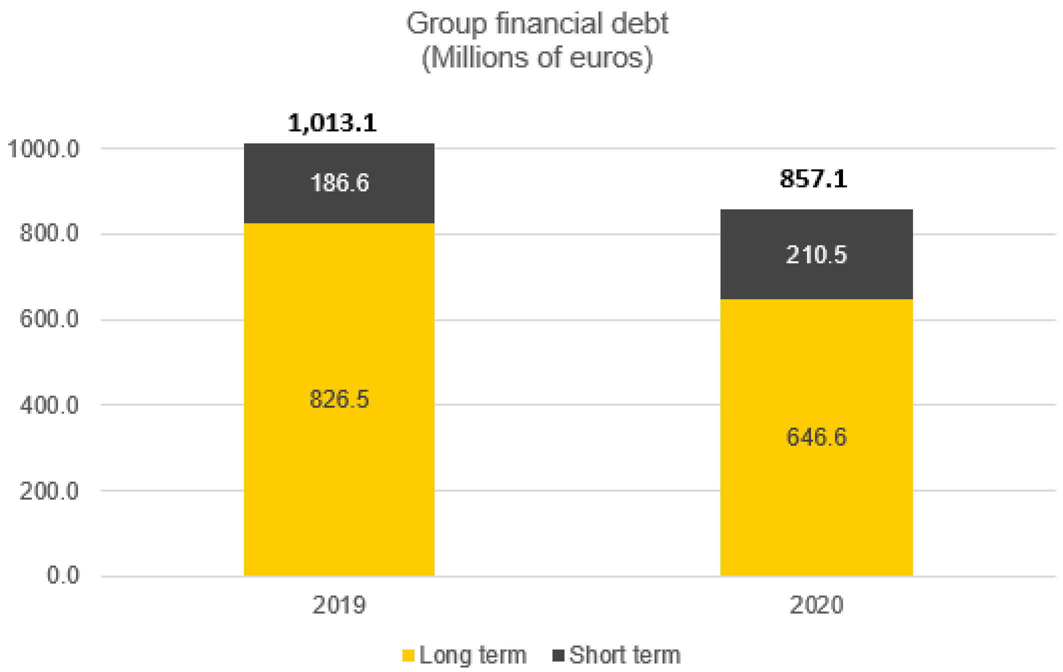
- On 28 April 2017, Prosegur, via its subsidiary Prosegur Australia Investments Pty, arranged a syndicated credit financing facility in the amount of AUD 70 million. In April 2020, the operation was renewed with a maturity ranging from 2021 to 2023. (AUD 10 million in 2021, AUD 10 million in 2022, and AUD 50 million in 2023).
  At 31 December 2020, the drawn down capital corresponding to the loan amounts to AUD 70 million (at 31 December 2020 equivalent to: EUR 44.04 million). At 31 December 2019, the drawn down capital corresponding to the loan amounts to AUD 70 million (equivalent to EUR 43,170 million at 31 December 2019: EUR 43.77 million).

- 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 borrowings corresponding to deferred payments for acquisitions) with maturities of longer than one year at the end of 2020 amounts to EUR 826.5 million (2019: EUR 646.6 million), basically supported by the bond issued on 4 December 2017 and maturing in 2026.

Gross current financial debt (excluding other non-bank borrowings corresponding to deferred payments for acquisitions) amounts to EUR 186.6 million (2019: EUR 210.5 million).

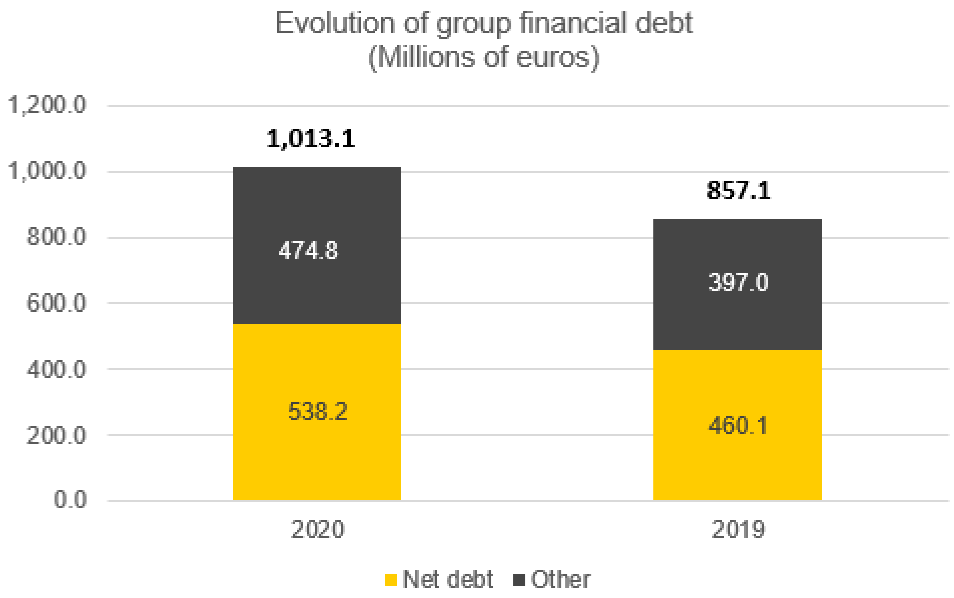
The current and non-current maturities of gross financial debt are distributed as follows:



In 2020 financial debt had an average cost of 1.29% (2019: 1.70%). 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 2020 year-end amounts to EUR 538.2 million (2018: EUR 460.1 million).

Below is a comparison of gross debt and net debt (excluding deferred payments for M&A) from 2019 and 2020:



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 ended 31 December 2019.

The following table shows the maturities of the debt set out according to contractual obligations at 31 December 2020:

(Millions of Euros)	Less than 1 year	1 to 5 years	More than 5 years	TOTAL
Debentures and other negotiable securities	8.3	24.8	608.3	641.3
Bank borrowings	144.1	217.0	—	361.1
Credit accounts	20.0	—	—	20.0
Other payables	43.6	44.1	8.9	96.6
Accounts payable to group companies (Note 29)	79.5	—	—	79.5
Lease liabilities	28.3	67.9	24.1	120.3
Suppliers and other payables	326.9	—	—	326.9
	650.7	**353.7**	**641.3**	**1,645.7**

Future lease payment commitments amount to EUR 1.7 million (2019: EUR 18.9 million) 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 2020 is of 0.87 (2019: 0.65).

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 2020 amounts to EUR 293.9 million (2019: EUR 293.0 million).

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 information. 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 computer software 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 profit/(loss) of the company by the total figure of revenue.	The EBIT margin provides the profitability obtained 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 of the company by means of new acquisitions or disinvestments.
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 translation rate	The Company calculates the cash translation 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 payables 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 computer software.	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 (in millions of Euros)	**31.12.2020**	**31.12.2019**
Inventories	9.8	14.1
Clients and other receivables	275.3	381.1
Accounts receivable with the Prosegur Group	43.6	67.7
Current tax assets	54.0	73.4
Current financial assets	1.2	1.4
Cash and cash equivalents	401.8	307.4
Deferred tax assets	45.5	47.9
Suppliers and other payables	(326.9)	(346.8)
Current tax liabilities	(66.8)	(93.9)
Current financial liabilities	(186.6)	(210.5)
Accounts payable with the Prosegur Group	(79.5)	(95.7)
Other current liabilities	(8.8)	(8.1)
Deferred tax liabilities	(48.1)	(37.6)
Provisions	(116.7)	(146.1)
Total Working Capital	**(2.3)**	**(47.1)**

CAPEX (in millions of euro)	**31.12.2020**	**31.12.2019**
Land and buildings (without decommissioning costs)	0.7	0.3
Technical installations and machinery	17.6	30.6
Other installations and furniture	10.5	18.2
Armoured vehicles and other property, plant and equipment	9.1	16.0
Advances and work in progress	28.0	31.4
Additions of property, plant and equipment	65.9	96.6
Additions of computer software	3.8	7.9
Adjusted CAPEX	69.7	104.5
Total CAPEX	**69.7**	**104.5**

EBIT margin (in millions of euros)	**31/12/2020**	**31.12.2019**
EBIT	134.4	304.8
Revenue	1,507.5	1,798.7
EBIT margin	**8.9 %**	**16.9 %**

Organic Growth (in millions of Euros)	**31.12.2020**	**31.12.2019**
Revenue current year	1,507.5	1,798.7
Less: revenue previous year	1,798.7	1,731.6
Less: Inorganic Growth	28.8	82.8
Exchange rate effect	(321.5)	(222.1)
Total Organic Growth	**1.5**	**206.3**

Inorganic Growth (in millions of Euros)	**31.12.2020**	**31.12.2019**
Europe	(17.4)	(5.9)
AOA	8.3	17.8
LatAm	38.0	71.0
Divestment	—	—
Total Inorganic Growth	**28.8**	**82.8**

Exchange Rate Effect (in millions of euros)	**31.12.2020**	**31.12.2019**
Revenue current year	1,507.5	1,798.7
Less: Revenue from the year underway at the exchange rate of the previous year	1,829.0	2,020.8
Exchange rate effect	**(321.5)**	**(222.1)**

Cash Flow Translation Rate (in millions of Euros)	**31/12/2020**	**31.12.2019**
EBITDA	272.4	407.6
CAPEX	69.7	104.5
Conversion Rate (EBITDA - CAPEX / EBITDA)	**74.41 %**	**74.36 %**

Net financial debt (In millions of Euros)	**31.12.2020**	**31.12.2019**
Financial liabilities	1,013.1	856.9
Plus: Financial debt from lease payments and others	79.5	*105.5*
Adjusted financial liabilities (A)	1,092.6	962.4
Non-bank borrowings with Group (B)	—	0.2
Cash and cash equivalents	(401.8)	(307.4)
Less: adjusted cash and cash equivalents (C)	(401.8)	(307.4)
Less: Own shares (D)	(18.7)	(1.5)
Total Net Financial Debt (A+B+C+D)	**672.1**	**653.7**
Less: other non-bank borrowings (E)	(72.2)	(89.6)
Plus: Own shares (F)	18.7	1.5
Less: Financial debt from lease payments (G)	(80.4)	(105.5)
Total Net Financial Debt (excluding other non-bank borrowings referring to deferred M&A payments and financial debt from lease payments) (A+B+C+D+E+F+G)	**538.2**	**460.1**

EBITA (In millions of euros)	**31.12.2020**	**31.12.2019**
Consolidated profit/(loss) for the year	15.9	169.0
Income taxes	72.7	90.6
Net financial expenses	46.1	45.2
Depreciation and amortisation	50.3	18.6
EBITA	**185.0**	**323.4**

EBITDA (In millions of euros)	**31.12.2020**	**31.12.2019**
Consolidated profit/(loss) for the year	15.9	169.0
Income taxes	72.7	90.6
Net financial expenses	46.1	45.2
Depreciation, amortisation and impairment	137.8	102.9
EBITDA	**272.4**	**407.6**

As mentioned in Note 2 of the consolidated report, in 2020, due to the interpretation issued by the International Financial Reporting Interpretations Committee, the Company has adopted the accounting policy of recording changes in equity, associated with the currency effect and the inflation effect, under the heading "Translation differences" as a whole. Comparative figures have not been revised.

2.4. Important circumstances after the reporting period

In February 2021 the maturity of the syndicated loan contracted by Prosegur Cash in an amount of EUR 300,000 thousand was extended until February 2026 (Note 23).

2.5. Information on the foreseeable performance of the entity

If 2020 was marked by the health crisis and the economic slowdown caused by COVID-19, in 2021 the evolution of Prosegur Cash will be very conditioned by the progress in the different vaccination campaigns, the capacity of the world economy to gradually recuperate the pre-pandemic rate of growth and greater stability in the currencies of the main areas where it operates.

In this respect, the company assumes that the first part of the year will still be complicated so it will be conditioned by lower economic growth, less consumption and government action aimed at restricting mobility and limiting the spread of the virus. In addition, the comparison with the previous year will be very challenging.

At the same time, Prosegur Cash is moderately optimistic for the second half of the year provided that the health targets and a relevant degree of herd immunity are reached. The company believes this a necessary condition for giving a boost to investor sentiment and contributing to a sustainable economic revival, which will undoubtedly result in a higher demand for the services.

As for currencies, and although it is difficult to forecast, it seems that the emerging currencies will continue to devalue in 2021, although to a lesser extent than last year. In this respect, the Company expects to reduce this impact as far as possible by capturing natural growth in its markets, access to new clients by offering new solutions and services and the gradual recovery of its margins.

In this environment of uncertainty, the company will continue deploying the measures necessary for minimising the impact of the pandemic on its results, preserving cash generation and ensuring liquidity levels that are suitable for the situation.

Prosegur Cash believes that some of the measures it has been implementing since the second quarter of 2020, such as the reduction in travel expenses or the acceleration of investments in Innovation and Digital Transformation, that have made it possible to improve resilience and swiftly adapt to the new normality, will become structural measures that will help the company navigate the new post-pandemic environment.

Prosegur Cash will continue to implement its strategy of consolidation and transformation, giving priority to the inorganic opportunities that enable it to promote its new solutions; this is where it hopes to continue the significant growth shown in the past. Moreover, it will continue working to fully or partially recover from the effect of the impact of the pandemic in terms of profitability and will continue to apply best practices in order to optimise efficiency in the operations and in cash generation.

The company has various levers for growth amongst which its platform for carrying out cash in transit, with a significant presence in the emerging markets, and its new business lines dedicated to retail and opportunities for outsourcing.

It also has a solid financial structure with no relevant maturities in the medium term, limited levels of leverage, and the capacity to generate cash which enables it to face 2021 with certain reassurance and to successfully face the major challenges approaching in the years to come.

Estimates and opinions regarding the future development and profit/(loss) at Prosegur Cash business are subject to risks, uncertainties, changes in circumstances and other factors that may lead the actual profit/(loss) to differ materially from forecasts.

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3. Stock market information

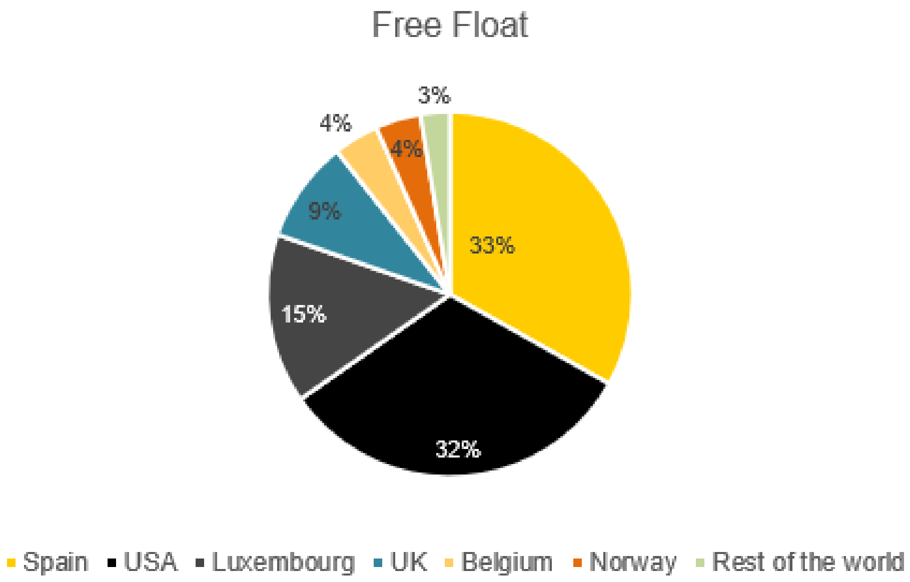
3. Stock market information

3.1. Share evolution

On 31 December 2020, Prosegur Cash's share price closed at EUR 0.80, i.e. 41% lower than in the previous December. The evolution of the share price, which reached its minimum last October, was affected by the pandemic caused by COVID-19, as it reduced the company's level of activity while at the same time giving rise to a sharp adjustment in the stock markets during the first quarter of 2020.

3.2. Geographical distribution of free float

Excluding the capital in hands of the Prosegur Group, the free-float capital of Prosegur Cash is widely accepted among both domestic and foreign investors and is distributed as follows:



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.

During 2020, and despite the strong negative impact that the global pandemic has meant for events and face-to-face meetings, Prosegur Cash has made use of online media in its meetings, managing to maintain a level of contact with the shareholders and investors very similar to that of previous years.

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.

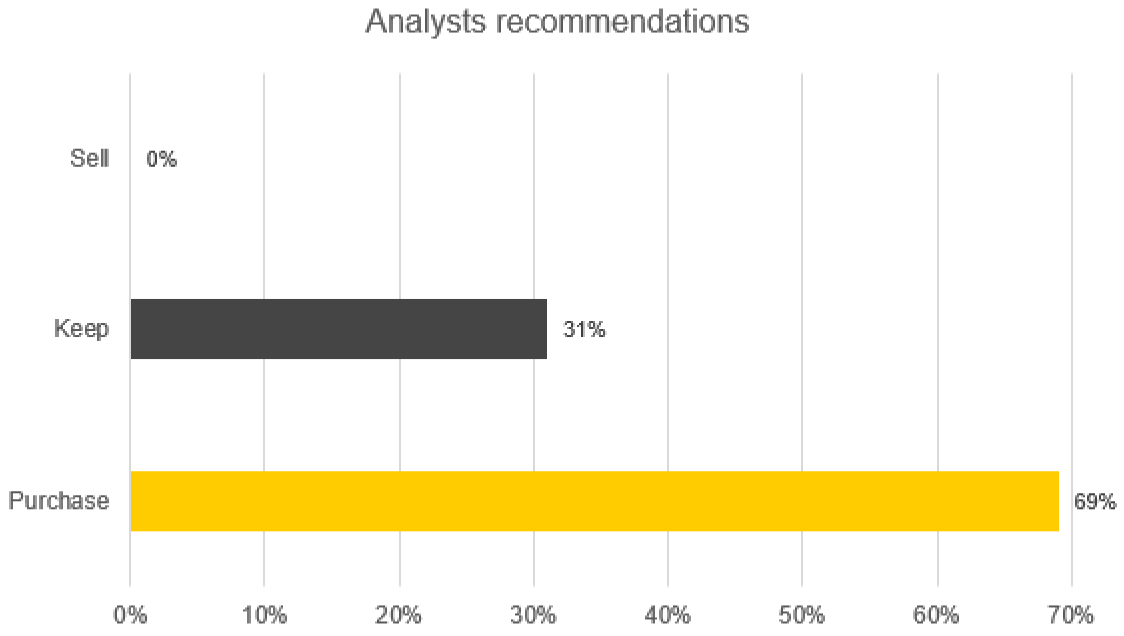
On ESG issues (Environmental, Social and Corporate Governance), Prosegur Cash continuously provides detailed information to any shareholders, private and institutional investors, the leading stock market analysts and proxy advisors who request it. By means of face-to-face meetings or telephone calls, 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.

Since 2019 Prosegur Cash pertains to 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

In 2020 there was less coverage by analysts who regularly inform the market about the company, as some analyst firms have been obliged to close or limit their activity.

The currently recommendations of the 13 investment companies that cover the Company are as follows:



3.3.2. Main shareholders

The shareholding structure of Prosegur Cash reflects its solidity and stability.

At 31 December 2020, 74.98% of the company capital belonged directly or indirectly to Prosegur, 1.52% were own shares and the remaining 23.5% was free float.

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. Responsible management

4.1. Management model of Prosegur Cash

The management model of Prosegur Cash, known as the 3P 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 employees involved in the activity. In addition to representing the sources in which the operational risks identified could materialise, they are the critical barrier with which to contain the materialisation of those risks.

Frame of reference

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.

Prosegur Cash is a global company that is exposed to various risk factors. These depend on the countries in which it operates and the nature of the sectors. The company seeks to identify these risks and assess them, an initiative that allows it to implement timely management measures sufficiently in advance to mitigate the probability of these risks occurring and/or their potential impact on targets.

In July 2020 the Audit Committee approved the new Risk Control and Management Policy of Prosegur Cash which is published on the corporate web site. This standard defines the risk control and management model, powers, functions, responsibilities of the corporate governance structure and types of existing risks.

Risk management governance

Under the terms of Prosegur Cash's risk management policy, one of the basic principles guiding this activity is to involve the employees in the culture of risk management, encouraging them to identify risks and participate actively in reducing them.

As part of its general supervisory function, the Board of Directors is the body ultimately responsible for determining the general policies and strategies on risk control and management, delegating the associated powers for information, consultancy and proposals to the Audit Committee and the supervision of the functioning of the control and risk management unit, through the Internal Audit Department.

The Prosegur Cash Risk Committee, as the unit for control and risk management, ensures that the systems for risk control and management function correctly and, in particular, that all significant risks affecting Prosegur Cash are properly identified, managed, and quantified; it has an active participation in drawing up the risk strategy and in any important decisions on how it is managed; and it ensures that the risk control and management systems reduce the risks adequately.

Risk management process

The Risk Control and Management Policy includes the following basic principles on which risk management and control is centred:

1. INFORMATION

Inform and communicate risk exposures and conduct an annual assessment of risks.

2. RISK IDENTIFICATION

Identify business risks or foresee risk scenarios, measure and analyse their impact on the company.

3. CONTROL

Propose new policies or reassess existing policies. In addition, propose necessary corrective measures based on cost-effectiveness criteria to minimize identified.

4. MONITORING

Supervise and follow-up compliance with policies, standards, procedures, information systems through internal control to ascertain whether exposure is acceptable. Continuous remote and on-site monitoring.

- The ongoing identification, evaluation and prioritisation of critical risks, considering their possible effect on the relevant goals of Prosegur Cash.
- Assessment of risks in accordance with procedures based on key indicators that enable their control, as well assessing and monitoring their evolution over time.

- Periodic monitoring of the results of the evaluation and effectiveness of the measures applied by those responsible for the risks.
- Review and analysis of profit/(loss) by the Risk Committee.
- The supervision of the system by the Audit Committee, through the Internal Audit Department.

Risk mapping

Taking the targets identified in the company's Strategic Plan as a reference, the risks were identified that could affect the attaining of those targets, from both a global and local perspective, through the local managers.

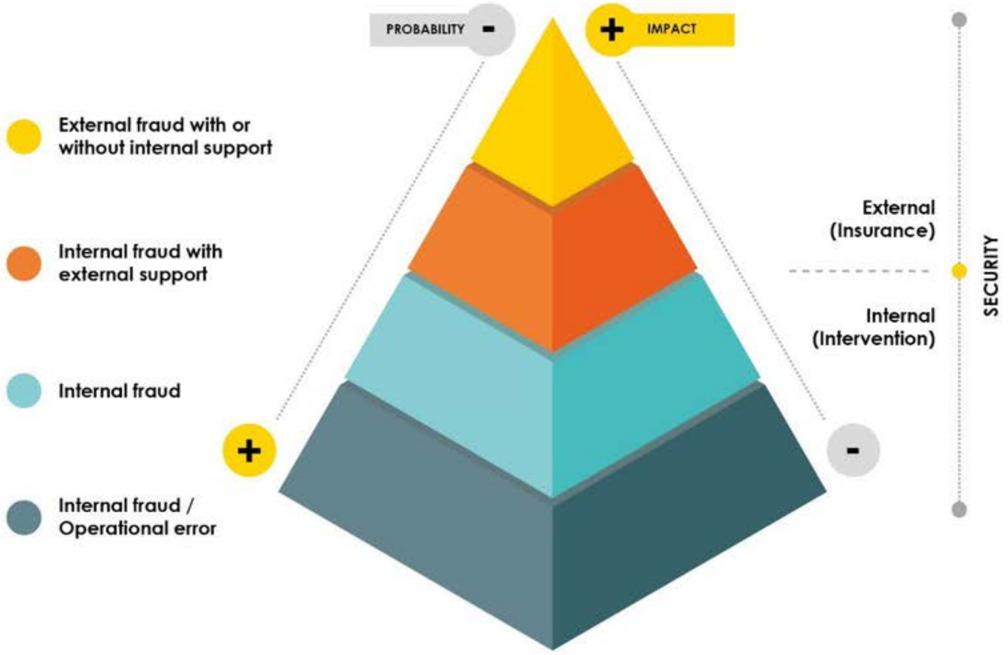
As assessment was made on the risks identified regarding their impact and likelihood, which makes it possible to prioritise them and define response plans.

To facilitate the identification of risks, Prosegur Cash has an internally developed risk management tool that helps to identify a general catalogue of risks, updated once a year, and which enables the information to be unified and consolidated.

4.2.1. Operational and business risks

Prosegur Cash devotes significant effort to the management of operational 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 employees.

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 in four global support areas: Intelligence, Information Security, Security of Bases and Facilities and International Tactical Training Team.

The **Intervention department** is organised into two units: Intervention and Loss Control (UPC). 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 property, plant and equipment.

The strict control of the triad of infrastructure, processes and employees, 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. Legal, corporate and regulatory risks

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 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.

The Internal Audit and Compliance Directorate also plays an essential role regularly assessing the control environment and implementing and continuously monitoring the programmes to ensure the proper operation of 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 2020, the majority of Prosegur Cash'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, 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 floating 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 and Chilean 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).

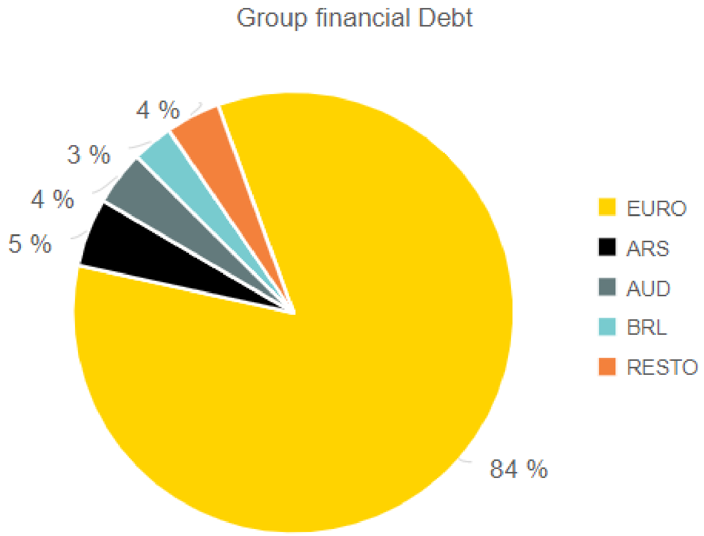
The natural coverage made by Prosegur Cash is based on the capital expenditure required in the industry, which varies by business area, is in line with the operating cash flow generated and it is possible to time the investments made in each country based on operating requirements. Debt is broken down as follows: 84% in EUR, 3% in BRL, 4% in AUD, 2% in ARS and the remaining 7% 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 2020 is as follows:

Credit risk

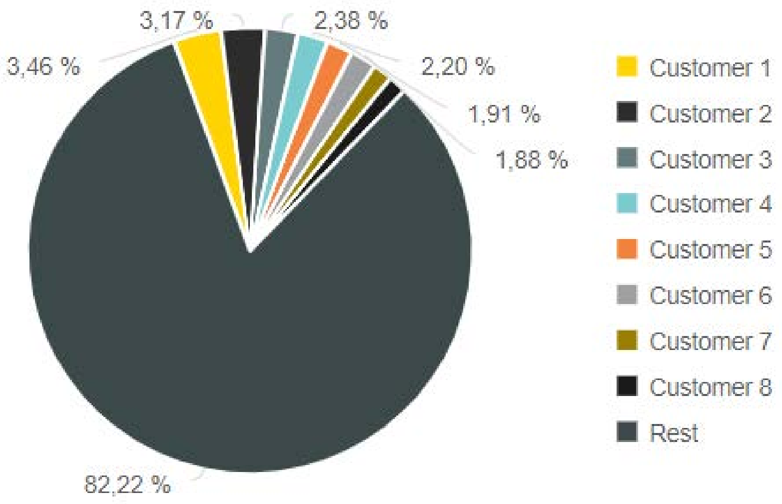
The Credit and Collection Departments of each of the countries in which Prosegur Cash operates carry out a risk assessment of each client on the basis of the contract data and establish credit limits and payment terms which are recorded in the Prosegur Cash management systems and periodically updated. 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). The counterparty risk limits are clearly defined in the corporate policies of the Financial Department and updated credit limits and levels are periodically published.

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:



4.2.4. Technological risks

The activities of Prosegur Cash and its investee companies are highly dependent on their information and communication technology infrastructure.

In the normal course of its business, Prosegur Cash compiles, manages, processes and stores sensitive and confidential information, including commercial and operating information relating to its clients and personal information on clients and employees.

Despite the security measures in place both in its facilities and IT systems, the information held by Prosegur Cash could be vulnerable to security breaches, computer viruses, data loss, human error or other similar events.

During 2020 Prosegur Cash has strengthened its Data Security department with the incorporation of a CISO.

Based on the NIST Cybersecurity Framework, it has introduced important improvements into the difference functions, with special mention of those related to Protection, Detection and Recovery.

Similarly, the training and awareness of all its employees is a priority for Prosegur Cash. Therefore, we have reached a level of training in cybersecurity through the Prosegur University of more than 90% of the employees. We also carry out periodic cyber awareness exercises to keep our employees trained on an ongoing basis.

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 Ethics Channel, anticipates non-fulfilment through the Corporate Compliance Programme and implements independent processes of due diligence.

4.2.6 Environmental risks

Prosegur Cash shows its firm commitment to combating climate change through the accounting and control of its consumption and, accordingly, its carbon dioxide emissions.

Prosegur Cash we make a significant effort in environmental matters, taking as a model the system of management and continuous environmental improvement defined by the ISO 14001 international standard.

We evaluate, measure and reduce the environmental impact associated with our activity in each country and we make our employees aware of caring for the environment by communicating good practices that promote sustainable development.

We establish policies with environmental management commitments and objectives in the business and countries in which we operate, in order to guarantee compliance with the applicable environmental legislation in each country. Likewise, we seek to obtain a compliance commitment from the suppliers and companies to which we subcontract services.

4.2.7 Risks of corruption and fraud

Prosegur Cash carries out its activities through various operating companies located in different countries, which may be affected by situations of corruption and/or fraud. These risks can affect the economic development of these countries and even put their state and government models at risk, violate the principles of equality and competition in the markets and cause serious damage to the social order, political stability and the economy.

Prosegur Cash has a reliable crime prevention programme in the countries where it operates, implemented through policies, procedures and by establishing controls for preventing any actions of corruption and fraud in which an employee, director, shareholder, client or supplier or any related party might act dishonestly. Nevertheless, the materialisation of those risks can affect the reputation and financial situation of the company.

4.2.8 Political risks

Prosegur Cash operates in different countries. Political risk is one that can affect the economic interests of an organisation as a result of changes in or a lack of political stability in a country or region.

4.3 Global risk environment

The appearance of the Coronavirus COVID-19 in China in January 2020 and its global expansion has caused a global health crisis.

The COVID-19 pandemic is not only an unprecedented health emergency, it is an economic and social emergency, the magnitude and consequences of which make organisations face one of the most serious challenges.

This year, Prosegur Cash specifically monitored the evolution of events and their impact on the company's operations, on its employees and on its clients and suppliers, applying a series of intervention protocols aligned with the recommendations of the pertinent health and administrative authorities.

Among these action protocols Prosegur Cash includes the creation of a multidisciplinary team of senior managers who have permanently evaluated the measures to be taken and the deployment of preventive measures and action procedures necessary to guarantee the health and safety of all its employees and to maintain excellence in client service, and it has adopted the suggestions and indications that have been established by the Ministry of Health in light of the risk of spreading the virus.

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5. Statement of Not-financial Information

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.
- Human Rights policy

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, LatAm 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.

In October 2020, the Board of Directors granted new Sustainability functions to the Appointments and Remuneration Committee, and reformulated it as the Sustainability, Corporate Governance and Appointments and Remuneration Committee.

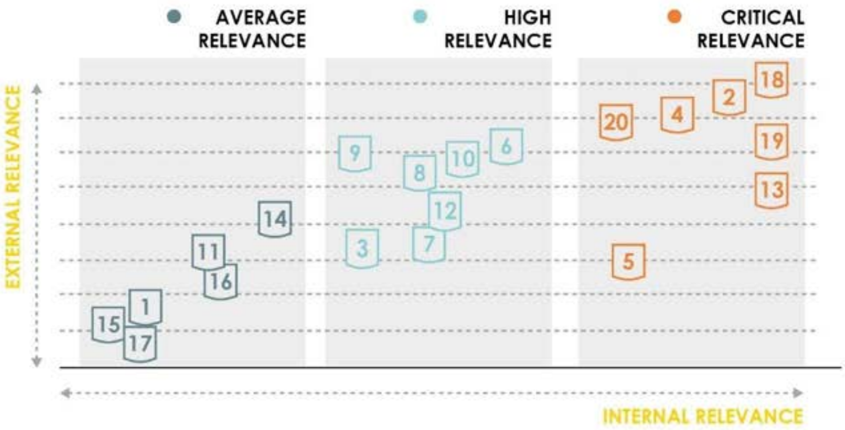
Furthermore, a Global Sustainability Department has been created, dependent on the Senior Management, whose functions include the coordination of all areas in Environmental, Social and Corporate Governance aspects and ensuring that the ESG objectives and initiatives are aligned with the strategy of the Prosegur Cash Group.

The 2020 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:



1. Diversity and equality
2. Ethics and corruption
3. Human Rights
4. Employee health and safety
5. Relationship with customers
6. Good Governance
7. Risk Management
8. Economic performance
9. Atmospheric pollution
10. Legal and regulatory compliance
11.Dialogue with stakeholders
12. Talent management
13. New technologies, digital transformation and cybersecurity
14. Environmental management
15. Biodiversity
16. Supply chain management
17. Relationships with the community
18. Labour relations
19. Business interruption
20. Reputation and Brand

Taking into account the profit and 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.
- 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 is the same as the consolidation scope of financial reporting, with the exception of the new M&A acquisitions in already existing geographical areas in 2020 (Brazil and Colombia) which are in the process of integration and standardisation of the Company's processes and systems, the divestment in Honduras and Mexico executed in 2020, and equity-accounted business (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 1,507.5 million and there are 46,120 employees.
- Most of the comparative figures for 2019 are shown for information purposes only and may not cover the same scope as the figures for 2020, 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 current commercial regulations, this Statement of Non-Financial Information has been verified by EY. The independent Verification Report is attached to this Statement of Non-Financial Information.

5.1. Environmental matters

KPIs	**2019**	**2020**	**Scope (over sales)**
Direct CO2 emissions	94,272 T	112,628 T	100%
Indirect CO2 emissions	13,818 T	12,785 T	93%
Electricity consumption MWh	52,602 MWh	53,470 MHWh	93%
Non-hazardous waste managed	2,226 T	1,655 T	94%
Hazardous waste managed	168 T	82 T	93%
Fuel (millions of litres)	34	41	100%
Paper consumption	610 T	628 T	93%
Number of uniforms distributed	226,013	147,755	93%
Water consumption (m3)	328,862	485,920	93%
Natural Gas (m3)	82,004	150,956	100%
Consumption of Operational Plastics (T)	2,194 T	1,577 T	93%

The scope of these KPIs excludes the scope of the new M&A acquisitions in 2020 (except for Ecuador), disinvestments and the countries in which business are equity-accounted.

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 Spain, Colombia and Portugal. In those countries where certification is not available, they will implement the best practices acquired that are not already underway.

Prosegur Cash 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 functions that previously fell to the Global Directorate of Quality, Environment and Safety and Health at Work, have recently been disaggregated. On the one hand, the Environment function has moved to business and the global function now falls to the Global Sustainability Directorate. The functions of Health and Safety and Prevention of occupational risks now fall to the Global Directorate of Labour Relations. The heads of areas 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 Environment of each business and by the Global Sustainability Directorate.

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.

Sustainable Mobility

During 2020, a milestone was reached in the heavy industrial fleet, with the commissioning of twelve ECO hybrid armoured vehicles at Prosegur Cash Spain and 1 100% electric and zero emissions armoured vehicle at Prosegur Cash Germany.

These hybrid armoured vehicles, which will operate in Madrid and Barcelona, have a 110 PS EURO VI thermal engine and a 40 KW electric motor that provides a total of 150 PS and is ECO environmental, and entails a reduction in CO2 emissions from the atmosphere of close to 25%, a saving of 23% in fuel consumption and 10% in maintenance costs.

The 100% electric armoured vehicle implemented in Germany and the hybrid armoured vehicles operating in Spain are part of a pilot programme with which the company seeks to continue to deepen its hybridisation and electrification plan for the fleet. Portugal will be the next market where new vehicles are added.

At Prosegur Cash, 401 armoured units have been deactivated as part of a permanent renewal plan for the heavy fleet, identifying those vehicles that have higher fuel consumption due to their age or state of preservation, in order to reduce the impact on the carbon footprint and streamline the variable costs of the fleet.

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.

The projects implemented from Global Directorate include a shared fleet model implemented in Spain in 2019, by means of which a broad group of users, through a reservation platform managed in their smartphone terminals, access this to reserve the use of a fleet of ecological vehicle (electric/LPG/CNG) by time slots. This model is designed to cover mobility needs based on use. This product that has proven its results by increasing vehicle occupancy, thus optimising resources, will be a reason for expansion to the rest of the geographies where the company operates.

Prosegur Cash has also had the collaboration of different companies in the automotive sector, mostly start-ups, as well as universities and scientific research centres, seeking a collaborative environment that allows the achievement of sustainable mobility solutions.

Prosegur Cash, as a reference in innovation in the private security sector, analyses new vehicle developments and the use of alternative fuels. Among other things, this currently includes the design of lighter armoured vehicles that are therefore more efficient in fuel consumption; and engines with alternative fuels such as hydrogen and other renewable sources.

All of these projects are aimed at an adjustment plan of the operating fleet, for the purpose of reducing direct CO2 emissions and boosting the efficiency of resources.

At 31 December 2020, direct and indirect CO2 emissions from business of the group were 112,628 T and 12,785 T respectively (90,106 T and 13,818 T respectively at 31 December 2019).

In the 2020 financial year, Prosegur Cash reduced its CO2 emissions by 2.5% compared to 2019 within a constant perimeter, without taking into account the incorporation of new areas reporting data for the first time in this report (Central America, Ecuador, Indonesia and The Philippines).

In the future, the company expects to continue reducing its CO2 emissions by means of a more efficient consumption per kilometre. To this regard, it expects to reach reductions of 3% per annum by optimising its fleet and incorporating new electric and hybrid technologies in its vehicles in Europe.

Additionally, Prosegur Cash aims to initiate emission-offsetting, reducing its scope 2 emissions by 10% and making use of green energy in the majority of its geographical areas during the 21-23 Plan.

Furthermore, Prosegur Cash has adhered to the international commitment co-founded by Amazon and Global Optimism known as The Climate Pledge, whose objective is to be net zero carbon in 2040, ten years ahead of the Paris Agreement.

Uniformity

Prosegur Cash operative uniforms are distributed centrally and specially for all Europe, from the warehouse that we manage together with the Aprocor Foundation, thus fostering the inclusion of individuals with disabilities. The uniforms have been designed with Ecodesign criteria to extend their useful life and with the Aprocor foundation a circular uniformity management is carried out that includes direct logistics, inverse logistics and garment recycling. In 2020, more than 32,000 garments were recycled with the subsequent positive impact in terms of solidarity as well as the environment.

Recycling and circular economy

As for used tyres, suppliers undergo a standardisation process to ensure recycling is duly guaranteed. At Prosegur Cash own workshops in various LatAm countries, the manner of collecting tyres is established to ensure they are properly recycled. Prosegur Cash is furthermore registered as a waste producer in our own workshops in Argentina, in the city of Buenos Aires.

In Spain, the tyre waste treatment follows the requirements established in Royal Decree 1619/2005, prioritising reduction, reuse and recycling by an approved supplier. For the management of the NFU (Out of Use Tyre) in the rest of the European countries, this is governed by the attribution of the EUROTASA to the producing companies, which is applied in the purchase of the new tyre and is intended for the removal and recycling treatment by organisations approved for this purpose.

Paper consumption

Prosegur Cash is implementing a new multifunction printer model which, together with the progressive introduction of teleworking, will significantly contribute to reduce paper consumption. A 40% reduction in paper over Strategic Plan 21-23 is estimated thanks to this new global document printing policy and the review of certain business processes based on digitisation processes, such as the GTV in Brazil. This tax form used in transport and billing tasks will be replaced by a digital form during 2021 to avoid the consumption of more than 20 million sheets of paper.

Travel

During 2020 the new global travel management model operating in Spain and Portugal, Chile and Argentina, allowed centralised, 100% digital management with an end-to-end tool that allows the integrated control and monitoring of the carbon footprint. By 2021, it will be implemented in the rest of the LatAm countries and Germany.

The current global travel policy establishes that trips must be requested only when there is no other means to achieve the intended operational objectives, with the clear purpose of reducing the number of trips to the essential minimums. Within its prioritisation elements the parameterisation of the self-booking tool has the selection of the shortest routes, establishing a control and monitoring of emissions. The reduction target for 2021 is set at 30% based on consolidated emissions.

Recycled operating materials and biodegradable bags

Prosegur Cash is carrying out a plan to transform traditional operating material into more sustainable and ecological solutions. In the awarding of the tender at the European level, sustainability requirements have been incorporated for the bags used in Cash in transit services at Prosegur Cash. The implementation plan will begin in Spain, Portugal and Germany to replace the bags traditionally used in the transport of securities (made in virgin polymer material) with more sustainable alternatives made with recycled material (post-consumption recycled polyethylene). Our main suppliers have the European Natur Cycle and Blue Angel Certificates.

Additionally, an innovative project to create the first compostable cash in transit bag made from 100% biodegradable materials has been successfully completed.

Energy Efficiency

In 2020, Prosegur Cash carried out a pilot trial in Brazil that consisted of the installation of photovoltaic solar panels in 15 delegations, covering 70% of their annual energy demand with self-generated solar energy and estimating 95% coverage for 2021 in these delegations. By 2021, this line of action will be extended in Europe and the rest of LatAm countries, as part of a global initiative framed within the 21-23 strategic plan, called Energy Efficiency and Alternative Energies, which consists, on the one hand, of the installation of photovoltaic and solar thermal solar panels, and the assessment of other forms of energy generation, such as geothermal energy, biomass boilers and aerothermal energy. On the other hand, and linked to this, the plan includes the development of a control system for the efficient management of electrical and air conditioning installations, as well as the renovation and improvement of current facilities. Furthermore, although since 2015 we have been developing a global luminaire replacement plan using LED technology at Prosegur Cash, in the 21-23 Plan Prosegur Cash has set the objective of taking on 100% efficient lighting.

In April 2020 and as the holding group of the Prosegur Cash Group, Prosegur signed a new contract with its electricity supplier in Spain (Endesa) that will guarantee that 100% of the electricity comes from renewable sources, in accordance with the Guarantee of Origin System that certifies renewable sources of supplied energy. As a result, in April 2021, we will obtain the first certificate of energy from 100% renewable energy sources and high-efficiency cogeneration, issued by the National Commission on Markets and Competition. Energy from renewable sources accounts for 15% of the Prosegur Cash Group's total.

Additionally, as the holding group of the Prosegur Cash Group, and in compliance with Royal Decree 56/2016, Prosegur undergoes an energy efficiency audit carried out by an external verifier every four years. The last verification was made in December 2020 by BNP Paribas Real Estate.

At 31 December 2020, electricity consumption of the group business was 53,339 MWh (52,602 MWh at 31 December 2020). This increase is due to M&A and the entry in new geographic areas.

Due to the nature of its business operations, Prosegur Cash has not established any measure to reduce light or noise pollution.

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 Directorate 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 the centres 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 2020, hazardous and non-hazardous waste managed amount to 82 tonnes and 1,655 tonnes, respectively (2019: 168 tonnes and 2,226 tonnes respectively).

Prosegur Cash has a civil liability policy, valid until 31 December 2020, which includes coverage for accidental contamination that it could generate. This policy has a coverage of up to EUR 75,000,000 per claim to cover accidental damages that may be caused by the exercise of the activity.

5.2. Social and employment matters

2020 Data

		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	Phillipines	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Central America	Ecuador
Total summary of employees			**46,120**	**4,370**	**632**	**4,148**	**1,001**	**496**	**1,145**	**14,659**	**6,658**	**1,913**	**488**	**748**	**3,005**	**14**	**3,881**	**1,407**	**1,555**
Resumen total de empleados																			
Gender	Men	100%	33,715	2,542	509	3,447	664	487	689	11,533	4,417	1,397	418	645	1,984	9	2,391	1,177	1,406
	Women		12,405	1,828	123	701	337	9	456	3,126	2,241	516	70	103	1,021	5	1,490	230	149
Age	Less than 30 years old	100%	8,357	399	39	323	149	301	629	1,877	1,631	252	16	177	922	1	968	421	252
	Between 30 an 50 years old		28,356	2,306	437	2,049	460	190	466	9,868	4,361	995	300	545	1,882	11	2,576	850	1,060
	More than 50 years old		9,407	1,665	156	1,776	392	5	50	2,914	666	666	172	26	201	2	337	136	243
Professional category	Directors and managers	100%	389	69	4	29	7	31	11	120	43	7	4	11	8	6	15	17	7
	Supervisors and coordinators		1,277	111	2	55	43	25	17	388	284	19	11	59	55	2	104	67	35
	Analysts and administratives		3,090	268	7	97	38	17	84	1,053	456	270	16	39	338	6	173	102	126
	Blue collar		41,364	3,922	619	3,967	913	423	1,033	13,098	5,875	1,617	457	639	2,604	0	3,589	1,221	1,387
Average number of employees																			
Type of employee	**Blue collar**	100%	41,722	3,852	642	3,782	845	455	1,041	14,370	4,246	1,605	493	727	3,015	254	3,427	1,407	1,560
	Men		32,433	2,295	521	3,159	591	453	793	11,419	3,671	1,139	423	631	2,084	181	2,403	1,200	1,471
	Women		9,289	1,558	121	623	254	2	248	2,950	575	467	70	96	932	73	1,024	207	89
	White collar		2,863	475	14	150	86	31	112	532	238	460	26	26	142	14	223	176	158
	Men		1,787	288	11	116	39	24	60	335	183	336	18	17	63	9	99	105	84
	Women		1,076	187	3	34	47	7	52	197	55	124	8	9	79	5	124	71	74
Number of employees by contract types																			
Gender	**Men**	100%	33,715	2,542	509	3,447	664	487	689	11,533	4,417	1,397	418	645	1,984	9	2,391	1,177	1,406
	Indefinite		29,358	2,172	439	2,759	334	11	689	11,421	4,417	1,303	418	598	1,520	9	704	1,167	1,397
	Temporary		4,357	370	70	688	330	476	0	112	0	94	0	47	464	0	1,687	10	9
	Women		12,405	1,828	123	701	337	9	456	3,126	2,241	516	70	103	1,021	5	1,490	230	149
	Indefinite		9,917	1,287	64	548	121	4	456	3,028	2,241	438	70	99	674	5	507	228	147
	Temporary		2,488	541	59	153	216	5	0	98	0	78	0	4	347	0	983	2	2
Age	**Less than 30 years old**	100%	8,357	399	39	323	149	301	629	1,877	1,631	252	16	177	922	1	968	421	252
	Indefinite		5,876	171	1	119	34	1	629	1,667	1,631	204	16	164	407	1	174	411	246
	Temporary		2,481	228	38	204	115	300	0	210	0	48	0	13	515	0	794	10	6
	Between 30 an 50 years old		28,356	2,306	437	2,049	460	190	466	9,868	4,361	995	300	545	1,882	11	2,576	850	1,060
	Indefinite		24,729	1,841	350	1,589	229	13	466	9,868	4,361	897	300	510	1,593	11	798	848	1,055
	Temporary		3,627	465	87	460	231	177	0	0	0	98	0	35	289	0	1,778	2	5
	More than 50 years old		9,407	1,665	156	1,776	392	5	50	2,914	666	666	172	26	201	2	337	136	243
	Indefinite		8,670	1,447	152	1,599	192	1	50	2,914	666	640	172	23	194	2	239	136	243
	Temporary		737	218	4	177	200	4	0	0	0	26	0	3	7	0	98	0	0
Professional category	**Directors and managers**	100%	389	69	4	29	7	31	11	120	43	7	4	11	8	6	15	17	7
	Indefinite		367	68	4	27	7	14	11	120	43	7	4	11	8	6	14	16	7
	Temporary		22	1	0	2	0	17	0	0	0	0	0	0	0	0	1	1	0
	Supervisors and coordinators		1,277	111	2	55	43	25	17	388	284	19	11	59	55	2	104	67	35
	Indefinite		1,184	110	2	52	41	0	17	388	284	19	11	54	32	2	70	67	35
	Temporary		93	1	0	3	2	25	0	0	0	0	0	5	23	0	34	0	0
	Analysts and administratives		3,090	268	7	97	38	17	84	1,053	456	270	16	39	338	6	173	102	126
	Indefinite		2,678	254	6	93	30	1	84	843	456	255	16	37	276	6	93	102	126
	Temporary		412	14	1	4	8	16	0	210	0	15	0	2	62	0	80	0	0
	Blue collar		41,364	3,922	619	3,967	913	423	1,033	13,098	5,875	1,617	457	639	2,604	0	3,589	1,221	1,387
	Indefinite		35,046	3,027	491	3,135	377	0	1,033	13,098	5,875	1,460	457	595	1,878	0	1,034	1,210	1,376
	Temporary		6,318	895	128	832	536	423	0	0	0	157	0	44	726	0	2,555	11	11

Annual average of contracts

		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	Phillipines	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Central America	Ecuador
Gender	**Men**	100%	27,273	2,278	23	3,477	632	477	703	11,754	348	1,475	11	104	2,146	68	2,502	1,254	22
	Full time indefinite		22,399	2,043	7	2,513	319	11	703	11,563	204	1,367	11	49	1,532	64	766	1,229	19
	Partial time indefinite		600	75	0	268	0	0	0	93	144	19	0	0	1	0	0	1	0
	Full time temporary		3,629	102	16	525	0	466	0	4	0	89	0	55	606	4	1,736	24	3
	Partial time temporary		645	59	0	171	313	0	0	94	0	0	0	0	8	0	0	0	0
	Women		10,025	1,476	6	705	305	9	451	3,147	852	590	1	11	1,011	42	1,148	264	6
	Full time indefinite		7,074	1,005	2	367	117	4	451	2,920	396	486	1	4	656	41	383	239	2
	Partial time indefinite		956	156	0	185	0	0	0	146	456	1	0	0	9	0	0	2	1
	Full time temporary		1,570	223	4	97	0	5	0	7	0	103	0	7	331	1	765	24	3
	Partial time temporary		425	92	0	56	188	0	0	74	0	0	0	0	15	0	0	0	0
Age	**Less than 30 years old**	100%	6,782	281	10	309	127	293	635	1,783	696	278	6	38	960	51	844	453	19
	Full time indefinite		3,924	120	2	79	33	1	635	1,499	324	215	6	20	359	48	137	430	17
	Partial time indefinite		546	33	0	26	0	0	0	106	372	3	0	0	4	0	0	2	0
	Full time temporary		1,936	85	8	152	0	292	0	10	0	60	0	18	578	3	707	21	2
	Partial time temporary		376	43	0	52	94	0	0	168	0	0	0	0	20	0	0	0	0
	Between 30 an 50 years old		22,154	1,988	18	2,029	437	188	479	9,962	492	1,113	5	72	1,967	47	2,432	917	8
	Full time indefinite		18,121	1,591	6	1,383	213	13	479	9,846	264	988	5	31	1,607	45	743	904	3
	Partial time indefinite		685	130	0	189	0	0	0	116	228	15	0	0	6	0	0	1	1
	Full time temporary		2,971	189	12	385	0	175	0	0	0	110	0	41	351	2	1,689	13	4
	Partial time temporary		377	78	0	72	224	0	0	0	0	0	0	0	4	0	0	0	0
	More than 50 years old		8,362	1,486	1	1,844	373	5	40	3,156	12	674	1	5	229	12	375	148	1
	Full time indefinite		7,441	1,337	1	1,419	189	1	40	3,139	7	655	1	2	221	12	269	147	1
	Partial time indefinite		331	68	0	237	0	0	0	18	5	3	0	0	0	0	0	0	0
	Full time temporary		275	51	0	86	0	4	0	0	0	16	0	3	8	0	106	1	0
	Partial time temporary		316	30	0	102	184	0	0	0	0	0	0	0	0	0	0	0	0
Professional category	**Directors and managers**	100%	327	64	0	28	8	31	3	121	12	7	2	1	7	7	16	18	1
	Full time indefinite		300	62	0	22	8	14	3	121	12	7	2	1	7	7	16	17	1
	Partial time indefinite		5	1	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0
	Full time temporary		21	1	0	2	0	17	0	0	0	0	0	0	0	0	0	1	0
	Partial time temporary		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Supervisors and coordinators		939	106	1	55	42	25	5	393	48	19	0	6	50	14	106	70	0
	Full time indefinite		842	101	1	49	40	0	5	393	48	19	0	4	27	14	71	70	0
	Partial time indefinite		7	4	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0
	Full time temporary		87	0	0	2	0	25	0	0	0	0	0	2	24	0	34	0	0
	Partial time temporary		3	0	0	1	2	0	0	0	0	0	0	0	0	0	0	0	0
	Analysts and administratives		2,427	253	0	95	34	17	83	1,026	24	277	4	10	296	17	174	113	4
	Full time indefinite		2,023	234	0	83	28	1	83	839	24	267	4	1	234	17	96	109	2
	Partial time indefinite		26	7	0	10	0	0	0	9	0	0	0	0	0	0	0	0	0
	Full time temporary		203	10	0	2	0	16	0	10	0	10	0	9	62	0	78	4	2
	Partial time temporary		175	1	0	0	6	0	0	168	0	0	0	0	0	0	0	0	0
	Blue collar		33,605	3,332	28	4,004	853	413	1,063	13,360	1,116	1,762	6	98	2,804	72	3,354	1,317	23
	Full time indefinite		26,305	2,651	8	2,725	348	0	1,063	13,130	528	1,560	6	47	1,919	67	966	1,270	18
	Partial time indefinite		1,505	218	0	436	0	0	0	231	588	20	0	0	10	0	0	3	0
	Full time temporary		4,891	314	20	617	0	413	0	0	0	182	0	51	851	5	2,389	44	5
	Partial time temporary		903	149	0	226	505	0	0	0	0	0	0	0	23	0	0	0	0

Number of employees by types of working day

		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	Phillipines	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Central America	Ecuador
Gender	**Men**	100%	33,715	2,542	509	3,447	664	487	689	11,533	4,417	1,397	418	645	1,984	9	2,391	1,177	1,406
	Full time		32,427	2,237	504	3,039	334	487	689	11,309	4,411	1,394	418	645	1,977	9	2,391	1,177	1,406
	Part time		1,288	305	5	408	330	0	0	224	6	3	0	0	7	0	0	0	0
	Women		12,405	1,828	123	701	337	9	456	3,126	2,241	516	70	103	1,021	5	1,490	230	149
	Full time		11,234	1,397	118	471	121	9	456	2,887	2,233	498	70	103	1,001	5	1,490	227	148
	Part time		1,171	431	5	230	216	0	0	239	8	18	0	0	20	0	0	3	1
Age	**Less than 30 years old**	100%	8,357	399	39	323	149	301	629	1,877	1,631	252	16	177	922	1	968	421	252
	Full time		7,677	256	38	249	34	301	629	1,562	1,626	249	16	177	902	1	968	418	251
	Part time		680	143	1	74	115	0	0	315	5	3	0	0	20	0	0	3	1
	Between 30 an 50 years old		28,356	2,306	437	2,049	460	190	466	9,868	4,361	995	300	545	1,882	11	2,576	850	1,060
	Full time		27,358	1,952	428	1,806	229	190	466	9,736	4,352	982	300	545	1,875	11	2,576	850	1,060
	Part time		998	354	9	243	231	0	0	132	9	13	0	0	7	0	0	0	0
	More than 50 years old		9,407	1,665	156	1,776	392	5	50	2,914	666	666	172	26	201	2	337	136	243
	Full time		8,628	1,426	156	1,455	192	5	50	2,898	666	663	172	26	201	2	337	136	243
	Part time		779	239	0	321	200	0	0	16	0	3	0	0	0	0	0	0	0
Professional category	**Directors and managers**	100%	389	69	4	29	7	31	11	120	43	7	4	11	8	6	15	17	7
	Full time		383	67	4	25	7	31	11	120	43	7	4	11	8	6	15	17	7
	Part time		6	2	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0
	Supervisors and coordinators		1,277	111	2	55	43	25	17	388	284	19	11	59	55	2	104	67	35
	Full time		1,265	105	2	51	41	25	17	388	284	19	11	59	55	2	104	67	35
	Part time		12	6	0	4	2	0	0	0	0	0	0	0	0	0	0	0	0
	Analysts and administratives		3,090	268	7	97	38	17	84	1,053	456	270	16	39	338	6	173	102	126
	Full time		2,839	253	7	86	30	17	84	841	454	268	16	39	338	6	173	102	125
	Part time		251	15	0	11	8	0	0	212	2	2	0	0	0	0	0	0	1
	Blue collar		41,364	3,922	619	3,967	913	423	1,033	13,098	5,875	1,617	457	639	2,604	0	3,589	1,221	1,387
	Full time		39,174	3,209	609	3,348	377	423	1,033	12,847	5,863	1,598	457	639	2,577	0	3,589	1,218	1,387
	Part time		2,190	713	10	619	536	0	0	251	12	19	0	0	27	0	0	3	0

		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	Phillipines	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Central America	Ecuador
Number of dismissals			8.9%	6.8%	4.9%	1.1%	2.4%	19.8%	6.1%	13.4%	0.3%	35.0%	9.6%	20.6%	4.8%	na	7.3%	12.8%	1.1%
Gender	Men	100%	2,934	148	28	37	19	95	46	1,483	8	401	35	139	86	25	225	145	14
	Women		1,156	151	3	7	5	3	24	487	12	268	12	15	57	14	60	35	3
Age	Less than 30 years old	100%	982	86	8	26	9	33	39	305	19	177	3	21	91	10	74	80	1
	Between 30 an 50 years old		2,178	148	23	5	10	61	28	1,075	1	330	15	129	47	25	184	84	13
	More than 50 years old		930	65	0	13	5	4	3	590	0	162	29	4	5	4	27	16	3
Professional category	Directors and managers	100%	26	9	0	0	0	6	0	8	0	0	1	0	0	0	0	2	0
	Supervisors and coordinators		98	5	0	0	0	3	0	52	0	2	0	7	1	6	7	13	2
	Analysts and administratives		306	19	0	0	3	2	15	195	0	38	1	7	3	4	14	3	2
	Blue collar		3,660	266	31	44	21	87	55	1,715	20	629	45	140	139	29	264	162	13
Number of new hirings																			
Gender	Men	100%	3,404	445	24	293	135	168	66	621	57	197	11	104	128	68	664	172	251
	Women		2,496	565	12	78	81	4	64	462	134	146	1	11	205	42	597	42	52
Age	Less than 30 years old	100%	2,681	297	10	106	68	129	89	516	155	106	6	38	234	51	541	114	221
	Between 30 an 50 years old		2,887	589	26	207	101	43	41	546	36	205	5	72	99	48	702	95	72
	More than 50 years old		332	124	0	58	47	0	0	21	0	32	1	5	0	11	18	5	10
Professional category	Directors and managers	100%	47	9	0	2	2	5	0	2	0	0	2	1	0	7	2	5	10
	Supervisors and coordinators		64	6	1	3	7	0	0	10	2	2	0	6	1	9	6	11	0
	Analysts and administratives		410	15	0	4	13	2	13	202	2	32	4	10	17	22	20	15	39
	Blue collar		5,379	980	35	362	194	165	117	869	187	309	6	98	315	72	1,233	183	254
Detail of employees by Professional category																			
Professional category	**Directors and managers**	100%	389	69	4	29	7	31	11	120	43	7	4	11	8	6	15	17	7
	Men		338	55	4	24	6	29	8	114	38	6	4	9	8	5	12	11	5
	Women		51	14	0	5	1	2	3	6	5	1	0	2	0	1	3	6	2
	Supervisors and coordinators		1,278	111	2	55	43	25	17	388	284	19	11	59	55	3	104	67	35
	Men		1,011	81	2	47	23	25	12	317	235	17	6	48	41	1	72	55	29
	Women		267	30	0	8	20	0	5	71	49	2	5	11	14	2	32	12	6
	Analysts and administratives		3,089	268	7	97	38	17	84	1,053	456	270	16	39	338	5	173	102	126
	Men		1,716	146	4	68	10	15	40	526	321	164	11	23	184	3	79	59	63
	Women		1,373	122	3	29	28	2	44	527	135	106	5	16	154	2	94	43	63
	Blue collar		41,364	3,922	619	3,967	913	423	1,033	13,098	5,875	1,617	457	639	2,604	0	3,589	1,221	1,387
	Men		30,660	2,260	499	3,308	625	423	629	10,576	3,823	1,210	397	565	1,751	0	2,228	1,057	1,309
	Women		10,704	1,662	120	659	288	0	404	2,522	2,052	407	60	74	853	0	1,361	164	78
Professional category	**Directors and managers**	100%	389	69	4	29	7	31	11	120	43	7	4	11	8	6	15	17	7
	Less than 30 years old		2	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0
	Between 30 an 50 years old		241	46	3	12	3	28	3	72	23	5	2	8	7	4	10	13	2
	More than 50 years old		146	23	1	17	4	1	8	48	20	2	2	3	1	2	5	4	5
	Supervisors and coordinators		1,278	111	2	55	43	25	17	388	284	19	11	59	55	3	104	67	35
	Less than 30 years old		78	3	0	2	2	4	0	24	9	0	0	10	3	0	6	15	0
	Between 30 an 50 years old		925	70	1	28	31	21	7	296	212	9	8	46	49	3	76	45	23
	More than 50 years old		275	38	1	25	10	0	10	68	63	10	3	3	3	0	22	7	12
	Analysts and administratives		3,089	268	7	97	38	17	84	1,053	456	270	16	39	338	5	173	102	126
	Less than 30 years old		702	30	0	8	7	8	35	384	46	30	4	16	53	1	41	22	17
	Between 30 an 50 years old		1,912	160	3	50	20	9	39	561	360	162	8	22	249	4	106	71	88
	More than 50 years old		475	78	4	39	11	0	10	108	50	78	4	1	36	0	26	9	21
	Blue collar		41,364	3,922	619	3,967	913	423	1,033	13,098	5,875	1,617	457	639	2,604	0	3,589	1,221	1,387
	Less than 30 years old		7,575	366	39	313	140	287	594	1,469	1,576	222	12	151	866	0	921	384	235
	Between 30 an 50 years old		25,278	2,030	430	1,959	406	132	417	8,939	3,766	819	282	469	1,577	0	2,384	721	947
	More than 50 years old		8,511	1,526	150	1,695	367	4	22	2,690	533	576	163	19	161	0	284	116	205
Number of employees with disabilities																			
	Number of people with disabilities	100%	496	42	4	239	0	0	0	131	2	11	0	0	4	0	34	2	27
	Percentage of people with disabilities		1%	1%	1%	6%	0%	0%	0%	1%	0%	1%	0%	0%	0%	0%	1%	0%	2%
Number of immigrant employees																			
	Number of immigrants on the workforce	100%	886	140	8	539	2	2	1	3	133	24	5	12	2	2	7	5	1
	Percentage of immigrants on the workforce		2%	3%	1%	13%	0%	0%	0%	0%	2%	1%	1%	2%	0%	14%	0%	0%	0%
	Number of directors and managers from local community	100%	327	69	4	2	5	29	7	118	42	6	1	4	8	5	12	9	6
	Percentage of directors and managers from the local community		84%	100%	100%	7%	71%	94%	64%	98%	98%	86%	25%	36%	100%	83%	80%	53%	86%

		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	Phillipines	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Central America	Ecuador
Medium compensation in Euros																			
Gender	Men	100%	14,330	26,815	15,237	34,931	40,338	3,189	3,224	8,637	11,476	12,613	16,602	6,685	10,246	17,923	6,860	5,967	8,025
	Women		9,804	14,806	11,778	26,209	36,231	10,923	3,224	6,277	6,087	9,485	17,752	5,642	6,057	5,130	3,655	5,144	7,883
Age	Less than 30 years old	100%	7,305	14,555	11,778	26,293	37,091	3,050	3,224	5,625	5,596	13,203	13,584	6,260	6,160	5,130	3,820	5,234	7,500
	Between 30 an 50 years old		11,867	19,361	15,237	33,928	38,893	4,309	3,224	8,258	11,219	9,418	16,880	6,712	9,870	10,332	5,636	6,123	8,049
	More than 50 years old		18,589	27,289	15,237	33,644	38,407	4,309	9,552	8,393	12,560	11,495	17,133	7,132	11,658	72,092	8,300	6,042	8,343
Professional category	**Directors and managers**	100%	59,611	84,731	55,784	64,410	165,258	35,589	31,276	48,674	66,701	66,669	62,729	58,317	98,112	32,232	42,067	35,903	51,325
	Men		59,875	90,833	55,784	74,297	152,712	35,536	32,901	47,116	67,794	73,458	62,729	42,913	98,112	26,644	42,200	29,032	51,325
	Women		61,199	75,529	0	25,400	422,473	74,191	24,899	50,482	64,780	51,668	0	61,503	0	37,820	34,994	40,578	51,737
	Supervisors and coordinators		23,164	49,853	36,984	54,249	73,631	10,475	16,368	15,439	19,245	39,269	28,631	7,908	29,204	12,073	14,304	7,557	19,594
	Men		23,350	51,789	36,984	57,519	86,967	10,028	15,652	15,596	19,847	40,253	30,557	7,898	29,682	14,546	15,430	7,828	19,594
	Women		22,298	42,210	0	47,440	61,237	10,923	16,368	15,008	15,745	33,112	28,631	8,657	27,103	8,601	7,708	7,115	21,780
	Analysts and administratives		12,063	24,651	22,476	37,045	40,259	5,226	4,006	7,170	13,634	14,244	17,230	7,895	11,723	1,493	6,082	6,056	8,834
	Men		13,369	28,392	25,619	38,600	56,393	5,555	4,143	7,304	14,367	14,897	16,719	8,130	12,659	3,487	7,978	7,147	9,452
	Women		10,488	21,466	14,848	30,798	39,001	4,602	3,918	7,046	12,514	12,108	17,741	6,903	9,143	225	5,730	5,267	8,119
	Blue collar		12,171	19,600	15,237	33,226	37,303	3,058	3,224	7,766	9,910	11,345	16,592	6,517	7,811	0	5,080	5,772	7,922
	Men		13,579	26,336	15,237	34,587	39,652	3,058	3,224	8,538	11,100	12,281	16,420	6,609	9,845	0	6,742	5,873	7,936
	Women		9,169	14,632	11,778	25,863	36,138	0	3,224	6,100	5,869	8,846	17,572	5,393	5,866	0	3,468	5,191	7,680
Wage gap																			
Wage gap	Wage gap	100%	16%	9%	24%	25%	9%	93%	0%	14%	32%	21%	-10%	12%	2%	28%	13%	11%	4%
Professional category	Directors and managers	100%	-2%	21%	100%	66%	-177%	-109%	24%	-6%	-16%	76%	100%	-56%	100%	-42%	36%	7%	-1%
	Supervisors and coordinators		2%	18%	100%	18%	30%	-9%	-31%	-6%	11%	27%	9%	-9%	4%	41%	-11%	13%	-11%
	Analysts and administratives		12%	17%	42%	20%	31%	17%	6%	7%	8%	5%	23%	-9%	32%	94%	18%	5%	14%
	Blue collar		17%	7%	23%	25%	9%	100%	0%	15%	36%	23%	-12%	16%	-2%	0%	14%	14%	3%
Trade Union Representation																			
	Number of employees affiliated to a trade union organization	100%	9,644	714	177	1,200	0	0	0	3,726	897	1,643	411	0	719	0	157	0	0
	Percentage of employees affiliated to a trade union organization		21%	16%	28%	29%	0%	0%	0%	25%	13%	86%	84%	0%	24%	0%	4%	0%	0%
Collective agreements																			
	Number of employees covered by a collective agreement	100%	36,882	4,370	632	3,995	0	0	0	14,659	5,510	1,630	485	748	2,630	0	1,985	0	238
	Percentage of employees covered by a collective agreement		80%	100%	100%	96%	0%	0%	0%	100%	83%	85%	99%	100%	88%	0%	51%	0%	15%
Number of workers' reppresentatives																			
	Number of employees elected by the employees as representatives of the workers (both union and unit)	100%	2,123	176	3	0	0	0	0	1,697	64	40	26	0	28	0	78	0	11
	Percentage of employees elected by employees as employee representatives (both union and unit)		5%	4%	0%	0%	0%	0%	0%	12%	1%	2%	5%	0%	1%	0%	2%	0%	1%
Number of people with work conciliation																			
	Number of employees who have any benefits associated with work-life balance	100%	415	154	0	0	0	0	0	0	247	14	0	0	0	0	0	0	0
	Percentage of employees with work conciliation		1%	4%	0%	0%	0%	0%	0%	0%	4%	1%	0%	0%	0%	0%	0%	0%	0%
Total number of training hours																			
Gender	Men	100%	282,927	27,091	2,987	1,992	3,717	360	39	57,947	43,234	64,210	959	8,600	41,366	242	19,467	4,819	5,897
	Women		115,629	6,678	48	447	2,107	30	11	18,135	39,312	24,227	47	915	11,398	148	10,513	1,516	97
Professional category	Directors and managers	100%	8,344	403	5	129	80	70	8	4,019	1,006	157	5	249	850	0	899	386	77
	Supervisors and coordinators		25,663	571	149	361	600	50	24	12,402	5,294	570	19	1,113	2,552	0	560	1,130	270
	Analysts and administratives		46,991	5,919	106	514	360	50	18	8,622	9,128	9,280	27	624	9,664	61	406	1,388	823
	Blue collar		317,559	26,876	2,775	1,436	4,784	220	0	51,038	67,119	78,430	955	7,529	39,699	329	28,114	3,431	4,824
Total number of hours of training imparted on human rights																			
Gender	Men	100%	39,670	81	48	0	0	40	0	1,696	3	0	0	24	36,443	226	1,075	32	0
	Women		9,645	3	0	0	0	8	0	569	6	0	0	3	8,877	139	22	19	0
Professional category	Directors and managers	100%	812	0	0	0	0	24	0	30	0	0	0	0	754	0	0	4	0
	Supervisors and coordinators		2,251	0	0	0	0	8	0	136	3	0	0	2	2,088	0	0	14	0
	Analysts and administratives		9,602	0	0	0	0	8	0	189	0	0	0	1	9,324	57	0	22	0
	Blue collar		36,650	84	48	0	0	8	0	1,910	6	0	0	24	33,155	308	1,097	11	0
Total number of hours of training imparted on Health & Safety																			
Gender	Men	100%	110,406	27,091	24	0	424	24	16	8,136	7,128	48,230	175	288	4,923	16	12,947	717	268
	Women		41,649	6,678	5	0	231	0	8	2,452	857	21,003	30	94	2,521	10	7,604	130	27
Professional category	Directors and managers	100%	1,040	403	0	0	10	16	8	186	79	0	0	9	96	0	212	21	0
	Supervisors and coordinators		3,600	571	0	0	308	0	16	543	765	2	8	90	464	0	732	88	13
	Analysts and administratives		14,801	5,919	0	0	80	8	0	894	1,995	4,217	14	70	340	4	1,171	76	13
	Blue collar		132,614	26,876	29	0	257	0	0	8,965	5,146	65,014	183	213	6,544	21	18,436	661	269
Investment in training																			
	Investment made in employee training (millions of euros)	100%	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	Phillipines	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Central America	Ecuador
Number of employees receiving regular evaluations of performance and professional development																			
Gender	Men	100%	4,823	349	509	121	664	24	0	709	1,412	209	42	51	308	5	217	132	71
	Women		3,440	251	123	62	337	2	0	296	1,840	103	17	24	179	4	61	64	77
Percentage of employees who receive regular evaluations of performance and professional development																			
Gender	Men	100%	0	0	1	0	1	0	0	0	0	0	0	0	0	1	0	0	0
	Women		28%	14%	100%	9%	100%	22%	0%	9%	82%	20%	24%	23%	18%	80%	4%	31%	52%
Number of employees who received a maternity or paternity leave																			
Gender	Men	100%	656	72	20	45	0	0	11	311	74	0	11	21	0	7	64	1	19
	Women		507	79	2	35	3	0	36	118	74	32	3	11	61	0	32	16	5
Number of employees who returned to work after their termination due to maternity or paternity ended																			
Gender	Men	100%	632	66	14	39	0	0	8	311	71	0	11	21	0	7	64	1	19
	Women		418	62	1	10	3	0	9	118	55	32	3	11	61	0	32	16	5
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	100%	672	66	5	122	0	0	11	297	70	0	11	21	0	2	64	3	0
	Women		424	62	0	72	3	0	17	87	54	12	3	9	61	0	32	12	0
Turnover			23%	8%	4%	16%	18%	31%	26%	15%	13%	35%	13%	28%	24%	n/a (1)	52%	29%	29%
Gender	Men	100%	7,210	203	19	531	97	147	150	1,636	535	401	49	180	459	752	1,329	313	409
	Women		3,218	150	7	121	83	5	150	622	304	269	12	33	277	339	702	97	47
Age	Less than 30 years old	100%	3,114	92	7	155	44	83	178	449	298	62	3	54	391	276	711	190	121
	Between 30 an 50 years old		5,628	154	13	260	97	65	116	1,202	325	577	18	152	289	671	1,210	198	281
	More than 50 years old		1,686	107	6	237	39	4	6	607	216	31	40	7	56	144	110	22	54
Professional category	Directors and managers	100%	55	10	0	0	4	10	0	10	3	0	1	0	1	6	5	3	2
	Supervisors and coordinators		289	12	0	2	6	6	0	62	29	1	0	9	2	99	27	27	7
	Analysts and administratives		696	29	0	1	12	7	6	255	38	45	1	18	32	113	89	23	27
	Blue collar		9,388	302	26	649	158	129	294	1,931	769	624	59	186	701	873	1,910	357	420
Turnover (leave / total employee)																			
Gender	Men	100%	21%	8%	4%	15%	15%	30%	22%	14%	12%	29%	12%	28%	23%	n/a	56%	32%	29%
	Women		26%	8%	6%	17%	25%	56%	33%	20%	14%	52%	17%	32%	27%	n/a	47%	48%	32%
Age	Less than 30 years old	100%	37%	23%	18%	48%	30%	28%	28%	24%	18%	25%	19%	31%	42%	n/a	73%	45%	48%
	Between 30 an 50 years old		20%	7%	3%	13%	21%	34%	25%	12%	7%	58%	6%	28%	15%	n/a	47%	32%	27%
	More than 50 years old		18%	6%	4%	13%	10%	80%	12%	21%	32%	5%	23%	27%	28%	n/a	33%	18%	22%
Professional category	Directors and managers	100%	14%	14%	0%	0%	57%	32%	0%	8%	7%	0%	25%	0%	13%	n/a	33%	0%	29%
	Supervisors and coordinators		23%	11%	0%	4%	14%	24%	0%	16%	10%	5%	0%	15%	4%	n/a	26%	60%	20%
	Analysts and administratives		23%	11%	0%	1%	32%	41%	7%	24%	8%	17%	6%	46%	9%	n/a	51%	23%	21%
	Blue collar		23%	8%	4%	16%	17%	30%	28%	15%	13%	39%	13%	29%	27%	n/a	53%	36%	30%
Number of days worked by all Prosegur employees																			
Gender	Men	100%	8,691,972	550,954	114,444	532,202	136,413	137,749	191,695	3,039,575	1,047,810	342,003	105,970	172,573	553,757	2,749	800,480	378,776	584,821
	Women		2,797,083	370,735	27,319	86,943	61,032	2,112	126,869	809,673	405,791	124,376	17,746	27,558	252,684	1,572	367,467	64,729	50,477
Number of total days lost due to absence																			
Gender	Men	100%	385,787	31,522	13,211	47,212	763	1,280	0	68,047	116,549	11,351	13,935	4,567	17,520	3	32,322	9,723	17,783
	Women		143,709	26,527	4,982	7,574	47	21	0	28,730	38,324	10,904	2,334	1,726	10,274	2	8,081	2,876	1,308
Total hours of Absenteeism (estimating 8 hours per labour day)																			
Gender	Men	100%	600,493	7,940	12,848	0	2,289	21,120	0	16,109	166,797	212,329	450	5,352	1,172	1,018	87,128	58,062	7,880
	Women		287,625	38,283	160	0	170	288	0	4,453	61,713	137,700	34	408	8	1,103	33,800	9,416	88
Absenteeism rate (AR)		100%	5%	6%	13%	9%	0%	1%	0%	3%	11%	5%	13%	3%	3%	0%	3%	2%	3%

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%

In the current environment, Prosegur Cash maintains its growth strategy at a global level, although the fall in the number of services in 2020 has led to a decrease in the workforce.

Additionally, in 2020 Prosegur Cash made disinvestments in Mexico (998 employees).

The workforce of Prosegur Cash at the end of 2020 was of 46,120 employees (45,251 in 2019). In 2020, 496 individuals joined in Indonesia, and 1,555 individuals in Ecuador, while 998 individuals left as a result of our disinvestments in Mexico. This comes to a comparable total of 46,304 employees.

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, race, 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.

As stated in its Human Rights Policy, Prosegur Cash, with regard to the Human Rights standards and rules assumed, ensures the absence of any discrimination for reasons of gender, race, religion, origin, marital status, social status or any other personal distinction, and grants special protection to any highly vulnerable group from these types of conduct.

The percentage of women employees continues to grow thanks to the efforts in recent years, with the figure now at 26.9% (2019: 24.4%) out of the total staff.

In this sense, Prosegur Cash has identified equality as one of its main lines of action. For this reason, 2020 saw the company working on the implementation of the #EmpoweredWomen programme, which will be launched in 2021.

The programme consists of various initiatives. The individualised work plan that will be carried out with 100% of women with responsibility at the corporate level, as well as women from other levels of the organisation with brilliant performance evaluations, stands out. Furthermore, the company will design a career plan together with the participants, who will receive personalised monitoring from HR, participate in work sessions on distinctive and leadership skills and develop a mentoring programme.

This initiative will be extended to the rest of the company, with outreach initiatives around biases, open weekly workshops to work on leadership and self-promotion of non-controlling groups. In addition, the company will launch the #EmpoweredWomen grants, aimed at preparing Prosegur women to lead the company's transformation projects.

The fulfilment of Prosegur Cash's objectives in terms of diversity is supervised by the Sustainability, Corporate Governance, Appointments and Remuneration Committee (CSGCNR), which also keeps the Board of Directors informed.

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.

The organisation exercises industry leadership aimed at strict compliance with labour and Social Security legislation in all jurisdictions, ensuring decent working conditions including work time, workday and rest, contribution to social welfare, conciliation systems and commitment with a safe, non-discriminatory work environment.

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 Department 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 involved, worthy of mention is that in 2020 we strengthened our systems for recruitment and hiring personnel, with emphasis on the start-up of curricular robotisation processes in Argentina and Colombia to improve the candidate and employee experience, as well as the implementation of gamified test solutions for Spain, Portugal and Argentina. All this managed through the Taleo Global cloud platform (Oracle). This solution is already operating in ten of the main countries of the Group (Spain, Portugal, Brazil, Argentina, Paraguay, Uruguay, Chile, Peru, Colombia and Mexico).

Talent management

All employees at Prosegur Cash guide their behaviour based on the principles of the Leadership Model: passion for the client, results orientation, transformation and innovation, responsibility and commitment and team spirit.

Talent management at Prosegur Cash revolves around these and consists of various development plans.

– Performance evaluation: Carried out annually for the entire indirect group, giving employees the chance to assess themselves and create a space for dialogue and feedback with their managers to establish development plans. Furthermore, the remuneration of Senior Management is linked to sustainability objectives.

– Talent Reviews: Carried out annually for the key management group, allowing the identification of strengths and areas for improvement that enable customised development plans to be carried out and succession plans to be ensured.

Remuneration

The remuneration schemes at Prosegur Cash always respond to compliance with local legislation, and are aligned with market practice as well as with the company's financial situation.

On the other hand, at Prosegur Cash we have a policy for assessing positions for the entire company under the methodology of an external provider, which allows us to assess the different positions based on a series of objective criteria: responsibility, impact, scope of action, etc.

In this way, all Prosegur Cash employee jobs have specific local salary bands, thus guaranteeing that there is no discrimination of any kind for the same job.

In order to continue guaranteeing equal pay, in 2021 Prosegur Cash will bring in a specialised and independent consultancy company to audit our job levelling system and guarantee salary equity, identifying those situations that could generate salary differences to ensure that they are not based on gender, ethnicity or other sensitive characteristics.

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.
- ► Constant monitoring to guarantee non-discrimination by gender, race or age.

Bearing in mind these values, the Prosegur Cash salary structure comprises:

► Fixed remuneration: according to the standards of living and remuneration practices of each country and always in accordance with the legal guarantees provided.

► Variable remuneration: most Prosegur Cash groups have a variable component in their retribution, linked to specific objectives that ensure that their concession follows meritocratic criteria.

There are different variable compensation plans based on the functions and responsibilities of each group:

► DSO: An objectives plan linked to the performance of the most operational teams based on absenteeism ratios, efficiency in services, etc.

► PIC: An incentive plan for commercial groups.

► PIPE: An annual bonus plan aimed at structural personnel.

► ILP: A long-term incentive plan aimed at management personnel and linked to the company's strategic objectives. For a certain number, their participation is associated with specific values of Company stock prices.

► Other plans: There are additional plans for specific groups that seek to align teams with the organisation objectives and strategies.

In measuring the achievement of objectives for all employees, including Management, Prosegur Cash leadership principles will be taken into account, which include alignment with the company's sustainable development goals, among other things.

► Other benefits: Given that Prosegur Cash seeks to make its remuneration scheme flexible, all of its employees enjoy additional non-salary benefits.

Remuneration to Senior Management and the Board of Directors is detailed below:

Average Director remuneration: EUR 209 thousand (2019: EUR 214 thousand).

- Women: EUR 76 thousand of average salary (2019: EUR 61 thousand).
- Men: EUR 248 thousand of average salary, including the Executive President and the Executive Director (2019: EUR 281 thousand).

Average salary of Senior Management: EUR 247 thousand (2019: EUR 297 thousand).

- Women: EUR 287 thousand of average salary (2019: EUR 269 thousand).
- Men: EUR 239 thousand of average salary (2019: EUR 304 thousand).

In calculating the average remuneration, fixed, variable remuneration, per diems and remuneration for committee membership has been considered.

Training

Prosegur Cash seeks to enhance the employability of its employees by means of its firm commitment to their talent and professional development. This is depicted in the commitment to offer varied, multi-platform and quality training, that provides employees with appropriate preparation to perform their duties, promote and develop successfully their professional career. Likewise, training is the main vehicle for the transmission of Prosegur Cash values and principles in the business environment.

Prosegur Cash, via the online global platform (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. On this on-line platform, Prosegur offers a differentiated and varied catalogue of training courses as part of the professional development plan for each employee, which may vary by region in accordance with the needs and requirements of each country and business.

The Prosegur Corporate University has an intuitive and simple look and feel. Furthermore, the platform is 100% responsive (accessible from all devices) thanks to its integration with the Prosegur Intranet App, that favours the continuous training of employees thanks to its immediate accessibility from their mobile telephones anytime and anywhere. This new platform has been deployed in nineteen countries and includes new training content 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.

In 2020, as a result of the global training strategy launched by the Human Resources Department, a training programme was held in which the indirect workforce from 15 countries participated. This programme includes strategic training content for the company such as Information Security, Innovation, skills and content regarding the knowledge of the business that comprise the Prosegur Group.

The year-end balance was a total of 24,000 courses taken and approximately 3,500 employees of this group undergoing training throughout this plan.

As a whole, more than 70 training actions have been launched, of which 38 have been on-line training courses, 19 synchronous innovation webinars, 5 on-line innovation workshops and 9 innovation Masterclasses with experts.

Prosegur Cash will offer mandatory training on Sustainability via its Corporate University in 2021, as an efficient tool for the awareness of its staff and the entire organisation.

Global balance of on-line training in 2020

During this financial year, a total of 136,000 hours of study were carried out, which is 547% more than in the previous year (21,000 hours).

Thanks to the drive of the 2020 Global Training Plan, there has been a strong increase in training hours, as well as in the connectivity ratio, which has increased significantly, with a total of 17,000 connections in 2020. These data have begun to be collected more comprehensively this year thanks to the integration of Google Analytics within our platform.

Local Training management

For its part, on-site and online training is managed and planned from the teams of the countries on the basis of the needs of the business 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 through the online training platform, for example everything related to compliance and 2020 Global Training Programme.

Total training provided in 2020 amounted to 398 thousand hours compared to 351 thousand hours in 2019, entailing an increase of more than 13% and an average of 8.6 hours of training per employee, compared to 7.7 hours in 2019.

Employee satisfaction

In 2018, the Prosegur Cash Group launched an employee experience analysis programme through which the most important initiatives to improve employee engagement were identified and the eNPS (employee Net Promoter Score) was measured as a standard market indicator on said engagement.

All employee interactions with the company, from recruitment to termination in Spain, Brazil and Argentina were analysed to identify areas for improvement (experiences that were below the expectations of the employee) and strengths (experiences that have a high impact on the employee's engagement) in their relationship with the company.

In order to measure the degree of improvement in employee engagement, the deployment of the eNPS measurement began in mid-2019.

The eNPS is a standard market indicator that is measured with a single question: "between 0 and 10, to what extent would you recommend working in the Prosegur Cash Group to a friend of relative?". The indicator value is calculated by subtracting the percentage of proponents (those who gave scores of 9 or 10) from the percentage of opponents (those who gave scores from 0 to 6). Therefore, its value can only be between -100 and +100.

It is very important to measure the eNPS anonymously to avoid significant bias. The Prosegur Cash Group measures the eNPS completely anonymously, and each day launches the questionnaire to a small group of employees, maintaining the distribution of the workforce and with a frequency of more or less twice a year per employee, allowing the results to be filtered by business and country.

The Prosegur Cash Group's eNPS is currently 66.39 (to put it in context, the average score in Spanish companies is 18 according to the latest employee experience barometer published in 2019 by the Human Resources Studies Centre of the Instituto de Empresa).

This real-time measurement identifies the relationship of employees with those relevant events that happen in the company and in society.

The recognition of these initiatives is already reaping its fruits, Prosegur Cash having been chosen as one of the best 50 companies to work for in Brazil, and receiving the award for the best employee experience project in Spain from the AEERC (Spanish Association of Customer Relationship Experts).

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.
- Integration of digitisation services offered by disabled personnel in a technological area (Robotisation, Excellence, Automation and Digitisation Centre "CREAD"). People with disabilities are placed at the centre of the operation, moving from routine tasks to performing tasks with greater added value such as the training of machine learning models. These disabled people are a fundamental part of the operations of this area that integrates technology, people and operations. Prosegur has four Digitisation Centres in the world, Spain, Brazil, Chile and Peru and employs 33 people with some type of disability. As relevant data, these digitisation centres have managed more than 34 million pages of the different departments of the company and there is a commitment not only to increase the volume managed but also to export this internal service to third-party clients as an additional service as part of the company offering. This project is a success story and an example of personal and professional integration of people with disabilities. The CREAD team was awarded worldwide Innovation Excellence in RPA at the Blue Prism Awards.
- 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 2020 was 496 (2019: 460 employees). 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, recognised in its corporate Human Rights Policy.

In its Corporate Human Rights Policy Prosegur Cash recognises the fundamental right of workers to form, participate or join trade unions or other representative bodies in accordance with Convention 87 of the International Labour Organisation on freedom of association and protection of the right to organise convention.

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, 21% of its workforce are union members and the bargaining agreements signed cover more than 80% of the entire workforce. 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.

Given the socio-health particularities of this past year, Prosegur Cash has maintained an even closer collaboration with the workers' representatives when negotiating and reaching agreements regarding the actions necessary to cushion the impact of the COVID-19 pandemic.

As per the provisions of EU Directive 2009/38/EC and Act 10/1997, Prosegur, as the parent company of Prosegur Cash, 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.

During 2020, close and fluid contact was maintained with all the members of the European Workers' Committee and, for reasons of force majeure and with the ever-present purpose of preserving health measures, it was agreed to postpone the annual face-to-face meeting.

During 2020 the company has continued to advance in the automation of processes to improve the employee experience and job.

In order to promote bidirectional communication with its employees, the Human Resources department has various channels among which the global intranet and its mobile application are worthy of mention. The Intranet App (available on Android and iOS) includes very useful functions such as fingerprint access or facial recognition, push notifications with relevant information, employee directory, access to the Prosegur Corporate University and visualisation of the payroll in 9 countries of the Group. In 2020, the Intranet app was used in 17 countries by 43% of the workforce. This application is updated quarterly to include new requests from the business as well as from employees.

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.

For the purposes of this report, the days lost due to the absence of workers during their normal working hours for any type of disability, not only accidents or occupational diseases, are considered as absenteeism. Permitted absences such as training sessions are excluded from these data.

Equality plan

Through the measures adopted regarding this matter, Prosegur Cash undertakes to ensure the fight against situations of direct or indirect discrimination, for reasons of gender and, in particular, those relating to maternity, paternity, family obligations and marital status. In 2020 a new Equality Plan was signed in Spain with the main unions, whose main measures are:

- The appointment of a manager to ensure equal treatment and opportunities within the company.
- 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.
- Paid leaves to victims of gender violence with psychological assistance for women and their children.

This Equality Plan has a national scope in Spain and will be extended during Strategic Plan 21-23 on a global scale.

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.

This is stated in its Human Rights Policy, which ensures the absence of discrimination, granting protection to any group that is especially vulnerable to this type of conduct.

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.

In addition, during 2021 the review of the Corporate Equality Policy will be made with the intention of adapting it to the advances and new horizons in terms of diversity and plurality.

Wage gap

Prosegur Cash is committed to bridging the wage gap, fostering equality in work relations between men and women, as for Prosegur Cash talent resides in each individual, regardless of their gender, race, religious beliefs, political views or any other criterion.

The remuneration of the Group's workers is in accordance with the law and the applicable Collective Covenants without discrimination in any of the elements or conditions of remuneration, and the objectivity of all the concepts defined in the salary structure is guaranteed.

In terms of the wage gap, the statistical value used in Prosegur Cash is average remuneration, calculating the average remuneration separately for each gender and comparing data from both for four main categories (Executives, Middle Management, Analysts and Operational Staff).

In this sense, so that the datum reflects the true representativeness of each gender in the company, in 2020 the aggregate data were calculated by weighting the gap existing in each group on the basis of the number of individuals comprising it. In this way, the datum adapts to any variations existing in the various geographic levels.

In relation to the wage gap reflected by the indicator, it is worthy to note that the majority of the female segment form part of the cash management team. Specific wage supplements exist in the cash in transit activity that increase the total payroll; the segment is normally composed of men with many years of service (customary in the sector) and the scarce rotation does not generate relevant opportunities to significantly reduce the wage gap.

Through the global compensation tool, we have specific analysis reports by gender and wage gap that facilitate constant monitoring and identify salary variations that must be corrected.

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. In its Human Rights Policy Prosegur Cash recognises the right to conciliation, to rest and to disconnect from work once employees have finished their working hours.

For Prosegur Cash, the family is a fundamental axis of society and the company therefore protects motherhood, fatherhood and childhood. Proof of this are the 1,163 employees who enjoyed their maternity or paternity leave during 2020.

Along this line, and assimilating the positive impact that remote work has for conciliation, for 2021 the possibility of facilitating remote work options is being studied, gradually implementing this form of work for those groups of the company whose responsibilities allow it.

Occupational health and safety

KPIs	2019		2020		Scope (in respect of employees)
Training in health and safety to employees (hours) (absolute value)	Cash	135,477	Cash	151,399	100%
	Men	94,526	Men	109,982	
	Women	40,951	Women	41,418	
No. of fatal accidents (absolute value)	Cash	3	Cash	1	100%
	Men	3	Men	1	
	Women	0	Women	0	
Accident rate (IR) = Frequency Rate IR=no. Accidents/no. hours*10^6	Cash	19.1	Cash	12.74	100%
	Men	20.9	Men	14.98	
	Women	13.0	Women	6.32	
Severity rate (IDR) IDR=no. Days lost due to occupational accidents/no. hours*10^3	Cash	0.43	Cash	1.12	100%
	Men	0.49	Men	0.97	
	Women	0.24	Women	1.54	
Occupational illnesses (absolute value)	Cash	12	Cash	94	100%
	Men	5	Men	62	
	Women	7	Women	32	
Number of occupational accidents (Absolute Value)	Cash	1,558	Cash	1,300	100%
	Men	1,328	Men	1,133	
	Women	240	Women	167	

The scope of these KPIs excludes the scope of the new M&A acquisitions in 2020 (except for Ecuador), disinvestments and the countries in which business are equity-accounted.

Objectives and involvement of the Management

At Prosegur Cash, Occupational Health and Safety are a priority for all levels of the organisation. This responsibility begins with the Group's Management, whose commitment is projected in the Global Policy on Safety and Health at Work applicable to all business lines, their employees, activities and collaborators.

In this sense, the Company pursues the firm objective of reducing the accident rate to zero, by implementing specific objectives, actions and indicators that are included in its specific Global Standard for Occupational Health and Safety Indicators, and that are reviewed on a quarterly basis with the Company's management.

The initiative to convene quarterly Safety and Health Committee meetings was implemented by the Global Directorate of the Cash business. These Committees analyse and monitor the management of Occupational Risk Prevention in each country and its indicators, global initiatives are proposed and adopted, assigning the necessary resources, and specific control is carried out on any serious or fatal accident, with an analysis of the causes and measures adopted.

Accident rate control

At Prosegur Cash, the control and analysis of the accident rate in the search of its eradication is enormous, since in addition to the detailed investigation by the occupational health and safety teams of each country, and the second control made in the aforementioned committees, a corporate channel has been established for communicating serious and fatal work accidents. The Protocol of this, established in a Specific 3P Standard, establishes that in the event of any accident of these characteristics, the entire chain of command is immediately informed, including the general managers and global human resources and of the country in question, so that they can immediately take all necessary actions.

As a new additional measure in the area of Occupational Health and Safety, the Groups of Experts on Health and Safety have been for 2021, bringing together health and safety managers and technicians from the different countries where the Group is present in the same forum, in order to identify needs, trends in the exercise of the function and best practices.

The number of fatal victims has decreased from 3 in 2019, to 1 in 2020, and the accident rate has also decreased from 19.1 in 2019 to 12.74.

This drastic reduction has been favoured by the exceptional situation of the period, with the reduction of some of the main risk factors such as traffic or crowds at events.

Although these indicators reflect an obvious improvement, the contrast comes in the variables related to the medical treatment of occupational contingencies: the severity rate and the number of occupational diseases, which increased.

The severity rate, which reflects the days lost as a result of occupational accidents, was directly affected by the collapse of the health systems in this period. The data therefore reflect the delays in care and in the necessary treatments for injured employees to return to work.

Regarding the number of occupational diseases, which has traditionally been very small in our activities, this year stands out to a greater extent than others.

Analysis of this deviation shows that a part of this increase is due to a conservative stance of health professionals in the evaluation of occupational diseases, thereby seeking to avoid the exposure of potentially vulnerable personnel.

Occupational Risk Prevention Management

Prosegur Cash Occupational Risk Prevention management system is doubly reinforced. Beyond the aforementioned corporate mechanisms, Health and Safety management is administered locally. For this reason, we have expert professionals assigned in each country, which guarantees both strict regulatory compliance in accordance with local laws, and a management of Occupational Risk Prevention close to the different work environments when it comes to raising awareness, identifying needs, assessing risks and implementing preventive measures.

As a result of the above, the company presents a multitude of initiatives to improve the well-being of workers, both locally and with Corporate projects which in 2021 will include a Global Road Safety Campaign, as well as an initiative to promote healthy habits. All of this is accessible along with the rest of the information on ORP through the Prosegur Intranet APP.

Among these measures, training is considered by Prosegur Cash to be the main tool for disseminating existing occupational risks and the measures necessary for their prevention. Therefore, with a view to 2021, the management indicators related to health and safety training have been strengthened, and it has been established that one strategic objective of the area is to increase the number of hours of training in health and safety by incorporating new modules on health and safety in the mandatory training plans for employees.

Similarly, the prioritisation of health and safety is extended in relations with third parties according to the provisions of the 3P General Purchasing Standard. For this reason Prosegur Cash has strong systems for coordinating preventive activities to ensure close collaboration with all suppliers in their duties regarding risk prevention, with the aim of guaranteeing optimal working conditions throughout the supply chain and services received by the Group.

The entire management system is regularly subject to internal and external control and evaluation, successfully passing all reviews and maintaining the international OHSAS 18001 certificate. A certificate that will be continued this year by adapting to the ISO 45001-2018 standard.

COVID-19

This last year has required an extraordinary effort to safeguard the safety and health of everyone in the context of a health emergency of this calibre.

Prosegur Cash's response to this situation was early and forceful from the start.

- A Global Crisis Committee was formed at the beginning of the year to promote agility in decision-making and critical actions. In turn, local Crisis Committees were replicated to adapt the measures to the health situation in each country.

- The Internal Action Protocol against COVID-19 was prepared and its distribution and implementation was orchestrated in all countries, even before positive cases were reported in some of them.

- The collection of protective material was coordinated and supplied to the personnel most exposed from the beginning.

- All personnel who can telework do so as a preventive measure.

- An organisational redistribution (of shifts) and workspaces was carried out to limit the number of people in contact and to segregate the exposure of personnel whose functions were necessarily physical.

- A constant effort in information and awareness has been made, enabling digital tools for access control, traceability of infections and giving agility to the various procedures

It should be noted that security is an essential service, and for this reason, Prosegur Cash and its employees have continued to provide services during the different phases of the pandemic, thereby contributing to making the world a safer place.

5.3. Anti-corruption and bribery matters

KPIs	2019	2020
No. of complaints for breaches of the Code of Ethics	7	11
No. of complaints for fraud	12	7

The scope of these KPIs excludes the scope of the new M&A acquisitions in 2020 (except for Ecuador), disinvestments and the countries in which business are equity-accounted. The scope of these KPIs covers 100%.

Corporate governance

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 System draws from several standards that help articulate it and that guarantee its effective control, such as the Articles of Association, the General Shareholders Meeting Regulation and the Board of Directors. Likewise, it also has the Regulations for the Audit Committee and the Regulations for the Sustainability, Corporate Governance, Appointments and Remuneration Committee as an expression of the operation and responsibilities of both Committees.

The Company reinforces its commitment to good governance with the addition of other internal related procedures that serve as a frame of reference:

- Code of Ethics and Conduct, which includes the values, principles and standards of action that the employees, managers and members of the governing bodies of the Company must respect, both in their internal professional relationships and in external relationships with shareholders, clients and users, suppliers, public administrations and regulatory bodies, competitors and with society in general.
- Internal Code of Conduct on Matters Relating to the Securities Markets, the purpose of which is to establish the rules of conduct that employees, managers and members of the governing bodies of the Company must abide by in matters relating to the securities markets that affect this listed Company.
- Framework Agreement on Relations between Prosegur Cash and Prosegur Compañía de Seguridad, as the controlling shareholder of the Company, the purpose of which is to establish a transparent framework of relationships between them, defining their respective areas of activity, the framework of commercial relationships and the mechanisms provided to resolve any possible conflicts of interest.
- Director Appointment and Remuneration Policy
- Corporate Social Responsibility Policy
- Internal Audit Policy
- Risk Management Policy
- Human Rights policy
- Risk Management Policy

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.

The representation power of Company pertains to the Board of Directors acting collectively and by majority decision. The Board has broad powers to manage the activities of the companies, with the sole exception of matters under the jurisdiction of the Shareholders General Meeting or which are not included in the corporate purpose.

The delegated committees of the Board of Directors are the Audit Committee and the Committee for Sustainability, Corporate Governance, Appointments and Remuneration. 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. For its part, the duty of the Sustainability, Corporate Governance, 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.

At 31 December 2020, 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 President 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.

Finally, Prosegur Cash corporate governance is reinforced by other internal programmes such as: the Regulatory Compliance Programme which, through the existence of pre-established procedures, behaviour manuals and training activities, as well as a continuous process of critical evaluation and adaptation in matters of prevention of money laundering, defence of competition and unfair competition, anti-corruption and other matters, develops and complements the Prosegur Cash Code of Ethics and Conduct; the existence of standardised procedures in the development of each of the aforementioned corporate policies, or the articulation of collegiate, internal, permanent and multidisciplinary supervisory and control bodies, such as the Risk or Regulatory Compliance Committees, which are responsible for proactively ensuring the development, effective compliance and promotion of best practices, policies and commitments of the Company.

At the beginning of January 2021, Prosegur, as the parent of Prosegur Cash, was included in the ranking of the one hundred most responsible companies with the best corporate governance in Spain, prepared by the MERCO business monitor. Prosegur comes in 85th place, rising 13 positions compared to 2019 edition and once again the only company in the security sector in the top 100. The selection of Prosegur in this ranking, and the improvement in its position compared to the previous year, are recognition for the company in its work to guarantee responsible and transparent corporate governance and relationship protocols.

Annual Corporate Governance Report

Prosegur Cash Annual Corporate Governance Report for 2020 forms part of the Directors' Report, and is available on the website of the National Securities Market Commission and on the Prosegur Cash 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).

Prosegur Cash complies with 60 of the 64 recommendations of the Unified Code of Good Governance of Listed Companies, and partially fulfils the remaining four.

Ethics and compliance

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 the ethics and compliance with the rules is an obvious duty for the Company. Ethical conduct and compliance with regulations are essential aspects, especially critical for various reasons intrinsic to the Prosegur Cash business:

The Prosegur Cash Code of Ethics and Conduct provides guidance on how all the Company's professionals must behave. It reflects our commitment to act every day in accordance with common principles and standards in the development of our relations with stakeholders affected by its activity: employees, shareholders, clients and users, suppliers and associates, authorities, public administrations and regulatory bodies, competitors and the civil society in which it operates. All Prosegur Cash professionals are bound by the Code of Ethics and Conduct and we have the obligation to know and comply with it.

Regulatory compliance is one of the fundamental values that is framed within the Code of Ethics and Conduct. Prosegur Cash has a Compliance Programme in which all members of the governing bodies, managers and staff of Prosegur Cash have a commitment to ethical action and to strict regulatory compliance in the development of their activities. 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.

Prosegur Cash takes a “zero tolerance” approach to any non-compliance or irregularity. It 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.

The “Ethical and Compliance culture” is the one that permeates employees through the impulse of their managers with their leadership example. People are the foundation of ethics and compliance at Prosegur Cash.

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 Cash, 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 Directorates. 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 in most of the countries by a local Compliance Committee.

In countries in which, in certain spheres or matters, the rules are especially restrictive, the Company develops specific regulatory compliance projects. In order to ensure that the Compliance 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

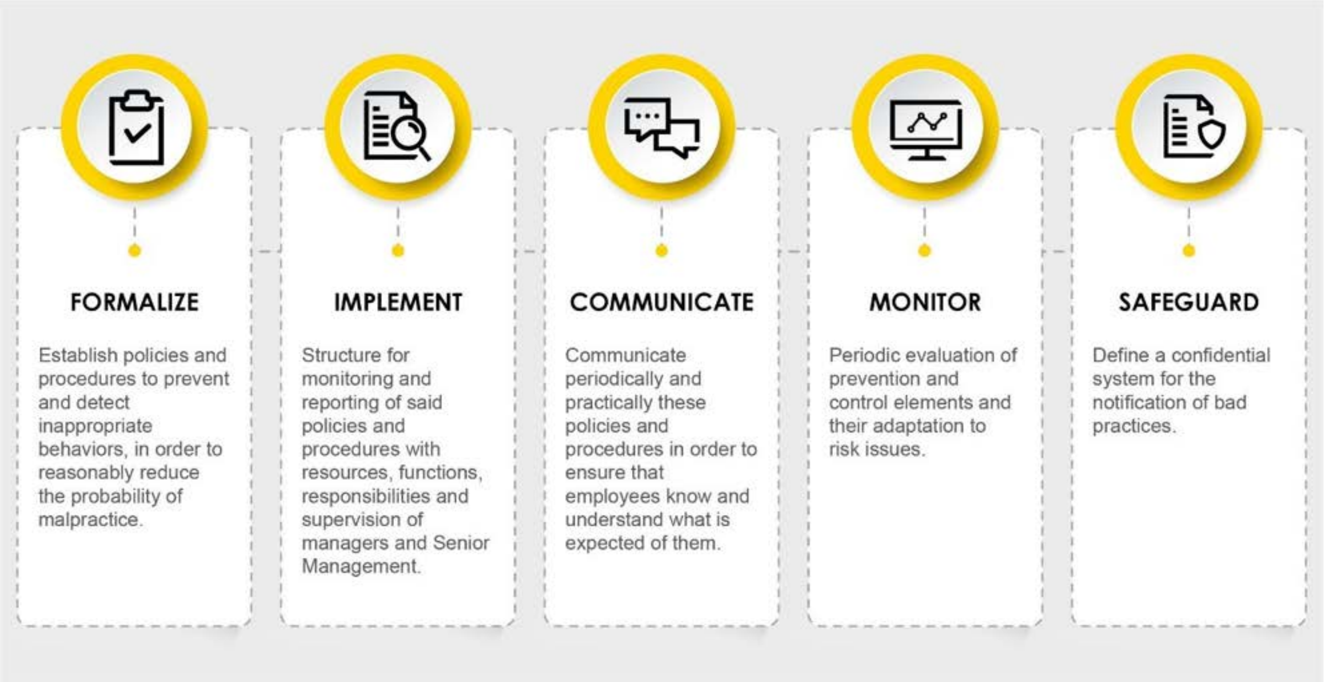
In Prosegur Cash there is the conviction that companies must work as generators of value, promoting the sustainable development of the countries in which they operate and contributing to their economic, environmental and social progress.

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:



FORMALIZE

Establish policies and procedures to prevent and detect inappropriate behaviors, in order to reasonably reduce the probability of malpractice.

IMPLEMENT

Structure for monitoring and reporting of said policies and procedures with resources, functions, responsibilities and supervision of managers and Senior Management.

COMMUNICATE

Communicate periodically and practically these policies and procedures in order to ensure that employees know and understand what is expected of them.

MONITOR

Periodic evaluation of prevention and control elements and their adaptation to risk issues.

SAFEGUARD

Define a confidential system for the notification of bad practices.

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 associated to the activity of Prosegur Cash being committed.

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 most 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.

Specifically, Prosegur Cash, as obliged subject in the countries where it carries out its business through local operating companies, has developed and implemented a money laundering prevention programme that consists of the following principles of action: knowledge of the client; analysis of operations; communication of suspicious transactions; development of training plans and ongoing collaboration with the regulators.

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 management 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.

In 2020, a total of 13,708 employees were trained (2019: 10,458 employees) in the prevention of money laundering.

Privacy

Prosegur Cash is firmly committed to the protection of personal data and specifically to compliance with the regulations that are applicable in terms of privacy in the different geographical areas in which it operates, with the main objective of protecting the rights and fundamental freedoms of the natural persons who intervene in the exercise of their activity.

Prosegur Cash has a Data Protection Management System, which fully complies with the requirements established by Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (GDPR), and Organic Law 3/2018 of 5 December, on the Protection of Personal Data and guarantee of digital rights (LOPDGDD), and is implemented throughout the organisation.

Prosegur Cash's Privacy Management System is based on the application of the most rigorous international Security and Privacy standards (ISO/IEC 27001 and ISO/IEC 27701: 2019) and is articulated through a tool called Privacy & Compliance Management System -P&CMS-, which allows the automated management of Prosegur Cash's Privacy Model, which is structured into 16 Domains covering the main control points to meet privacy regulations.

Likewise, Prosegur Cash has Regulations on privacy, made up of rules, policies, procedures and protocols of action for the exercise of rights of the data subjects and management of security breaches, among others, and has put all its efforts in the preparation of the Binding Corporate Rules of the Prosegur Cash Group, a legal instrument recognised in art. 46 of the GDPR, and a whole list of associated documentation, for the regularisation of International Intra-Group Data Transfers, which are currently in the process of being processed for approval by the European Control Authorities.

In 2020, Prosegur Cash undertook a project to review and update the Privacy Policies and Cookies Policies worldwide, in accordance with the privacy regulations applicable in the 25 countries in which Prosegur Cash is present, and customised according to the particularities of each line of business.

Privacy Training

During the financial year 2020, Prosegur Cash gave training actions on data protection, in person and on-line, segmented according to the needs of the company's business, as well as to the different nature of the profiles existing in the organisation, as a result of which a total of 482 employees were trained.

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, and plans to update the code in 2021.

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 it 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.

The Code of Ethics and Professional Conduct is available on the corporate website and is delivered to each employee for acceptance when they join the company.

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 an Ethics Channel enabling any person, whether or not they belong to the company, to report such conduct safely and anonymously via a tool available on the website www.prosegurcash.com. The Internal Audit Department independently and confidentially coordinates the overall management, investigation and resolution of any communications received.

In March 2020, a restructuring project on the Ethics Channel was concluded, which aimed to optimise the administration and control of the communications received in all Prosegur Cash countries. The purpose was to develop a single and global ethics channel for all of Prosegur Cash, with structured management and control, endowed with resources for its coordination and monitoring, a detailed common procedure and based on a governance and management tool according to existing needs, all with the objective of complying with both the applicable regulations in the different jurisdictions and with the highest international standards applied to this type of channels, all to fulfil the essential purpose of promoting a culture of transparency, ethics and freedom from corruption or fraudulent behaviour.

The following specific actions were carried out, among others:

- Adaptation to the different regulatory environments to which we are exposed.
- Drafting of unique corporate procedures for channel management.
- Appointment of corporate and local managers for its management.
- Description and assignment of responsibilities and obligations.
- Protection of the complainant and the accused.
- Development of a governance and management tool.
- Dissemination of the ethics channel.
- Communication and training for employees.

In short, the efficiency in the management and resolution of the communications received through the channel has been improved and the requirements included in Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 are included, relating to the protection of persons who report violations of Union law (Whistleblowers) that will come into force in 2021, consisting mainly of protecting the identity of the complainant and ensuring 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

Security is an essential value, a fundamental element in the prosperity and evolution of societies. As such, security and respect for human rights are closely linked and should be consistent. As a benchmark company in the cash in transit sector, Prosegur Cash assumes an active stance in the respect, protection and concern for the fulfilment of Human Rights.

From the conviction that they are a fundamental pillar of its business project, in October 2020 the Company's Board of Directors approved Prosegur Cash's Human Rights Policy, thus formalising the commitment to the solicitous and continued respect for Human Rights.

The Policy is part of the internal instruments, which already included the Corporate Social Responsibility Policy and the Code of Ethics and Conduct, through which Prosegur Cash ensures respect for the United Nations Guiding Principles on Business in particular and the Human Rights of the United Nations in general, and the obligations of the International Labour Organisation in the field of freedom of association and collective bargaining, discrimination, forced labour and child labour.

The principles set out in the Human Rights Policy will be applied to all company processes and relationships with employees, suppliers, clients and social environments, and they operate to a minimum.

Precisely with the firm intention of ensuring strict compliance with the Human Rights Policy, Prosegur Cash has systematised the management of due diligence based on the cycle of continuous improvement.

This operational approach ensures the continuous exercise of Due Diligence in Human Rights reinforced in 2018, and exemplifies the company's hopes that the actions, objective and processes in the field of Human Rights should be subject to review and constant improvement, guaranteeing that Prosegur Cash's internal processes effectively identify, prevent, mitigate and repair any possible negative impact on Human Rights.

Additionally, Prosegur Cash has a solid system to manage and control risks in which factors pertaining to human rights are considered. Through the system described in chapter 4.2. of this Directors' Report, the critical operational, regulatory, business, financial and reputational risks are identified and 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.

An essential part of this system is the 24/24 Ethics Channel, through which the company allows employees and third parties concerned to confidentially and anonymously report any irregularity of potential importance that might be noticed.

Prosegur Cash has not received any complaints in relation to Human Rights breaches (and did not receive any complaints in 2019 either).

5.5. Company information

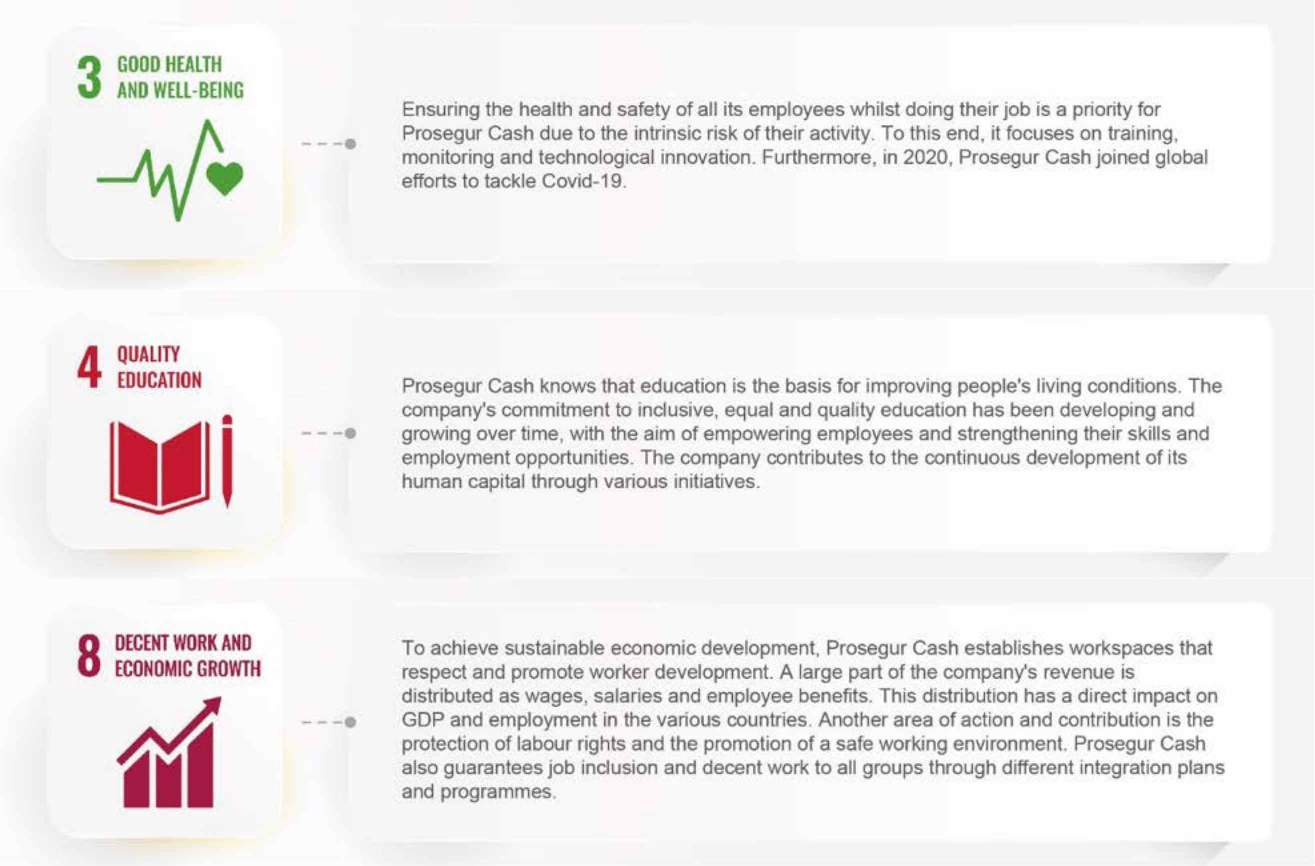
KPIs	2019	2020	Scope
Number of complaints received from clients/Number of complaints solved	31,075/23,822	27,588/23,208	94%

The scope of these KPIs excludes the scope of the new M&A acquisitions in 2020, disinvestments and the countries in which business 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 seven specific goals most closely related to its activities and lines of business.



Ensuring the health and safety of all its employees whilst doing their job is a priority for Prosegur Cash due to the intrinsic risk of their activity. To this end, it focuses on training, monitoring and technological innovation. Furthermore, in 2020, Prosegur Cash joined global efforts to tackle Covid-19.

Prosegur Cash knows that education is the basis for improving people's living conditions. The company's commitment to inclusive, equal and quality education has been developing and growing over time, with the aim of empowering employees and strengthening their skills and employment opportunities. The company contributes to the continuous development of its human capital through various initiatives.

To achieve sustainable economic development, Prosegur Cash establishes workspaces that respect and promote worker development. A large part of the company's revenue is distributed as wages, salaries and employee benefits. This distribution has a direct impact on GDP and employment in the various countries. Another area of action and contribution is the protection of labour rights and the promotion of a safe working environment. Prosegur Cash also guarantees job inclusion and decent work to all groups through different integration plans and programmes.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Digital transformation represents a strategic catalyst for Prosegur's Cash business, seeking to optimise operations via more efficient resource management, while having a direct impact on employees, clients, suppliers and communities in general. In this process, technology and innovation are a key element and a constant commitment in the pursuit of sustainable development.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Prosegur Cash works with the aim of being efficient in the use of resources and developing its activity and economic growth without degrading the environment. It also promotes sustainable behaviours among its employees, its value chain and society in general.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Through the strong structure of corporate governance, as well as monitoring and control mechanisms to ensure compliance with the law and ethical behaviour in its actions, Prosegur Cash ensures its contribution to transparency and accountability that enables the effective and sustainable development of institutions and their environment.

17 PARTNERSHIPS FOR THE GOALS

With the aim of promoting sector development, improve quality standards and drive more advanced public policies to support sustainable development, Prosegur Cash engages in industry dialogue via memberships of the main global, regional, national and local associations and organisations.

5.5.2. Suppliers

Prosegur, as the parent of Prosegur Cash, has a Resources Management Department shared by the different business divisions, which is responsible for managing resources, ensuring efficiency, cost reduction and sustainability, as well as the relations with suppliers and the necessary procurements. It is composed of four areas: Procurement and Supply Chain, Fleet, Property and Service Management.

Moreover, Prosegur, as the parent company of 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 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 indications of the General Standard on Procurement mentioned above, and the treatment of suppliers is framed within what is defined by the “ABC of suppliers” study, which is carried out continuously to segment strategies and action plans at its three levels, with identification and special treatment of those providers considered critical, regardless of the belonging.

Prosegur Cash encourages the hiring of suppliers that meet sustainability and corporate social responsibility criteria, that promote and subscribe to the United Nations sustainable development goals and that have some type of ESG certification, either by belonging to sustainable indices or through certifications in the matter. The same is included in the general purchasing conditions to which suppliers must necessarily subscribe.

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.

Prosegur Cash's purchase orders to its suppliers include acceptance of both the General Purchasing Conditions and the Prosegur Cash Code of Ethics. 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 currently has trade relationships with more than fifteen thousand suppliers in 18 countries, amongst which the following are some of the principal sectors:

- Technology: Technological material and subcontracting of services for the Security business.
- Fleet: Fuel and armoured vehicles for cash in transit.
- Service management: Supplies, cleaning, building maintenance, travel, telephony and others.
- Telecommunications & IT: Devices, software, hardware and technical assistance for all business lines and PGA.
- Buildings: Constructions, rentals and furnishing.
- Materials: For the Prosegur Alarmas business.
- Equipment and uniforms: Of the operations personnel.
- Machines: Operational and maintenance materials in the Prosegur Cash business.
- Other services: External advisors, marketing and training.

The main objectives that Prosegur Cash has in terms of Suppliers and Supply Chain for the coming years are:

- Supplier risk management: aimed at improving the risk management of our suppliers through a Risk Assessment that provides a supplier risk rating in concepts related to business continuity, environmental impact, employment and contracting conditions and reputational risk, among others. In this sense, a process will be implemented to certify suppliers in the period 21-23. All this based on the Oracle Cloud implementation schedule, which has Portugal as the first country implementation in May 2021.

– Supply Chain. Sales and Operations planning: Implementation of S&OP processes in all our business as a key element for decision-making. S&OP together with the standardisation, automation and robotisation of processes will be key elements to increase the efficiency, resilience and agility of our operations.

Prosegur Cash reserves the right to carry out audits of its suppliers by contract. In 2020, Prosegur Cash made no audit.

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.

Complaint channels and operation

For the claims that derive in Civil Liability, the usual channel is to make a formal claim exposing the facts and the amount claimed for the damages suffered. The salesperson sends the claim to the Legal department and this in turn and with the Risks area arranges the processing of compensation, if applicable.

For the rest of claims, there are multiple channels:

- Billing claims, received by the salesperson and resolved by the CAAP.
- Operational claims for deficiencies in the operation, received by the salesperson or the operational department
- Others

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, which includes the following countries: Spain, Germany, Portugal and Luxembourg (despite not being an area where it has any operational activities, it is included due to the existence of the Luxembourg company Pitco Reinsurance, S.A., whose corporate purpose is insurance cover).
- 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 the Singapore company Singpai Pte Ltd., whose corporate purpose is administrative coverage) and Indonesia.
- LatAm, which includes the following countries: Argentina, Brazil, Chile, Colombia, Mexico, Paraguay, Peru, Uruguay, Guatemala, Nicaragua, El Salvador, Honduras and Ecuador.

The revenue and profits from each of the segments mentioned are as follows:

	Europe	**AOA**	**LatAm**	**Total**
Profit before tax	(13,049)	(51,612)	152,976	88,315

EUR 6 million of taxes were paid in the European region, 0 in AOA and EUR 70 million in LatAm.

The breakdown of the effective rate by country is as follows:

	Argentina	**Brazil**	**Spain**	**Peru**	**Chile**	**Germany**	**Paraguay**	**Other**
TFE	63%	27%	387%	36%	85%	20%	10%	5%

The breakdown of the effective rate by geographic region is as follows:

	Europe	**AOA**	**LatAm**
TFE	72%	1%	42%

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 income tax in 2020 was EUR 76 million.

5.5.5. Prosegur Foundation

The Company's social commitment

The Prosegur Foundation is a non-profit organisation that channels the company's social and cultural action, with the aim of helping to build a more caring society and generating development opportunities for people. A commitment to the communities in our environment, which is materialised through projects in three priority fields of action: education, labour inclusion of the intellectually disabled and corporate volunteering.

With this mission, we work in 14 countries on 3 continents (Argentina, Chile, Colombia, Costa Rica, El Salvador, Spain, Guatemala, Honduras, Nicaragua, Paraguay, Peru, Portugal, Singapore and Uruguay), progressively implementing the initiatives in the different countries under criteria of sustainability, transparency and replication of good practices.

With sensitivity to local needs, all Foundation programmes share the same approach to focus on the following objectives:

- ►To support the training of new generations, in the conviction that education is the best tool for future development. In the current context of transformation, we place special emphasis on reducing the digital gap and promoting the skills of the 21st century for comprehensive training of students.

- ►To encourage the social inclusion of less favoured groups, trying to generate changes in attitude towards more supportive values. This is the case of the employability of people with intellectual disabilities, an area in which we work away from welfare approaches.

- ►To develop corporate volunteering actions, seeking to reinforce skills and competencies in employees, as well as involving them tangibly and directly in the improvement of their communities.

A social work that - aligned with the United Nations 2030 Agenda for the fight against poverty, inequality and the defence of the planet - contributes to achieving the following Sustainable Development Goals: Quality Education (ODS4), Decent Work (ODS8) and Generation of Alliances (ODS17), which strategically seek to draw on synergies between entities for a greater social impact.

To carry out these projects, the Prosegur Foundation has a professional team headed by the President of Prosegur. The Board of Trustees is made up of representatives of the Board and the Prosegur Management Committee, who encourage social commitment and promote the institution's activities. Teamwork and continuous improvement processes govern our work, which aspires to be an area that generates shared value for society, the company and its stakeholders.

Building the Future through Education

Our priority field of action is structured around three main programmes that support equal opportunities, talent and sustainability:

1. Piecitos Colorados

The aim of our Piecitos Colorados Development Cooperation programme is to improve comprehensive education and the quality of life of boys and girls living in disadvantaged areas of Latin America, turning schooling into an engine of change. With 37 active educational centres in Argentina, Chile, Colombia, Paraguay, Peru and Uruguay, which benefit 5,086 students, the project emphasises cooperation and joint responsibility between families, the educational community and the company to make transformation possible. By enhancing human capacities and improving the use of environmental resources, Piecitos Colorados aspires to achieve self-management of schools and to increase their development opportunities.

The programme has a comprehensive intervention model, divided into phases: rehabilitation of infrastructures, nutritional training, educational improvement and promotion of sport. Furthermore, during the accompaniment to the schools and with the support of the teachers, we detect the talent to give scholarships to the most outstanding students to continue their education, thus training professionals who will work in the future for their communities.

Committed to an inclusive and quality education, Piecitos focuses on reducing the digital gap of the most vulnerable students, and on offering educational innovation methodologies that allow us to approach a new way of teaching and learning (Education 5.0), focused on the 21st century competencies, such as entrepreneurship, teamwork or creativity. To do this, we work in alliance with leading entities (Fundación Empieza por Educar, Nutrición Sin Fronteras, Fundación Créate, UWC España and Fundación Amigos del Museo del Prado), providing them with tools and knowledge that expand their future opportunities.

2. Talent Scholarships

With the aim of contributing to the training of new generations, we have developed the internal Talent Scholarships programme: a commitment to academic excellence and personal effort, both for Prosegur Cash employees and their children. The scholarships are adapted to the needs of each country: aid for secondary studies; for children of university age or for technical studies, and for the employees themselves who combine training with their work at Prosegur Cash.

The programme is implemented in 14 countries (Argentina, Chile, Colombia, Costa Rica, El Salvador, Spain, Guatemala, Honduras, Nicaragua, Paraguay, Peru, Portugal, Singapore and Uruguay), and has benefited more than 13,700 students to date.

3. Planeta Limpio (Clean Planet)

Our environmental education projects seek to make new generations aware of the importance of sustainable development and proper waste management. And it wants to do it from school, where behaviours and valuesthat will accompany them in their adult life are learnt. Thus comes Planeta Limpio (Clean Planet), an initiative in alliance with LEGO® Education and its hands-on methodology, aimed at students of between 8 and 12 years old, who develop 21st century skills while solving missions to take care of their environment with the help of robots. To date, more than 8,000 students from Santander and A Coruña have participated in the different training actions, which, in addition to workshops in the classrooms, include on-line challenges and fun days open to the public.

Building Future, from Inclusion

Since 2007, through its foundation Prosegur has promoted different initiatives focused on the social and labour inclusion of people with intellectual disabilities, offering this group a more stable future through employment. The projects have been implemented through the replication of good practices, and are already under way in Argentina, Chile, Colombia, Spain and Peru. The following stand out among them:

- ► Labour Inclusion Plan for people with intellectual disabilities. Based on the Supported Employment (EcA) methodology, it enables different talent to be brought into Prosegur's headquarters, with a sustainable approach: jobs are offered with real content and which meet the company's needs. To do this, we form alliances with entities specialised in this group, such as Prodis or Aprocor in Spain; Best Buddies Colombia, Ann Sullivan Centre of Peru; Fundación Coanil in Chile or Fundación Discar Argentina.

- ► Documentary Excellence Centre. An example of the generation of shared value between company and society, the initiative arises from the need for the Company to digitise its paper documentation, in order to achieve a more efficient and environmentally friendly management. The Documentary Excellence Centres, which are made up of people with intellectual disabilities, are currently implemented in Spain, Brazil, Chile and Peru and have reached a volume of documents digitised globally that exceeds 9 million. In addition to the impacts on productivity, this project fosters labour diversity at Prosegur and contributes to reduce the digital gap for this group.

- ► Aprocor-Prosegur Special Employment Centre. In alliance with the Aprocor Foundation, this labour inclusion initiative was started in 2007: a special employment centre is a company in which at least 70% of its workforce is made up of people with some type of disability of 33% or more. Its activity focuses on industrial laundry and dry cleaning, including the recycling process and the destruction of garments, with Prosegur as the main client. Thanks to its innovative and sustainable approach and the application of new technologies, this inclusive project has evolved by adapting to business needs until today it has become Prosegur's Merchandise Consolidation and Combination Centre. Here the uniforms from all Prosegur operating staff at European level are received, distributed, recycled and destroyed in accordance with environmental standards. Professionals with disabilities have support based on pictograms and QR codes, as well as innovative computer software that allows employees with reading and writing difficulties to manage garments in the different phases of the work chain.

Building the Future with Volunteering

We believe in people and in their power to generate changes that improve the social environment. Under this premise, from the Prosegur Foundation we encourage the participation of the company's professionals in different volunteer actions, thus supporting their commitment to solidarity. To connect efforts that multiply the impacts, the initiatives are framed within our priority fields of action:

- ► Volunteering in Piecitos Colorados: The solid link between the staff and the schools in the programme is one of the essential features of the project and also the attribute that gives the intervention model a unique character. In addition to presenting candidate schools for the programme, it is the employees themselves who actively participate in the improvement actions on the ground. This volunteering has evolved from an initial phase more focused on the rehabilitation of infrastructures and delivery of kits, towards the transmission of knowledge and experiences. Thus, Prosegur professionals are those who give workshops on matters of safety, recycling and the environment, art, valuesor entrepreneurship, broadening the horizons of those most vulnerable students.

- Volunteering for Inclusion. With our programme of inclusive activities, we seek to sensitise employees and their families about diversity and the right of people with disabilities to participate fully in society. The inclusive days implemented in Spain and Latin America have a varied theme (adapted sport, theatre, painting and cooking workshops, geocaching, eco-hiking, marathon or Camino de Santiago) and a common axis: teaming up with people with disabilities in a standardised and leisure environment.

- Motivational talks and professional guidance. The lack of references and information on job opportunities affect the dropout rate of young people from vulnerable backgrounds. To alleviate this deficit, Prosegur volunteers share their professional and personal experiences with secondary school or vocational training students in Madrid, serving as an example and motivation for them to continue with their studies and guiding them in their future.

2020: the year that stopped the world and made us reinvent ourselves

The Foundation's social work, articulated in the projects described above, was directly affected by the outbreak of the Covid19 pandemic. The global scope of the crisis, the limitations due to lockdowns and uncertainty, placed us in an unprecedented context that resulted in the withdrawal of actions on the ground at the international level, to focus only on essential initiatives.

With presence and means limited, initiatives were reoriented to continue giving value to society at a time of greatest need. In the adaptation process, the focus was on the beneficiary (client-centric) and on the following levers in order to reach people:

- Agility, to take the pulse of social demands and act fast.
- Digitisation, in a double sense: in the internal procedures and channels, as well as in the improvement of the beneficiaries' technological skills.
- Scalability: the design of each action took this factor into account to be replicated in different countries and thus be more efficient.

With a clear commitment to networking and a more innovative mindset, these are the lines of work that we have deployed in 2020:

Close to Society

To support society at a critical time of the pandemic, we mobilised the Company's professionals in Spain, who once again demonstrated their commitment to solidarity. Thus, they decided to join the "Letters against Loneliness" initiative promoted to virtually bring words of encouragement to the elderly in residences, or by getting involved in the production of personal protective equipment (PPE), which Prosegur Cash employees sent in armoured trucks to where it was most needed. More than 12,700 kits for health personnel were distributed in 88 institutions.

In addition, in line with the constant commitment of the Latin American staff to the schools of the Piecitos Colorados programme, our professionals have wanted to be close to the most vulnerable students, collaborating in the delivery of books, school supplies and basic necessities to the families with fewer resources.

Together with our employees and their families

Aware of the unprecedented situation that many company employees were experiencing, making telework compatible with the training of their children due to the closure of schools, an internal on-line campaign was launched in Spain, Latin America and Central America to provide them with recreational-educational activities.

Through 37 communications launched in 12 countries, we have brought didactic content on science, cybersecurity, cultural heritage, creativity, caring for the environment or STEAM skills. In this sense, the #AprendemosConectados proposal stands out, where thanks to the reconversion of our collaboration with educational partners (Lego Education Robotix; Schoollab) from off-line to digital, we were able to offer on-line platforms with programming, science and maths challenges during lockdown.

In addition, in order to be close to our university talent scholarship recipients in this complex year, we have carried out Labour Guidance Workshops with the support of the Human Resources department, to provide them with useful tools in order to find their first job, to help them face a selection interview or to show what skills are the most demanded by companies today. The training sessions have been developed in Argentina, Chile, Colombia, Spain, Paraguay and Uruguay and Peru and Central America will be added in 2021.

In the process of digitisation and the adoption of teleworking that the workforce has experienced, we have paid special attention to the group of professionals with intellectual disabilities in Prosegur Cash. With the support of our partner foundations, we have carried out an evaluation of each position in Spain and Latin America, detecting those that could be adapted to teleworking, and employees have received the necessary training in technological tools to be able to tackle their tasks from home.

Bridging the digital gap

Every student counts. Given the unprecedented context of the closure of schools, we could not fail to meet the educational needs of those who still have more difficulty: the students of our Piecitos Colorados Development Cooperation programme. Aware of the lack of connectivity and of technological devices in many of their homes, helping Piecitos also meant addressing the reverse process of digitisation that we were promoting in other environments. Thus, the didactic materials of the Lego and Schoollab platforms were adapted to the paper format, to bring these science and mathematics contents in the form of booklets to the families and to help the students continue with their training.

A training that has also reached teachers. With the aim of reinforcing their digital skills, we have given tutorials and training in technological tools, so that they can use these resources to communicate with their students, to promote networking and to develop new didactic content. In this support to the teachers and in response to their request to strengthen the students' curricula, the Foundation has prepared a total of 34 booklets with more than 140 activities related to cross-cutting subjects (mathematics, physical education, emotional intelligence or healthy eating) that have benefited more than 4,700 Latin American students.

The educational gap that the pandemic has generated has also resulted in a digital gap. For this reason, together with giving educational content, we wanted to contribute to reduce these differences by donating computers and tablets. Thanks to the collaboration of our IT departments, more than 100 devices have been delivered to vulnerable students from Argentina, Chile, Colombia and Spain, in a line of work that will continue in 2021.

Relying on innovation

With a global impact, the health crisis caused by the coronavirus has changed the way we work, travel, interact or study. It is in this last sphere where as a Foundation we wanted to focus this year, aware of its irreplaceable role as a motor of progress and because it is a fundamental right of children and young people. Because as the virus spread, its effects were greater on education, until it reached an unprecedented situation: More than 1.5 billion students and 63 million teachers in 191 countries were affected by the closure of schools, according to UNESCO data for April.

Thus, during the lockdown, our entity participated in Third Sector forums, where it heard groups such as parents, students, teachers and foundations in the social and educational field, express the same concern: the need to return to the physical classroom. A concern turned into a challenge as it affected all types of educational institutions, which had to be urgently resolved worldwide, but under the premise of public health and safety.

Because for students, the classroom represents the centre of their integral development. Our brain is social, and both children and young people need to interact with their peers to maintain their emotional balance and to promote basic soft skills in the 21st century. The closure of schools and the activation of on-line teaching added to these effects in student training, the impact of inequality due to the digital gap, the teaching overload and difficulties in reconciling family and work.

At Fundación Porsegur, we therefore assume this situation as a first level social challenge, but how can we tackle this unprecedented challenge from our perimeter of action? In this reorientation process, our Foundation found a reference framework in the company to approach other approaches to project management and disruptive methodologies. Specifically, in the area of innovation and its open innovation programme, which was already working to address other business challenges. With a change in mentality, we decided to propose a safe return to face-to-face education as an innovation challenge aimed at the start-up ecosystem at international level.

This started the For a COVID Free face-to-face education: the challenge that the Prosegur Foundation - together with the company's Open Innovation area - launched to entrepreneurs in June to detect initiatives (scalable and with agile implementation) that can provide the solutions that our society needs. In four weeks, a total of 85 proposals were received from 20 countries, with the Spanish start-up Nothingbutnet winning with its Soocial Distance solution. A technological tool to ensure the maintenance of social distance in high-occupancy spaces, which was deployed on 7 September by its pilot in a state-supported school in Paterna (Valencia).

This technology allows each student to be detected and positioned in real time with a highly accurate location system. In this system, sensors were installed in the school which, together with the tags in the form of cards that the children carry, make sure the infant students keep the safety distance between the “bubble” groups, both in the classrooms and in the playground. When two students from different groups get too close, the cards vibrate to warn them that they are not at a safety distance. In addition, if a student were to become infected, it would be possible to anonymously trace the devices with which they have had close contact, allowing the school to make the relevant notifications.

Although the pilot will continue until the end of the school year, the data obtained in this first quarter yield interesting conclusions:

- There has been a progressive fall in interactions between bubbles: this reflects the children's learning.
- What's more, the children have naturalised the use of technology and the incorporation of security protocols to protect themselves.
- The movements are reflected in heat maps, which detect the busiest areas, so the school can organise disinfection work more efficiently.
- Given that real data are obtained on the movements of each student and each group, possible new uses in schools have been identified for the future. This is the case of detecting the degree of physical activity and the possible isolation of students, which is useful information for the school in taking preventive measures against childhood obesity or bullying.

On an annual basis, the Prosegur Cash Group contributes to the Prosegur Foundation the funds necessary for its operation. Contribution to the Prosegur Foundation in 2020 amounted to EUR 1.1 million.

5.5.6. Contingency plans during the COVID-19 crisis

In 2020, Prosegur Cash was not immune to the effects of the pandemic caused by COVID-19; in this context we acted quickly to minimise the impact and ensure the quality and continuity of our services.

Prosegur Cash's main services were declared essential. In this complex context, our teams are playing a fundamental role and are serving a wide variety of sectors. Some are as critical as health infrastructures, logistics centres or food distribution chains.

To safeguard employee health and safety, Prosegur Cash has established a series of organisational and health measures, among which the following stand out:

- Prioritisation of remote work. All those positions in which teleworking is feasible are using this form of work. Wherever it is not viable due to the type of post, contingency plans have been activated in order to protect the health of all our professionals.
- Plant adaptation. Beacons and signs have been implemented in our facilities; we have established capacity control mechanisms; we have increased cleaning and disinfection measures and made mandatory mask usage and social distancing.
- Regarding cleaning and disinfection measures, from the outset of the pandemic, an urgent disinfection protocol was designed to treat risk areas and prevent possible sources of contagion. In the same way, ordinary cleaning products have been replaced by viricides recommended by the health authorities and the frequency of cleaning has been stepped up in areas of higher occupancy and risk, such as call centres, surveillance areas and other operational areas unable to resort to teleworking. Similarly, a plan was designed and implemented to ensure the presence of alcoholic hydrogel in all work areas in a sufficient quantity to ensure the permanent disinfection of workers.

Regarding vehicles, in addition to being included in the special protocols for urgent disinfection, specific viricides have been provided for use by the users themselves.

- ► Plant management methodology. Prosegur Cash has developed a methodology that facilitates the company's compliance with official requirements, while protecting all employees. The company has a reliable record of its workers' relationship with the disease; it can generate protocols for the reincorporation of professionals, approval of movements and access control, based on the person's risk situation, and can manage the workspaces and how the employees are distributed.

The service makes it easier for employees to know their personal risk status, to improve their prevention and self-care actions and be able to prevent contact with asymptomatic people. Prosegur Cash may also have risk maps, greater capacity to act in situations of insecurity, and a channel of information and permanent and updated contact with professionals. This methodology has been applied successfully both for spaces in support areas with indirect personnel and for operational properties such as Alarm Receiver Centres, Control Centres and delegations, and has been exported to all the countries where Prosegur Cash operates so that it can be customised to reality and local legislation.

- ► Reinforcement of communication. At Prosegur Cash, we have promoted our communication channels with the different stakeholders with whom we interact. Very particularly, we have strengthened internal communication with our employees. Among other actions, we send periodic reminders with the recommendations and basic hygiene measures, we report the new protocols on a recurring basis, we conduct surveys and, ultimately, we establish a fluid dialogue between the company and our employees.

- ► We increase the resilience of our supply chains to adapt to the needs and volatility of the markets, ensuring the worldwide availability of the necessary protective equipment. At Prosegur Cash since the beginning of the pandemic, we have modified our procurement and supply strategy to guarantee the redundancy of supply sources, combining short, medium and long-term strategies with local, regional and global means.

- ► We implement business continuity plans: During the health crisis, maintaining excellence and quality in the service we provide to our clients has been an ongoing task. At Prosegur Cash we are prepared to face these situations through the deployment of our business continuity plans. Thanks to the anticipation and extraordinary commitment of our team, we have guaranteed the continuity of services to our clients at all times. This is even more important, considering that our activities are part of an essential sector for society.

5.5.7. Innovation

In the Strategic Plan 2018-2020, Prosegur Cash set as an objective to continue strengthening its leadership in the industry through three basic pillars: Digitisation, Innovation and Growth. Through the different initiatives that the company has launched as part of an ambitious Digital Transformation Plan, technology is now no longer an instrument but rather an intrinsic part of our activity.

Innovation has become a cornerstone of the future Prosegur Cash business. To promote innovation, Prosegur Cash supports all collaborators in the transformation process through the use of new work and collaboration tools such as “agile” or “design thinking”; it fosters a suitable internal culture with communication and training plans for all employees, and develops its own ecosystem through open innovation programmes and other collaboration models with technology partners (from start-ups to leading global companies in their field).

Innovation has become a cornerstone of the Company’s future business. After the identification and certification process carried out during the course of 2020, it has been established that in 2019 Prosegur Cash invested more than EUR 5.4 million in projects approved as innovation by the governments of the countries in which it operates, representing growth of more than 150% compared to the equivalent investment in 2018. Likewise, throughout the 2018-2020 Plan, over EUR 5 million have already been invested directly in innovative start-ups, with technological solutions that are quickly incorporated into the range of services and solutions for clients.

In 2020, Prosegur Cash directed its innovation efforts at three priority objectives: that of improving the efficiency of its processes, that of reducing the environmental impact of its operations, and that of launching innovative products with high added value.

Prosegur Cash promoted and improved the services offered through Smart Cash, a product that has seen a growth of more than 22% in the last year with a significant stake on the instant depositing in the client's account of the cash placed in the machines. Product attributes will continue to increase throughout 2021, especially in the realm of communication channels and front-office solutions.

In addition, in accordance with the comprehensive sustainability plan to reduce the environmental impact of its operations, the first twelve hybrid armoured units (diesel-electric) were presented in Spain and the world's first 100% electric armoured vehicles in Germany.

In this sense, one of the priority levers of action is the plan for the hybridisation and electrification of these vehicles. Likewise, the impact of the use of plastic bags has been reduced with 100% use of recycled material in Europe.

Finally, and before the end of the year, Prosegur Cash launched Prosegur Crypto, the first digital asset custody model that combines Prosegur's infrastructures and physical security protocols with the latest cryptographic and cybersecurity technologies. A solution aimed at the institutional market for the storage of cryptocurrencies or any other digital asset, which also allows its completely secure administration through a mobile application.

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-	Reporting in cases of the infringement of human rights	GRI 103-2 GRI 406-1	213
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-	The profits obtained country by country	GRI 207-4	217
-	Income tax paid	GRI 207-4	217
-	Public grants received	GRI 201-4	217

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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 . Business should support and respect the protection of international fundamental human rights recognised in their area of influence	5.4. Respect for Human Rights
Principle 2. Companies should make sure that they are not complicit in Human Rights abuses.	
Labour laws	
Principle 3. Business 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
Principle 5. Companies should support the effective abolition of child labour.	5.2. Social and employment matters
Principle 6. Companies should support the elimination of discrimination in respect of employment and occupation.	5.2. Social and employment matters
Environment	
Principle 7. Business 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. Business 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
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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 President 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 focus - 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	-
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	-
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	-
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 organisation 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 2020 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 aspects. Specify which stakeholders raised each of the key topics and problems	5. Statement of Non-financial Information	-
REPORTING PRACTICE			
102-45	Entities included in the Consolidated financial statements	2020 Consolidated Annual Accounts Report Avaialble 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 restated	-
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)	2020	-

102-51	Date of the last report (if appropriate)	2019	-
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 2020 Consolidated Directors’ Report, has been audited by EY.	-
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 focus - 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 focus - 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	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 focus - 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	-

Independent Limited Assurance Report of the Consolidated Non-Financial Statement for the year ended December 31, 2020

PROSEGUR CASH, S.A. and SUBSIDIARIES

Ernst & Young, S.L.
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INDEPENDENT LIMITED ASSURANCE REPORT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Shareholders of PROSEGUR CASH, S.A.:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the Consolidated Non-Financial Information Statement (hereinafter NFS) for the year ended December 31, 2020, of PROSEGUR CASH, S.A. and subsidiaries (hereinafter, the Group), which is part of the Group's accompanying Consolidated Management Report.

The content of the Management Report includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our assignment has been exclusively limited to the verification of the information shown in table “Index of contents required by Law 11/2018” of the accompanying Statement.

Responsibility of the Board of Directors

The preparation of the NFS included in the Consolidated Management Report of PROSEGUR CASH, S.A. and its content is the responsibility of the Board of Directors of the Group. The NFS was prepared in accordance with the content required by prevailing company law and in conformity with the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) selected, as well as other criteria described in accordance with that indicated for each subject in table “Index of contents required by Law 11/2018” from the accompanying Management Report.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

Our independence and quality control procedures

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of professional integrity, objectivity, competence, diligence as well as confidentiality and professional behavior.

Our Firm complies with the International Standard on Quality Control No. 1 and thus maintains a global quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, as well as applicable legal provisions and regulations.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited verification report based on the work performed, that refers exclusively to 2020. Our review has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "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 the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and execution timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- Meeting with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- Analyzing the scope, relevance and integrity of the content included in the NFS for the year 2020 based on the materiality analysis made by the Group and described in section "Materiality", considering the content required by prevailing mercantile regulations.
- Analyzing the processes for gathering and validating the data included in the 2020 Non-Financial Statement.
- Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2020 NFS.
- Checking, through tests, based on a selection of a sample, the information related to the content of the 2020 NFS and its correct compilation from the data provided by the information sources.
- Obtaining a representation letter from the Board of Directors and Management.

Conclusion

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group NFS for the year ended December 31, 2020 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria of the selected GRI standards, as well as other criteria, described as explained for each subject matter in the table “Index of contents required by Law 11/2018”of the Management Report.

Use and distribution

This report has been prepared as required by prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Alberto Castilla Vida

February 25, 2021

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT OF 2020

The members of the Board of Directors of Prosegur Cash, S.A. hereby confirm that, to the best of our knowledge, the Consolidated Annual Accounts for 2020, authorised for issue by the Board of Directors at the meeting held on 23 February 2021 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 consolidated directors' reports provides a reliable analysis of the Company's performance and results and the position of Prosegur Cash, S.A. and its consolidated group taken as a whole, together with the main risks and uncertainties facing the Group.

Madrid, 23 February 2021.

Mr Christian Gut Revoredo
Executive President

Mr Pedro Guerrero 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
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 2020. 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 Shareholders 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

Audit Report on Annual Accounts
issued by an Independent Auditor

PROSEGUR CASH, S.A.
Annual Accounts and Director' Report
for the year ended
December 31, 2020

Building a better
working world

Building a better
working world

Ernst & Young, S.L.
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28003 Madrid

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Fax: 915 727 238
ey.com

AUDIT REPORT ON ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and annual accounts originally issued 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 as at December 31, 2020, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

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 as at December 31, 2020 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying annual accounts) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations 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 related to independence, that are relevant to our audit of the annual accounts in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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 judgment, were of most significance in our 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 audit opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of long-term investments in group and associated companies

Description	As at December 31, 2020, the Company has recognised in non-current assets, investments in group companies and associates amounting to 1,288 million euros, representing 67% of total assets. The Company assess, at least once a year, the existence of impairment indicators and performs the necessary valuation adjustments whenever there is objective evidence that the carrying amount of an investment will not be recoverable, being the amount of the adjustment, the difference between its carrying amount and the recoverable amount determined considering the value in use. The determination of the recoverable amount requires complex estimations, which entails the application of judgements in establishing the assumptions considered by Company Management in relation to those estimates. We have considered this a Key Audit Matter due to the significance of the amounts involved, and the inherent complexity of the estimation process in determining the recoverable amount of these investments. Disclosures for the recognition and valuation criteria as well as the main assumptions used by Company Management in determining the impairment losses on long-term investments in group companies and associates, is included in Notes 2.d) and 8 of the accompanying annual accounts.
Our Response	Our Audit procedures included, among others, the following: ▶ Understand the processes established by Company Management to determine impairment of the losses on long-term investments in group companies and associates, including assessment of the design and implementation of relevant controls. ▶ Assessment of the analysis of impairment indicators of the long-term investments in group companies and associates carried out by Company Management. ▶ Review of the models used by Company Management, in collaboration with our valuation specialists, encompassing its mathematical coherence, reasonableness of the projected cash flows, discount and long-term growth rates, as well as the consistency of these models with the business plans approved by the Company's governing bodies. Throughout the performance of our work, we held interviews with those responsible for the preparation of the models and using renowned external sources and other available information to contrast the data. ▶ Review of the sensitivity analysis performed by Company Management regarding the estimates performed in determining the recoverable amount in the event of changes in the relevant assumptions considered. ▶ Review disclosures included in the annual accounts in accordance with the applicable financial reporting framework.

Other matters

On February 27, 2020 other auditors issued their audit report on the annual accounts for the year ended December 31, 2019, where they expressed an unmodified opinion.

Other information: director's report

Other information refers exclusively to the 2020 directors' report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the directors' report. Our responsibility for the directors' report, in conformity with prevailing audit regulations in Spain, entails:

a. Checking only that certain information included in the Annual Corporate Governance Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the directors' report with the annual accounts, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the directors' report is consistent with that provided in the 2020 annual accounts and its content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the audit committee for the annual accounts

The directors are responsible for the preparation of the accompanying annual accounts so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2.a) to the accompanying annual accounts, 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 has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

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 audit regulations 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 the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the director's 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 fair presentation.

We communicate with the audit committee of the Company 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 audit committee of the Company with a statement that we have complied with relevant ethical requirements, including those related to 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 with the audit committee of the Company, we determine those matters that were of most significance in the audit of the annual accounts of the current period and 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.

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on February 25, 2021.

Term of engagement

The ordinary general shareholders' meeting held on June 3, 2019 appointed us as auditors for 3 years, commencing on December 31, 2020.

ERNST & YOUNG, S.L.
(Registered in the Official Register of
Auditors under Nº S0530)

(Signed on the original version in Spanish)

David Ruiz-Roso Moyano
(Registered in the Official Register of
Auditors under Nº 18336)

February 25, 2021

PROSEGUR
CASH

Annual Accounts and Directors´ Report at 31 December 2020

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

Prosegur Cash, S.A.

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I. INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

(Expressed in thousands of EUR)

	Note	2020	2019
Net turnover	**3**	**332,850**	**113,016**
Dividend received		317,994	100,000
Loan interest income		1,022	1,490
Provision of services		13,834	11,526
Supplies		**(1)**	**(1)**
Consumption of raw materials and other consumables		(1)	(1)
Other operating income		**—**	**1**
Operating subsidies added to year's result		—	1
Personnel Expenses	**3**	**(5,131)**	**(3,876)**
Wages, salaries and similar charges		(4,223)	(3,163)
Social security obligations		(908)	(713)
Other operating expenses		**(10,459)**	**(7,567)**
External services	**3**	(8,548)	(5,545)
Taxes		(113)	(110)
Other ordinary expenses		(1,798)	(1,912)
Fixed assets deterioration	**6 and 7**	**(4,698)**	**(2,925)**
Impairment and result for disposal of fixed assets		**(161)**	**—**
Profit/(losses) on disposals and other operations	**6**	(161)	—
Other profit/(loss)	**3**	**(1,795)**	**—**
OPERATING PROFIT/(LOSS)		**310,605**	**98,648**
Financial income	**4**	**10**	**34**
Negotiable securities and other financial instruments		10	34
Third parties		10	34
Financial expense	**4**	**(15,013)**	**(14,418)**
From payables to Group companies and associates		(2,559)	(3,597)
From payables to third parties		(12,454)	(10,821)
Exchange differences	**4**	**(68)**	**1,030**
NET FINANCE INCOME		**(15,071)**	**(13,354)**
PROFIT BEFORE TAX		**295,534**	**85,294**
Income tax	**15**	6,461	4,191
PROFIT/(LOSS) FOR THE YEAR		**301,995**	**89,485**

The accompanying notes form an integral part of the Annual Accounts for 2020.

II. BALANCE SHEET AT 31 DECEMBER 2020 AND 2019

(Expressed in thousands of EUR)

ASSETS	**Note**	**2020**	**2019**
NON-CURRENT ASSETS		**1,299,226**	**1,180,451**
Intangible assets	**6**	**7,636**	**8,697**
Patents, licences, trademarks and others		435	1,611
Computer software		5,678	5,920
Other intangible assets		1,523	1,166
Property, Plant and Equipment	**7**	**2,281**	**1,335**
Technical facilities and other property, plant and equipment		2,281	1,335
Long-term investments in Group companies and associates	**8**	**1,288,396**	**1,169,798**
Equity instrument		1,288,396	1,169,798
Long-term financial investments	**9**	**112**	**86**
Other financial assets		112	86
Deferred tax assets	**15**	**801**	**535**
CURRENT ASSETS		**631,168**	**188,622**
Trade and other receivables		**23,188**	**25,290**
Clients, Group companies and associates	**9**	19,393	21,222
Miscellaneous receivables	**9**	97	97
Public entities, other receivables	**15**	3,698	3,971
Short-term investments in Group companies and associates		**444,717**	**120,653**
Loans to companies	**9**	220,575	104,739
Other financial assets	**9**	224,142	15,914
Short-term deferrals		**1,316**	**1,697**
Cash and cash equivalents	**11**	**161,947**	**40,982**
Cash and other cash equivalents		161,947	40,982
TOTAL ASSETS		**1,930,394**	**1,369,073**

The accompanying notes form an integral part of the Annual Accounts for 2020.

NET EQUITY AND LIABILITIES	Note	2020	2019
EQUITY		**331,689**	**72,560**
Shareholders' equity		**331,689**	**72,560**
Subscribed capital	**12**	**30,891**	**30,000**
Registered capital		30,891	30,000
Share premium	**12**	**33,134**	**—**
Reserves	**12**	**43,858**	**41,771**
Legal and statutory reserves		6,178	6,000
Other reserves		37,680	35,771
(Own shares and equity holdings)	**12**	**(18,261)**	**(1,546)**
Profit/(loss) for the year	**5**	**301,995**	**89,485**
(Interim dividend)	**5**	**(59,928)**	**(87,150)**
NON-CURRENT LIABILITIES		**1,040,420**	**594,974**
Non-current provisions		**2,406**	**1,668**
Obligations for long-term personnel benefits	**25.9**	2,406	1,668
Long-term debts	**13**	**755,188**	**593,306**
Debentures and other negotiable securities		595,576	593,306
Debts with credit institutions		155,000	—
Other financial liabilities		4,612	—
Long-term payables to Group companies and associates	**13**	**282,826**	**—**
CURRENT LIABILITIES		**558,285**	**701,539**
Short-term debts	**13**	**103,386**	**102,482**
Debentures and other negotiable securities		7,471	8,872
Debts with credit institutions		77,112	75,635
Other financial liabilities		18,803	17,975
Short-term payables to Group companies and associates	**13**	**443,672**	**552,356**
Trade and other payables		**11,227**	**46,701**
Suppliers, Group companies and associates	**13**	6,511	40,232
Sundry accounts payable	**13**	2,833	3,892
Personnel (salaries payable)	**13**	1,506	1,124
Public entities, other payables	**15**	377	1,453
TOTAL EQUITY AND LIABILITIES		**1,930,394**	**1,369,073**

The accompanying notes form an integral part of the Annual Accounts for 2020.

III. STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE

(Expressed in thousands of EUR)

	Note	2020	2019
Profit/(losses) in the income statement	5	301,995	89,485
Total comprehensive income		**301,995**	**89,485**

The accompanying notes form an integral part of the Annual Accounts for 2020.

B) STATEMENT OF TOTAL CHANGES IN EQUITY

(Expressed in thousands of EUR)

	Share capital Subscribed (Note 12)	Share premium (Note 12)	Reserves (Note 12)	(Own shares and equity holdings) (Note 12)	Profit/(loss) for the year (Note 5)	(Interim dividend) (Note 5)	TOTAL
BALANCE AT YEAR END 2018	**30,000**	**—**	**24,495**	**(1,943)**	**135,618**	**(118,050)**	**70,120**
Recognised income and expense	**—**	**—**	**—**	**—**	**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	—
Interim dividend	—	—	—	—	—	(87,150)	(87,150)
BALANCE AT YEAR END 2019	**30,000**	**—**	**41,771**	**(1,546)**	**89,485**	**(87,150)**	**72,560**
Total comprehensive income	**—**	**—**	**—**	**—**	**301,995**	**—**	**301,995**
Operations with partners or owners	**891**	**33,134**	**2,087**	**(16,715)**	**(89,485)**	**27,222**	**(42,866)**
Capital increases	891	33,134	—	—	—	—	34,025
Operations with own stocks or shares (net)	—	—	(248)	(16,715)	—	—	(16,963)
Distribution of profit	—	—	2,335	—	(89,485)	87,150	—
Interim dividend	—		—	—	—	(59,928)	(59,928)
BALANCE AT YEAR END 2020	**30,891**	**33,134**	**43,858**	**(18,261)**	**301,995**	**(59,928)**	**331,689**

The accompanying notes form an integral part of the Annual Accounts for 2020.

IV. CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 December 2020 AND 2019

(Expressed in thousands of EUR)

	Note	2020	2019
Pre-tax financial year profit		**295,534**	**85,294**
Adjustments made to results		**(296.269)**	**(83.721)**
Fixed assets depreciation (+)	**6 and 7**	4.698	2.925
Change in provisions (+/-)		1.795	—
Results from fixed asset disposals and sale	**6**	161	—
Financial income (-)	**4**	(10)	(34)
Dividend received (-)	**3**	(317.994)	(100.000)
Financial expenses (+)	**4**	15.013	14.418
Exchange differences (+/-)	**4**	68	(1.030)
Changes in current capital		**(46.418)**	**22.308**
Clients and other receivables (+/-)		2.102	(3.929)
Other current assets (+/-)		(11.722)	(301)
Trade and other payables (+/-)		(35.475)	34.811
Other current liabilities (+/-)		—	(8.273)
Other non-current assets and liabilities (+/-)		(1.323)	—
Other cash flows from operating activities		**(2.485)**	**(242)**
Interest payments (-)		(14.895)	(1.602)
Dividend collection (+)		12.400	—
Interest received (+)		10	34
Other payments (receipts) (+/-)		—	1.326
Cash flows from operating activities		**(49.638)**	**23.639**
Payments for investments (-)		**(156.347)**	**(71.166)**
Group companies and associates		(151.563)	(66.292)
Intangible assets	**6**	(3.460)	(3.582)
Property, Plant and Equipment	**7**	(1.298)	(1.206)
Other financial assets	**9**	(26)	(86)
Collections from disposal of investments (+)		**32.980**	**197.600**
Group companies and associates		32.965	197.600
Intangible assets		15	—
Cash flows from investing activities		**(123.367)**	**126.434**
Collections and payments for equity instruments	**12**	**(10.780)**	**397**
Issue of equity instruments (+)		34.025	—
Purchases of equity instruments (-)		(50.967)	—
Sale of equity instruments (+)		6.162	397
Collections and payments for liability instruments		**336.561**	**(1.760)**
Issue		335.775	1.240
Debentures and similar securities (+)	**17**	—	1.240
Debts with credit institutions (+)		155.000	—
Loans to Group companies and associates (+)		180.775	—
Repayment and amortisation of		786	(3.000)
Debts with credit institutions (-)		—	(3.000)
Other payables (-)		786	—
Dividends payable and remunerations from other equity instruments		**(31,811)**	**(110,013)**
Dividends (-)		(31.811)	(110.013)
Remuneration of other equity instruments (-)		—	—
Cash flows from financing activities		**293.970**	**(111.376)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**120.965**	**38.696**
Cash and equivalents at the beginning of the year	**11**	40,982	2,286
Cash and equivalents at the end of the year	**11**	161,947	40,982

The accompanying notes form an integral part of the Annual Accounts for 2020.

V. NOTES TO THE ANNUAL ACCOUNTS FOR THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 December 2020

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 53.30% of its shares, indirectly controlling another 21.68% 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 cash in transit services, 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 2020 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 2020. The consolidated Annual Accounts were drawn up by the Board of Directors, together with these Individual Annual Accounts, on 23 February 2021 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 2020 present consolidated profit of EUR 15,630 thousand (EUR 169,016 thousand in 2019) and consolidated equity of EUR 80,235 thousand (EUR 243,633 thousand in 2019).

2. Basis for Presentation

a) Fair image

The annual accounts have been prepared in accordance with legislation in force and the rules established in the Spanish General Chart of Accounts approved by Royal Decree 1514/2007, which was amended in 2016 by Royal Decree 602/2016, of 2 December, to provide 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 statement of cash flows.

a) 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 2020, the Annual Accounts show those pertaining to the previous year, those of 2019, approved by the Shareholders General Meeting at 28 October 2020.

b) Functional currency

The figures disclosed in the Annual Accounts are expressed in thousands of EUR, the Company's functional and presentation currency.

c) Going concern

As of 31 December 2020, the Company has a positive working capital of EUR 72,883 thousand (EUR 512,917 thousand negative working capital at 31 December 2019). As indicated in Note 1, the Company is the head of the Prosegur Cash Group, which at 31 December 2020 presented a positive working capital of EUR 92,082 thousand (EUR 57,235 thousand at 31 December 2019) 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 2020, the Group presents a consolidated result attributable to Prosegur Cash, S.A. as Parent Company of EUR 15,892 thousand (EUR 168,942 thousand at 31 December 2019). Finally, as indicated in Notes 20 and 23 of the Consolidated Annual Accounts of the Prosegur Cash Group, at 31 December 2020, the Group companies had available treasury of EUR 401,773 thousand and had been granted undrawn additional financing of EUR 274,199 thousand (EUR 307,423 thousand and EUR 448,633 thousand as of 31 December 2019, respectively).

Taking these facts into consideration, the Company's Directors have prepared these Annual Accounts on the ongoing management principle.

d) 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.

COVID-19

On 11 March 2020, the World Health Organization declared the outbreak of Coronavirus COVID-19 to be a pandemic. As a result, many governments have taken restrictive measures to contain the spread, including: isolation, lockdowns, quarantine and restriction of the free movement of people, closure of public and private premises, among others.

This situation is having a significant effect on the world economy due to the interruption or slowing down of the supply chains and the significant increase of economic uncertainty which is evidenced by a greater volatility in the price of assets, exchange rates and reduced long-term interest rates.

The measures adopted by the different governments for combatting the spread of COVID-19 and the circumstances arising from the coronavirus crisis have brought about a fall in the total market accessible by the Prosegur Group for carrying out its business. This is due to restrictions on opening hours and closings of restaurants and retail premises, successive and multiple ceasing of activity and restrictions to the free movement of people.

With this panorama, characterised by a drastic drop in the different sectors of the economy, and absolute uncertainty for the future, the main consequences and decisions adopted derived from it have been the following:

- Staff have been temporarily laid-off to try and adapt the organisational structure, production and costs to the new levels of activity.
- Investments in property, plant and equipment have been reduced.
- Non-essential expenses have been limited in providing services to clients, such as travel expenses, consultancy fees and other professional fees.
- With respect to safeguarding employee health, the working method of structural personnel has been adapted, who have been working remotely since the declaration of the pandemic.
- Exemption from Social Security payments associated with the temporary workforce reduction plans (ERTE) in Spain,

The following aspects stand out from the results of these measures:

- Liquidity risk: The situation of uncertainty generated by the COVID-19 pandemic has led to greater liquidity constraints in the economy as a whole, as well as reduced access to credit. The Company has drawn down and maintained in bank accounts all the balances of the credits associated with the contracted syndicated financing facilities for the amount of EUR 155,000 thousand.
- Risk of measurement of assets and liabilities on the balance sheet: The Company has carried out an analysis and a series of calculations associated with the accounting valuation of certain assets (tax credits and non-current assets).
- Operational risk: due to the aforementioned restrictions, the volume of cash in transit decreased, and the Cash business has been negatively affected as a result. From the start of the pandemic, the Company has been applying a cost containment programme and measures to preserve cash generation in order to limit the impact of reduced activity.
- Going concern risk: in light of the aforementioned aspects, the Company considers that at the date of the preparation of the annual accounts, no risk associated with the application of the going concern principle was detected.

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**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Group companies and associates								
- Dividend received	317,994	100,000	—	—	—	—	317,994	100,000
- Loan interest income	61	393	171	285	790	812	1,022	1,490
- Provision of services	1,257	(3,730)	(160)	(8)	12,737	15,264	13,834	11,526
Total	**319,312**	**96,663**	**11**	**277**	**13,527**	**16,076**	**332,850**	**113,016**

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 and trademark assignment services were considered, which means that their distribution by geographical area at 31 December 2020 and 2019 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 2020 and 2019 is as follows:

	Thousands of Euros	
	2020	**2019**
Salaries and wages	4,223	3,163
Social security obligations	908	713
Total	**5,131**	**3,876**

The 2017 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 2020 commitment amounting to EUR 126 thousand (EUR 840 thousand in 2019).

With regard to the 2020 long-term incentive plan for the Executive Director and Senior Management, because of the impact of the COVID-19 pandemic on the Company’s profits, the targets set for fulfilling the entire 2020 Plan are not expected to be reached. Consequently, the provision has been adjusted on the basis of a new target, showing a positive effect on the year’s profits of EUR 1,082 thousand.

During 2019 the expenditure included under the heading salaries and wages for the 2017 Plan and 2020 Plan was EUR 840 thousand. Additionally, the wages and salaries heading in 2019 included a reversal of the provision of the aforementioned incentive of EUR 2,889 thousand.

The breakdown of Social security obligations in 2020 and 2019 are as follows:

	Thousands of Euros	
	2020	**2019**
Social Security Payable by the Company	663	575
Other employee benefits expenses	245	138
Total	**908**	**713**

c) External services

The breakdown of external services in 2020 and 2019 are as follows:

	Thousands of Euros	
	2020	**2019**
Leases and levies	1,150	785
Repairs and conservation	1,494	977
Independent professional services	4,953	3,328
Transport	—	4
Banking and similar services	143	112
Advertising, publicity and public relations	398	163
Supplies and others	143	84
Other services	267	92
Total	**8,548**	**5,545**

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.

d) Other profit/(loss)

During 2020 the Company detected intrinsically different risks that generated a provision in the amount of EUR 1,795 thousand.

4. Net Finance Income

The breakdown of financial income and expenses in 2020 and 2019 are as follows:

	Thousands of Euros	
	2020	**2019**
Financial income	**10**	**34**
Third parties	10	34
Financial expense	**(15,013)**	**(14,418)**
From payables to Group companies (Note 18)	(2,559)	(3,597)
From payables to third parties	(12,454)	(10,821)
Exchange differences	**(68)**	**1,030**
Net Finance Income	**(15,071)**	**(13,354)**

The item from which the exchange difference comes is as follows:

	Thousands of Euros	
	2020	**2019**
Loans to Group companies and associates	(68)	1,030
	(68)	**1,030**

- **Exchange profit/losses**

The main currency conversion difference items are the following:

		Thousands of Euros	
	Currency	**2020**	**2019**
Current accounts	US Dollar	(1,900)	162
Suppliers	US Dollar	(6)	(44)
Group company acquisition	Sucre	(180)	—
Loans to Group company	South African Rand	—	798
Current accounts	South African Rand	(409)	171
Loans to Group company	Australian Dollar	1,331	13
Current accounts	Australian Dollar	(311)	141
Group company acquisition	Colombian Peso	1,522	—
Other Group company loans	Philippine Peso	(80)	(39)
Loans to Group company	Peruvian Sol	—	(207)
Suppliers	Argentine Peso	(35)	36
		(68)	**1,030**

5. Profit/(loss) for the year

On the date these Annual Accounts are authorised for issue, the Boards of Directors will propose to the Shareholders General Meeting that profit for the year be distributed as follows:

	Thousands of Euros	
	2020	**2019**
Basis of allocation		
Profit and losses	301,995	89,485
Total	**301,995**	**89,485**
Allocation		
Legal reserve	178	—
Voluntary reserves	241,889	2,335
Dividends on account	59,928	87,150
Total	**301,995**	**89,485**

In a meeting on 16 December 2020, the Board of Directors approved the distribution of a regular dividend on account of the profits of 2020 of EUR 0.03880 gross per share, which implies a maximum total dividend of EUR 59,928 thousand (considering that the current share capital was divided into 1,545 million shares). This dividend will be distributed to shareholders as four payments, in January, April, July and October 2021. Each payment is calculated as EUR 0.00970 per outstanding share at the payment date.

As of 31 December 2020, a debt for dividends payable in 2021 is held for EUR 59,928 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 14,996 thousand and in the heading of payables to group companies and associates for EUR 44,932 thousand.

The maximum amount represented by own shares at each payment date, and therefore not distributed, will be transferred to voluntary reserves.

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 14,982 thousand) should be divided by the new number of outstanding shares that corresponds following the aforementioned increase or reduction.

In a meeting on 17 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 share capital was divided into 1,500 million shares). The first two payments of this dividend were distributed to shareholders in the form of cash and the third and fourth payments as share reinvestment (Note 12).

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.

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
	2020
1. Initial cash on hand (before the interim dividend)	29,914
2. Group current bank account balances	52,426
3. Current proceeds	1,299
4. Receipts for Capital and Extraordinary Transactions	132,000
5. Payments for Current Operations	(4,678)
6. Payments for Financial Transactions	(9,672)
7. Extraordinary Payments	(570)
Forecast Cash	**200,719**
Less dividend payments according to the proposal	**(59,928)**
Final cash after dividends	**140,791**

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 2019	**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**
Additions	151	2,675	634	3,460
Disposals	(116)	(407)	—	(523)
Transfers	(150)	274	(124)	—
Balance at 31 December 2020	**2,563**	**15,252**	**2,555**	**20,370**
Depreciation and amortisation				
Balance at 1 January 2019	**(786)**	**(4,437)**	**(715)**	**(5,938)**
Depreciation and amortisation for the year	(281)	(2,353)	(164)	(2,798)
Balance at 31 December 2019	**(1,067)**	**(6,790)**	**(879)**	**(8,736)**
Depreciation and amortisation for the year	(1,134)	(3,098)	(113)	(4,345)
Disposals	33	314	—	347
Transfers	40	—	(40)	—
Balance at 31 December 2020	**(2,128)**	**(9,574)**	**(1,032)**	**(12,734)**
Carrying amount				
At 31 December 2019	**1,611**	**5,920**	**1,166**	**8,697**
At 31 December 2020	**435**	**5,678**	**1,523**	**7,636**

a) Description of the main movements

The most significant additions and transfers of intangible assets in 2020 were mainly with:

- Computer software: additions and development of computer software such as SWITCHING-DATE-VALUE for EUR 454 thousand, EVOL-20-MIAGENCIA for EUR 375 thousand, EVOL-20-INTEGRATION CASH DEVICES for EUR 360 thousand, and others amounting to EUR 1,304 thousand. The remaining additions correspond to the development of applications or projects and their implementation.
- Microsoft Software Licences: purchase of software licences for EUR 118 thousand.
- Other intangible assets include Intangible assets in progress mainly relating to: computer software projects and IT developments, of which we can mention PR5667 PRY-Deployment PROFAT Colombia Cash for EUR 233 thousand, PR7083 PRY-EVOL-20-CASH ANALYTICS for EUR 64 thousand, PR6725 PRY-BPM CASH-Smart Cash Registration Flow for EUR 60 thousand, PR7359 PRY-Implementation of DevOps in applications in the field of Innovation for EUR 55 thousand. The rest corresponds to new projects and developments of applications amounting to EUR 90 thousand.

The most significant additions to intangible assets in 2019 were mainly:

- Computer software: Project Deployment GAP, INTEGRACION DISPOSITIVOS CASH, Project Deployment DEVICE MANAGER 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 correspond to computer software 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 reductions in intangible fixed assets in 2020 correspond to disposal of software due to disuse or obsolescence of EUR 407 thousand and cancellations of software licences amounting to EUR 116 thousand.

The most significant disposals in the intangible assets in 2019 corresponded to disposals from ongoing projects that are cancelled or suspended, for EUR 220 thousand.

b) Licences

Details of licences at year end are as follows:

			Thousands of Euros			
			2020			
Description and operation	**Expiry date**	**Amortisation period**	**Amortisation for the year**	**Cost**	**Accumulated amortisation**	**Carrying amount**
Licences - Software	2017	1 years	—	172	172	—
Licences - Software	2020	4 years	686	1,361	1,361	—
Licences - Software	2021	4 years	189	309	267	42
Licences - Software	2022	4 years	200	410	265	145
Licences - Software	2023	4 years	54	193	58	135
Licences - Software	2024	4 years	5	118	5	113
			1,134	**2,563**	**2,128**	**435**

			Thousands of Euros			
			2019			
Description and operation	**Expiry date**	**Amortisation period**	**Amortisation for the year**	**Cost**	**Accumulated amortisation**	**Carrying amount**
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**

c) Fully amortised intangible assets

The intangible assets fully amortised as of 31 December 2020 and 2019 are the following:

	Thousands of Euros	
	2020	**2019**
Computer software	4,422	3,383
Licences	1,536	269
Other intangible assets	491	491
	6,449	**4,143**

d) Other information

There were no purchases of intangible assets from Group companies in 2020 or 2019.

At 31 December 2020 and 2019 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 2019	**82**	**89**	**294**	**465**
Additions	22	985	199	1,206
Balance at 31 December 2019	**104**	**1,074**	**493**	**1,671**
Additions	—	924	375	1,299
Disposals	—	—	(74)	(74)
Balance at 31 December 2020	**104**	**1,998**	**794**	**2,896**
Depreciation and amortisation				
Balance at 01 January 2019	**(12)**	**(11)**	**(187)**	**(210)**
Depreciation and amortisation	(11)	(29)	(86)	(126)
Balance at 31 December 2019	**(23)**	**(40)**	**(273)**	**(336)**
Depreciation and amortisation	(13)	(168)	(172)	(353)
Disposals	—	—	74	74
Balance at 31 December 2020	**(36)**	**(208)**	**(371)**	**(615)**
Carrying amount				
At 31 December 2019	**81**	**1,034**	**220**	**1,335**
At 31 December 2020	**68**	**1,790**	**423**	**2,281**

a) Description of the main movements

The most significant additions to property, plant and equipment in 2020 correspond to additions to facilities and renovation of the Calle San Máximo Building for EUR 826 thousand, additions to furniture in the same building for EUR 97 thousand, additions to information processing equipment such as computers, screens, servers and hardware for teleworking for EUR 193 thousand and additions of radio link equipment for EUR 24 thousand.

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 disposals of property, plant and equipment in 2020 correspond to disposals of information processing equipment for EUR 74 thousand.

There were no disposals of property, plant and equipment in 2019.

b) Fully depreciated property, plant and equipment

The items of property, plant and equipment fully depreciated at 31 December 2020 and 2019 are as follows:

	Thousands of Euros	
	2020	**2019**
Technical installations and machinery	2	1
Other property, plant and equipment	205	132
	207	**133**

c) Other information

There were no purchases of property, plant and equipment from Group companies in 2020 nor in 2019.

At 31 December 2020 and 2019 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	**2020**	**2019**
Investments	**1,169,798**	**940,545**
Additions	118,598	229,253
Balance at 31 December	**1,288,396**	**1,169,798**

Investments in Group companies as of 31 December 2020 and 2019 include direct investments in the share capital of the following companies:

Company	**Thousands of Euros**	
	2020	**2019**
Prosegur Global CIT, S.L.U.	932,575	920,954
Prosegur Global CIT ROW, S.L.U.	223,841	215,641
Prosegur Avos España, S.L.	75,200	30,200
Prosegur Alpha3 Cashlabs, S.L.	5,216	3,003
Corresponsales Colombia SAS	15,325	—
Spike GmbH	25	—
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	36,214	—
	1,288,396	**1,169,798**

The following operations were carried out:

a) Additions

During 2019 and 2020, the operations were as follows:

		Thousands of Euros	
		2020	**2019**
Prosegur Global CIT, S.L.U.	(1)	11,621	157,050
Prosegur Global CIT ROW, S.L.U.	(2)	8,200	39,000
Prosegur Avos España, S.L.	(3)	45,000	30,200
Prosegur Alpha3 Cashlabs, S.L.	(4)	2,213	3,003
Corresponsales Colombia SAS	(5)	15,325	—
Spike GmbH	(6)	25	—
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	(7)	36,214	—
Total		**118,598**	**229,253**

(1) Prosegur Global CIT, S.L.U.:

- On 1 January 2020, the Company participated in the capital increase of the Prosegur Global CIT, S.L.U. by capitalising loan rights for an amount of EUR 11,621 thousand.
- 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 2020the Company participated in the capital increase of Prosegur Global CIT ROW, S.L.U., by capitalising loan rights for an amount of EUR 8,200 thousand.
- 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 1 January 2020, the Company participated in the capital increase of Spanish company Prosegur Avos España, S.L. by capitalising loan rights for an amount of EUR 45,000 thousand.

- On 19 December 2019 the Company participated in the sale and purchase of shares in the Spanish company Prosegur Avos España, S.L. for EUR 30,200 thousand.

(4) Prosegur Alpha3 Cashlabs, S.L.

- On 21 September 2020, the Company participated in the capital increase of the Spanish company Prosegur Alpha3 Cashlabs, S.L. by cash contribution in an amount of EUR 2,213 thousand.

- 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.

(5) Corresponsales Colombia SAS

- On 3 February 2020, the Company acquired shares in Corresponsales Colombia SAS, by monetary contribution, for an amount of EUR 15,325 thousand.

(6) Prosegur Spike GmbH

- On 23 June 2020, the Company acquired 100% of the capital of Spike GmbH, by monetary contribution, for an amount of EUR 25 thousand.

(7) Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.

- On 31 January 2020, the Company acquired shares in Transportadora Ecuatoriana de Valores TEVCOL Cia, Ltda. for an amount of EUR 32,470 thousand.

- On 31 January 2020, the Company acquired shares in Transportadora Ecuatoriana de Valores TEVSUR Cia Ltda. (taken over on 21 December 2020 by Transportadora Ecuatoriana de Valores TEVCOL Cia, Ltda.), for an amount of EUR 3,743 thousand.

b) 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. Based on the analysis made, the Company did not record any valuation adjustments for stock impairment during 2020 and 2019.

c) Investments in Group companies

Below is the information relating to shares held in Group companies as of 31 December 2020 and 2019:

2020

Name	Registered office	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	93	%
Corresponsales Colombia SAS	Calle 11 No. 31-89 Oficina 501 Medellín - Colombia	Activity linked to the Cash business line	100	%
Spike GmbH	Kokkolastrasse 5, 40882 Ratingen	Activity linked to the Cash business line	100	%
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	Av. The press along with FAE N. 3558 Quito - Ecuador	Activity linked to the Cash business line	90	%

2019

Name	Registered office	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	%

The breakdown of the shareholders' equity as of 31 December 2020 of the investments in Group companies in which the Company holds 100% of the share capital is as follows:

(Expressed in thousands of EUR)	Share capital	Partners´ contributions	Share premium	Reserves	Profit/(loss) for the year	Dividend
Prosegur Global CIT, S.L.U.	3	168,672	708,286	109,099	104,327	(102,500)
Prosegur Global CIT ROW, S.L.U.	3	47,200	180,002	1	(70,286)	—
Prosegur Avos España, S.L.	3	41,888	2,600	1,208	13,613	(12,400)
Prosegur Alpha3 Cashlabs, S.L.	626	—	4,986	—	(294)	—
Corresponsales Colombia SAS	509	—	156	769	350	—
Spike GmbH	25	—	—	—	—	—
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	1	—	—	—	—	—

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 EUR)	**Share capital**	**Partners´ contributions**	**Share premium**	**Reserves**	**Profit/(loss) for the year**	**Dividend**
Prosegur Global CIT, S.L.U.	3	157,050	708,286	171,697	185,243	(100,000)
Prosegur Global CIT ROW, S.L.U.	3	39,000	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)	—

9. Financial assets by category

Classification of the financial assets by categories

	Thousands of Euros		Thousands of Euros	
	2020		**2019**	
	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	112	112	86	86
Total current	112	112	86	86
Current				
Loans and receivables				
Loans to Group companies (Note 18)	220,575	220,575	104,739	104,739
Other financial assets (Note 18)	224,142	224,142	15,914	15,914
Clients, Group companies and associates (Note 18)	19,393	19,393	21,222	21,222
Miscellaneous receivables	97	97	97	97
Total current	464,207	464,207	141,972	141,972
Total financial assets	**464,319**	**464,319**	**142,058**	**142,058**

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 2020, long-term bonds were established with other companies, amounting to EUR 112 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	
	2020	**2019**
	Total	**Total**
Long-term financial investments		
Other financial assets	112	86
	112	**86**
Investments in Group companies and associates:		
Loans to companies (Note 18)	220,575	104,739
Other financial assets (Note 18)	224,142	15,914
	444,717	**120,653**
Trade and other receivables		
Clients, Group companies and associates (Note 18)	19,393	21,222
Miscellaneous receivables	97	97
	19,490	**21,319**
Total	**464,319**	**142,058**

b) Other information on financial assets

Loans to companies

The breakdown of the loans as of 31 December 2020 is as follows:

					Thousands of Euros
					Carrying amount
Type	**Currency**	**Interest rate**	**Maturity date**	**Par value**	**Current**
Group and associates					
MIV Gestión, S.A.	EUR	0.50%	31/12/2021	372	372
Prosegur Global CIT, S.L.U.	EUR	0.50%	31/12/2021	114,245	114,245
Prosegur Smart Cash Solutions, S.L.	EUR	0.50%	31/12/2021	1,266	1,266
Prosegur AVOS España, S.L.	EUR	0.50%	31/12/2021	1,417	1,417
Prosegur International CIT 1, S.L.	EUR	0.50%	31/12/2021	134	134
Inversiones CIT 2, S.L.U.	EUR	0.50%	31/12/2021	1,696	1,696
Prosegur Global CIT ROW, S.L.U.	EUR	0.50%	31/12/2021	27,458	27,458
Contesta Teleservicios, S.A.	EUR	0.50%	31/12/2021	631	631
Prosegur Colombia 1, S.L.U.	EUR	0.50%	31/12/2021	6,045	6,045
Prosegur Colombia 2, S.L.U.	EUR	0.50%	31/12/2021	5,925	5,925
Prosegur Servicios de Pago EP, S.L.U.	EUR	0.50%	31/12/2021	626	626
Prosegur Cash Services Germany GmbH	EUR	0.75%	31/12/2021	27,034	27,034
Luxpai CIT SARL	EUR	0.75%	31/12/2021	375	375
Armored Transport Plus Incorporated	Philippine Peso	7.35%	31/12/2021	3,410	3,410
Prosegur Australia Investments PTY Limited	Australian Dollar	2.50%	31/12/2021	29,941	29,941
Total				**220,575**	**220,575**

The breakdown of the loans as of 31 December 2019 is as follows:

Thousands of Euros

Type	Currency	Interest rate	Maturity date	Par value	Carrying amount Current
Group and associates					
Prosegur Colombia 3, S.L.U.	EUR	0.75%	31/12/2020	8,240	8,240
Prosegur AVOS España, S.L.	EUR	0.75%	31/12/2020	45,477	45,477
Prosegur International CIT 1, S.L.	EUR	0.75%	31/12/2020	2,268	2,268
Inversiones CIT 2, S.L.U.	EUR	0.75%	31/12/2020	49	49
Prosegur Global CIT ROW, S.L.U.	EUR	0.75%	31/12/2020	16,568	16,568
Prosegur Colombia 1, S.L.U.	EUR	0.75%	31/12/2020	4,725	4,725
Prosegur Colombia 2, S.L.U.	EUR	0.75%	31/12/2020	4,631	4,631
Prosegur Servicios de Pago EP, S.L.U.	EUR	0.75%	31/12/2020	181	181
Risk Management Solutions, S.L.U.	EUR	0.75%	31/12/2020	1,657	1,657
Compliofficer, S.L.U.	EUR	0.75%	31/12/2020	131	131
Work 4 Data Lab, S.L.	EUR	0.75%	31/12/2020	549	549
Enclama, S.L.	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 Philippines Incorporated	Philippine Peso	7.35%	31/12/2020	3,535	3,535
Prosegur Transportadora de Caudales, S.A.	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 S.A. de CV	EUR	3.00%	31/12/2020	63	63
Total				**104,739**	**104,739**

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 2020 and 2019, are as follows:

Thousands of Euros

	2020	2019
Cash and other cash equivalents	161,947	40,982
Total	**161,947**	**40,982**

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.

Associated with the reinvestment programme of the third payment of the dividend, the capital increase agreed by the Board of Directors under item 9 of the agenda of the Shareholders General Meeting of the Company held on 6 February 2017 was executed on 3 July 2020. The increase was registered on 6 July 2020. The capital increase was charged against monetary contributions from the Company for an amount of EUR 421,159.06, through the issuance of 21,057,953 ordinary shares with a par value of 0.02 each and a share premium of EUR 16,381,508.08.

On the other hand, on 5 October 2020 and associated with the reinvestment programme of the fourth dividend payment, the capital increase resolved by the Board of Directors under item 9 of the agenda of the Company's General Shareholders Meeting dated 6 February 2017 was executed. The increase was registered on 6 October 2020. The increase was charged against monetary contributions from the Company for a capital increase in the amount of EUR 469,560.52, through the issuance of 23,478,026 ordinary shares with a par value of 0.02 each and a share premium of EUR 16,752,173.86.

At 31 December 2020, the share capital of the Company totals EUR 30,891 thousand (EUR 30,000 thousand in 2019) and is represented by 1,544,535,979 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:

	Number of shares	
Shareholders	**31/12/2020**	**%**
Ms Helena Revoredo Delvecchio (1)	1,158,046,095	74.98 %
Invesco Limited (2)	41,900,012	2.71 %
Others	344,589,872	22.31 %
Total	**1,544,535,979**	**100.00 %**

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

(2) Investment through various funds managed.

b) Own shares and equity holdings

On 3 June 2020 the Board of Directors of Prosegur Cash decided to implement an own share buyback programme.

The programme has been put into effect under the provisions of Regulation (EU) no. 506/2014 on market abuse and the Commission Delegated Regulation 2016/1052, making use of the authorisation granted by the Shareholders General Meeting held on 6 February 2017 for the purchase of own shares, for the purpose of redeeming them pursuant to a share capital reduction resolution which will be submitted for the approval of the next Shareholders General Meeting.

The Programme will apply to a maximum of 45,000,000 shares, representing approximately 3% of Prosegur Cash's share capital (1,500,000,000 shares at the time of the meeting of the Board of Directors of 3 June 2020).

The Programme has the following features:

a) Maximum amount allocated to the Programme: EUR 40,000 thousand.

b) Maximum number of shares that can be acquired: up to 45,000,000 shares representing approximately 3% of the Company's share capital.

c) Maximum price per share: shares are purchased in compliance with the price and volume limits established in the Regulations. In particular, the Company cannot buy shares at a price higher than the highest of the following: (i) the price of the last independent trade; or (ii) that corresponding to the highest current independent bid on the trading venues where the purchase is carried out.

d) Maximum volume per trading session: insofar as volume is concerned, the Company will not purchase more than 25% of the average daily volume of the shares in any one day on the trading venues on which the purchase is carried out.

e) Duration: the Programme has a maximum duration of one year. Notwithstanding the above, the Company reserves the right to conclude the Programme if, prior to the end of said maximum term of one year, it has acquired the maximum number of shares authorised by the Board of Directors, if it has reached the maximum monetary amount of the Programme or if any other circumstances arise that call for it.

As a result of the implementation of the Programme, the operation of the liquidity contract which came into force on 11 July 2017 and that was signed by the Company has been suspended.

c) Dividends

Dividends distributed to Company shareholders are recognised as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's General Shareholders Meeting. Interim dividends will also be revealed as a liability in the Company's annual accounts in the year in which the interim payment is approved by the Board of Directors.

Reinvestment of the third and fourth payment of the interim dividend for 2019

In the framework of the current situation arising from the COVID-19 pandemic and in order to potentially help strengthen the Company's equity position, the Board of Directors of the Company has agreed to offer shareholders who voluntarily agree, the possibility of reinvesting the total net amount of the third payment of the interim dividend for 2019 in ordinary Prosegur Cash shares with a par value of EUR 0.02 each from the treasury stock.

The reinvestment price per share was EUR 0.797925. This price corresponds to the simple average of the weighted average changes of the Company’s share in the SIBE market corresponding to the five trading days prior to the payment date of the third payment of the interim dividend for 2019, that is, on 22, 23, 24, 25, and 26 June 2020 (for 22, 23 and 24 June, reducing the gross amount of said dividend payment).

Each shareholder who has voluntarily joined the reinvestment programme has subscribed a number of newly issued ordinary shares of the Company equal to the result of dividing: (a) the total net amount (no partial reinvestment) of the third payment of the interim dividend for 2019 that they are entitled to receive on the payment date, by (b) the reference price calculated according to the reference price, rounding the result of this division by default up/down to the nearest unit. The rest of this net amount not applied to reinvestment as a result of the aforementioned rounding up/down was paid in cash to the shareholder.

The majority shareholder of the Company, the entity Prosegur Compañía de Seguridad, S.A., and its 100%-owned investee, the company Prosegur Assets Management, S.A., holders of 73.35% of the share capital at 30 June 2020, have accepted the reinvestment programme for the third payment of the interim dividend for 2019.

In relation to the reinvestment programme of the fourth payment of the interim dividend for 2019, the reinvestment price per share was EUR 0.733525654. This price corresponds to the simple average of the weighted average changes of the Company's share in the SIBE market corresponding to the five trading days prior to the payment date of the third payment of the interim dividend for 2019, that is, on 21, 22, 23, 24, and 25 September 2020 (for 21, 22 and 23 September, reducing the gross amount of said dividend payment).

Each shareholder who has voluntarily joined the reinvestment programme has subscribed a number of newly issued ordinary shares of the Company equal to the result of dividing: (a) the total net amount (no partial reinvestment) of the fourth payment of the interim dividend for 2019 that they are entitled to receive on the payment date, by (b) the reference price calculated according to the reference price, rounding the result of this division by default up/down to the nearest unit. The rest of this net amount not applied to reinvestment as a result of the aforementioned rounding up/down was paid in cash to the shareholder.

The majority shareholder of the Company, the entity Prosegur Compañía de Seguridad, S.A., and its 100%-owned investee, the company Prosegur Assets Management, S.A., holders of 74.98% of the share capital at 30 September 2020, have accepted the reinvestment programme for the fourth payment of the interim dividend for 2019.

At 31 December 2020, the treasury stock held by Prosegur Cash, S.A. is composed of 23,436,659 shares (2019: 1,119,862 shares), of which 768,667 (2019: 696,866) are linked to the liquidity agreement that entered into force on 11 July 2017.

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

	Number of shares	Thousands of Euros
Balance at 31 December 2019	**1,119,862**	**1,546**
Purchase of own shares	24,943,309	20,225
Sale of own shares	(2,557,262)	(3,412)
Other awards	(69,250)	(98)
Balance at 31 December 2020	**23,436,659**	**18,261**

Prosegur Cash holds 1.43% (2019: 0.07%) of Treasury stock.

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					
	2020					
	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)	595,576	155,000	282,826	—	4,612	1,038,014
	595,576	**155,000**	**282,826**	**—**	**4,612**	**1,038,014**
Current						
Debts and payables (Note 14)	7,471	77,112	443,672	10,850	18,803	557,908
Total	**603,047**	**232,112**	**726,498**	**10,850**	**23,415**	**1,595,922**

	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
	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**

Debentures and other negotiable securities

On 4 December 2017, Prosegur Cash, S.A. issued uncovered bonds for 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.

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 2020 are the following:

Thousands of Euros

2020

Type	Interest rate	Maturity	Par value	Outstanding debt at 31/12/2020
Bank borrowings	Eur+margin	15/04/2021	40.000	40.005
Bank borrowings	Eur+margin	28/02/2025	155.003	155.003
Bank borrowings	Eur+margin	12/10/2021	15.000	15.005
Bank borrowings	Eur+margin	27/02/2021	15,000	15,000
Loan agreement	Eur+margin	10/05/2021	10.000	7
Loan agreement	Eur+margin	04/11/2021	15.000	7.077
Loan agreement	Eur+margin	28/06/2021	5.000	6
Loan agreement	Eur+margin	31/07/2021	3.000	3
Loan agreement	Eur+margin	30/10/2021	5.000	—
Loan agreement	Eur+margin	12/10/2021	15.000	—
Loan agreement	Eur+margin	10/12/2021	5.000	6
Loan agreement	Eur+margin	15/10/2021	15.000	—
Total				232.112

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
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

Syndicated credit facility

On 10 February 2017, Prosegur Cash, S.A. arranged a new five-year syndicated credit financing facility of EUR 300,000 thousand to afford the Company long-term liquidity. On 7 February 2019 this syndicated credit facility in the form of a loan was novated, and its maturity was extended by another 5 years. In February 2020 the maturity was extended until February 2025. As of 31 December 2020, there are EUR 155,000 thousand of available balance of this credit (as of 31 December 2019 there was EUR 20,000 thousand balance associated with this credit).

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

In addition, 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.

At the close of the year, the Company is in compliance with the aforementioned ratios.

b) Payables to Group companies

The breakdown of the debts as of 31 December 2020 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	0.50%	31/12/2021	30,089	30,089
Prosegur Brasil S/A Transportadora de Valores e Segurança	EUR	0.50%	31/12/2021	64,773	64,773
Prosegur Servicios de Efectivo España, S.L.U. (*)	EUR	0.50%	31/12/2021	10,528	10,528
Armor Acquisition, S.A. (*)	EUR	0.50%	31/12/2021	4,866	4,866
Juncadella Prosegur Internacional, S.A. (*)	EUR	0.50%	31/12/2021	152,898	152,898
Risk Management Solutions (*)	EUR	0.50%	31/12/2021	2,021	2,021
Integrum 2008, S.L.U. (*)	EUR	0.50%	31/12/2021	587	587
Bloggers Broker, S.L. (*)	EUR	0.50%	31/12/2021	901	901
Contesta Servicios Auxiliares, S.L. (*)	EUR	0.50%	31/12/2021	664	664
Prosegur Alpha3 Cashlabs, S.L. (*)	EUR	0.50%	31/12/2021	52	52
Compliofficer, S.L.U. (*)	EUR	0.50%	31/12/2021	115	115
Work 4 Data Lab, S.L. (*)	EUR	0.50%	31/12/2021	343	343
Pitco Reinsurance, S.A.	EUR	0.50%	31/12/2021	24,443	24,443
					292,280
Other financial liabilities					
Compañia de Seguridad Prosegur, S.A. (**)	EUR		31/12/2021	6,644	6,644
Malcoff Holdings BV (**)	EUR		31/12/2021	300	300
Prosegur Servicios de Efectivo España, S.L.U. (**)	EUR		31/12/2021	8	8
Prosegur AVOS España, S.L. (**)	EUR		31/12/2021	75	75
Prosegur Internationale Handels GmbH (**)	EUR		31/12/2021	1,539	1,539
Prosegur Cash Services Germany GmbH (**)	EUR		31/12/2021	3,371	3,371
Prosegur Global CIT, S.L.U. (**)	EUR		31/12/2021	94,521	94,521
Contesta Servicios Auxiliares, S.L. (**)	EUR		31/12/2021	1	1
Risk Management Solutions (**)	EUR		31/12/2021	1	1
					106,460
Short-term payables to Group companies and associates					
Prosegur Compañía de Seguridad, S.A.	EUR			31,942	31,942
Prosegur Assets Management, S.A.	EUR			12,990	12,990
					44,932
Long-term payables to Group companies and associates					
Armor Acquisition, S.A.	EUR	0.50%	31/12/2025	65,362	65,362
Juncadella Prosegur Internacional, S.A.	EUR	0.50%	31/12/2025	217,464	217,464
					282,826
Total					**726,498**

(*) 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 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, S.A.	EUR	4.00%	31/12/2020	53	53
MIV Gestión, S.A.	EUR	0.75%	31/12/2020	202	202
Prosegur Servicios de Efectivo España, S.L.U.	EUR	0.75%	31/12/2020	31,258	31,258
Prosegur Global CIT, S.L.U.	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, S.A.	EUR	0.75%	31/12/2020	217,464	217,464
Contesta Teleservicios, S.A.	EUR	0.75%	31/12/2020	1,668	1,668
Integrum 2008, S.L.U.	EUR	0.75%	31/12/2020	666	666
Bloggers Broker, S.L.	EUR	0.75%	31/12/2020	1,402	1,402
Contesta Servicios Auxiliares, S.L.	EUR	0.75%	31/12/2020	1,592	1,592
Prosegur Alpha3 Cashlabs, S.L.	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, S.A.	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, S.L. (**)	EUR		31/12/2020	6	6
Armor Acquisition, S.A. (**)	EUR		31/12/2020	535	535
Prosegur Global CIT ROW, S.L.U. (**)	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 Assets 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

Likewise, the heading “short-term payables to Group companies and associates” recognises the amounts due for dividends.

c) Trade payables

The breakdown of balances with commercial creditors is as follows:

	Thousands of Euros	
	2020	**2019**
Current		
Suppliers, Group companies and associates (Note 18)	6,511	40,232
Sundry accounts payable	2,833	3,892
Personnel (salaries payable)	1,506	1,124
Total	**10,850**	**45,248**

The suppliers section contains the outstanding trademark billing. The Personnel section (salaries payable) includes the accrued incentive, payable in cash, corresponding to the 2020 Plan, for EUR 611 thousand (EUR 840 thousand in 2019) (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 2020 is as follows:

	Thousands of Euros					
	2020					
	Financial liabilities					
	2021	**2022**	**2023**	**2024**	**Subsequent years**	**Total**
Debts with credit institutions	77,112	—	—	—	155,000	**232,112**
Debentures and other negotiable securities	7,471	—	—	—	595,576	**603,047**
Other financial liabilities (Note 5)	18,803	2,291	1,287	1,034	—	**23,415**
Payables to Group companies (Note 18)	443,672	—	—	—	282,826	**726,498**
Suppliers, Group companies and associates (Note 18)	6,511	—	—	—	—	**6,511**
Sundry accounts payable	2,833	—	—	—	—	**2,833**
Personnel (salaries payable)	1,506	—	—	—	—	**1,506**
Total	**557,908**	**2,291**	**1,287**	**1,034**	**1,033,402**	**1,595,922**

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**
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**

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 (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.

	2020	2019
	Days	
Average payment period to suppliers	59	59
Ratio of transactions paid	59	57
Ratio of transactions pending payment	27	76
	Amount	
	Thousands of Euros	
Total payments made	14,006	23,530
Total payments pending	109	2,203

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 2020 and 2019, 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			
	2020		2019	
	No Current	Current	No Current	Current
Assets				
Deferred tax assets	801	—	535	—
Value added tax and similar liabilities	—	3,698	—	3,971
	801	**3,698**	**535**	**3,971**
Liabilities				
Social Security	—	93	—	84
Withholdings	—	284	—	1,369
	—	**377**	**—**	**1,453**

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	
	2020	2019
Account finance income before tax	**295,534**	**85,294**
Permanent differences	(316,490)	(98,952)
Timing differences:	953	(1,387)
- Originating in the current period	2,718	1,733
- Arising in previous years	(1,765)	(3,120)
Taxable base for tax consolidation	**(20,003)**	**(15,045)**
Tax rate	25 %	25 %
Resulting tax payable	**(5,001)**	**(3,761)**
Deductions:	(2,395)	(5,044)
- Double taxation	(1,737)	(4,235)
- Other deductions	(273)	(809)
- Contributions made to Foundations	(385)	—
Tax payable	**(7,396)**	**(8,805)**

The permanent differences of the accounting profit for the year 2020 correspond to items that do not have a tax deductible expense or taxable revenue, which are mainly: the exemption of dividends received from its subsidiaries Prosegur Global CIT, S.L., Global CIT ROW, S.L. and Prosegur AVOS España, SL. for EUR 63,894, 241,700 and 12,400 thousand respectively (2019: EUR 100,000 thousand from Prosegur Global CIT, S.L.), EUR 282 thousand correspond to taxes paid abroad, which cannot benefit from the deduction for international double taxation (2019: EUR 58 thousand) and contributions to foundations for a positive amount of EUR 1,100 thousand (2019: 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 611 thousand (2019: EUR 1,668 thousand).
    - Other adjustments amounting to EUR 2,108 thousand corresponding to depreciations and provisions (2019: EUR 65 thousand).

The main temporary difference adjustments to accounting profit originating in previous years are as follows:

1. Positive:
    - Application for EUR 1 thousand (2019: EUR 1 thousand), 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 1,766 thousand (EUR 3,119 thousand in 2019).

In financial year 2020, the deductions correspond to the deduction for international double taxation related to taxes paid abroad for various services amounting to EUR 1,737 thousand (2019: EUR 4,235 thousand), deduction in technological innovation for EUR 273 thousand (2019: EUR 422 thousand) and the deduction for donations to non-profit entities amounting to EUR 385 thousand (2019: EUR 387 thousand).

The breakdown of the income tax expense of the income statement is as follows:

	Thousands of Euros	
	2020	**2019**
Account finance income before tax	**295,534**	**85,294**
Permanent differences	(316,490)	(98,952)
Elimination of own shares transactions	(48)	1
Taxable base	**(21,004)**	**(13,657)**
Tax rate	25 %	25 %
Resulting tax payable	**(5,251)**	**(3,414)**
Deductions:	(2,395)	(5,044)
- Double taxation	(1,737)	(4,235)
- Other deductions	(658)	(809)
Expense (income) tax on profit	**(7,646)**	**(8,458)**
Withholdings at source and other	1,185	4,267
Final expense (income) tax on profit	**(6,461)**	**(4,191)**

The corporate income tax expense is as follows:

	Thousands of Euros	
	2020	**2019**
Current tax	(7,396)	(8,805)
Elimination of own shares transactions	(12)	—
Deferred tax	(238)	347
Adjustments from previous years	1,185	4,267
	(6,461)	**(4,191)**

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 2019 and 2020 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 taken

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:

2020

	Thousands of Euros				
Deferred tax assets	**Opening balance**	**Other adjustments**	**Disposals**	**Additions**	**Closing balance**
Intangible asset amortisation	96	16	—	18	131
Other provisions	439	12	(289)	509	670
	535	**28**	**(289)**	**527**	**801**

2019

	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**

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	
	2020	**2019**
Commercial guarantees	616	—
Financial guarantees	67	37
	683	**37**

Financial guarantees essentially include those relating to litigations in process.

b) Contingent assets

At 31 December 2020 and 2019 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 Competition Chamber of the CNMC 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 2019, 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 Council 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 in accordance with the agreements formalised.

17. Commitments

a) Purchase commitments for fixed assets

At 31 December 2020, the commitments correspond mainly to the purchase of hardware and software development amounting to EUR 92 thousand (EUR 144 thousand at 31 December 2019).

b) Operating lease commitments

At 31 December 2020, the commitments correspond mainly to the rental of vehicles under non-cancellable operating leases amounting to EUR 100 thousand (EUR 26 thousand at 31 December 2019).

18. Balances and transactions with related parties

a) Related Party Balances

The breakdown of the balances by categories is the following:

	Thousands of Euros				
	2020				
	Financial assets			Financial liabilities	
	Current			Current	
	Credits (Note 9)	Debtors (Note 9)	Other financial assets (Note 9)	Debts (Note 13)	Suppliers (Note 13)
Group Companies					
Prosegur SIS España, S.L.	—	1	211	—	(36)
Prosegur Compañia de Seguridad, S.A.	—	1,535	19,149	(38,587)	(1,344)
Prosegur Gestión de Activos, S.L.U.	—	1	—	—	(400)
MIV Gestión, S.A.	373	—	—	—	(1)
Prosegur Ciberseguridad	—	1	—	—	—
Prosegur Assets Management, S.L.U.	—	—	—	(12,990)	—
Prosegur Global SIS, S.L.U.	—	—	—	—	(1)
Prosegur Servicios de Efectivo España, S.L.U.	—	452	—	(10,535)	(21)
Prosegur Global CIT, S.L.U.	114,245	—	102,500	(94,521)	—
Prosegur Smart Cash Solutions, S.L.	1,266	—	1	—	—
Prosegur Avos España, S.L.U.	1,417	677	—	(75)	(1,057)
Armor Acquisition, S.A.	—	—	2,190	(4,866)	—
Juncadella Prosegur Internacional, S.A.	—	—	93,731	(152,898)	—
Prosegur International CIT 1, S.L.	134	—	—	—	—
Prosegur International CIT 2, S.L.U.	1,696	—	—	—	—
Prosegur Global CIT ROW, S.L.U.	27,458	2,298	13	—	(4)
ESC Servicios Generales, S.L.U.	—	—	—	—	(14)
Contesta Teleservicios	631	21	—	—	—
Integrum 2008	—	—	—	(587)	—
Bloggers Brokers	—	—	—	(901)	—
Contesta Servicios Auxiliares	—	—	—	(665)	—
Prosegur Colombia 1, S.L.U.	6,045	—	3	—	—
Prosegur Colombia 2, S.L.U.	5,925	—	3	—	—
Prosegur Servicios de Pago EP, S.L.U.	626	—	—	—	—
Risk Management Solutions	—	14	—	(2,022)	—
Compliofficer, S.L.U.	—	5	1	(115)	—
Work 4 Data Lab, S.L.	—	—	1	(343)	—
Prosegur Alpha3 Cashlab	—	—	2,245	(52)	—
Dinero Gelt, S.L.	—	—	—	—	(2)
CASH Centroamerica Uno, S.L.	—	—	1	—	—
Garantis Sumarmas, S.L.	—	—	700	—	—
Transportadora de Caudales Juncadella, S.A.	—	8,663	—	(30,088)	(1,992)
Prosegur Brasil S/A Transportadora de Valores e Segurança	—	5,092	—	(64,773)	(1,092)
Compañia Transportadora	—	—	—	—	(44)
Compañía de Seguridad Prosegur, S.A.	—	23	—	—	—
Prosegur Cajeros, S.A.	—	—	—	—	(2)
Prosegur Internationale Handels GmbH	—	—	—	(1,539)	—
Prosegur Cash Services Germany GmbH	27,034	—	3,371	(3,371)	—
SIS Cash Services Private Ltd.	—	81	—	—	—
Servicios Prosegur Ltda.	—	—	—	—	(29)
Malcoff Holdings BV	—	—	—	(300)	—
Pitco Reinsurance, S.A.	—	—	—	(24,444)	—
Luxpai CIT SARL	375	2	—	—	—
Prosegur Logistica e Tratamento de Valores Portugal SA	—	—	—	—	(327)
Armored Transport Plus Incorporated	3,410	—	—	—	—
Singpai Pte Ltd	—	—	—	—	(36)
Prosegur Australia Investments PTY Limited	29,940	—	—	—	—
Consultoría de Negocios CCR Consulting Costa Rica, S.A.	—	483	—	—	—
Prosegur Transportadora de Caudales, S.A.	—	32	22	—	—
Prosegur Paraguay, S.A.	—	12	—	—	—
Prosegur Australia Pty Limited	—	—	—	—	(109)
Total	**220,575**	**19,393**	**224,142**	**(443,672)**	**(6,511)**

	Thousands of Euros				
	2019				
	Financial assets			Financial liabilities	
	Current			Current	
	Credits (Note 9)	Debtors (Note 9)	Other financial assets (Note 13)	Debts (Note 13)	Suppliers (Note 13)
Group Companies					
Prosegur SIS España, S.L.	—	—	—	—	(50)
Prosegur Compañia de Seguridad, S.A.	—	—	15,838	(33,335)	(30,480)
Prosegur Gestión de Activos, S.L.U.	—	—	1	—	(3,713)
MIV Gestión, S.A.	—	112	—	(205)	(1)
Prosegur Assets Management, S.L.U.	—	—	—	(14,053)	—
Prosegur Global SIS, S.L.U.	—	—	—	(31,258)	(2)
Prosegur Servicios de Efectivo España, S.L.U.	—	5,955	—	—	(176)
Prosegur Global CIT, S.L.U.	—	3,579	—	(39,751)	—
Prosegur Berlin, S.L.U.	8,236	8	—	—	—
Prosegur Avos España, S.L.U.	45,478	994	—	(6)	(691)
Armor Acquisition, S.A.	—	—	4	(65,897)	—
Juncadella Prosegur Internacional, S.A.	—	—	70	(217,464)	(2,412)
Prosegur International CIT 1, S.L.	2,268	15	—	—	—
Prosegur International CIT 2, S.L.U.	49	—	—	—	—
Prosegur Global CIT ROW, S.L.U.	16,572	1,470	1	(30,200)	(22)
Contesta Teleservicios	—	—	—	(1,668)	(16)
Integrum 2008	—	—	—	(666)	(5)
Bloggers Brokers	—	—	—	(1,402)	(2)
Contesta Servicios Auxiliares	—	218	—	(1,592)	(9)
Prosegur Colombia 1, S.L.U.	4,725	36	—	—	—
Prosegur Colombia 2, S.L.U.	4,631	36	—	—	—
Prosegur Servicios de Pago EP, S.L.U.	181	—	—	—	—
Risk Management Solutions	1,657	177	—	—	—
Compliofficer, S.L.U.	131	1	—	—	—
Work 4 Data Lab, S.L.	549	3	—	—	—
Prosegur Alpha3 Cashlab	—	6	—	(350)	—
Transportadora de Caudales Juncadella, S.A.	—	2,593	—	(30,553)	(973)
TSR Participacões	—	64	—	—	0
Prosegur Brasil S/A Transportadora de Valores e Segurança	—	1,818	—	(64,850)	(1,310)
Prosegur Brasil, S.A.	—	—	—	—	(134)
Compañia Transportadora	—	48	—	—	—
Newco	—	273	—	—	—
Compañía de Seguridad Prosegur, S.A.	—	2,934	—	(53)	—
Prosegur Cajeros, S.A.	—	114	—	—	—
Prosegur Internationale Handels GmbH	—	—	—	(3,012)	—
Prosegur Cash Services Germany GmbH	10,000	248	—	—	—
SIS Cash Services Private Ltd.	—	53	—	0	0
Servicios Prosegur Ltda.	—	2	—	—	(4)
Empresa de Transportes Cia de Seguridad Chile Ltda.	—	—	—	(2,863)	—
Prosegur Seguridad Privada Logistica y Gestion de Efectivo S.A. de CV	63	—	—	—	0
Grupo Mercurio de Transportes SA de CV	—	78	—	—	0
Malcoff Holdings BV	—	—	—	(100)	—
Pitco Reinsurance, S.A.	375	—	—	(13,076)	—
Luxpai CIT SARL	—	2	—	—	—
Prosegur Logistica e Tratamento de Valores Portugal SA	—	160	—	—	(7)
Prosegur Global Resources Holding Philippines Incorporated	3,535	—	—	—	—
Singpai Pte Ltd	—	—	—	(2)	(225)
Prosegur Transportadora de Caudales, S.A.	2,823	225	—	—	—
Prosegur Australia Investments PTY Limited	3,466	—	—	—	—
Total	**104,739**	**21,222**	**15,914**	**(552,356)**	**(40,232)**

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 0.5% in Spain (0.75% in 2019), 0.75% in Germany (1% in 2019) and 0.75% in Luxembourg (1% in 2019). We also found short-term loans granted to subsidiaries in Australia in AUD and in Uruguay in EUR, accruing annual interest 2.5 % in Australia (3.75% in 2019) and 4.00 % in Uruguay (4.00% in 2019). Interest accrued amounted to EUR 1,022 thousand in 2020 (EUR 1,490 thousand in 2019).

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 0.75% in Germany (0.5% in 2019). On the other hand we find short-term loans denominated in EUR granted by subsidiaries in Luxembourg accruing an interest rate of 0.5% to the Company; Argentina of 0.5%, Brazil of 0.75% and Chile of 0.5% (2019: 0.75% in Luxembourg, 0.75% in Argentina, 0.75% in Brazil, 4% in Peru and 0.75% in Chile). Interest accrued amounted to EUR 2,560 thousand in 2020 (EUR 3,597 thousand in 2019).

b) Related Party Transactions

The amounts of the Company’s transactions with related parties are the following:

	Thousands of Euros				
	2020				
	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, S.L.U.	—	—	—	—	(188)
Prosegur Compañia de Seguridad, S.A.	—	—	—	—	(15,129)
Prosegur Gestión de Activos, S.L.U.	—	—	—	—	(39,028)
MIV Gestión, S.A.	—	—	—	(1)	—
Prosegur Ciberseguridad, S.L.	—	—	—	—	(5)
Prosegur Servicios de Efectivo España, S.L.U.	—	—	1,042	(75)	(81)
Prosegur Alarmas España	—	—	—	—	(1)
Prosegur Global CIT, S.L.U.	241,700	4	35,757	(6)	—
Prosegur Colombia 3, S.L.	—	5	—	—	—
Prosegur Avos España, S.L.U.	12,400	12	1,022	—	—
Armor Acquisition, S.A.	—	—	—	(342)	—
Juncadella Prosegur Internacional, S.A.	—	—	—	(1,366)	—
Prosegur International CIT 1, S.L.	—	1	—	—	—
Prosegur Global CIT ROW, S.L.U.	63,894	—	16,689	(118)	(1)
ESC Servicios Generales, S.L.U.	—	—	—	—	(44)
Contesta Teleservicios, S.A.	—	—	198	(12)	—
Integrum 2008, S.L.U.	—	—	—	(4)	—
Bloggers Broker, S.L.	—	—	—	(2)	—
Contesta Servicios Auxiliares, S.L.	—	—	(218)	(12)	—
Prosegur Colombia 1, S.L.U.	—	15	—	—	—
Prosegur Colombia 2, S.L.U.	—	15	—	—	—
Prosegur Servicios de Pago EP, S.L.U.	—	3	—	—	—
Risk Management Solutions, S.L.U.	—	—	(41)	(6)	—
Compliofficer, S.L.U.	—	1	4	—	—
Work 4 Data Lab, S.L.	—	5	—	—	—
Prosegur Alpha3 Cashlabs, S.L.	—	—	—	(3)	—
Transportadora de Caudales Juncadella, S.A.	—	—	7,103	(145)	124
Prosegur Brasil S/A Transportadora de Valores e Segurança	—	—	3,634	(325)	(1,819)
Compañia Transportadora de Valores Prosegur de Colombia, S.A.	—	—	(48)	—	—
Consultoría de Negocios CCR Consulting Costa Rica, S.A.	—	—	212	—	—
Compañía de Seguridad Prosegur, S.A.	—	—	2,473	(11)	—
Prosegur Cajeros, S.A.	—	—	(2)	—	—
Prosegur Gestión de Activos, S.A.	—	—	—	—	(1)
Prosegur Internationale Handels GmbH	—	—	—	2	—
Prosegur Cash Services Germany GmbH	—	171	—	—	—
SIS Cash Services Private Ltd.	—	—	—	—	(5)
Servicios Prosegur Ltda.	—	—	901	—	—
Empresa de Transportes Cia de Seguridad Chile Ltda.	—	—	—	(13)	—
Prosegur Seguridad Privada Logistica y Gestion de Efectivo S.A. de CV	—	2	—	—	—
Pitco Reinsurance, S.A.	—	—	—	(120)	—
Luxpai CIT SARL	—	3	—	—	—
Prosegur Logistica e Tratamento de Valores Portugal SA	—	—	(160)	—	—
Armored Transport Plus Incorporated	—	273	—	—	—
Singpai Pte Ltd	—	—	—	—	(213)
Prosegur Transportadora de Caudales, S.A.	—	(35)	—	—	32
Prosegur Paraguay, S.A.	—	—	865	—	—
Prosegur Australia Investments PTY Limited	—	547	—	—	—
Prosegur Australia Pty Limited	—	—	—	—	(734)
Total	**317,994**	**1,022**	**69,431**	**(2,559)**	**(57,093)**

	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, S.L.U.	—	—	—	—	(113)
Prosegur Compañia de Seguridad, S.A.	—	—	—	—	(23,391)
Prosegur Gestión de Activos, S.L.U.	—	—	—	—	(30,980)
MIV Gestión, S.A.	—	11	83	—	0
Prosegur Servicios de Efectivo España, S.L.U.	—	—	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, S.A.	—	—	—	(2,342)	—
Prosegur International CIT 1, S.L.	—	15	—	—	—
Prosegur Global CIT ROW, S.L.U.	100,000	—	14,118	(20)	—
ESC Servicios Generales, S.L.U.	—	—	—	—	(4)
Contesta Teleservicios, S.A.	—	—	—	(16)	—
Integrum 2008, S.L.U.	—	—	—	(5)	—
Bloggers Broker, S.L.	—	—	—	(3)	—
Contesta Servicios Auxiliares, S.L.	—	—	218	(9)	—
Prosegur Colombia 1, S.L.U.	—	36	—	—	—
Prosegur Colombia 2, S.L.U.	—	36	—	—	—
Risk Management Solutions, S.L.U.	—	4	173	—	—
Compliofficer, S.L.U.	—	1	—	—	—
Work 4 Data Lab, S.L.	—	3	—	—	—
Enclama, S.L.	—	2	—	—	—
Prosegur Alpha3 Cashlabs, S.L.	—	6	—	—	—
Transportadora de Caudales Juncadella, S.A.	—	—	11,897	(157)	(850)
Prosegur Serviços e Participações Societarias S.A.	—	—	53	—	—
Prosegur Brasil S/A Transportadora de Valores e Segurança	—	—	1,459	(103)	(3,106)
Compañia Transportadora de Valores Prosegur de Colombia, S.A.	—	—	48	—	—
Consultoría de Negocios CCR Consulting Costa Rica, S.A.	—	—	273	—	—
Compañía de Seguridad Prosegur, S.A.	—	—	2,931	(52)	—
Prosegur Cajeros, S.A.	—	—	114	—	—
Prosegur Gestión de Activos, S.A.	—	—	—	—	(14)
Prosegur Cash Holding France SAS	—	182	—	—	—
Prosegur Internationale Handels GmbH	—	—	—	(4)	—
Prosegur Cash Services Germany GmbH	—	101	—	—	—
Servicios Prosegur Ltda.	—	—	1,180	—	—
Empresa de Transportes Cia de Seguridad Chile Ltda.	—	—	—	(60)	—
Prosegur Seguridad Privada Logistica y Gestion de Efectivo S.A. 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, S.A.	—	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)**

The most relevant transactions with related parties during the 2020 and 2019 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 53,623 thousand is recorded in 2020 (EUR 45,634 thousand in 2019). Also recorded for centralised services are services received of EUR 41,000 thousand in 2020 (EUR 34,910 thousand in 2019).
- Billing for trademark assignment, with different related companies across the world, under which EUR 15,129 thousand are billed in 2020 (EUR 23,391 thousand in 2019). Likewise, billing received for trademark assignment of EUR 15,129 thousand in 2020 (EUR 23,391 thousand in 2019) 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 Shareholders General 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	
	2020	**2019**
Fixed remuneration	1,059	1,270
Variable remuneration	483	572
Remuneration for membership of the Board	120	120
Insurance premium	4	—
Per diems	165	136
Total	**1,831**	**2,098**

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	
	2020	**2019**
Fixed remuneration	438	467
Variable remuneration	178	1,017
Remuneration in kind	—	11
Per diems	—	1
Insurance premiums	13	—
Total	**629**	**1,496**

These provisions include the accrued cash incentive corresponding to the 2017 Plan and 2020 Plan.

During the year, provisions to profit/(loss) amounted to EUR 712 thousand (2019: EUR 840 thousand).

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 2020 and 2019.

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 2020.

In 2020, Euroforum Escorial, S.A. (controlled by Gubel, S.L.) invoiced Prosegur Cash EUR 74 thousand for hotel services (EUR 71 thousand at 31 December 2019).

Prosegur is controlled by Gubel S.L., which was incorporated in Madrid, and holds 59.37% of the shares 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 975 thousand (EUR 677 thousand at 31 December 2019).

J&A Garrigues, S.L.P. billed occasional legal services to Prosegur Cash for EUR 193 thousand (EUR 135 thousand were received for billed services from J&A Garrigues, S.L.P. in 2019).

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:

	2020	2019
Average headcount of the Company	48	41
Total	**48**	**41**

The distribution of the Company's personnel at the end of the year by gender and category is as follows:

	2020		2019	
	Women	**Men**	**Women**	**Men**
Indirect personnel	13	39	12	31
Total	**13**	**39**	**12**	**31**

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:

	2020		2019	
	Women	**Men**	**Women**	**Men**
Directors	3	5	3	6
Senior Management	1	3	2	9
Total	**4**	**8**	**5**	**15**

21. Audit Fees

Ernst & Young, S.L. the auditors of the Annual Accounts of the Company in 2020 and KPMG in the previous year, invoiced the following fees and expenses for professional services:

	Thousands of Euros	
	2020	**2019**
Audit services	160	202
Other audit-related services	25	—
Total	**185**	**202**

Audit services detailed in the above table include the total fees for services rendered in 2020 and 2019, irrespective of the date of invoice.

Additionally, other KPMG International affiliates have not invoiced the Company services for professional fees and expenses during the year.

In financial year 2020, Ernst & Young, S.L. provided other services related to the audit for EUR 78 thousand (KPMG Auditores in 2019, provided other services related to the audit for EUR 20 thousand).

22. Environmental information

At 31 December 2020 and 2019, 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			
	2020		**2019**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Euros	387,952	1,571,459	127,536	1,292,838
Argentine Peso	249	8,583	—	—
US Dollar	42,550	1,699	7,026	—
Australian Dollar	30,009	112	3,479	—
Colombian Peso	—	7,002	—	—
Chilean Peso	—	12	—	—
Other currencies	3,559	1	3,944	—
Total	**464,319**	**1,588,868**	**141,985**	**1,292,838**

(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 2020 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 floating 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		
	2020		
	Total debt	Hedged debt	Debt exposure
Non-current (Note 13)	750,576	750,576	—
Current (Note 13)	77,529	74,587	—
Total debt	**828,105**	**825,163**	**—**

	Thousands of Euros		
	2019		
	Total debt	Hedged debt	Debt exposure
Non-current (Note 13)	593,306	593,306	—
Current (Note 13)	83,940	51,196	—
Total debt	**677,246**	**644,502**	**—**

(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**
31/12/2020	77,529	—	—	750,576	828,105

	Thousands of Euros				
	Less than 1 year	**1 to 2 years**	**2 to 5 years**	**More than 5 years**	**Total**
31/12/2019	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

In February 2021 the maturity of the syndicated loans contracted by the Company in an amount of EUR 300,000 thousand was extended until February 2026. (Note 14).

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, on an average of 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.

In 2020, the Company re-estimated the useful life of the licences, considering the digital transformation project in which it is involved, with a 4-year depreciation period and having adjusted the income statement prospectively.

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 2 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 the 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 principle

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/(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) Derecognition 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 likely 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 the Tax Administration 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 quoted share price of Prosegur shares – 2017 Plan 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.

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 is entitled, 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 Shareholders 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's share quotation price at the close of the period.

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 constructive) 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 current 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 euros 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 Consolidated 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.

PROSEGUR
CASH

Directors´ Report for 2020

Prosegur Cash, S.A.

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Directors' Report for 2020

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. The Company's situation

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).

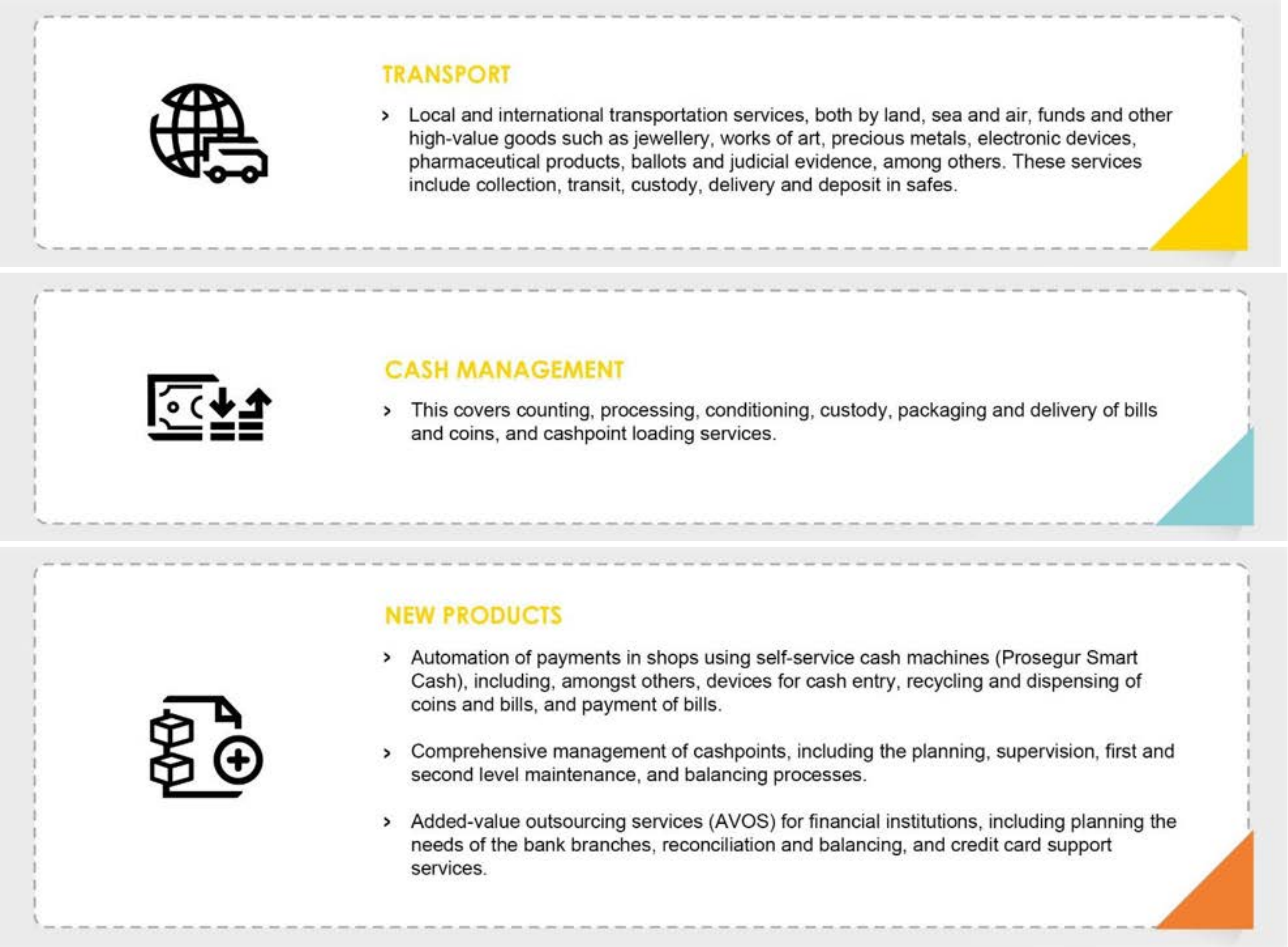
On 7 April 2017, the Green Shoe period of the stock market flotation ended, and the free float attained 27.5% of the share capital of Prosegur Cash.

The Prosegur Cash group is present in the following countries: Spain, Portugal, Germany, Argentina, Brazil, Chile, Peru, Uruguay, Paraguay, Colombia, The Philippines, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Ecuador, India, Indonesia and Australia.

1.1. Business Model

Prosegur Cash is a leading company at world-wide level engaged in cash in transit. The activity focusses on transporting high value merchandise, integrated cash cycle management, solutions aimed at automating payments in retail establishments and integrated ATM management, mainly for financial institutions, business, government agencies and central banks, mints and jewellery stores.

Prosegur Cash comprises the following business lines:



TRANSPORT

- Local and international transportation services, both by land, sea and air, funds and other high-value goods such as jewellery, works of art, precious metals, electronic devices, pharmaceutical products, ballots and judicial evidence, among others. These services include collection, transit, custody, delivery and deposit in safes.

CASH MANAGEMENT

- This covers counting, processing, conditioning, custody, packaging and delivery of bills and coins, and cashpoint loading services.

NEW PRODUCTS

- Automation of payments in shops using self-service cash machines (Prosegur Smart Cash), including, amongst others, devices for cash entry, recycling and dispensing of coins and bills, and payment of bills.
- Comprehensive management of cashpoints, including the planning, supervision, first and second level maintenance, and balancing processes.
- Added-value outsourcing services (AVOS) for financial institutions, including planning the needs of the bank branches, reconciliation and balancing, and credit card support services.

In 2020 the Prosegur group reviewed its corporate identity which reflects the transformation the company is going through and shows it position as a leader in the security sector through innovation. The new identity is also intended to strengthen, the commitment of the Prosegur group with security for employees, business and society as a whole.

This aspiration has materialised as a new purpose and values that emphasise the company's responsibility toward its stakeholders and the essential role played by the professionals of all Prosegur group subsidiaries.

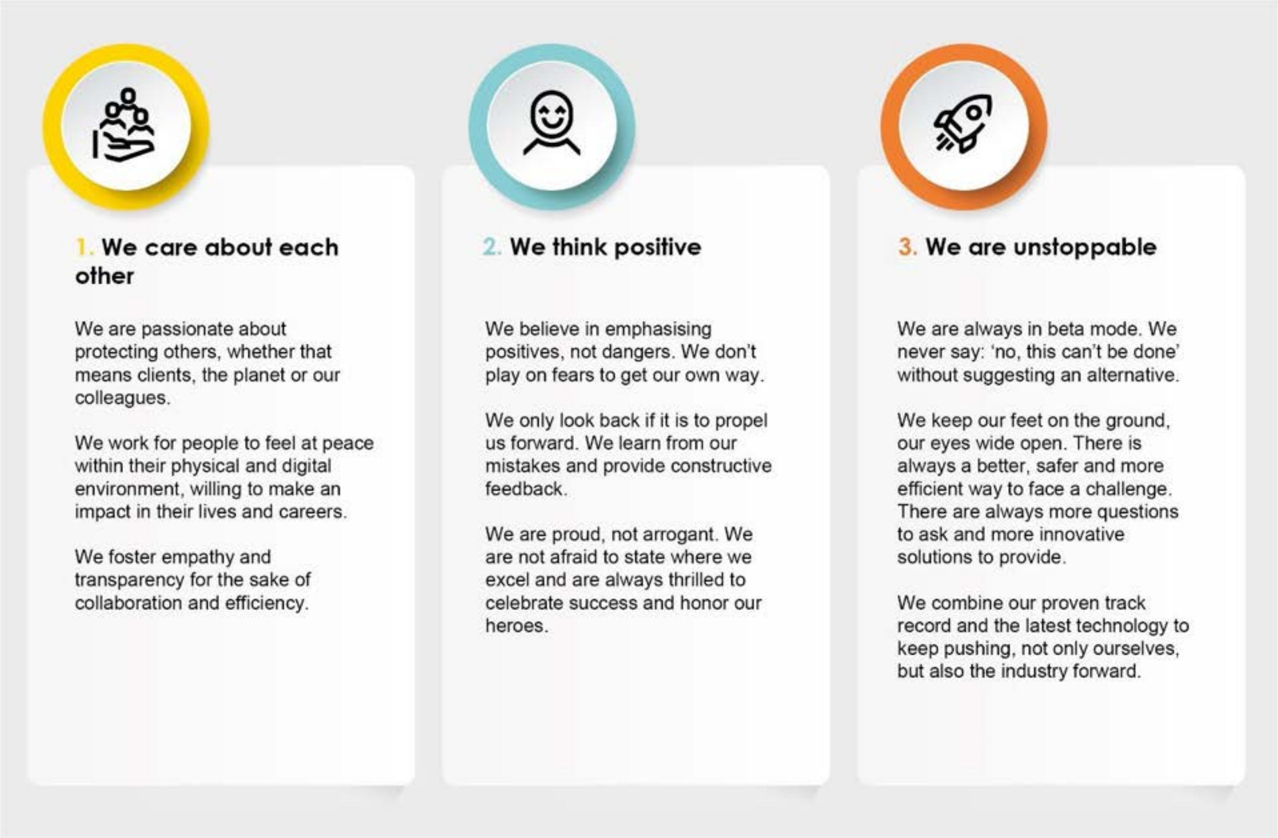
Purpose

To make the world a safer place by taking care of people and companies, staying at the forefront of innovation.

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.

Values



1. We care about each other

We are passionate about protecting others, whether that means clients, the planet or our colleagues.

We work for people to feel at peace within their physical and digital environment, willing to make an impact in their lives and careers.

We foster empathy and transparency for the sake of collaboration and efficiency.

2. We think positive

We believe in emphasising positives, not dangers. We don't play on fears to get our own way.

We only look back if it is to propel us forward. We learn from our mistakes and provide constructive feedback.

We are proud, not arrogant. We are not afraid to state where we excel and are always thrilled to celebrate success and honor our heroes.

3. We are unstoppable

We are always in beta mode. We never say: 'no, this can't be done' without suggesting an alternative.

We keep our feet on the ground, our eyes wide open. There is always a better, safer and more efficient way to face a challenge. There are always more questions to ask and more innovative solutions to provide.

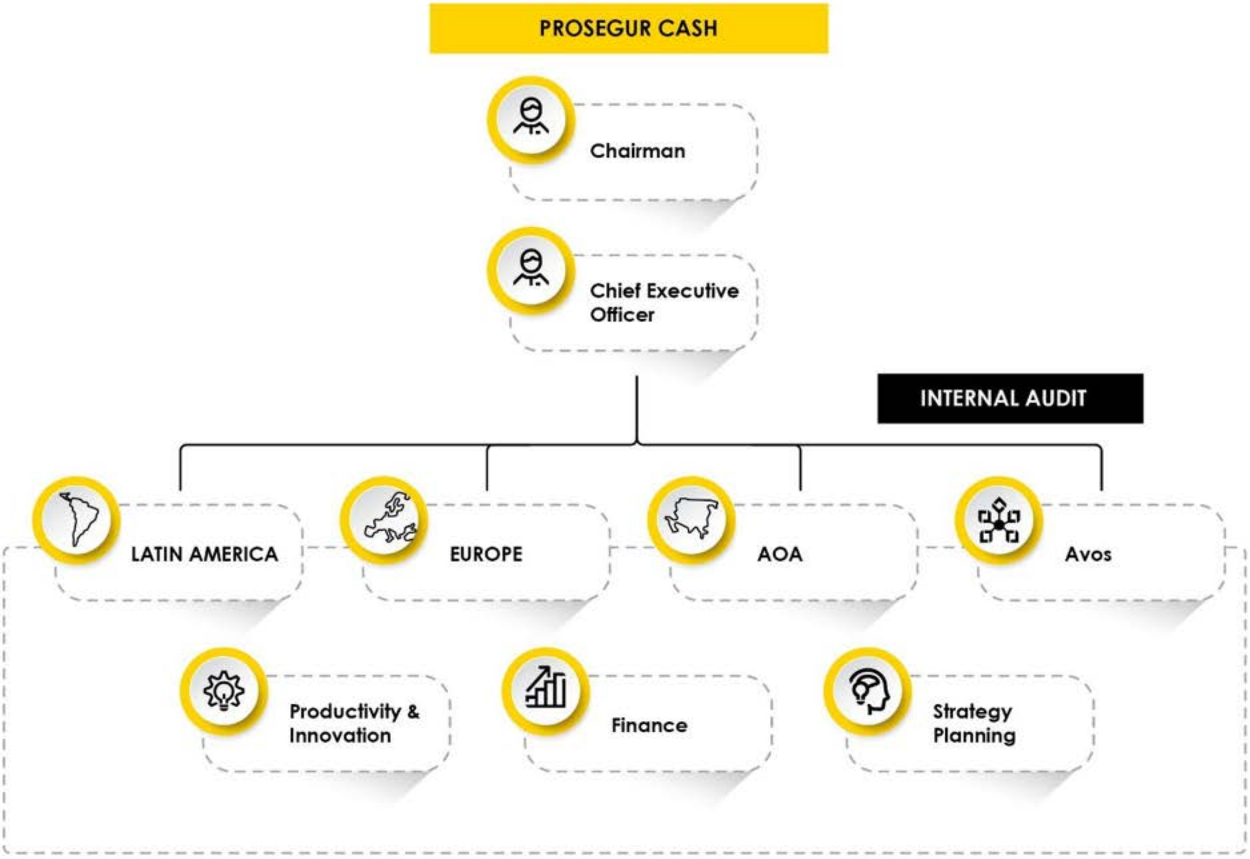
We combine our proven track record and the latest technology to keep pushing, not only ourselves, but also the industry forward.

1.2. 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: Europa, AOA and LatAm. There is also a Division for Innovation and Productivity and an Prosegur AVOS Division.

The corporate functions are supervised by the Global Support Directorates that cover the Finance, Human Resources, Investor Relations, Legal and Strategic Planning.

The organisation of Prosegur Cash 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 during 2020 were mainly due to the following acquisitions:

- Business combinations in LatAm: During 2020, Prosegur acquired a number of security companies in LatAm providing cash in transit and ancillary banking services. The total purchase price was EUR 75,679 thousand, comprising a cash consideration of EUR 24,816 thousand, a deferred contingent consideration amounting to a total of EUR 27,691 thousand, due in 2020 and 2024 and a deferred payment of EUR 23,172 thousand, due in 2020, 2021, 2022, 2023, 2024 and 2025.

- Business combinations in Europe. Prosegur acquired a company in Europe that provides buying and selling services online through an internet platform that puts the seller in contact with the end client. The total purchase price was EUR 6,101 thousand, comprising a cash payment of EUR 2,247 thousand, and a deferred contingent consideration totalling EUR 3,854 thousand maturing in 2023 and 2025.
- Business combinations in AOA. In 2020, Prosegur acquired assets relative to cash in transit services. The total purchase price was EUR 10,454 thousand, entirely comprising a cash payment.

The following companies were incorporated or wound up in 2020:

- In February 2020, Prosegur Custodia de Activos Digitales, S.L. was incorporated in Spain.
- In March 2020, Gelt Brasil Consultoria em Tecnologia da Informação Ltda. was incorporated in Brazil.
- In June 2020, Spike GmbH was incorporated in Germany.
- In December 2020, Prosegur Cash Servicios S.A.C. was incorporated in Peru.

The following mergers took place between subsidiaries in 2020:

- In January 2020, the takeover merger of Transvip Transporte de Valores e Vigilância Patrimonial Ltda. by Prosegur Brasil SA Transportadora de Valores e Segurança was formalised in Brazil.
- In August 2020, the takeover merger of Transvip Transporte de Valores e Vigilância Patrimonial Ltda. by Prosegur Brasil S.A. Transportadora de Valores e Segurança was formalised in Brazil.
- In December 2020, the takeover merger of Tevsur Cia Ltda. by Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda. was formalised in Ecuador.
- In December 2020, the takeover merger of BaS Solution Gmbh by Prosegur Cash Services Germany Gmbh was formalised in Germany.

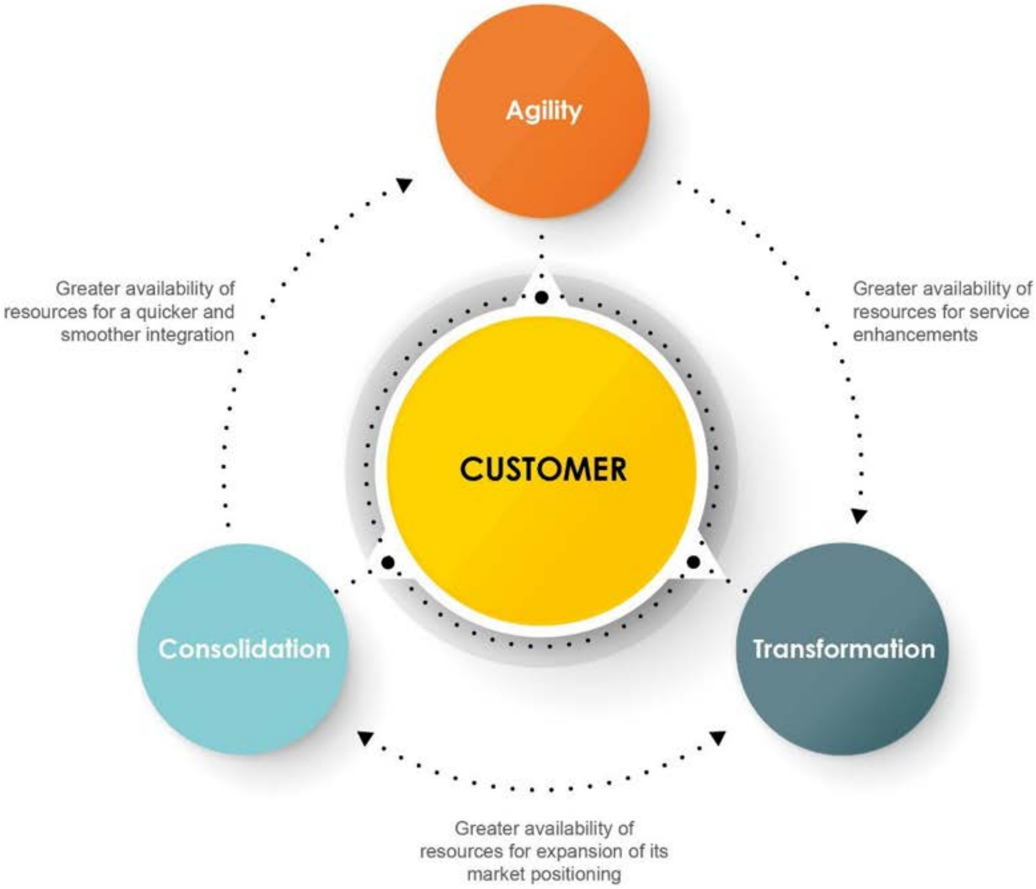
On 14 February 2020 Prosegur sold all its stake in the Mexican companies Prosegur Seguridad Privada Logistica y Gestión de Efectivo S.A. de CV, Prosegur Servicios de Seguridad Privada Electronica SA de CV and Grupo Tratamiento y Gestión de Valores SAPI de CV.

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, the Company established three main goals:

- To respond to the new needs of clients in line with market trends, especially accelerated as a result of the global emergence of COVID-19.
- Continue being 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 last phase 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 2020, the last year of the 2018-2020 Three-Year Plan, progress was made in the following areas.

- Promoting agility in terms of reaction to COVID-19, placing at the disposal of clients and employees the tools necessary to ensure the continuity of the business.

- 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.

2020 has seen advances made in the following business lines:

- Confirmation of the resilience of the business model, with a rapid recovery of the figures at the levels prior to the pandemic.
- Bolt-on acquisitions in traditional business and acceleration of new products.
- Specific Strategic disinvestments.

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, contribute to increase margins and evidence our firm commitment to innovation.

The following advances have already been made in 2020:

- Increase in the weight of new products over total sales.
- Launch of new business lines.
- Implementation of innovation methodology based on horizons and under ad hoc governance model.
- Incorporation of talent in innovation.
- Active collaboration with Ecosystem start-up companies through the COME IN Global Open Innovation Programme.

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*), and finances and accounting *(Record to Report*) processes
- To simplify the technological footprint, endeavouring that the critical systems for each one of the business 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".
- Collaborate with ecosystem enterprise companies through open innovation, with the aim of incorporating innovative solutions into the business lines and support department to improve processes and make it possible to offer innovative solutions to clients.
- 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 2020, Prosegur Cash promoted the development of agile methodology aimed at achieving excellence through the ongoing improvement of processes and services. A wide group of Prosegur Cash associates work using this methodology, which has made it possible to obtain 35% more product output in 27% less time.

In addition, the company has worked on improving and strengthening its range of Prosegur Smart Cash solutions, through technology, to offer its clients a specialised service, improving communication through a new mobile application that is more agile and accessible.

To promote innovation, Prosegur Cash has implemented new initiatives in such as the launch of the COME IN Open Innovation Programme, which aims to encourage collaboration between the start-up ecosystem and the company. This programme launched a challenge to find innovative solutions to improve business processes and provide support for their specific needs.

2. Business performance and profit/(loss)

2.1. Main financial and non-financial indicators

(Thousands of Euros)	2020	2019	Variation
Sales	**332,850**	**113,016**	**194.52 %**
EBITDA	**315,303**	**101,573**	**210.42 %**
Margin	95 %	90 %	
PPE depreciation and computer software	(3,451)	(126)	
EBITA	**311,852**	**101,447**	**207.40 %**
Margin	94 %	90 %	
Amortisation of other intangible assets	(1,247)	(2,798)	
EBIT	**310,605**	**98,648**	**214.86 %**
Margin	93 %	87 %	
Financial results	(15,071)	(13,354)	
Profit/(loss) before tax	**295,534**	**85,294**	**246.49 %**
Margin	89 %	75 %	
Taxes	6,461	4,191	
Tax rate	2 %	5 %	
Net profit/(loss) from ongoing operations	**301,995**	**89,485**	**237.48 %**
Net result	**301,995**	**89,485**	**237.48 %**

The sales are determined mainly by the dividends received from the investees.

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.

Amortisation and depreciation charges totalled EUR 4.6 million in 2020 (2019: EUR 3.0 million). Property, plant and equipment accounts for EUR 0.3 million (2019: EUR 0.1 million) to computer software EUR 3.1 million (2019: EUR 2.4 million) and other intangible fixed assets EUR 1.2 million (2019: EUR 0.5 million).

EUR 1.3 million was invested in property, plant and equipment in 2020 (2019: EUR 1.2 million). Investment of EUR 2.7 million was also made in computer software (2019: EUR 3.1 million).

2.3. Personnel

The company's personnel as of 31 December 2020 was 52 employees (43 in 2019).

2.4. Environmental issues

At the end of 2020, the Company has no environment-related contingencies, legal claims or income and expenses relating to the environment.

3. Liquidity and capital resources

3.1. 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 2020 and at the consolidated level, the Prosegur Cash Group has available liquidity in the amount of EUR 676.0 million (2019: EUR 756.0 million). This amount is mainly compound by:

- EUR 401.8 million of cash and cash equivalents (2019: EUR 307.4 million).
- EUR 145.0 million of non-current credit available, relating to the drawable syndicated loan arranged on 10 February 2017 (2019: EUR 280.0 million).
- Other unused credit facilities for EUR 129.2 million (2019: EUR 168.6 million).

This liquidity figure accounts for 44.8% of consolidated annual sales (2019: 42.0%), which ensures both the short-term financing needs 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.

3.2. Capital resources

The structure of the long term financial debt is determined by the following contracts:

a) On 10 February 2017 Prosegur Cash S.A. arranged a new five-year syndicated credit financing facility of EUR 300 million to provide the company with long-term liquidity. On 7 February 2019 this syndicated credit facility was renewed, and its maturity extended by another 5 years. In February 2020 the maturity was extended until February 2025. At 31 December 2020 the balance drawn down from this credit amounted to EUR 155 million (EUR 20 million at 31 December 2019).

b) On 28 April 2017, Prosegur, via its subsidiary Prosegur Australia Investments Pty, arranged a syndicated credit financing facility in the amount of AUD 70 million. In April 2020, the operation was renewed with a maturity ranging from 2021 to 2023. (AUD 10 million in 2021, AUD 10 million in 2022, and AUD 50 million in 2023).

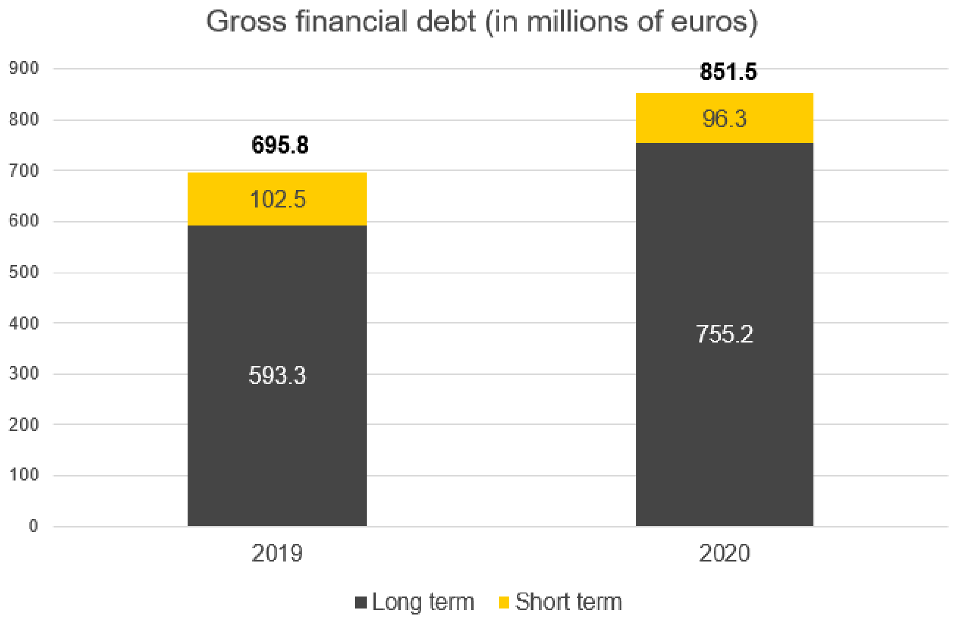
   At 31 December 2020, the drawn down capital corresponding to the loan amounts to AUD 70 million (at 31 December 2020 equivalent to: EUR 44.036 million). At 31 December 2019, the drawn down capital corresponding to the loan amounts to AUD 70 million (equivalent to EUR at 31 December 2019: EUR 43.764 million).

c) 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.

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 2020 amounts to EUR 755.2 million (2019: EUR 593.3 million), basically supported by the bond issued on 4 December 2017 and maturing in 2026.

Gross current financial debt (excluding other non-bank borrowings corresponding to deferred payments for acquisitions) amounts to EUR 96.3 million (2019: EUR 102.5 million).

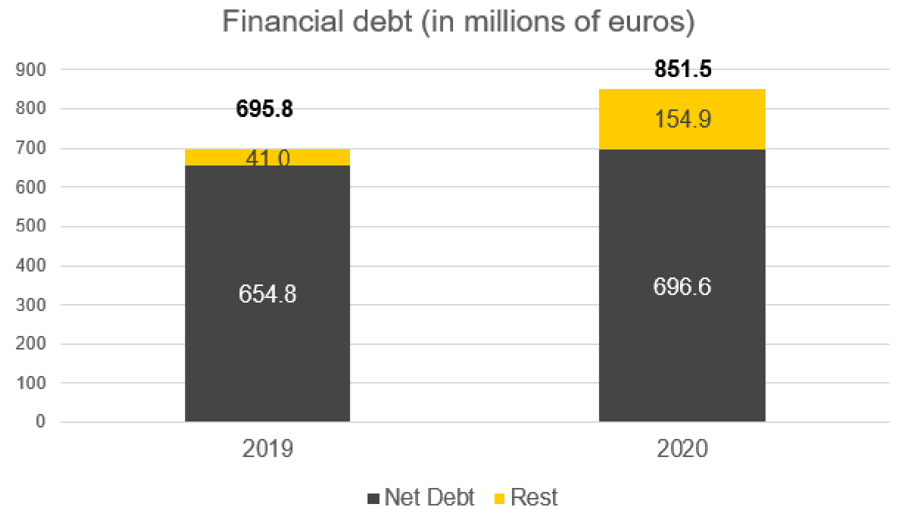
The current and non-current maturities of gross financial debt are distributed as follows:



In 2020 financial debt had an average cost of 1.12% (2019: 1.70%).

Net financial debt (excluding other non-bank borrowings corresponding to deferred payments for M&A) at 2020 year-end amounts to EUR 696.6 million (2018: EUR 654.8 million).

Below is a comparison of gross debt and net debt (excluding deferred payments for M&A) from 2019 and 2020:



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 ended 31 December 2019.

3.3. Analysis of contractual obligations and off balance sheet obligations

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 Group issues third party guarantees of a commercial and financial nature. The total amount of guarantees issued at 31 December 2020 amounts to EUR 293.9 million (2019: EUR 293.0 million).

4. Main risks and uncertainties

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 employees involved in the activity. In addition to representing the sources in which the operational risks identified could materialise, they are the critical barrier with which to contain the materialisation of those risks.

Frame of reference

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.

Prosegur Cash is a global company that is exposed to various risk factors. These depend on the countries in which it operates and the nature of the sectors. The company seeks to identify these risks and assess them, an initiative that allows it to implement timely management measures sufficiently in advance to mitigate the probability of these risks occurring and/or their potential impact on targets.

In July 2020 the Audit Committee approved the new Risk Control and Management Policy of Prosegur Cash which is published on the corporate web site. This standard defines the risk control and management model, powers, functions, responsibilities of the corporate governance structure and types of existing risks.

Risk management governance

Under the terms of Prosegur Cash's risk management policy, one of the basic principles guiding this activity is to involve the employees in the culture of risk management, encouraging them to identify risks and participate actively in reducing them.

As part of its general supervisory function, the Board of Directors is the body ultimately responsible for determining the general policies and strategies on risk control and management, delegating the associated powers for information, consultancy and proposals to the Audit Committee and the supervision of the functioning of the control and risk management unit, through the Internal Audit Department.

The Prosegur Cash Risk Committee, as the unit for control and risk management, ensures that the systems for risk control and management function correctly and, in particular, that all significant risks affecting Prosegur Cash are properly identified, managed, and quantified; it has an active participation in drawing up the risk strategy and in any important decisions on how it is managed; and it ensures that the risk control and management systems reduce the risks adequately.

Risk management process

The Risk Control and Management Policy includes the following basic principles on which risk management and control is centred:

1. INFORMATION

Inform and communicate risk exposures and conduct an annual assessment of risks.

2. RISK IDENTIFICATION

Identify business risks or foresee risk scenarios, measure and analyse their impact on the company.

3. CONTROL

Propose new policies or reassess existing policies. In addition, propose necessary corrective measures based on cost-effectiveness criteria to minimize identified.

4. MONITORING

Supervise and follow-up compliance with policies, standards, procedures, information systems through internal control to ascertain whether exposure is acceptable. Continuous remote and on-site monitoring.

- The ongoing identification, evaluation and prioritisation of critical risks, considering their possible effect on the relevant goals of Prosegur Cash.
- Assessment of risks in accordance with procedures based on key indicators that enable their control, as well assessing and monitoring their evolution over time.
- Periodic monitoring of the results of the evaluation and effectiveness of the measures applied by those responsible for the risks.
- Review and analysis of profit/(loss) by the Risk Committee.
- The supervision of the system by the Audit Committee, through the Internal Audit Department.

Risk mapping

Taking the targets identified in the company's Strategic Plan as a reference, the risks were identified that could affect the attaining of those targets, from both a global and local perspective, through the local managers.

As assessment was made on the risks identified regarding their impact and likelihood, which makes it possible to prioritise them and define response plans.

To facilitate the identification of risks, Prosegur Cash has an internally developed risk management tool that helps to identify a general catalogue of risks, updated once a year, and which enables the information to be unified and consolidated.

4.1. Operational risk

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 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.

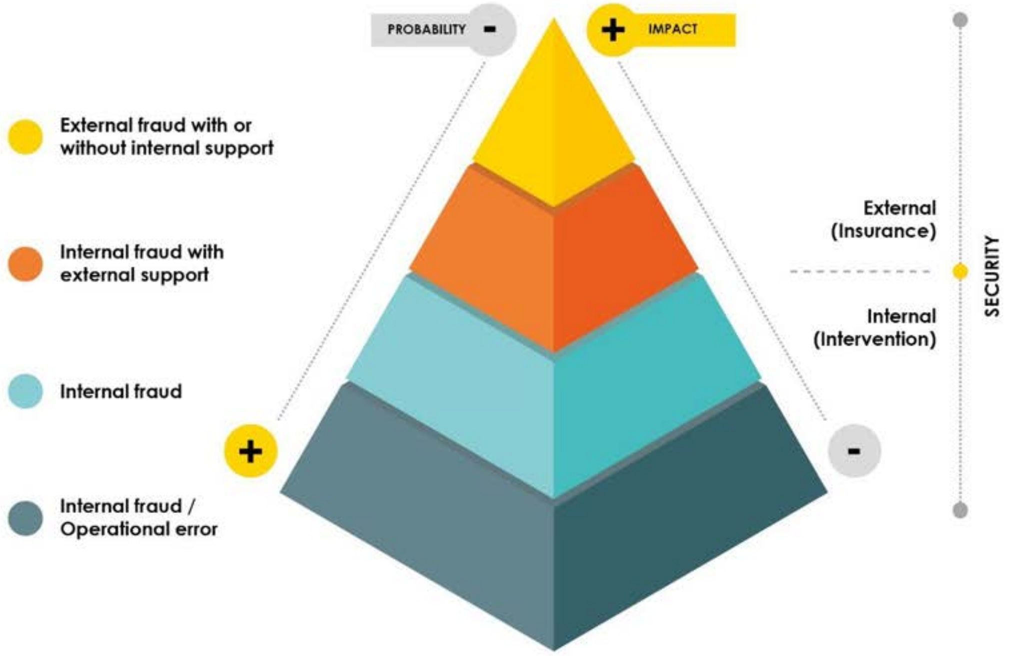
The local Business Areas define the policies, procedures and tools for their identification and quantification, as well as the proposal of measures to mitigate risk and the ongoing monitoring of any deviation from established tolerance levels, in connection with operational control, security and regulatory 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.

The Internal Audit and Compliance Directorate also plays an essential role regularly assessing the control environment and implementing and continuously monitoring the programmes to ensure the proper operation of controls implemented.

Operational risks

Prosegur Cash devotes significant effort to the management of operational 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 employees.

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 in four global support areas: Intelligence, Information Security, Security of Bases and Facilities and International Tactical Training Team.

The **Intervention department** is organised into two units: Intervention and Loss Control (UPC). 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 property, plant and equipment.

The strict control of the triad of infrastructure, processes and employees, 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).

Technological risks

The activities of Prosegur Cash and its investee companies are highly dependent on their information and communication technology infrastructure.

In the normal course of its business, Prosegur Cash compiles, manages, processes and stores sensitive and confidential information, including commercial and operating information relating to its clients and personal information on clients and employees.

Despite the security measures in place both in its facilities and IT systems, the information held by Prosegur Cash could be vulnerable to security breaches, computer viruses, data loss, human error or other similar events.

During 2020 Prosegur Cash has strengthened its Data Security department with the incorporation of a CISO.

Based on the NIST Cybersecurity Framework, it has introduced important improvements into the difference functions, with special mention of those related to Protection, Detection and Recovery.

Similarly, the training and awareness of all its employees is a priority for Prosegur. Therefore, we have reached a level of training in cybersecurity through the Prosegur University of more than 90% of the employees. We also carry out periodic cyber awareness exercises to keep our employees trained on an ongoing basis.

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 Ethics Channel, anticipates non-fulfilment through the Corporate Compliance Programme and implements independent processes of due diligence.

Environmental risks

Prosegur Cash shows its firm commitment to combating climate change through the accounting and control of its consumption and, accordingly, its carbon dioxide emissions.

Prosegur Cash we make a significant effort in environmental matters, taking as a model the system of management and continuous environmental improvement defined by the ISO 14001 international standard.

We evaluate, measure and reduce the environmental impact associated with our activity in each country and we make our employees aware of caring for the environment by communicating good practices that promote sustainable development.

We establish policies with environmental management commitments and objectives in the business and countries in which we operate, in order to guarantee compliance with the applicable environmental legislation in each country. Likewise, we seek to obtain a compliance commitment from the suppliers and companies to which we subcontract services.

Corruption and fraud risk

Prosegur Cash carries out its activities through various operating companies located in different countries, which may be affected by situations of corruption and/or fraud. These risks can affect the economic development of these countries and even put their state and government models at risk, violate the principles of equality and competition in the markets and cause serious damage to the social order, political stability and the economy.

Prosegur Cash has a reliable crime prevention programme in the countries where it operates, implemented through policies, procedures and by establishing controls for preventing any actions of corruption and fraud in which an employee, director, shareholder, client or supplier or any related party might act dishonestly. Nevertheless, the materialisation of those risks can affect the reputation and financial situation of the company.

Political risks

Prosegur Cash operates in different countries. Political risk is one that can affect the economic interests of an organisation as a result of changes in or a lack of political stability in a country or region.

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 2020, 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 floating 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.

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 2020 was 59 days (2019: 59 days).

6. Important circumstances after the reporting period

No subsequent events have taken place following the close of financial year 2020 that might suppose any significant change to the presentation of the Annual Accounts.

7. Information on the foreseeable performance of the entity

If 2020 was marked by the health crisis and the economic slowdown caused by COVID-19, in 2021 the evolution of Prosegur Cash will be very conditioned by the progress in the different vaccination campaigns, the capacity of the world economy to gradually recuperate the pre-pandemic rate of growth and greater stability in the currencies of the main areas where it operates.

In this respect, we assume that the first part of the year will still be complicated so it will be conditioned by lower economic growth, less consumption and government action aimed at restricting mobility and limiting the spread of the virus. In addition, the comparison with the previous year will be very challenging.

At the same time, we are moderately optimistic for the second half of the year provided that the health targets and a relevant degree of herd immunity are reached. We believe this a necessary condition for giving a boost to investor sentiment and contributing to a sustainable economic revival, which will undoubtedly result in a higher demand for our services.

As for currencies, and although it is difficult to forecast, it seems that the emerging currencies will continue to devalue in 2021, although to a lesser extent than last year. In this respect, the Company expects to reduce this impact as far as possible by capturing natural growth in its markets, access to new clients by offering new solutions and services and the gradual recovery of its margins.

In this environment of uncertainty, the company will continue deploying the measures necessary for minimising the impact of the pandemic on its results, preserving cash generation and ensuring liquidity levels that are suitable for the situation.

We think some of the measures we have been implementing since the second quarter of 2020, such as the reduction in travel expenses or the acceleration of investments in Innovation and Digital

Transformation and which have enabled us to improve our resilience and rapidly adapt to the new normality, will become structural measures and will help us to navigate the new post-pandemic environment.

Prosegur Cash will continue to implement its strategy of consolidation and transformation, giving priority to the inorganic opportunities that enable it to promote its new solutions; this is where it hopes to continue the significant growth shown in the past. Moreover, it will continue working to fully or partially recover from the effect of the impact of the pandemic in terms of profitability and will continue to apply best practices in order to optimise efficiency in the operations and in cash generation.

The company has various levers for growth amongst which its platform for carrying out cash in transit, with a significant presence in the emerging markets, and its new business lines dedicated to retail and opportunities for outsourcing.

It also has a solid financial structure with no relevant maturities in the medium term, limited levels of leverage, and the capacity to generate cash which enables it to face 2021 with certain reassurance and to successfully face the major challenges approaching in the years to come.

Estimates and opinions regarding the future development and profit/(loss) at Prosegur Cash business 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 3 June 2020 the Board of Directors of Prosegur Cash decided to implement an own share buyback programme.

The programme has been put into effect under the provisions of Regulation (EU) no. 506/2014 on market abuse and the Commission Delegated Regulation 2016/1052, making use of the authorisation granted by the Shareholders General Meeting held on 6 February 2017 for the purchase of own shares, for the purpose of redeeming them pursuant to a share capital reduction resolution which will be submitted for the approval of the next Shareholders General Meeting.

The Programme will apply to a maximum of 45,000,000 shares, representing approximately 3% of Prosegur Cash's share capital (1,500,000,000 shares at the time of the meeting of the Board of Directors of 3 June 2020).

The Programme has the following features:

a) Maximum amount allocated to the Programme: EUR 40,000 thousand.

b) Maximum number of shares that can be acquired: up to 45,000,000 shares representing approximately 3% of the Company's share capital.

c) Maximum price per share: shares are purchased in compliance with the price and volume limits established in the Regulations. In particular, the Company cannot buy shares at a price higher than the highest of the following: (i) the price of the last independent trade; or (ii) that corresponding to the highest current independent bid on the trading venues where the purchase is carried out.

d) Maximum volume per trading session: insofar as volume is concerned, the Company will not purchase more than 25% of the average daily volume of the shares in any one day on the trading venues on which the purchase is carried out.

e) Duration: the Programme has a maximum duration of one year. Notwithstanding the above, the Company reserves the right to conclude the Programme if, prior to the end of said maximum term of one year, it has acquired the maximum number of shares authorised by the Board of Directors, if it has reached the maximum monetary amount of the Programme or if any other circumstances arise that call for it.

As a result of the implementation of the Programme, the operation of the liquidity contract which came into force on 11 July 2017 and that was signed by the Company has been suspended.
At 31 December 2020, the treasury stock held by Prosegur Cash, S.A. is composed of 23,436,659 shares (2019: 1,119,862 shares), of which 768,667 (2019: 696,866) are linked to the liquidity agreement that entered into force on 11 July 2017.

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 computer software 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 profit/(loss) 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 payables 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 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 computer software.	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 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 Euros)	**31/12/2020**	**31/12/2019**
Technical installations and machinery	—	22
Other installations and furniture	924	985
Other property, plant and equipment	375	199
Additions of property, plant and equipment	1,299	1,206
Additions of computer software	2,675	3,140
Total CAPEX	**3,974**	**4,346**

EBIT margin (in millions of Euros)	**31/12/2020**	**31/12/2019**
EBIT	310,605	98,648
Revenue	332,850	113,016
EBIT margin	**93.3 %**	**87.3 %**

Net financial debt (In millions of Euros)	**31/12/2020**	**31/12/2019**
Financial liabilities (A)	851,520	695,788
Cash and cash equivalents (B)	(154,893)	(40,982)
Less: Other current financial assets (C)	—	—
Total Net Financial Debt (A+B+C)	696,627	654,806
Less: Other non-bank borrowings (D)	(18,803)	(17,975)
Total Net Financial Debt (excluding other non-bank borrowings referring to deferred M&A payments (A+B+C+D)	**677,824**	**636,831**

EBITA (In thousands of Euros)	**31/12/2020**	**31/12/2019**
Profit/(loss) for the year	301,995	89,485
Income tax	(6,461)	(4,191)
Net financial expenses	15,071	13,354
PPE depreciation and computer software	1,247	2,798
EBITA	**311,852**	**101,447**

EBITDA (In thousands of euros)	**31/12/2020**	**31/12/2019**
Profit/(loss) for the year	301,995	89,485
Income tax	(6,461)	(4,191)
Net financial expenses	15,071	13,354
Depreciation and amortisation	4,698	2,925
EBITDA	**315,303**	**101,573**

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.

During 2020, and despite the strong negative impact that the global pandemic has meant for events and face-to-face meetings, Prosegur Cash has made use of online media in its meetings, managing to maintain a level of contact with the shareholders and investors very similar to that of previous years.

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.

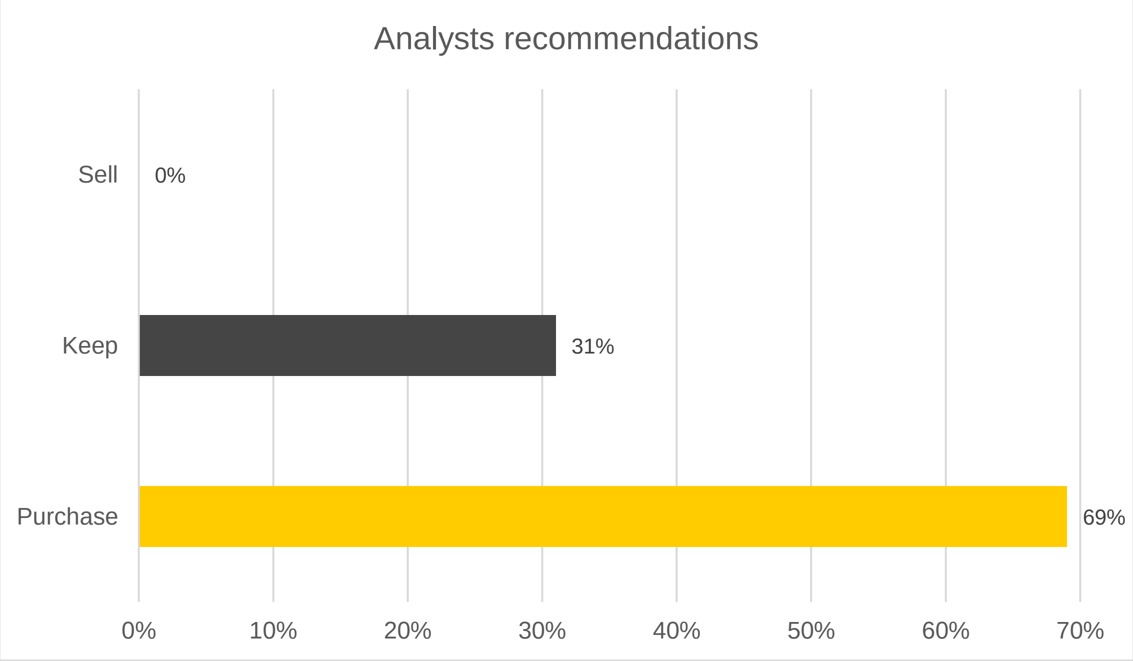
On ESG issues (Environmental, Social and Corporate Governance), Prosegur Cash continuously provides detailed information to any shareholders, private and institutional investors, the leading stock market analysts and proxy advisors who request it. By means of face-to-face meetings or telephone calls, 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.

Since 2019 Prosegur Cash pertains to 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.

Analysts coverage

In 2020 there was less coverage by analysts who regularly inform the market about the company, as some analyst firms have been obliged to close or limit their activity.

The currently recommendations of the 13 investment companies that cover the Company are as follows:



On 31 December 2020, Prosegur Cash's share price closed at EUR 0.80, i.e. 41% lower than in the previous December. The evolution of the share price, which reached its minimum last October, was affected by the pandemic caused by COVID-19, as it reduced the company's level of activity while at the same time giving rise to a sharp adjustment in the stock markets during the first quarter of 2020.

Main shareholders

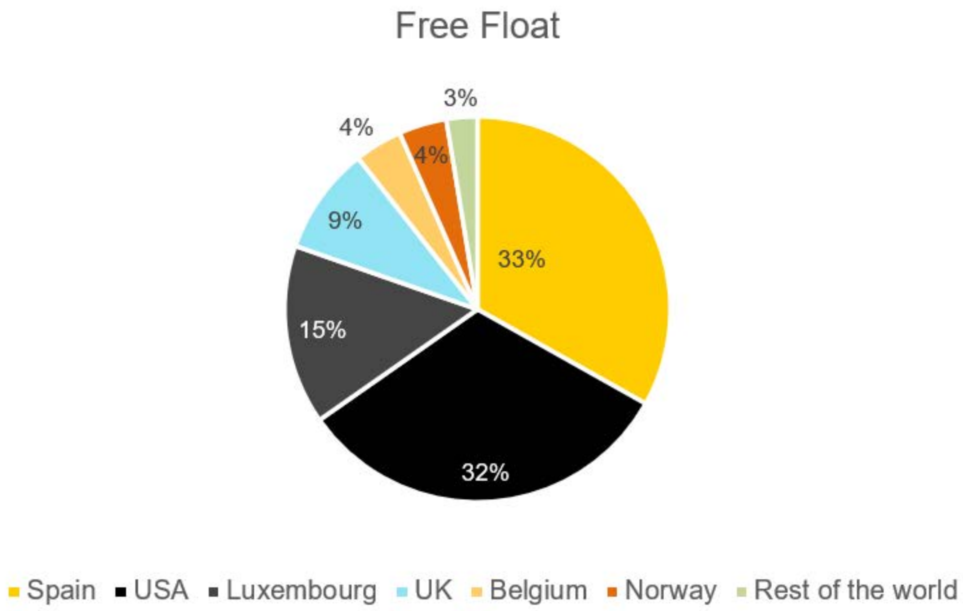
The shareholding structure of Prosegur Cash reflects its solidity and stability.

At 31 December 2020, 74.98% of share capital belonged directly or indirectly to Prosegur, 1.50% were treasury shares and the remaining 23.52% is free float, with notable holdings belonging to Invesco Limited with 2.755%.

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

Excluding the capital in hands of the Prosegur Group, the free-float capital of Prosegur Cash is widely accepted among both domestic and foreign investors and is distributed as follows:



11. Statement of Non-financial Information

The Statement of Non-financial Information of Prosegur Cash, S.A. is described in note 5 of the Consolidated Directors' Report of Prosegur Cash.

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT OF 2020

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 2020, authorised for issue by the Board of Directors at the meeting held on 23 February 2021 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.

Madrid, 23 February 2021.

Mr Christian Gut Revoredo
Executive President

Mr Pedro Guerrero 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 2020. 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 Shareholders 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

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CASH

www.prosegurcash.com