

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, 2022

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, 2022, 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, 2022 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, 2022, the Company has recognized in non-current assets, investments in group companies and associates amounting to 1,568 million euros, representing 90% 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 9 and 27.3 of the accompanying annual accounts.

Our

Response

In relation to this area, our audit procedures included, among others, the following:

- ▶ Understand the process established by Company Management to determine impairment of the losses on long-term investments in group companies and associates and assessment of the design and implementation of relevant controls established in the process.
- ▶ 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 information: director's report

Other information refers exclusively to the 2022 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 and the Annual Report on Remuneration of Directors, 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 2022 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.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of PROSEGUR CASH, S.A. for the 2022 financial year, consisting of an XHTML file containing the financial statements for the year, which will form part of the annual financial report.

The directors of PROSEGUR CASH, S.A. are responsible for submitting the annual financial report for the 2022 financial year, in accordance with the formatting requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors have been included by reference in the directors' report.

Our responsibility consists of examining the digital file prepared by the directors of the Company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the financial statements included in the aforementioned digital file correspond in their entirety to those of the financial statements that we have audited, and whether the financial statements and the aforementioned file have been formatted, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital file examined corresponds in its entirety to the audited financial statements, which are presented, in all material respects, in accordance with the ESEF Regulation.

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 24, 2023.

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 N° S0530)

(Signed on the original version in Spanish)

David Ruiz-Roso Moyano
(Registered in the Official Register of
Auditors under N° 18336)

February 24, 2023



PROSEGUR
CASH

Annual Accounts and Directors' Report at 31 December 2022

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

Prosegur Cash, S.A.

Table of contents

I.	INCOME STATEMENT FOR THE YEARS ENDED AT 31 DECEMBER 2022 AND 2021.....	4
II.	BALANCE SHEET AT 31 DECEMBER 2021 AND 2021.....	5
III.	CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021.....	7
IV.	STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021.....	9
1.	General information.....	11
2.	Basis for Presentation.....	12
3.	Income and Expenses.....	16
4.	Net Finance profit/(loss).....	18
5.	Profit/(loss) for the year.....	20
6.	Business combination.....	21
7.	Intangible assets.....	23
8.	Property, plant and equipment.....	26
9.	Long-term investments in Group companies, Jointly controlled companies and associates.....	27
10.	Financial assets.....	36
11.	Financial investments and trade receivables.....	41
12.	Cash and cash equivalents.....	42
13.	Equity.....	43
14.	Financial liabilities.....	48
15.	Financial debts and commercial creditors.....	51
16.	Taxation.....	55
17.	Contingencies.....	58
18.	Commitments.....	60
19.	Balances and transactions with related parties.....	61
20.	Non-current provisions.....	68
21.	Remuneration of the Board of Directors and Senior Management Personnel.....	69
22.	Employee Information.....	71
23.	Audit Fees.....	71
24.	Environmental information.....	72
25.	Financial risk management.....	72
26.	Events after the reporting date.....	74
27.	Accounting principles.....	74
27.1.	Intangible assets.....	74
27.2.	Property, plant and equipment.....	75
27.3.	Impairment losses on non-financial assets.....	76
27.4.	Financial assets.....	76
27.5.	Cash and cash equivalents.....	80
27.6.	Equity.....	80
27.7.	Financial liabilities.....	80
27.8.	Current and deferred taxes.....	83
27.9.	Employee benefits.....	83
27.10.	Provisions and Contingent Liabilities.....	84
27.11.	Revenue recognition.....	85
27.12.	Foreign currency transactions.....	87
27.13.	Related party transactions.....	87
27.14.	Leases.....	88
27.15.	Business combinations.....	88
	Directors' Report for 2022.....	89

I. INCOME STATEMENT ACCOUNT FOR THE YEARS ENDED AT 31 DECEMBER 2022 AND 2021

(Expressed in thousands of EUR)

	Note	2022	2021
Net turnover	3	70,052	79,162
Dividend received		58,068	64,000
Loan interest income		1,936	2,432
Provision of services		10,048	12,730
Supplies		(2)	(2)
Consumption of raw materials and other consumables		(2)	(2)
Other operating income		405	—
Non-core and other operating revenues		405	—
Personnel Expenses	3	(10,295)	(7,933)
Wages, salaries and similar charges		(9,272)	(7,099)
Social security obligations		(1,023)	(834)
Other operating expenses		(16,262)	(11,840)
External services	3	(13,255)	(10,352)
Taxes		(940)	(12)
Losses, impairment and changes in commercial provisions		—	15
Other ordinary expenses	3	(2,067)	(1,491)
Fixed assets deterioration	7 and 8	(3,101)	(3,800)
Impairment and profit/(loss) for disposal of fixed assets		(87)	(46)
Profit/(losses) on disposals and other operations	7	(87)	(46)
Impairment and profit/(losses) on disposal of financial instruments	9	(51,393)	(12,943)
Impairments and Losses		(51,384)	—
Profit/(losses) on disposals and other operations		(9)	(12,943)
Other profit/(loss)	3	442	1,956
OPERATING PROFIT/(LOSS)		(10,241)	44,554
Financial income	4	99	32
Negotiable securities and other financial instruments		99	32
Financial expense	4	(22,744)	(16,206)
From payables to Group companies and associates		(5,767)	(4,139)
From payables to third parties		(16,977)	(12,067)
Exchange differences	4	(12,450)	107
FINANCE PROFIT/(LOSS)		(35,095)	(16,067)
PROFIT BEFORE TAX		(45,336)	28,487
Income tax	16	9,847	5,113
PROFIT/(LOSS) FOR THE YEAR	5	(35,489)	33,600

The accompanying notes form an integral part of the Annual Accounts for 2022.

II. BALANCE SHEET AT 31 DECEMBER 2022 AND 2021

(Expressed in thousands of EUR)

ASSETS	Note	2022	2021
NON-CURRENT ASSETS		1,580,264	1,287,237
Intangible assets	7	8,592	7,474
Patents, licences, trademarks and others		152	213
Computer software		4,633	2,781
Other intangible assets		3,807	4,480
Property, plant and equipment	8	1,878	2,075
Technical facilities and other property, plant and equipment		1,874	2,071
Work in progress		4	4
Long-term investments in Group companies and associates	9	1,567,872	1,271,775
Equity instrument	9	1,567,872	1,271,582
Loans to companies	10 and 19	—	193
Long-term financial investments	10 and 19	687	4,543
Loans to third parties		601	4,431
Other financial assets		86	112
Deferred tax assets	16	1,235	1,370
CURRENT ASSETS		170,286	381,984
Trade and other receivables		42,049	16,166
Clients' receivables for sales and services	10	—	163
Clients, Group companies and associates	10 and 19	33,796	13,234
Miscellaneous receivables	10	627	341
Personnel	10	—	2
Public entities, other receivables	16	7,626	2,426
Short-term investments in Group companies and associates	10 and 19	115,769	354,291
Loans to companies	10 and 19	69,985	224,069
Other financial assets	10 and 19	45,784	130,222
Short-term financial investments	10	—	655
Loans to companies		—	655
Short-term deferrals		660	899
Cash and cash equivalents	12	11,808	9,973
Cash and other cash equivalents		11,808	9,973
TOTAL ASSETS		1,750,550	1,669,221

The accompanying notes form an integral part of the Annual Accounts for 2022.

NET EQUITY AND LIABILITIES	Note	2022	2021
EQUITY		295,506	325,444
Shareholders' equity		295,506	325,444
Subscribed capital	13	30,459	30,459
Registered capital		30,459	30,459
Share premium	13	33,134	33,134
Reserves	13	293,276	270,792
Legal and statutory reserves		6,178	6,178
Other reserves		287,098	264,614
(Own shares and equity holdings)	13	(25,874)	(14,282)
Profit/(loss) for the year	5	(35,489)	33,600
(Interim dividend)	5	—	(30,002)
Other net equity instruments	13	—	1,743
NON-CURRENT LIABILITIES		1,096,556	894,388
Non-current provisions	20	3,221	3,106
Obligations for long-term personnel benefits		2,521	1,163
Other provisions		700	1,943
Long-term debts	14	757,177	608,456
Debentures and other negotiable securities		597,023	596,444
Debts with credit institutions		100,000	—
Other financial liabilities		60,154	12,012
Long-term payables to Group companies and associates	14 and 19	333,658	282,826
Deferred tax liabilities	16	2,500	—
CURRENT LIABILITIES		358,488	449,389
Short-term debts	14	115,411	81,172
Debentures and other negotiable securities		7,760	7,471
Debts with credit institutions		71,070	48,813
Other financial liabilities		36,581	24,888
Short-term payables to Group companies and associates	14 and 19	221,407	351,879
Trade and other payables		21,670	16,338
Suppliers		24	—
Suppliers, Group companies and associates	14 and 19	12,161	11,631
Sundry accounts payable	14	6,535	2,862
Personnel (salaries payable)	14	1,539	1,490
Public entities, other payables	16	1,411	355
TOTAL EQUITY AND LIABILITIES		1,750,550	1,669,221

The accompanying notes form an integral part of the Annual Accounts for 2022.

III. STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

A) COMPREHENSIVE INCOME

(Expressed in thousands of EUR)

	<u>Note</u>	<u>2022</u>	<u>2021</u>
Profit/(losses) in the income statement	5	(35,489)	33,600
Total comprehensive income and expenses		<u><u>(35,489)</u></u>	<u><u>33,600</u></u>

The accompanying notes form an integral part of the Annual Accounts for 2022.

B) STATEMENT OF CHANGES IN EQUITY

(Expressed in thousands of EUR)

	Suscribed Share Capital (Note 13)	Share premium (Note 13)	Reserves (Note 13)	(Own shares and equity holdings) (Note 13)	Profit/(loss) for the year (Note 5)	(Interim dividend) (Note 5)	Other net equity instruments (Note 13)	TOTAL
BALANCE AT YEAR END 2020	30,891	33,134	43,858	(18,261)	301,995	(59,928)	—	331,689
Recognised income and expense	—	—	—	—	33,600	—	—	33,600
Operations with partners or owners	(432)	—	225,874	3,979	(301,995)	29,926	—	(42,648)
(-) Capital reductions	(432)	—	(16,020)	16,452	—	—	—	—
Operations with own stocks or shares (net)	—	—	(382)	(12,473)	—	—	—	(12,855)
Distribution of profit	—	—	242,067	—	(301,995)	59,928	—	—
Other operations with partners or owners	—	—	209	—	—	—	—	209
Interim dividend	—	—	—	—	—	(30,002)	—	(30,002)
Other changes in equity.	—	—	1,060	—	—	—	1,743	2,803
Other changes	—	—	1,060	—	—	—	—	1,060
Employee share incentives	—	—	—	—	—	—	1,743	1,743
BALANCE AT YEAR END 2021	30,459	33,134	270,792	(14,282)	33,600	(30,002)	1,743	325,444
Total comprehensive income and expenses	—	—	—	—	(35,489)	—	—	(35,489)
Operations with partners or owners	—	—	21,200	(13,824)	(33,600)	30,002	—	3,778
(-) Dividend distribution	—	—	(40,053)	—	—	—	—	(40,053)
Operations with own stocks or shares (net)	—	—	—	(13,824)	—	—	—	(13,824)
Distribution of profit	—	—	3,598	—	(33,600)	30,002	—	—
Increase (decrease) of equity resulting from a business combination (Note 6)	—	—	57,655	—	—	—	—	57,655
Other changes in equity	—	—	1,284	2,232	—	—	(1,743)	1,773
Other changes	—	—	671	—	—	—	—	671
Employee share incentives	—	—	613	2,232	—	—	(1,743)	1,102
BALANCE AT YEAR END 2022	30,459	33,134	293,276	(25,874)	(35,489)	—	—	295,506

The accompanying notes form an integral part of the Annual Accounts for 2022.

IV. STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(Expressed in thousands of EUR)

	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Pre-tax financial year profit		(45,336)	28,487
Adjustments made to profit/(loss)		31.723	(30.459)
Fixed assets depreciation (+)	7	3.101	3.800
Impairment losses (+/-)		—	(15)
Change in provisions (+/-)		115	700
Results from fixed asset disposals and sale	7	87	46
Results from disposal and sale of financial instruments (+/-)	9	51.393	12.943
Financial income (-)	4	(99)	(32)
Dividend received (-)	3	(58.068)	(64.000)
Financial expenses (+)	4	22.744	16.206
Exchange differences (+/-)	4	12.450	(107)
Changes in current capital		189.903	6.214
Clients and other receivables (+/-)		(41.893)	7.037
Other current assets (+/-)		217.777	(7.035)
Trade and other payables (+/-)		12.729	6.503
Other non-current assets and liabilities (+/-)		1.290	(291)
Other cash flows from operating activities		55.547	160.481
Interest payments (-)		(1.574)	(1.019)
Dividend collection (+)		57.208	161.500
Interest received (+)		71	—
Other payments (receipts) (+/-)		(158)	—
Cash flows from operating activities		231.837	164.723
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments (-)		(128.307)	(7.909)
Group companies and associates		(124.120)	—
Intangible assets	7	(4.029)	(3.250)
Property, plant and equipment	8	(158)	(228)
Other financial assets	10	—	(4.431)
Collections from disposal of investments (+)		3.884	3.871
Group companies and associates		—	3.871
Other financial assets		3.884	—
Cash flows from investing activities		(124.423)	(4.038)
CASH FLOWS FROM FINANCING ACTIVITIES			
Collections and payments for equity instruments	13	(11.592)	(12.868)
Issue of equity instruments (+)		—	1.562
Purchases of equity instruments (-)		(11.592)	(14.048)
Sale of own equity instruments (+)		—	(382)
Collections and payments for liability instruments		(65.618)	(241.182)
Issue		182.602	14.351
Debentures and similar securities (+)		868	868
Debts with credit institutions (+)		122.257	—
Other payables (+)		59.477	13.483
Repayment and amortisation of		(248.220)	(255.533)
Debts with credit institutions (-)		—	(194.313)
Loans to Group companies and associates (-)		(248.220)	(61.220)
Dividends payable and remunerations from other equity instruments		(29,391)	(58,609)
Dividends (-)		(29.391)	(58.609)
Cash flows from financing activities		(106.601)	(312.659)
Effects of exchange rate differences		—	—
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		813	(151.974)
Cash and cash equivalents at the beginning of the year	12	9,973	161,947
Additions for business combinations (+)	6	1.022	—
Cash and cash equivalents at the end of the year	12	11.808	9.973

The accompanying notes form an integral part of the Annual Accounts for 2022.

V. NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Prosegur Cash, S.A., (hereinafter, the Company or Prosegur Cash) 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 79.42% of its shares, consolidating both the Company and its subsidiaries in its financial statements (hereinafter, Prosegur Group). On 4 May 2022, Prosegur Assets Management, S.L. dissolved and wound up, transferring 21.98% of the shares held by the Company to the Sole Shareholder.

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 27.50% of the share capital of the Company.

The corporate purpose is described in Article 2 of its Articles of Association and is the following:

Provision of cash-in-transit and cash management 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).

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 2022 corresponds to that of the 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 standards, 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 2022. The consolidated Annual Accounts were drawn up by the Board of Directors, together with these Individual Annual Accounts, on 21 February 2023 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 2022 present consolidated profit of EUR 94,197 thousand (EUR 33,055 thousand in 2021) and consolidated equity of EUR 148,124 thousand (EUR 77,201 thousand in 2021).

2. Basis for Presentation

a) Fair presentation

The annual accounts were prepared on the basis of the Company's accounting records and are submitted in accordance with commercial regulations in force and the General Accounting Plan, approved by Spanish Royal Decree 1514/2007, of 16 November, which has been the subject of several amendments, the last of which was Spanish Royal Decree 1/2021, of 12 January, and its implementing legislation, together with all other commercial regulations in force.

b) Comparative information

For comparative purposes and for each item in the balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the Annual Accounts, in addition to the figures for financial year 2022, the Annual Accounts show those pertaining to the previous year, those of 2021, approved by the Shareholders General Meeting at 1 June 2022.

c) Functional currency

The figures disclosed in the Annual Accounts are expressed in thousands of EUR, the Company's functional and presentation currency.

d) Going concern

As of 31 December 2022, the Company has a negative working capital of EUR 188,202 thousand (EUR 67,405 thousand negative working capital at 31 December 2021). As indicated in Note 1, the Company is the parent of the Prosegur Cash Group and has the capacity to generate future cash flows via the management of its subsidiaries' dividends. Additionally, as of 31 December 2022, the Group presents a consolidated result attributable to Prosegur Cash, S.A. as Parent Company of EUR 94,389 thousand (EUR 33,158 thousand at 31 December 2021). Finally, as indicated in Notes 20 and 23 of the Consolidated Annual Accounts of the Prosegur Cash Group, at 31 December 2022, the Group companies had available treasury of EUR 315,648 thousand and had been granted undrawn additional financing of EUR 331,998 thousand (EUR 250,804 thousand and EUR 479,930 thousand as of 31 December 2021, respectively).

Taking these facts into consideration, the Company's Directors have prepared these Annual Accounts on the ongoing management principle.

e) Critical issues regarding the valuation and estimation of relevant uncertainties

Preparation of the Annual Accounts requires the Company to make certain estimates and judgements concerning the future. These are evaluated constantly and based on historical experience and other factors, including expectations of future events that are considered reasonable under certain circumstances.

Although estimates are calculated by the Company's Directors based on the best information available at year end, future events may require changes to these estimates in subsequent years. Any effect on the balance sheet of adjustments to be made in subsequent years would be recognised prospectively.

The estimates and judgements that present significant risk of a material adjustment to the carrying amounts of assets and liabilities in the subsequent reporting period are as follows:

Investments in Group companies

The Company carries out impairment testing on investments made in subsidiaries if there is any proof of value impairment. The calculation of impairment involves the comparison of the carrying amount of the investment with its recovery value, this being understood as the higher fair value less cost of sale and value in use. The Company generally uses cash flow discounting methods to calculate these values. Discounted cash flow calculations are based on four-year projections of the budgets approved by Management. The cash flows take into account past experience and represent Management's best estimate of future market performance. Cash flows as of four years are extrapolated using individual growth rates. The key assumptions to determine the fair value less cost of sale and value in use include growth rates, average weighted rate of capital and tax rates.

The amount recoverable from shareholdings in companies of the Group is determined on the basis of the type of activity to which the Group's investee company belongs.

The amount recoverable from the companies belonging to the Cash business is calculated by its value in use.

Value in use as a method for calculation:

The key operating assumptions used to calculate value in use for the companies belonging to the rest of the activities are based on Prosegur Group budgets for the following year and on 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. The current Strategic Plan covers 2021 to 2023 period. 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 company is generally calculated as perpetual income.

Details are given below for the items proposed for calculating the value in use and the key assumptions considered:

- Revenue: the turnover for the projected period is estimated based on the business plans prepared by the Management. The perpetual figure is calculated based on long-term inflation estimates for each country.
- Gross Profit/(Loss): based on efficiency plans defined by the Company, mainly the optimisation of client portfolios, using a method of cost-benefit analysis aimed at establishing threshold margins under which it is not considered viable to establish a business relationship with those clients. The Gross Margin is calculated as the total sales revenue of the Company 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 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/(loss) therein.

The macroeconomic estimates used are obtained from external information sources

Determination of fair values

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

In determining the fair value of an asset or liability, Prosegur 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 recognises transfers among levels of fair value at the end of the period in which the change has taken place.

Climate change

These individual annual accounts have been prepared taking into account the provisions of the informative document issued by the International Accounting Standards Board (IASB) in November 2020, which included information requirements in relation to climate change.

The Company has a commitment to reduce its emissions in the medium and long term, for which it has defined main lines of action set out below:

- Approval by the Board of Directors of a Sustainability Policy, 26 October 2021, and an Environmental Policy, 27 April 2021.
- Approval by the Board of Directors, at its meeting on 27 April 2021, of the 2021-2023 Sustainability Master Plan, which includes targets and specific actions for the transition to a circular economy, waste reduction and accelerated decarbonisation. In this sense, the Group is increasing supplies of clean energy and energy optimisation, and is adapting its plant, property and equipment with others of low emissions.
- Creation of a Sustainability Committee and a Global Sustainability Department, answering to the Board of Directors, which define targets and action plans in the field of sustainability and coordinate and supervise the operation of all areas in environmental aspects.
- Development of projects to offset carbon dioxide emissions.

These measures do not currently involve the need to make significant investments, and therefore did not have a significant accounting impact on the Company's individual financial statements during 2022 and previous years.

On the other hand, the Management believes that, as a consequence of the development of this commitment:

- The useful life of tangible fixed assets will not be affected, since their accelerated replacement is not necessary;
- No signs of impairment have been detected as a result of the aforementioned commitment;

For all of the above, at the time of preparing these annual accounts, there is no obligation that could give rise to an environmental provision.

COVID-19

During the first half of 2022, the business activity gradually recovered, close to the Company's pre-pandemic volumes. Additionally, there were no significant impacts on the condensed interim individual financial statements related to COVID-19.

Russia-Ukraine War

The instability of the international geopolitical situation brought about by the Russian Federation's military invasion of Ukraine in February 2022 has triggered inflationary pressures on the economy, with a significant increases in the prices of raw materials, energy prices and currency exchange rates. The

central banks have therefore withdrawn most of the monetary stimuli and increased interest rates during the second half of 2022.

Despite this background of uncertainty, the impact on the Company's individual financial statements has not been significant.

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	
	2022	2021	2022	2021	2022	2021	2022	2021
Group companies and associates								
- Dividends received	4,802	64,000	41,100	—	12,166	—	58,068	64,000
- Loan interest income	837	1,506	642	129	457	797	1,936	2,432
- Provision of services	—	938	—	—	10,048	11,792	10,048	12,730
Total	5,639	66,444	41,742	129	22,671	12,589	70,052	79,162

Dividend income and loan interest received were considered under this category, taking into account the condition of the holding company (Note 1).

In the provision of services, income and expenses corresponding to centralised services and trademark assignment services were considered.

b) Wages, salaries and similar charges

The breakdown of personnel expenses in 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Wages and salaries	9,272	7,099
Social security obligations	1,023	834
Total	10,295	7,933

The accrual of the long-term incentive associated with the 18-20 Plan, 21-23 Plan (Note 20) and the Retention Plan for the Executive President, Managing Director and the Management of Cash Group (Notes 20 and 13) is included under the heading on wages and salaries.

During 2022, the total impact of the incentives on the income statement was a greater expense of EUR 2,505 thousand (EUR 2,541 thousand and a reversal amounting to EUR 611 thousand in 2021).

The breakdown of Social security obligations in 2022 and 2021 are as follows:

	Thousands of Euros	
	2022	2021
Social Security payable by the Company	824	724
Other employee benefits expenses	199	110
Total	1,023	834

c) External services

The breakdown of external services in 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Leases and levies	540	836
Repairs and conservation	1,655	1,765
Independent professional services	10,329	5,433
Banking and similar services	62	95
Advertising, publicity and public relations	127	36
Supplies and others	278	220
Other services	264	1,967
Total	13,255	10,352

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 for the implementation of the new enterprise resource planning (ERP) platform.

d) Other ordinary expenses

At 31 December 2022, the amount recorded under 'Other current operating expenses' is EUR 2,067 thousand (EUR 1,491 thousand at 31 December 2021), which mainly correspond to contributions made to Foundations and other ordinary expenses.

e) Impairment and profit/(loss) for disposal of fixed assets

In 2022, disposals took place under 'other intangible fixed assets' that involved a loss of EUR 87 thousand (Note 7) (EUR 46 thousand in 2021) in the technical facilities and other property, plant and equipment).

f) Other profit/(loss)

During 2022 in 'Other Profit/(Loss)', the Company recognised the reversal of the provision made in previous years in for contingencies in the amount of EUR 458 thousand.

During 2021, 'Other profit/(loss)' mainly recorded a revenue generated from the adjustment in payment of the debt for the purchase of shares in Transportadora Ecuatoriana de Valores TEVCOL Cia, Ltda.

4. Net Finance Income

The breakdown of financial income and expenses in 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Financial income	99	32
Third parties	99	32
Financial expense	(22,744)	(16,206)
From payables to Group companies and associates (Note 19)	(5,767)	(4,139)
From payables to third parties	(16,977)	(12,067)
Exchange differences	(12,450)	107
Net Finance Income	(35,095)	(16,067)

The item from which the exchange difference comes is as follows:

	Thousands of Euros	
	2022	2021
Loans to Group companies and associates	(12,450)	107
	(12,450)	107

•Exchange differences

The main exchange differences items are the following:

	Currency	Thousands of Euros	
		2022	2021
Current accounts	US Dollar	(15)	766
Current accounts with Group companies	US Dollar	(1)	(14)
Other financial liabilities	US Dollar	127	(8)
Loans to Group company	US Dollar	138	—
Suppliers	US Dollar	(44)	(41)
Group company acquisition	US Dollar	(20)	—
Group company acquisition	Peruvian Sol	—	(3)
Current accounts	Peruvian Sol	17	—
Current accounts with Group companies	Peruvian Sol	—	222
Loans to Group company	Peruvian Sol	(6,882)	(1,577)
Suppliers	Peruvian Sol	(8)	—
Group suppliers	Peruvian Sol	(66)	—
Current accounts	Australian Dollar	(305)	(77)
Current accounts with Group companies	Australian Dollar	(409)	—
Other financial liabilities	Australian Dollar	159	—
Loans to Group company	Australian Dollar	—	581
Suppliers	Australian Dollar	(24)	(6)
Group suppliers	Australian Dollar	—	(10)
Current accounts with Group companies	Colombian Peso	(1)	—
Other financial liabilities	Colombian Peso	92	617
Suppliers	Colombian Peso	2	—
Loans to Group company	Philippine Peso	15	74
Suppliers	Philippine Peso	(5)	—
Current accounts	Argentine Peso	3	—
Current accounts with Group companies	Argentine Peso	133	(97)
Merger E64	Argentine Peso	62	—
Other financial liabilities	Argentine Peso	10	—
Suppliers	Argentine Peso	(102)	102
Group suppliers	Argentine Peso	(121)	—
Current accounts	Pound	(806)	—
Current accounts with Group companies	Pound	(385)	—
Other financial liabilities	Pound	2,877	—
Loans to Group company	Pound	166	—
Suppliers	Pound	—	(2)
Dividends	Uruguayan Peso	(16)	—
Other financial liabilities	Uruguayan Peso	(6,623)	(420)
Suppliers	Brazilian Real	(137)	—
Dividends	Chilean Peso	(225)	—
Current accounts with Group companies	Guatemalan Quetzal	(56)	—
		(12,450)	107

5. Profit/(loss) for the year

a) Distribution of profit proposal

On the date these annual accounts are authorised for issue, the Boards of Directors will propose to the Shareholders General Meeting that profit/(loss) for the year be distributed as follows:

	Thousands of Euros	
	2022	2021
<u>Basis of allocation</u>		
Profit and losses	(35,489)	33,600
Total	(35,489)	33,600
<u>Distribution (Application)</u>		
Voluntary reserves	—	3,598
To loss carryforwards from previous years	(35,489)	—
Interim dividends	—	30,002
Total	(35,489)	33,600

The Extraordinary General Shareholders Meeting held on 7 December 2022, and announced on 4 November 2022 by the various channels as indicated by law, resolved to distribute an ordinary dividend on account of unrestricted profits that the Company held at that date, at the price of EUR 0.0263 gross per share, which entails a maximum total dividend of EUR 40,053 thousand (considering that the Company's share capital at the date of this resolution was divided into 1,523 million shares). This dividend will be distributed to shareholders as four payments, in January, April, July and October 2023. Each payment is calculated as EUR 0.006575 per outstanding share at the payment date.

At 31 December 2022, there is an outstanding debt for dividends payable in 2022 in an amount of EUR 40,053 thousand, which is recorded under current liabilities in short-term payables in an amount of EUR 8,243 thousand and under payables to group companies and associates in an amount of EUR 31,810 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 10,013 thousand) should be divided by the new number of outstanding shares that corresponds following the aforementioned increase or reduction.

Since the distribution of dividends against unrestricted reserves is for 2022, the legal requirements for the Board to disclose the existence of liquidity to cover that distribution is not applicable.

In a meeting on 21 December 2021, the Board of Directors approved the distribution of a regular dividend on account of the profits of 2021 of EUR 0.01970 gross per share, which implies a maximum total dividend of EUR 30,002 thousand (considering that the current share capital was divided into 1,523 million shares). This dividend has been distributed to shareholders as four payments, in January, April, July and October 2022. Each payment is calculated as EUR 0.0049250 per outstanding share at the payment date.

At 31 December 2021, there was an outstanding debt for dividends payable in 2021 in an amount of EUR 30,002 thousand, which is recorded under current liabilities in short term payables in an amount of EUR 7,507 thousand and under payables to group companies and associates in an amount of EUR 22,495 thousand, which were paid during the 2022 financial year.

b) Dividend distribution restrictions

Reserves and profit for the year are freely distributable except for the restrictions described in Note 13.

6. Business combination

On 21 April 2022 the merger resolution passed by the Board of Directors of the absorbing company was notarised, which was resolved on 19 April 2022 by the Board of Directors of Prosegur Cash, S.A. (absorbing company) and Prosegur Global CIT, S.L.U. (absorbed company) resolving the takeover merger by Prosegur Cash, S.A. by decision of the Board of Directors in the exercise of the powers of the General Meeting, with the transfer en bloc to the absorbing company of all assets and liabilities retroactively from 1 January 2022 for accounting and tax purposes, acquiring all rights and obligations of these by universal succession.

The absorbing Company is the 100% direct owner of the share capital of the absorbed company.

Under the provisions of Spanish Act 27/2014, of 27 November, on Corporate Income Tax in Chapter VII of Title VII, the aforementioned merger transaction was implemented under the tax deferral of the 'Special tax regime for mergers, de-mergers, asset contributions, security exchanges and change of registered office of one European Company or European Cooperative Society from one member State of the European Union to another'.

The book and tax value of the absorbed assets and liabilities retroactive from 1 January 2022 for accounting and tax purposes are as follows:

		Thousands of Euros
Assets		2022
	Non-current assets	1,080,271
	Intangible assets	78
	Investments in Group companies	1,080,130
	Deferred tax assets	63
	Current assets	30,684
	Trade and other receivables	16,010
	Investments in Group companies	13,620
	Accruals	32
	Cash and cash equivalents	1,022
	Total assets	1,110,955
Liabilities		
	Non-current liabilities	2,482
	Non-current provisions	196
	Deferred tax liabilities	2,286
	Current liabilities	118,243
	Short-term debts	1,598
	Debts with Group companies	109,245
	Trade and other payables	7,400
	Total liability	120,725
	Total net assets	990,230

The Company held an investment in the absorbed company prior to formalisation of the merger project in an amount of EUR 932,575 thousand, which represented a shareholding of 100%. As a result of the merger transaction, the Company recognised a merger reserve in the Statement of Changes in Equity in an amount of EUR 57,655 thousand (Note 9).

No assets were incorporated to accounting for a value different than the one appearing in the accounts of the transferring company prior to the transaction.

No business combination took place in the year 2021.

7. 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 2021	2,563	15,418	2,555	20,536
Additions	—	7	3,243	3,250
Transfers	—	130	(130)	—
Balance at 31 December 2021	2,563	15,555	5,668	23,786
Additions	60	1,134	2,835	4,029
Disposals	—	—	(87)	(87)
Transfers	—	3,172	(3,172)	—
Balance at 31 December 2022	2,623	19,861	5,244	27,728
Amortisation				
Balance at 1 January 2021	(2,128)	(9,740)	(1,032)	(12,900)
Amortisation for the year	(222)	(3,034)	(156)	(3,412)
Balance at 31 December 2021	(2,350)	(12,774)	(1,188)	(16,312)
Amortisation for the year	(121)	(2,454)	(171)	(2,746)
Transfers	—	—	(78)	(78)
Balance at 31 December 2022	(2,471)	(15,228)	(1,437)	(19,136)
Carrying amount				
At 31 December 2021	213	2,781	4,480	7,474
At 31 December 2022	152	4,633	3,807	8,592

a) Description of the main movements

The most significant additions and transfers of intangible assets in 2022 were mainly with:

- Computer software: IT application additions and developments such as Proyecto Evolutivo-21-SWITCHING-FECHA VALOR in an amount of EUR 443 thousand, Proyecto Evolutivo 21 Integración Dispositivos CASH for EUR 434 thousand, Microsoft Dynamics CRM for EUR 425 thousand, Proyecto Evolutivo-21-GAP for EUR 372 thousand, Proyecto Evolutivo-21-QA CASH Innovación for EUR 287 thousand, Proyecto Evolutivo-21-Flujos de Negocio para la plataforma Innovación for EUR 242 thousand, Proyecto Evolutivo-21-APPS Móviles CASH for EUR 231 thousand, Proyecto - Miagencia-21 for EUR 205 thousand, Proyecto-Evol-21-Centros de Efectivo for EUR 183 thousand, PROY.CRM para Central de Atención a Cliente for EUR 170 thousand, Proyecto-Evol-21-DEVICE MANAGER for EUR 157 thousand. The rest of the additions correspond to the development of applications or projects and their implementations in an amount of EUR 1,152 thousand.
- Other intangible assets include intangible fixed assets in progress, mainly related to: IT applications and DTI development projects among which we can mention Proyecto-EVOL-22-SWITCHING-FECHA VAOR for EUR 377 thousand, FOREX implementation application for Exchange P.CASH for EUR 209 thousand, Proyecto Evolutivo-22-Integración Dispositivos CASH for EUR 285 thousand, Proyecto-MULESOFT-Migración TIBCO Procesos Innovación ATMs CASH for EUR 172 thousand, Proyecto-EVOL-22-GAP for EUR 186 thousand. The rest of the additions correspond to additions and adjustments to Developments of applications or Projects and their implementation for EUR 1,807 thousand.

The most significant additions and transfers of intangible assets in 2021 were mainly:

- Computer applications: additions and development of computer applications such as Proyecto-BPM CASH-Flujo de Alta by Smart Cash for the amount of EUR 101 thousand, Proyecto Evolutivo 20 SOL for EUR 29 thousand. The remaining additions corresponded to the development of applications or projects and their implementation for EUR 7 thousand.
- Another intangible fixed asset includes intangible fixed assets in process, mainly related to: software application projects and DTI computer programme development among which we can mention Proyecto Evolutivo-21-SWITCHING-FECHA VALOR for the amount of EUR 443 thousand, Proyecto Evolutivo-21-INTEGRACIÓN DISPOSITIVOS CASH for EUR 434 thousand, Proyecto-Evolutivo-21-GAP for EUR 317 thousand, Proyecto-Evolutivo 21-QA CASH Innovación for EUR 270 thousand, the Business Flow Project for the Innovation platform for EUR 242 thousand, Proyecto-Evolutivo-21 APPS MÓVILES CASH for EUR 218 thousand, Proyecto Evolutivo-21-MIAGENCIA for EUR 205 thousand, Proyecto-Evolutivo-21-Centros de Efectivo for EUR 182 thousand. The rest of additions corresponded to the development of applications or projects and their implementation amounting to EUR 932 thousand.

In 2022, the most significant disposals of intangible assets correspond to disposals of cancelled Projects in progress, for EUR 87 thousand.

No disposals in intangible assets were registered in 2021.

b) Licences

Details of licences at year end are as follows:

Thousands of Euros						
2022						
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	2021	4 years	—	1,670	1,670	—
Licences - Software	2022	4 years	43	410	410	—
Licences - Software	2023	4 years	48	193	155	38
Licences - Software	2024	4 years	30	118	64	54
Licences - Software	2025	3 years	—	60	—	60
			121	2,623	2,471	152

Thousands of Euros						
2021						
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	1	1,361	1,361	—
Licences - Software	2021	4 years	42	309	309	—
Licences - Software	2022	4 years	102	410	367	43
Licences - Software	2023	4 years	48	193	107	86
Licences - Software	2024	4 years	29	118	34	84
			222	2,563	2,350	213

c) Fully amortised intangible assets

The intangible assets fully amortised as of 31 December 2022 and 2021 are the following:

	Thousands of Euros	
	2022	2021
Computer software	12,565	6,973
Licences	2,252	1,842
Other intangible assets	491	491
	15,308	9,306

d) Other information

There were no purchases of intangible assets from Group companies in 2022 or 2021.

At 31 December 2022 and 2021 the Company has no intangible fixed assets subject to title restrictions or pledged as security for liabilities.

8. 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	Work in progress	Total
Cost					
Balance at 1 January 2021	105	1,996	963	—	3,064
Additions	1	198	25	4	228
Disposals	—	(64)	—	—	(64)
Balance at 31 December 2021	106	2,130	988	4	3,228
Additions	—	133	25	—	158
Balance at 31 December 2022	106	2,263	1,013	4	3,386
Depreciation					
Balance at 1 January 2021	(37)	(206)	(540)	—	(783)
Depreciation	(13)	(199)	(176)	—	(388)
Disposals	—	18	—	—	18
Balance at 31 December 2021	(50)	(387)	(716)	—	(1,153)
Depreciation	(12)	(220)	(123)	—	(355)
Balance at 31 December 2022	(62)	(607)	(839)	—	(1,508)
Carrying amount					
At 31 December 2021	56	1,743	272	4	2,075
At 31 December 2022	44	1,656	174	4	1,878

a) Description of the main movements

The most significant additions to property, plant and equipment in 2022 correspond to additions to facilities and renovation of the Calle San Máximo Building for EUR 133 thousand, additions to information processing equipment such as computers, screens and servers for EUR 20 thousand and additions of telephony for EUR 5 thousand.

The most significant additions to property, plant and equipment in 2021 corresponded to additions to facilities and renovation of the Calle San Máximo Building for EUR 198 thousand, additions to information processing equipment such as computers, screens and servers for EUR 22 thousand and additions of telephony for EUR 3 thousand.

There were no additions to property, plant and equipment in 2022.

The most significant addition of property, plant and equipment in 2021 corresponded to the building of the Prosegur 3D Visits Showroom for EUR 4 thousand.

No disposals in PPE were recorded in 2022.

The most significant disposals of property, plant and equipment in 2021 correspond to disposals of additions of installations in the Doctor Esquerdo Building for EUR 64 thousand

b) Fully depreciated property, plant and equipment

The items of property, plant and equipment fully depreciated at 31 December 2022 and 2021 are as follows:

	Thousands of Euros	
	2022	2021
Technical installations and machinery	4	4
Other property, plant and equipment	531	369
	535	373

c) Other information

There were no purchases of property, plant and equipment from Group companies in 2022 nor in 2021.

At 31 December 2022 and 2021 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.

d) Assets under operating lease

Lessee

The Company rents offices and office equipment under non-cancellable operating leases.

Operating lease payments have been recognised as an expense under other operating expenses, external services as follows (Note 3):

	Thousands of Euros	
	2022	2021
Lease expenses	540	836
	540	836

Future minimum payments under non-cancellable operating leases are shown in Note 18.

9. Long-term investments in 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	
	2022	2021
Balance at 1 January		
<u>Investments</u>	1,271,582	1,288,396
Additions	1,280,274	58,386
Disposals	(932,600)	(75,200)
Impairment	(51,384)	—
Balance at 31 December	1,567,872	1,271,582

At 31 December 2022 and 2021, the Company has no property, plant and equipment subject to restrictions on title or pledged as security for liabilities.

Company	Thousands of Euros	
	2022	2021
Prosegur Global CIT, S.L.U.	—	932,575
Prosegur Global CIT ROW, S.L.U.	317,841	223,841
Prosegur Alpha3 Cashlabs, S.L.	—	5,216
Corresponsales Colombia SAS	11,137	15,325
Prosegur Spike GmbH	—	25
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	40,238	36,214
Nummi, S.A.	61,853	58,343
Juncadella Prosegur Internacional, S.A.	22,103	—
Prosegur Intenational CIT 1, S.L.U.	2,747	—
Prosegur Intenational CIT 2, S.L.U.	5,593	—
Prosegur Colombia 1, S.L.U.	10,828	—
Prosegur Colombia 2, S.L.U.	10,703	—
Cash Centroamérica Uno, S.A.	7,468	—
Cash Centroamérica Tres, S.A.	134	—
Latam ATM Solutions, S.L.	139	1
The Change Group International (holdings) Limited	74,313	—
Prosegur Holding CIT Argentina, S.A.	9	—
Grupo N, S.A.	10,989	—
VN Global BPO, S.A.	8,961	—
Cía Transportadora de Valores Prosegur Colombia, S.A.	29,938	—
Servicios Prosegur Ltda.	44,211	—
Malcoff Holding, B.V.	610,659	—
TSR Participações Societárias, S.A. (Prosegur Holding e Paraticipações, S.A.)	289,008	—
Prosegur Cash Servicios, S.A.C.	178	42
Corporación Allium, S.A.	3	—
CASH Centroamerica Dos, S.L.	1,925	—
Representaciones Ordoñez y Negrete, S.A.	6,894	—
	1,567,872	1,271,582

The following operations were carried out:

a) Additions

During 2021 and 2022, the operations were as follows:

		Thousands of Euros	
		2022	2021
Nummi, S.A.	(1)	3,510	58,343
Prosegur Cash Servicios, S.A.C.	(2)	136	42
Zerius Europe, S.L.,	(3)	138	1
Juncadella Prosegur Internacional, S.A. (*)		22,103	—
Prosegur Intenational CIT 1, S.L.U. (*)		4,270	—
Prosegur Intenational CIT 2, S.L.U. (*)		5,593	—
Prosegur Global CIT ROW, S.L.U.	(4)	94,000	—
Prosegur Colombia 1, S.L.U. (*)	(5)	10,828	—
Prosegur Colombia 2, S.L.U. (*)	(6)	10,703	—
Prosegur Alpha3 Cashlabs, S.L.	(7)	9,187	—
Cash Centroamérica Uno, S.A. (*)		7,468	—
Cash Centroamérica Tres, S.A. (*)		134	—
The Change Group International (holdings) Limited	(8)	74,313	—
Prosegur Holding CIT Argentina, S.A. (*)		9	—
Grupo N, S.A. (*)		12,770	—
VN Global BPO, S.A. (*)		11,728	—
Cía Transportadora de Valores Prosegur Colombia, S.A. (*)		56,660	—
Servicios Prosegur Ltda. (*)		44,211	—
Malcoff Holding, B.V. (*)		610,658	—
TSR Participações Societárias, S.A. (Prosegur Holding e Paricipações, S.A.) (*)		289,008	—
Corporación Allium, S.A. (*)		4	—
CASH Centroamerica Dos, S.L. (*)		1,925	—
Transportadora Ecuatoriana de Valores TEVCOL Cia, Ltda. (*)		4,024	—
Representaciones Ordoñez y Negrete, S.A.	(9)	6,894	—
Total		1,280,274	58,386

(*) On 29 July 2022, the Company executed the deed for the takeover merger of Prosegur Global CIT, S.L.U., effective for accounting purposes from 1 January 2022, of which it was direct holder of 100% of the shares. Therefore, the shares that absorbed company Prosegur Global CIT, S.L.U. held came to form part of the assets of the absorbing company Prosegur Cash, S.A. (Note 6)

(1) Nummi, S.A.

- On 30 June 2022, the Company subscribed the capital increase of the company Nummi, S.A. by partial depreciation of loan rights for an amount of EUR 3,510 thousand.
- On 2 June 2021, the Company acquired shares in the company Nummi, S.A., for the amount of EUR 58,343 thousand.

(2) Prosegur Cash Servicios, S.A.C.

- On 26 April 2022, the Company subscribed the capital increase of the company Prosegur Cash Servicios, S.A.C. by the depreciation of loan rights for an amount of EUR 136 thousand.

- On 1 December 2021, Prosegur Cash Servicios, S.A.C. was incorporated. At 31 December 2020, the payment of called-up share capital in the amount of EUR 39 thousand remained outstanding. On 1 June 2021 a monetary contribution was made in the amount of EUR 39 thousand, as well as a new monetary contribution in the amount of EUR 3 thousand, maintaining the outstanding contribution of EUR 39 thousand.

(3) Latam ATM Solutions, S.L.

- On 31 December 2022, the Company made a monetary contribution to the shareholders' equity of Latam ATM Solutions, S.L. in an amount of EUR 138 thousand.
- On 1 July 2021, the Company acquired shares of the Latam ATM Solutions, S.L. through a monetary contribution of EUR 1 thousand.

(4) Prosegur Global CIT ROW, S.L.U.

- On 3 January 2022 and 3 October 2022, the Company made two contributions to the shareholders' equity of Prosegur Global CIT ROW, S.L.U. by the partial depreciation of loan rights in an amount of EUR 82,000 thousand followed by a bank transfer in the amount of EUR 12,000 thousand.

(5) Prosegur Colombia 1, S.L.U.

- On 3 October 2022, the Company subscribed the capital increase of the company Prosegur Colombia 1, S.L.U. by the partial depreciation of loan rights for an amount of EUR 6,000 thousand.
- On 29 July 2022, the Company formalised the takeover merger of Prosegur Global CIT, S.L.U. That company held an investment in Prosegur Colombia 1, S.L.U. in a total amount of EUR 4,828 thousand.

(6) Prosegur Colombia 2, S.L.U.

- On 3 October 2022, the Company subscribed the capital increase of the company Prosegur Colombia 2, S.L.U. by the partial depreciation of loan rights for an amount of EUR 5,970 thousand.
- On 29 July 2022, the Company formalised the takeover merger of Prosegur Global CIT, S.L.U. That company held an investment in Prosegur Colombia 2, S.L.U. in a total amount of EUR 4,733 thousand.

(7) Prosegur Alpha3 Cashlabs, S.L.

- On 31 July 2022, the Company subscribed the capital increase of the company Prosegur Alpha3 Cashlabs, S.L. by partial depreciation of loan rights for an amount of EUR 9,197 thousand.

(8) The Change Group International (holdings) Limited

- On 29 July 2022, the Company purchased shares of a British holding company, The Change Group International (holdings) Limited, whose valuation comes to EUR 74,313 thousand by means of a monetary contribution of EUR 13,514 thousand and deferred payment of the remaining amount of EUR 60,154 thousand. The deferred amount will be paid in 4 instalments: the first of these on 30 April 2024 for 45% of the outstanding amount, the second on 30 April 2025 for 15% of the outstanding amount, the third on 30 April 2026 for 18% of the outstanding amount and the fourth and final payment

will take place on 30 April 2029 for the remaining 22%. This deferral will accrue interest per annum from the 2022 financial year through the final date of payment.

(9) Representaciones Ordoñez y Negrete S.A.

- On 30 August 2022, the Company increased the share capital of Representaciones Ordoñez y Negrete, S.A. by EUR 1,870 thousand by monetary contribution.
- On 25 February 2022, the Company made two contributions to the shareholders' equity of Representaciones Ordoñez y Negrete, S.A. in the amounts of EUR 944 thousand and EUR 4,079 thousand, by capitalising credit rights for a total of EUR 5,024 thousand.

b) Disposals

During 2021 and 2022, the operations were as follows:

		Thousands of Euros	
		2022	2021
Prosegur Avos España, S.L.	(10)	—	(75,200)
Prosegur Global CIT, S.L.U. (Note 6)	(11)	(932,575)	—
Prosegur Spike GmbH	(12)	(25)	—
Total		(932,600)	(75,200)

(10) Prosegur Avos España, S.L.

- On 31 March 2021, Prosegur Cash sold to its parent company, Prosegur Compañía de Seguridad, S.A., certain areas of the added value outsourcing processes and services business (AVOS) for financial institutions and insurance companies, as well as the associated technology. The transaction took place through the sale of 100% of Prosegur Avos España, S.L. for a price of EUR 62,257 thousand. That transaction generated losses in an amount of EUR 12,943 thousand which were recorded under 'Impairment and profit/(loss) on disposals of financial instruments'.

The transaction is in response to the strategic decision, independently taken by the Company to better achieve its business goals, to crystallise the current value of the business sold, freeing up resources and investment capacity to focus on other priority growth opportunities.

This business represents, approximately, 85% of the operating profit/(loss) of the global business of the Company in certain areas of activity, with the parties having agreed to jointly and in good faith analyse and explore the possibility of the Company selling to Prosegur Compañía de Seguridad, S.A. the rest of that business that it currently carries out in other countries, without there being any agreement on this.

The transaction was reviewed by the Company Audit Committee which confirmed that it is fair and reasonable from the Company's point of view and from the various Prosegur shareholders. For its part, KPMG Asesores issued a fairness opinion for the Board of Directors of Prosegur Cash confirming that the aforementioned sales price is reasonable in financial terms for Prosegur Cash.

In light of the above, to adapt the Framework Agreement on relations between Prosegur Compañía de Seguridad, S.A. and the Company of 17 February 2017 to the new reality in terms of the development of the aforementioned added value outsourcing processes and services business

(AVOS) for financial institutions and insurance companies, the parties have signed a non-extinguishing modifying novation contract of the Framework Agreement.

(11) Prosegur Global CIT, S.L.U.

- On 29 July 2022, the Company executed the deed for the takeover merger of Prosegur Global CIT, S.L.U., effective for accounting purposes from 1 January 2022, of which it was direct holder of 100% of the shares. Therefore, the shares that absorbed company Prosegur Global CIT, S.L.U. held came to form part of the assets of the absorbing company Prosegur Cash, S.A. (Note 6).
- The Company held an investment in the absorbed company in an amount of EUR 932,575 thousand, which represents a shareholding of 100%.

(12) Prosegur Spike GmbH

- On 19 January 2022, the Company sold 100% of the shares it held in Prosegur Spike GmbH.

c) Impairment

In 2022, the Company recorded an impairment loss adjustment on the shareholding of Cía. Transportadora de Valores Prosegur Colombia, S.A., Prosegur Internacional CIT 1, S.L.U., VN Global BPO, S.A., Grupo N, S.A. and Alpha3 Cashlabs, S.L. in an amount of EUR 30,910, 1,523, 2,767, 1,781, 4,188 and 14,403 thousand, respectively. The Company did not record any valuation adjustments for stock impairment during 2021.

The impairment losses recorded on the balance sheet correspond to investments in the following Group companies, jointly controlled companies and associates at the end of the year:

	Thousands of Euros	
	2022	2021
Alpha3 Cashlabs, S.L.	(14,403)	—
Grupo N, S.A.	(1,781)	—
VN Global BPO, S.A.	(2,767)	—
Prosegur Internacional CIT 1, S.L.U.	(1,523)	—
Cía Transportadora de Valores Prosegur Colombia, S.A.	(30,910)	—
Total	(51,384)	—

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 carrying amount of the stake with the equity 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 recorded an impairment loss adjustment on the shareholding of the companies Cía. Transportadora de Valores Prosegur Colombia, S.A., Prosegur Internacional CIT, 1 S.L.U., VN Global BPO, S.A., Grupo N, S.A. and Alpha3 Cashlabs, S.L.

d) Investments in Group companies

Below is the information relating to shares held in Group companies as of 31 December 2022 and 2021:

2022

Name	Registered office	Activity	Shareholding
Prosegur Global CIT ROW, S.L.U.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	100 %
Alpha3 Cashlabs, S.L.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	95 %
Corresponsales Colombia SAS	Calle 11 No. 31-89 Oficina 501 Medellín - Colombia	Activity linked to the Cash business line	100 %
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	Av. The press along with FAE N. 3558 Quito -	Activity linked to the Cash business line	100 %
Nummi, S.A.	Avda. Gral. Fructuoso Rivera 2452 – Montevideo - Uruguay	Activity linked to the Cash business line	100 %
Prosegur Cash Servicios, S.A.C.	Av. Morro Solar 1086 - Surco - Lima - Peru	Activity linked to the Cash business line	90 %
Latam ATM Solutions, S.L.	Paseo de la Castellana, 53, 1ª planta, puerta B, 28046, Madrid - Spain	Activity linked to the Cash business line	49 %
Juncadella Prosegur Internacional, S.A.	Calle Pajaritos, 24, Madrid - Spain -	Activity linked to the Cash business line	4 %
Prosegur Intenational CIT 1, S.L.U.	Calle Pajaritos, 24, Madrid - Spain -	Activity linked to the Cash business line	100 %
Prosegur CIT 2, S.L.U.	Calle Pajaritos, 24, Madrid - Spain -	Activity linked to the Cash business line	100 %
Prosegur Colombia 1, S.L.U.	Calle Pajaritos, 24, Madrid - Spain -	Activity linked to the Cash business line	100 %
Prosegur Colombia 2, S.L.U.	Calle Pajaritos, 24, Madrid - Spain -	Activity linked to the Cash business line	100 %
Cash Centroamérica Uno, S.L.U.	Calle Pajaritos, 24, Madrid - Spain -	Activity linked to the Cash business line	100 %
Cash Centroamérica Tres, S.L.U.	Calle Pajaritos, 24, Madrid - Spain -	Activity linked to the Cash business line	100 %
The Change Group International (holdings) Limited	353 Oxford Street, W1C 2JG, London, UK	Activity linked to the Cash business line	65 %
Prosegur Holding CIT Argentina, S.A.	Tres Arroyos 2835 (c1416DDU) Ciudad de Buenos Aires, Argentina	Activity linked to the Cash business line	95 %
Grupo N, S.A.	calle La Rioja N° 441, 4 piso, oficinas D, E y F de la Ciudad de Córdoba - Argentina	Activity linked to the Cash business line	90 %
VN Global BPO, S.A.	calle La Rioja N° 441, 4 piso, oficinas D, E y F de la Ciudad de Córdoba - Argentina	Activity linked to the Cash business line	90 %
Cía Transportadora de Valores Prosegur Colombia, S.A.	CL 19 68 B 76 Bogota - Colombia	Activity linked to the Cash business line	95 %
Servicios Prosegur Ltda.	Los Gobelinos 2567 Of. 203, Renca, Santiago	Activity linked to the Cash business line	100 %
Malcoff Holdings, B.V.	Olympia 2, 1213NT Hilversum, The Netherlands	Activity linked to the Cash business line	100 %
Prosegur Serviços e Participações Societárias, S.A.	Av. Ermano Marchetti, nº 1.435, 8º andar, Sala 2, Lapa, Capital de Sao Paulo - SP - Brazil: CEP: 05038-001	Activity linked to the Cash business line	60 %
Corporación Allium, S.A.	15 Avenida "A" 3-67 Oficina No 5 Zona 13 - Guatemala, Guatemala	Activity linked to the Cash business line	90 %

CASH Centroamerica Dos, S.L.	Calle Pajaritos, 24, Madrid - Spain -	Activity linked to the Cash business line	100 %
Representaciones Ordoñez y Negrete, S.A.	Avenida 9 de Octubre No. 1011, Guayaquil, Ecuador	Activity linked to the Cash business line	100 %
Capacitaciones Ocupacionales Sociedad Ltda	Los Gobelinós 2567 Of 203, Renca, Santiago	Activity linked to the Cash business line	86 %
Consultoría de Negocios CCR Consulting Costa Rica, S.A.	San Jose, Costa Rica	Activity linked to the Cash business line	70 %
Prosegur Change UK Limited	353 Oxford Street, W1C 2JG, London, UK	Activity linked to the Cash business line	100 %
Costumbres del SUR, S.A.	Guarani 1531 (Montevideo) - Uruguay	Activity linked to the Cash business line	100 %

2021

Name	Registered office	Activity	Shareholding
Prosegur Global CIT, S.L.	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 Alpha3 Cashlabs, S.L.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	93 %
Prosegur Cash Servicios, S.A.C.	Av. Morro Solar 1086 - Surco - Lima - Peru	Activity linked to the Cash business line	90 %
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 %
Nummi, S.A.	Avda. Gral. Fructuoso Rivera 2452 – Montevideo - Uruguay	Activity linked to the Cash business line	100 %
Zerius Europe, S.L.,	Paseo de la Castellana, 53, 1ª planta, puerta B, 28046, Madrid - Spain	Activity linked to the Cash business line	51 %

The breakdown of the shareholders' equity as of 31 December 2022 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	Shareholders' Contributions	Share premium	Reserves	Previous years' profit/(loss)	Profit/(loss) for the year	Dividend
Prosegur Global CIT ROW, S.L.U.	3	141,200	180,002	1	(100,799)	(1,535)	—
Alpha3 Cashlabs, S.L.	899	—	13,900	—	(904)	(533)	—
Corresponsales Colombia SAS	415	—	127	79	1,142	838	—
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	7,809	—	—	6,330	—	3,481	—
Nummi, S.A.	582	—	—	2,916	1,101	7,936	—
Prosegur Cash Servicios, S.A.C.	199	—	—	—	(121)	14	—
Latam ATM Solutions, S.L.	3	283	—	—	—	(76)	—
Juncadella Prosegur Internacional, S.A.	43,207	—	64,957	404,275	—	43,957	—
Prosegur Intenational CIT 1, S.L.U.	3	2,267	2,012	72	(150)	(17)	—
Prosegur CIT 2, S.L.U.	3	5,050	540	—	(34)	(9)	—
Prosegur Colombia 1, S.L.U.	3	10,725	100	—	(80)	(26)	—
Prosegur Colombia 2, S.L.U.	3	10,600	100	—	(81)	(26)	—
Cash Centroamérica Uno, S.L.U.	3	—	4,764	46	—	2,098	—
Cash Centroamérica Tres, S.L.U.	3	50	2	—	(4)	78	—
The Change Group International (holdings) Limited	79	—	51	485	3,291	87	(2,480)
Prosegur Holding CIT Argentina, S.A.	8	—	—	150	(307)	154	—
Grupo N, S.A.	7	—	—	1,341	(37)	106	—
VN Global BPO, S.A.	359	—	1,641	1,812	1,385	592	—
Cía Transportadora de Valores Prosegur Colombia, S.A.	5,665	—	22,171	3,060	(10,086)	1,275	—
Servicios Prosegur Ltda.	1,110	—	—	31,848	(12,192)	6,533	—
Malcoff Holding, B.V.	20	—	170,814	—	455	41,090	(41,100)
Prosegur Serviços e Participações Societárias, S.A.	107,602	—	49,199	72,701	—	6,282	—
Corporación Allium, S.A.	1,579	—	—	82	(702)	(189)	—
CASH Centroamerica Dos, S.L.	3	3,089	—	1	—	1,462	—
Representaciones Ordoñez y Negrete, S.A.	466	—	—	222	(138)	622	—
Capacitaciones Ocupacionales Sociedad Ltda	1,456	—	—	37	(1,326)	(75)	—
Consultoría de Negocios CCR Consulting Costa Rica, S.A.	—	—	—	—	(29)	35	—
Prosegur Change UK Limited	—	—	—	—	—	722	—
Costumbres del SUR, S.A.	2	—	—	—	(4)	(80)	—

The breakdown of the shareholders' equity as of 31 December 2021 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	Shareholders' Contribution	Share premium	Reserves	Previous years' profit/(loss)	Profit/(loss) for the year	Dividend
Prosegur Global CIT, S.L.	3	168,672	708,286	109,007	—	66,343	(62,081)
Prosegur Global CIT ROW, S.L.U.	3	47,200	180,002	1	(59,190)	(41,609)	—
Prosegur Alpha3 Cashlabs, S.L.	626	—	4,986	—	(228)	(544)	—
Prosegur Cash Servicios, S.A.C.	942	—	—	—	—	(107)	—
Corresponsales Colombia SAS	509	—	156	1,041	—	426	—
Spike GmbH	25	—	—	—	—	—	—
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	6,788	—	—	2,720	—	3,396	—
Nummi, S.A.	699	—	—	4,959	—	3,053	—
Zerius Europe, S.L.,	3	—	—	—	—	—	—

10. Financial assets

Thousands of Euros

Non-currents

Financial assets at amortised cost

Financial assets at cost

Current

Financial assets at amortised cost

Total

2022

Credits and other	Trade and other receivables	Financial Investments	Total
601	—	—	601
—	—	86	86
601	—	86	687
69,985	34,423	45,784	150,192
69,985	34,423	45,784	150,192
70,586	34,423	45,870	150,879

Thousands of Euros

Non-currents

Financial assets at amortised cost

Financial assets at cost

Current

Financial assets at amortised cost

Total

2021

Credits and other	Trade and other receivables	Financial Investments	Total
4,624	—	—	4,624
—	—	112	112
4,624	—	112	4,736
224,724	13,740	130,222	368,686
224,724	13,740	130,222	368,686
229,348	13,740	130,334	373,422

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.

During the year 2022 a third party credit was recorded in an amount of EUR 601 thousand. This credit matures in July 2024 in the form of a single payment, and the interest rate accruing to date is 5%.

In 2021, a loan to third parties was recorded for the amount of EUR 4,431 thousand; that loan matures in 2023 with a single payment bearing interest until 16 December 2021 at the rate of 3.6% and from that date on, the interest is 3.75%.

On the other hand, 'Current financial assets at amortised cost' recorded third-party loans in an amount of EUR 655 thousand in 2021, accruing interest at 10.37%.

At 31 December 2022 and 2021, the amount of EUR 86 and EUR 112 thousand, respectively, under 'Financial Investments' measured at cost corresponds to long-term guarantees.

a) Classification of the financial assets by categories

	Thousands of Euros	
	31 December 2022	31 December 2021
Financial assets at cost - non-current		
- Other financial assets	86	112
Financial assets at amortised cost - non-current		
Loans to Group companies (Note 19)	—	193
- Loans to third parties	601	4,431
	687	4,736
Financial assets at amortised cost - current		
- Clients' receivables for sales and services	—	163
- Loans to Group companies (Note 19)	69,985	224,069
- Other financial assets with Group companies (Note 19)	45,784	130,222
- Clients, Group companies and associates (Note 19)	33,796	13,234
- Personnel	—	2
- Sundry Debtors	627	341
- Loans to companies	—	655
	150,192	368,686
Total	150,879	373,422

b) Classification by maturities

The classification of financial assets by maturities at 31 December 2022 is as follows:

	Thousands of Euros				
	2022				
	2023	2024	2025	Subsequent years	Total
Financial Investments					
Loans to third parties	—	601	—	—	601
Other financial assets	—	—	—	86	86
	—	601	—	86	687
Investments in Group companies and associates:					
Loans to companies (Note 19)	69,985	—	—	—	69,985
Other financial assets (Note 19)	45,784	—	—	—	45,784
	115,769	—	—	—	115,769
Trade and other receivables					
Clients, Group companies and associates (Note 19)	33,796	—	—	—	33,796
Miscellaneous receivables	627	—	—	—	627
	34,423	—	—	—	34,423
Total	150,192	601	—	86	150,879

The classification of financial assets by maturities at 31 December 2021 is as follows:

Thousands of Euros				
2021				
2022	2023	2024	Subsequent years	Total
Long-term financial investments				
Loans to third parties	—	4,431	—	4,431
Other financial assets	—	—	112	112
—	4,431	—	112	4,543
Investments in Group companies				
Loans to companies (Note 19)	224,069	111	82	224,262
Other financial assets (Note 19)	130,222	—	—	130,222
354,291	111	82	—	354,484
Trade and other receivables				
Clients from sales and other	163	—	—	163
Clients, Group companies and associates (Note 19)	13,234	—	—	13,234
Personnel	2	—	—	2
Miscellaneous receivables	341	—	—	341
Loans to companies and associates (Note 19)	655	—	—	655
14,395	—	—	—	14,395
Total	368,686	4,542	82	373,422

11. Financial investments and trade receivables

Short-term Loans to Group companies and associates

Details of loans at 31 December 2022 are as follows:

					Thousand s of Euros
Type	Currency	Interest rate	Maturity date	Par value	
Group and associates					
Prosegur Cash International, S.A.U.	EUR	0.75%	31.12.2023	1,084	
Prosegur Smart Cash Solutions, S.L.	EUR	0.75%	31.12.2023	1,025	
Prosegur International CIT 1, S.L.	EUR	0.75%	31.12.2023	951	
Inversiones CIT 2, S.L.U.	EUR	0.75%	31.12.2023	1,792	
Prosegur Global CIT ROW, S.L.U.	EUR	0.75%	31.12.2023	4,806	
Prosegur Colombia 1, S.L.U.	EUR	0.75%	31.12.2023	70	
Prosegur Servicios de Pago EP, S.L.U.	EUR	0.75%	31.12.2023	577	
Alpha3 Cashlabs, S.L.	EUR	0.75%	31.12.2023	478	
Prosegur Cash Services Germany GmbH	EUR	0.75%	31.12.2023	23,029	
Prosegur Australia Investments PTY Limited	AUD	2.35%	31.12.2023	7,096	
Prosegur Foreign Exchange Pty Limited	AUD	2.90%	31.12.2023	3,074	
Prosegur Brasil S/A Transportadora de Valores e Segurança	BRL	3.75%	31.12.2023	1,533	
Prosegur Change UK Limited	GBP	3.50%	31.12.2023	4,994	
The Change Group International PLC	GBP	3.50%	31.12.2023	4,465	
The Change Group Corporation Limited	GBP	3.50%	31.12.2023	5,799	
The Change Group London Limited	GBP	3.50%	31.12.2023	4,204	
Corporacion Allium, S.A.	GTQ	3.25%	31.12.2023	5,008	
Total					69,985

This balance includes credits generated by other equity instruments (Note 13).

Details of loans at 31 December 2021 are as follows:

Type	Currency	Interest rate	Maturity date	Thousands of	
				Par value	
Group and associates					
MIV Gestión, S.A.	EUR	0.75%	31.12.2022		741
Prosegur Global CIT, S.L.U.	EUR	0.75%	31.12.2022		103,311
Prosegur Smart Cash Solutions, S.L.	EUR	0.75%	31.12.2022		1,006
Prosegur International CIT 1, S.L.	EUR	0.75%	31.12.2022		900
Inversiones CIT 2, S.L.U.	EUR	0.75%	31.12.2022		1,783
Prosegur Global CIT ROW, S.L.U.	EUR	0.75%	31.12.2022		82,171
Contesta Teleservicios, S.A.	EUR	0.75%	31.12.2022		—
Prosegur Colombia 1, S.L.U.	EUR	0.75%	31.12.2022		6,045
Prosegur Colombia 2, S.L.U.	EUR	0.75%	31.12.2022		5,924
Prosegur Servicios de Pago EP, S.L.U.	EUR	0.75%	31.12.2022		700
Alpha3 Cashlabs, S.L.	EUR	0.75%	31.12.2022		8,083
Prosegur Cash Services Germany GmbH	EUR	0.92%	31.12.2022		12,026
Luxpai CIT SARL	EUR	0.92%	31.12.2022		378
Armored Transport Plus Incorporated	PHP	8.97%	31.12.2022		871
Prosegur Australia Investments PTY Limited	AUD	2.00%	31.12.2022		—
Prosegur Logistica e Tratamento de Valores Portugal S.A.	EUR	—	—		9
Prosegur Smart Cash Solutions, S.L.U.	EUR	—	—		10
Prosegur Brasil S/A Transportadora de Valores e Segurança	BRL	—	—		3
G4S Colombia	COP	—	—		3
Pagafácil	EUR	—	—		35
Compañía de Seguridad Prosegur, S.A.	EUR	—	—		6
Prosegur Avos España, S.L.U.	EUR	—	—		8
Prosegur Servicios de Efectivo España, S.L.U.	EUR	—	—		9
Prosegur Transportadora de Caudales, S.A.	ARS	—	—		47
Total					224,069

This balance includes credits generated by other equity instruments (Note 13).

Other financial assets of the Group companies and associates

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.

12. Cash and cash equivalents

Details of cash and cash equivalents at 31 December 2022 and 2021, are as follows:

	Thousands of Euros	
	2022	2021
Cash and other cash equivalents	11,808	9,973
Total	11,808	9,973

Cash in hand and at banks essentially reflects cash at banks at each year end.

13. 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 3 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 Shareholders General 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.

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.

On 2 July 2021, the deed for the reduction of capital of Prosegur Cash was registered in the Mercantile Registry of Madrid, relating to the reduction of capital through the redemption of 21,589,296 own shares of the Company, each with a par value of EUR 0.02, thus reducing the share capital by EUR 431,786, from EUR 30,890,720 to EUR 30,458,934. The capital reduction was carried out without refund of contributions and was made against free reserves by provisioning an unavailable voluntary reserve for the same amount as the capital reduction (that is EUR 431,786), in accordance with article 335 c) of the Spanish Companies Act.

This capital reduction of 2 July 2021, was approved by the Shareholders General Meeting of the Company held on 28 October 2020, under item thirteen of its agenda.

At 31 December 2022, the share capital of the Company totals EUR 30,459 thousand (EUR 30,459 thousand in 2021) and is represented by 1,522,946,683 shares with a par value of EUR 0.02 each (1,522,946,683 shares in 2021), fully subscribed and paid. These shares are listed on the Madrid, Barcelona, Valencia and Bilbao Stock Markets and are traded via the Spanish Stock-Exchange Interconnection System (electronic trading system) (SIBE).

On 4 May, Prosegur Assets Management, S.L. dissolved and wound up, transferring 21.98% of the shares held by the Company to the Sole Shareholder.

These shares are freely transferable.

At 31 December 2022 and 2021, the amount of the share premium totals EUR 33,134 thousand.

The composition of the voting rights is as follows:

Shareholders	Number of shares	
	31 December 2022	%
Ms Helena Revoredo Delvecchio (1)	1,209,524,256	79.42 %
Non-Controlling	313,422,427	20.58 %
Total	1,522,946,683	100.00 %

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

b) Own shares and equity holdings

Share buyback programme of 23 February 2021

On 23 February 2021, the Company agreed to temporarily suspend the execution of the own share buyback programme of Prosegur Cash, S.A., which was approved by the Board of Directors of the Company on 3 June 2020.

Additionally, under the agreement adopted by the Board of Directors of the Company on 23 February 2021, the Company has implemented a new own share buyback programme (the Programme) under the provisions of Regulation (EU) No. 596/2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052 (the Regulations), making use of the authorisation granted by the Shareholders General Meeting held on 6 February 2017 for the purchase of own shares, in order to meet the commitments and obligations derived from the share remuneration plans for the Company's executive directors and employees.

The Programme had the following features:

- a. Maximum amount allocated to the Programme: EUR 28,000 thousand.
- b. Maximum number of shares that can be acquired: up to 14,000,000 shares representing approximately 0.91% of the Company's share capital on the date of the agreement.
- c. Maximum price per share: shares will be 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: in so far as volume is concerned, the Company purchased more than 25% of the average daily volume of the shares in any one day on the trading venues on which the purchase was carried out.
- e. Duration: the maximum duration of the Programme was until 5 February 2022. Notwithstanding the above, the Company reserved the right to conclude the Programme if, prior to the end of said maximum term, it had acquired the maximum number of shares authorised by the Board of Directors, if it had reached the maximum monetary amount of the Programme or if any other circumstances arise that call for it.

The main manager of the Programme was an investment company or a credit institution that takes its decisions in relation to the timing of the purchase of the Company's shares irrespective of the Company.

On 2 August 2021, Prosegur Cash, S.A. acquired a total of 14,000,000 shares representing approximately 0.92% of its share capital at that date, achieving the target of the Programme and therefore bringing the Programme to a close before the deadline set for its term.

Buyback programme of 20 December 2021

On 20 December 2021, the Board of Directors decided to implement an own share buyback programme in the terms of Regulation (EU) no. 596/2014 on market abuse and the Commission Delegated Regulation 2016/1052 (the Regulations), making use of the authorisation granted by the Shareholders General Meeting held on 2 June 2021 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 has the following features:

- a. Maximum amount allocated to the Programme: EUR 15,000 thousand.
- b. Maximum number of shares that can be acquired: up to 22,844,200 shares representing approximately 1.5% of the Company's share capital on the date of the agreement.
- c. Maximum price per share: shares will be 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) the highest current independent bid on the trading venues where the purchase is carried out.

- d. 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 had acquired the maximum number of shares authorised by the Board of Directors, if it had reached the maximum monetary amount of the Programme or if any other circumstances arise that call for it.

The main manager of the programme is an investment company or a credit institution that takes its decisions in relation to the timing of the purchase of the Company's shares irrespective of the Company.

In addition, the majority shareholder of the Company, Prosegur Compañía de Seguridad, S.A. and its 100%-owned investee, Prosegur Assets Management, S.L. holder of 79.2% of the share capital in 2021, expressed their intention not to sell Prosegur Cash shares during the upcoming months. Although Prosegur Assets Management, S.L. wound up on 4 May 2022.

On 26 October 2022, the Board of Directors resolved to modify given aspects of the Programme, relative to the following points:

- Increase of the maximum number of shares that will affect the Programme, to increase this by 15,229,466 shares representing approximately 1% of the Company's current share capital (1,522,946,683 shares).
- Increase the maximum amount allocated to the Programme by EUR 10,000 thousand.
- Increase its term by one year, i.e., through 30 December 2023.

This Programme, known as the Extended Programme, has the following characteristics:

- Maximum amount allocated to the Programme: EUR 25,000 thousand.
- Maximum number of shares that can be acquired: up to 38,073,666 shares representing approximately 2.5% of the Company's share capital on the date of the agreement.
- Maximum price per share: shares will be 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) the highest current independent bid on the trading venues where the purchase is carried out.
- 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.
- Term: the maximum term of the Extended Programme will be through 20 December 2023. Notwithstanding the above, the Company reserves the right to terminate the Programme if, prior to the expiration of that maximum term, it acquires the maximum number of shares authorised by the Board of Directors, it reaches the maximum monetary amount of the Extended Programme or for any other circumstance occurs that so advises.

The operation of the liquidity contract signed by the Company continues to be suspended.

The main manager of the Extended Programme is an investment company or credit institution that makes its decisions in relation to the timing of the purchase of the Company's shares regardless of the Company.

Finally, the Company's majority shareholder, Prosegur Compañía de Seguridad, S.A., holder of 79.42% of the share capital, has stated its intention not to sell Prosegur Cash shares within the scope of the Extended Programme.

Delivery of treasury shares for long term incentives

As a result of the long term incentive plan known as the Retention Plan described in Note 3 and 20, during 2022 a total of 3,075,828 shares were delivered to the Cash Group Executive President and Group Management. In addition, the remaining shares associated with the Retention Plan will be delivered during 2024.

The rest of the shares delivered correspond to other remuneration not associated with long term Incentive Plans.

Redemption of own shares (reduction of share capital) in 2021

On 6 July 2021, a capital reduction took place through the redemption of 21,589,296 own shares of the Company, with a par value of EUR 0.02 each.

At 31 December 2022, the liquidity agreement that entered into force on 11 July 2017 was temporarily suspended.

At 31 December 2022, the treasury stock held by Prosegur Cash, S.A. is composed of 36,304,785 shares (2021: 18,198,819 shares). At 31 December 2022, the liquidity agreement that entered into force on 11 July 2017 was temporarily suspended, treasury stock linked to that agreement amount to 1,141,932 shares (1,141,932 shares in 2021).

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

	Number of shares	Thousands of Euros
Balance at 31 December 2020	23,436,659	18,261
Purchase of own shares	17,183,819	13,337
Delivery of own shares	(815,263)	(851)
Other awards	(17,100)	(13)
Capital reduction	(21,589,296)	(16,452)
Balance at 31 December 2021	18,198,819	14,282
Purchase of own shares	21,228,591	13,824
Delivery of own shares	(3,122,625)	(2,232)
Balance at 31 December 2022	36,304,785	25,874

Prosegur Cash holds 2.38% (2021: 1.19%) of Treasury stock.

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 Shareholders General 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.

d) Other net equity instruments

The Retention Plan, which is linked to ensuring adequate talent retention and promoting the digital transformation of the Prosegur Group for 2021-2023, was approved in 2021. The plan envisages the payment of share incentives. The period of measurement covered for most cases from 1 January 2021 to 31 December 2023. While the Plan's approval provided that the first payment in shares would be in October 2022, the second payment in October 2023 and the final payment in October 2024, the General Shareholders Meeting of 7 December 2022 has resolved to deliver all of the shares during the 2022 financial year to each employee with the right to these for having attained the objectives associated with that Plan. The Prosegur Group recognises a straight-line expense in the income statement during the length of service of the Plan, as well as the corresponding increase in equity, based on the fair value of the shares committed when the Plan was granted. The fair value of the shares at the moment of the granting was EUR 0.695 per share.

At 31 December 2022, the positive impact on the Statement of Changes in Equity was EUR 1,424 thousand (EUR 1,743 thousand in 2021).

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

14. Financial liabilities

	Thousands of Euros					
	2022					
	Debentures and other negotiable securities	Debts with credit institutions	Debts with Group companies	Trade and other payables	Other financial liabilities	Total
Non-currents						
Financial liabilities at amortised cost (Note 15)	597,023	100,000	333,658	—	60,154	1,090,835
	597,023	100,000	333,658	—	60,154	1,090,835
Current						
Financial liabilities at amortised cost (Note 15)	7,760	71,070	221,407	20,259	36,581	357,077
	7,760	71,070	221,407	20,259	36,581	357,077
Total	604,783	171,070	555,065	20,259	96,735	1,447,912

	Thousands of Euros					
	2021					
	Debentures and other negotiable securities	Debts with credit institutions	Debts with Group companies	Trade and other payables	Other financial liabilities	Total
Non-currents						
Financial liabilities at amortised cost (Note 15)	596,444	—	282,826	—	12,012	891,282
	596,444	—	282,826	—	12,012	891,282
Current						
Financial liabilities at amortised cost (Note 15)	7,471	48,813	351,879	15,983	24,888	449,034
	7,471	48,813	351,879	15,983	24,888	449,034
Total	603,915	48,813	634,705	15,983	36,900	1,340,316

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.

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.

a) Classification of financial liabilities by category

The classification of financial liabilities at cost or amortised cost per category and class is as follows:

	Thousands of Euros	
	2022	2021
Non-current		
- Debentures and other negotiable securities	597,023	596,444
- Debts with credit institutions	100,000	—
- Payables to Group companies (Notes 15 and 19)	333,658	282,826
- Other financial liabilities	60,154	12,012
Total	1,090,835	891,282
Current		
- Debentures and other negotiable securities	7,760	7,471
- Bank borrowings	71,070	48,813
- Payables to Group companies (Note 15)	221,407	351,879
- Other financial liabilities with Group companies (Note 15)	24	—
- Sundry creditors (Note 15)	20,235	15,983
- Other payables	36,581	24,888
Total	357,077	449,034

c) Classification by maturities

The classification of financial liabilities by maturities at 31 December 2022 is as follows:

Thousands of Euros						
2022						
Financial liabilities						
	2023	2024	2025	2026	Subsequent years	Total
Debts with credit institutions	71,070	100,000	—	—	—	171,070
Debentures and other negotiable securities	7,760	—	—	597,023	—	604,783
Other financial liabilities (Note 15)	36,581	32,388	9,101	9,836	8,829	96,735
Payables to Group companies and associates (Note 19)	221,407	49,832	282,826	—	1,000	555,065
Trade and other payables	24	—	—	—	—	24
Suppliers, Group companies and associates (Note 19)	12,161	—	—	—	—	12,161
Sundry accounts payable	6,535	—	—	—	—	6,535
Personnel (salaries payable)	1,539	—	—	—	—	1,539
Total	357,077	182,220	291,927	606,859	9,829	1,447,912

The classification of financial liabilities by maturities at 31 December 2021 is as follows:

Thousands of Euros						
2021						
Financial liabilities						
	2022	2023	2024	2025	Subsequent years	Total
Debts with credit institutions	48,813	—	—	—	—	48,813
Debentures and other negotiable securities	7,471	—	—	—	596,444	603,915
Other financial liabilities (Note 15)	24,888	12,012	—	—	—	36,900
Payables to Group companies and associates (Note 19)	351,879	—	—	282,826	—	634,705
Suppliers, Group companies and associates (Note 19)	11,631	—	—	—	—	11,631
Sundry accounts payable	2,862	—	—	—	—	2,862
Personnel (salaries payable)	1,490	—	—	—	—	1,490
Total	449,034	12,012	—	282,826	596,444	1,340,316

15. Financial debts and commercial creditors

a) Debts with credit institutions

The current and non-current debts with credit institutions at 31 December 2022 are the following:

Thousands of Euros				
2022				
Type	Interest rate	Maturity	Par value	Outstanding debt at 31/12/2022
Bank borrowings	Eur+margin	24 March 2023	15,000	15,000
Bank borrowings	Eur+margin	22 March 2023	10,000	10,000
Bank borrowings	Eur+margin	10 March 2023	15,000	10,000
Bank borrowings	Eur+margin	20 July 2023	50,000	8,822
Bank borrowings	Eur+margin	14 February 2026	100,000	100,000
Credit facility	Eur+margin	31 October 2023	15,000	17,328
Credit facility	Eur+margin	30 June 2023	11,275	9,920
Total				171,070

At 31 December 2022, the Company has credit facilities with a drawn balance of EUR 27,248 thousand.

The current and non-current debts with credit institutions at 31 December 2021 are the following:

Thousands of Euros				
2021				
Type	Interest rate	Maturity	Par value	Outstanding debt at 31/12/2021
Bank borrowings	Eur+margin	24 March 2022	15,000	15,000
Bank borrowings	Eur+margin	22 March 2022	10,000	10,000
Bank borrowings	Eur+margin	10 March 2022	15,000	15,000
Bank borrowings	Eur+margin	20 July 2022	50,000	8,813
Total				48,813

Syndicated credit financing facility

On 10 February 2017, Prosegur Cash, S.A. arranged a five-year syndicated credit financing facility of EUR 300,000 thousand for a five-year term 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. At 31 December 2022, there is a balance of EUR 100 million drawn on this credit (at 31 December 2021, there was no balance associated with this facility).

The interest rate of the drawdowns under the syndicated credit 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 2022 and 2021, the Company is in compliance with the aforementioned ratios.

b) Debts with Group companies

The breakdown of the debts as of 31 December 2022 is as follows (Note 19):

Thousands of Euros					
Type	Currency	Interest rate	Maturity	Par value	Current
Loans with group companies					
Prosecur Brasil SA Transportadora de Valores e Segurança (*)	EUR	0.75%	31.12.2023		47,774
UTE PCS SSG La Finca (*)	EUR	0.75%	31.12.2023		22
Prosecur Servicios de Efectivo España, S.L.U. (*)	EUR	0.75%	31.12.2023		26,238
Juncadella Prosecur Internacional, S.A. (*)	EUR	0.75%	31.12.2023		66,036
CASH Centroamerica Uno, S.L.U.	EUR	0.75%	31.12.2023		147
CASH Centroamerica Tres, S.L.U.	EUR	0.75%	31.12.2023		116
Gelt Cash Transfer, S.L.U.	EUR	0.75%	31.12.2023		20
Pitco Reinsurance, S.A.	EUR	0.75%	31.12.2023		26,000
					166,353
Other financial liabilities					
Transportadora de Caudales Juncadella, S.A. (**)	EUR				3
Prosecur Holding CIT ARG, S.A. (**)	EUR				1
Grupo N, S.A. (**)	EUR				31
VN Global BPO, S.A. (**)	EUR				27
Prosecur, S.A. (**)	EUR				3
Servicios Prosecur, Ltda. (**)	EUR				527
Compañía Transportadora de Valores Prosecur de Colombia, S.A. (**)	EUR				32
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda. (**)	EUR				34
Prosecur Soluciones, S.A.U. (**)	EUR				1
Prosecur AVOS España, S.L.U. (**)	EUR				2
Prosecur Compañía de Seguridad, S.A. (**)	EUR				10
					671
Short-term payables to Group companies and associates					
Prosecur Compañía de Seguridad, S.A.	EUR				53,597
Prosecur Holding CIT ARG, S.A.	EUR				14
Prosecur Brasil S/A Transportadora de Valores e Segurança	EUR				436
Prosecur Servicios de Efectivo España, S.L.U.	EUR				21
Juncadella Prosecur Internacional, S.A.	EUR				52
Pitco Reinsurance, S.A.	EUR				262
					54,382
Long-term payables to Group companies and associates					
Compañía de Seguridad Prosecur, S.A.	EUR	3.50%	02 June 2024		49,832
Juncadella Prosecur Internacional, S.A.	EUR	0.50%	31 December		282,826
Prosecur Logística e Tratamento de Valores Portugal S.A.	EUR	4.00%	22 June 2027		1,000
					333,658
Total					555,065

(*) These balances are a consequence of the daily sweeping of cash-pooling accounts (Note 25)

(**) Balance corresponding to the current account held with the Company

The breakdown of the debts as of 31 December 2021 is as follows (Note 19):

Thousands of Euros					
Type	Currency	Interest rate	Maturity	Par value	Current
Loans with group companies					
Transportadora de Caudales Juncadella, S.A.	EUR	0.75%	31.12.2022		164
Prosegur Brasil S/A Transportadora de Valores e Segurança	EUR	0.75%	31.12.2022		48,277
Compañía de Seguridad Prosegur, S.A.	EUR	0.75%	31.12.2022		61,578
Prosegur Servicios de Efectivo España, S.L.U. (*)	EUR	0.75%	31.12.2022		12,844
Armor Acquisition, S.A. (*)	EUR	0.75%	31.12.2022		3,385
Juncadella Prosegur Internacional, S.A. (*)	EUR	0.75%	31.12.2022		152,876
CASH Centroamerica Uno, S.L.U.	EUR	0.75%	31.12.2022		86
CASH Centroamerica Tres, S.L.U.	EUR	0.75%	31.12.2022		46
Prosegur Internationale Handels GmbH	EUR	5.00%	31.12.2022		367
Pitco Reinsurance, S.A.	EUR	0.75%	31.12.2022		27,022
					306,645
Other financial liabilities					
Prosegur Gestión de Activos, S.L.U. (**)	EUR				1
Prosegur Global CIT, S.L.U. (**)	EUR				3,198
Prosegur Smart Cash Solutions S.L.U. (**)	EUR				1
Armor Acquisition, S.A. (**)	EUR				149
Prosegur Colombia 1, S.L.U. (**)	EUR				3
Prosegur Colombia 2, S.L.U. (**)	EUR				3
Risk Management Solutions, S.L.U. (**)	EUR				1
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda. (**)	EUR				28
Prosegur Compañía de Seguridad, S.A. (**)	EUR				19,355
					22,739
Short-term payables to Group companies and associates					
Prosegur Compañía de Seguridad, S.A.	EUR				15,992
Prosegur Assets Management, S.A.	EUR				6,503
					22,495
Long-term payables to Group companies and associates					
Armor Acquisition, S.A.	EUR	0.50%	31 December		65,362
Juncadella Prosegur Internacional, S.A.	EUR	0.50%	31 December		217,464
					282,826
Total					634,705

(*) These balances are a consequence of the daily sweeping of cash-pooling accounts (Note 25)

(**) 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	
	2022	2021
Current		
Suppliers, Group companies and associates (Note 19)	12,161	11,631
Sundry accounts payable	6,535	2,862
Personnel (salaries payable)	1,539	1,490
Suppliers	24	—
Total	20,259	15,983

The suppliers section contains the outstanding trademark billing.

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) Deferred payments to suppliers. Third additional provision. "Reporting Requirement", of Act 15/2010 of 5 July

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.

Lastly, in keeping with the breakdowns required in section 9 of Act 18/2022, of 28 September, on business creation and growth, the monetary volume and number of invoices paid in a period below the maximum established was EUR 59,444 thousand and 940 invoices, respectively; furthermore, the percentage that these invoices comprise out of the total number of invoices and the monetary total of payments to their suppliers represented 63% of the total number of invoices and 76% of the monetary total.

	2022	2021
	Days	
Average payment period to suppliers	56	47
Ratio of transactions paid	60	47
Ratio of transactions pending payment	38	43
	Amount	
	Thousands of Euros	
Total payments made	14,867	11,773
Total payments pending	3,545	737
Number of invoices paid under 60 days	699	
Volume (EUR thousand)	6,902	
% of the total number of transactions	46%	

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 2022 and 2021, 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).

During 2022, the Company will perform the appropriate actions to decrease its average payment period to suppliers in keeping with current legislation.

16. Taxation

Details of balances with public entities are as follows:

	Thousands of Euros			
	2022		2021	
	Non-Current	Current	Non-Current	Current
Assets				
Deferred tax assets	1,235	—	1,370	—
Value added tax and similar liabilities	—	7,626	—	2,426
	1,235	7,626	1,370	2,426
Liabilities				
Deferred tax liabilities	2,500	—	—	—
Social Security	—	114	—	99
Withholdings	—	1,297	—	256
	2,500	1,411	—	355

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	
	2022	2021
Income before tax	(45,336)	28,487
Permanent differences	(5,131)	(47,193)
Timing differences:	(2,484)	1,110
- Originating in the current period	2,015	3,932
- Arising in previous years	(4,499)	(2,822)
Taxable base for tax consolidation	(52,951)	(17,596)
Tax rate	25 %	25 %
Resulting tax payable	(13,238)	(4,399)
Deductions:	(2,061)	(4,484)
- Double taxation	(1,552)	(3,670)
- Other deductions	—	(444)
- Contributions made to Foundations	(509)	(370)
Tax payable	(15,299)	(8,883)

The permanent differences of the accounting profit for the year 2022 mainly 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 for a negative amount of EUR 55,275 thousand (2021: EUR 60,800 thousand by the subsidiaries), negative amount of EUR 2,732 thousand correspond to taxes paid abroad, which cannot benefit from the deduction for international double taxation (2021: EUR 410 thousand) contributions to foundations for a positive amount of EUR 1,455 thousand (2021: EUR 1,059 thousand), losses on the sale of shareholdings in group companies for a positive amount of EUR 10 thousand. Positive amount of EUR 12,943 thousand for the sale of Prosegur AVOS) and impairment of shareholdings in group companies for a positive amount of EUR 51,384 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 2,521 thousand (2021: EUR 1,163 thousand).
- Other adjustments amounting to EUR 351 thousand corresponding to depreciations and provisions (2021: EUR 2,769 thousand).

2. Negative:

- Tax depreciation of intangible assets for an amount of EUR 857 thousand. In 2021, there was no tax depreciation of intangible assets.

The main temporary difference adjustments to accounting profit originating in previous years are as follows:

1. Positive:

- There are no positive adjustments during the year (2021: EUR one thousand, corresponding to the reversal of the negative adjustment of items of fixed assets subject to the freedom to amortise in 2009, 2010 and 2011).

2. Negative:

- Reversal of provisions from previous years amounting to EUR 4,499 thousand (EUR 2,822 thousand in 2021).

In 2022, the deductions correspond to the deduction for international double taxation in respect of taxes paid abroad for miscellaneous services amounting to EUR 1,552 thousand (EUR 3,670 thousand in 2021), deduction for donations to non-profit entities amounting to EUR 509 thousand (deduction in technological innovation for EUR thousand and the deduction for donations to non-profit companies for EUR 370 thousand).

The breakdown of the income tax expense of the income statement is as follows:

	Thousands of Euros	
	2022	2021
Income before tax	(45,336)	28,487
Permanent differences	(4,723)	(47,193)
Elimination of own shares transactions	(408)	(1)
Taxable base	(50,467)	(18,707)
Tax rate	25 %	25 %
Resulting tax payable	(12,617)	(4,677)
Deductions:	(2,061)	(4,484)
- Double taxation	(1,552)	(3,670)
- Contributions made to Foundations	(509)	(370)
- Other deductions	—	(444)
Expense (income) tax on profit	(14,678)	(9,161)
Withholdings at source and other	4,729	4,048
Other adjustments	102	—
Final expense (income) tax on profit	(9,847)	(5,113)

The corporate income tax expense is as follows:

	Thousands of Euros	
	2022	2021
Current tax	(15,299)	(8,883)
Elimination of own shares transactions	102	—
Deferred tax	621	(278)
Adjustments from previous years	4,729	4,048
	(9,847)	(5,113)

On 28 November 2016, by agreement of the 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 2022 and 2021 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: Has not been 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:

2022	Thousands of Euros				
	Opening balance	Other adjustments	Write offs	Additions	Closing balance
Deferred tax assets					
Intangible asset amortisation	165	28	—	20	213
Other provisions	1,205	244	(1,125)	698	1,022
	1,370	272	(1,125)	718	1,235

2021	Thousands of Euros				
	Opening balance	Other adjustments	Write offs	Additions	Closing balance
Deferred tax assets					
Intangible asset amortisation	130	16	—	19	165
Other provisions	671	275	(706)	965	1,205
	801	291	(706)	984	1,370

2022	Thousands of Euros				
	Opening balance	Other adjustments	Write offs	Additions	Closing balance
Deferred tax liabilities					
Goodwill for tax purposes	—	(2,286)	—	(214)	(2,500)
Others	—	—	—	—	—
	—	(2,286)	—	(214)	(2,500)

17. 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	
	2022	2021
Commercial guarantees	1,966	4,629
Financial guarantees	4,051	37
	6,017	4,666

Financial guarantees essentially include those relating to litigations in process.

b) Contingent assets

At 31 December 2022 and 2021 there are no contingent assets.

c) National Commission on Markets and Competition

On 10, 11 and 12 February 2015, the National Commission on Markets and Competition's Directorate (DC) (hereinafter CNMC) carried out inspections at the headquarters of Prosegur Compañía de Seguridad, S.A. and Prosegur Servicios de Efectivo España, S.L.

On 20 February 2015, Prosegur filed an administrative appeal against the CNMC Council Investigation Order of 4 February 2015 issued by the Competition Directorate of the CNMC and the subsequent inspection actions.

On 22 April 2015, the CNMC commenced disciplinary proceedings against Prosegur Compañía de Seguridad, S.A. (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 the Competition Defence Law and the Treaty on the Functioning of the European Union. On 10 November 2016, the Competition Chamber of the CNMC ruled to jointly 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 requesting the cancellation of this resolution and 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, against the ruling of the Competition Chamber of the CNMC on 10 November 2016, commencing the relevant proceedings, prior to formal filing of the appeal. Prosegur made the corresponding appeal on 6 September 2018.

By Order of 12 July 2017 —after the provision of the mandatory surety bond by Prosegur, by presenting a bank guarantee for the amount of EUR 39,420 thousand on 9 June 2017—, the National Court granted the precautionary suspension of the payment of the fine.

On 18 May 2018, the National Court dismissed the contentious-administrative appeal filed by Prosegur against the resolution of the Competition Chamber of the CNMC Council of 9 April 2015, by which it was agreed to dismiss the internal appeal against the Investigation Order of 4 February 2015 issued by the CNMC's Competition Directorate and subsequent inspections.

On 10 June 2019, Prosegur was notified of the Court Order declaring the proceedings to be concluded, with a vote and decision pending on the appeal lodged by Prosegur against the ruling on 10 November 2016 of the Competition Chamber of the CNMC.

On 11 September 2019, Prosegur filed an appeal for constitutional protection against the Resolution on the Investigation Order of 4 February 2015 and the inspection proceedings, issued by the Competition Chamber of the CNMC, the Ruling on the appeal against the Investigation Order that was made final after the Order of the Supreme Court and the Petition for Nullity. By Order of 16 June 2020, the Second Chamber of the Constitutional Court agreed not to accept the appeal for constitutional protection presented by Prosegur for not considering it to have the special constitutional significance which, as a condition for its acceptance, the law requires, whereby in 2020 the possibility of any legal appeals concluded with regard to the Resolution on the Investigation Order.

The date set by the National Court for the vote and decision on the appeal lodged by Prosegur against the ruling issued on 10 November 2016 by the Competition Chamber of the CNMC Council was 30 March 2022.

On 20 June 2022, notification was provided of the ruling given by the National Court upholding the appeal lodged by Prosegur against the ruling issued on 10 November 2016 by the Competition Chamber of the CNMC Council, which imposed a fine for EUR 39,420 thousand, agreeing the annulment of this court ruling for being contrary to the legal system. On 20 September 2022, due to the failure to file an appeal by the CNMC, the judgment handed down by the National Court on 20 June 2022 was declared final.

Prosegur Compañía de Seguridad, S.A. exclusively and at its own expense assumed the defence of Prosegur and Prosegur Servicios de Efectivo España, S.L., having sole power regarding the directing and control of that defence and of the lawsuit.

18. Commitments

a) Purchase commitments for fixed assets

At 31 December 2022, the commitments correspond mainly to the purchase of hardware and software development amounting to EUR 9 thousand (EUR 561 thousand at 31 December 2021).

b) Operating lease commitments

At 31 December 2022, the Company has no commitments that correspond mainly to the rental of vehicles under non-cancellable operating leases. The amount at 31 December 2021 is EUR 115 thousand.

19. Balances and transactions with related parties

a) Related Party Balances

The breakdown of the balances by categories is the following:

	Thousands of Euros				
	2022				
	Financial assets			Financial liabilities	
	Current			Current	
	Credits (Note 10)	Debtors (Note 10)	Other financial assets (Note 10)	Debts (Note 14)	Suppliers (Note 14)
Group companies and associates					
Prosegur SIS España, S.L.	—	—	—	—	(6)
Prosegur Compañía de Seguridad, S.A.	—	—	40,808	(53,607)	(647)
Prosegur Gestión de Activos, S.L.U.	—	—	—	—	(5,666)
Prosegur Cash International, S.A.U.	1,084	6	16	—	—
Prosegur Ciberseguridad	—	—	—	—	—
Prosegur Soluciones, S.A.U.	—	—	1	(1)	—
Prosegur Global SIS, S.L.U.	—	—	—	—	(1)
Prosegur Servicios de Efectivo España, S.L.U.	—	144	30	(26,259)	(135)
Prosegur Global CIT, S.L.U.	—	—	—	—	—
Prosegur Smart Cash Solutions, S.L.	1,025	7	—	—	—
Prosegur Avos España, S.L.U.	—	38	39	(2)	—
Armor Acquisition, S.A.	—	—	—	—	—
Juncadella Prosegur Internacional, S.A.	—	643	—	(66,088)	(3,021)
Prosegur International CIT 1, S.L.	951	7	—	—	—
Prosegur International CIT 2, S.L.U.	1,792	14	—	—	—
Prosegur Global CIT ROW, S.L.U.	4,806	2,464	97	—	(13)
ESC Servicios Generales, S.L.U.	—	—	—	—	(2)
Contesta Teleservicios	—	14	—	—	—
Contesta Servicios Auxiliares	—	—	—	—	—
Prosegur Colombia 1, S.L.U.	70	38	—	—	—
Prosegur Colombia 2, S.L.U.	—	38	—	(22)	—
Prosegur Servicios de Pago EP, S.L.U.	577	5	1	—	—
Prosegur Alpha3 Cashlab	478	28	846	—	—
Gelt Cash Transfer, S.L.U.	—	—	50	(20)	—
CASH Centroamerica Uno, S.L.U.	—	—	—	(147)	(1)
CASH Centroamerica Tres, S.L.U.	—	—	—	(116)	—
LATAM ATM Solutions, S.L.	—	—	2	—	—
The Change Group Spain, S.A.	—	—	1,500	—	—
Prosegur Smart Cash Solutions, S.L.U. (EP Mexico)	—	109	—	—	—
Movistar Prosegur Alarmas, S.L.	—	—	—	—	(2)
Transportadora de Caudales Juncadella, S.A.	—	12,522	1	(17)	(1,566)
Prosegur Holding CIT ARG, S.A.	—	—	93	(1)	—
VN Global BPO, S.A.	—	355	—	(27)	—
Grupo N, S.A.	—	250	—	(31)	—
Prosegur, S.A.	—	—	—	(3)	—
Log Cred Tecnologia Comercio e Serviços Ltda.	—	76	—	—	(17)
Prosegur Brasil S/A Transportadora de Valores e Seguranc	—	4,221	2	(48,210)	(455)
Prosegur Serviços e Participações Societarias, S.A. (Ext-TSRParticipações Societarias, S.A.)	1,533	279	—	—	—
Prosegur Logística e Armazenamento Ltda.	—	9	—	—	—
Prosegur Pay Consultoria em Tecnologia da Informação Ltda.	—	17	—	—	—
Compañía Transportadora	—	393	43	(32)	(77)
Procesos Técnicos de Seguridad y Valores, S.A.S.	—	963	—	—	—
Compañía Colombiana de Seguridad Transbank Ltda.	—	2,385	3	—	—
Corresponsales Colombia SAS	—	110	—	—	—
Prosegur Procesos SAS	—	721	—	—	—
Compañía de Seguridad Prosegur S A	—	643	5	—	—
Prosegur Caieros S A	—	187	—	—	—
Prosegur Cash Services Germanv GmbH	23,029	127	85	—	—
SIS Cash Services Private I t d	—	41	—	—	—
Servicios Prosegur I t d	—	1,633	—	(527)	(29)
Capacitaciones Ocupacionales Sociedad Ltda	—	3	—	—	—

Empresa de Transportes Cia de Seguridad Chile Ltda	—	360	—	—	—
Nummi. S.A.	—	63	—	—	—
Findarin. S.A.	—	14	—	—	—
Prosegur Transportadora de Caudales. S.A.	—	216	25	—	(94)
Prosegur Change UK Limited	5,249	—	395	—	—
The Change Group International PLC	4,372	—	188	—	—
The Change Group Corporation Limited	5,636	—	—	—	—
The Change Group London Limited	4,204	—	896	—	—
Corporacion Allium, S.A.	5,009	1,304	—	—	—
Protección de Valores, S.A.	—	583	—	—	—
Protección de Valores, S.A.	—	19	—	—	—
Armored Transport Plus Incorporated	—	112	—	—	—
Proteccion de Valores S.A. de CV	—	199	—	—	—
Singpai Pte. Ltd.	—	—	—	—	(238)
Grupo Proval CR, S.A.	—	193	—	—	—
Consultoría de Negocios CCR Consulting Costa Rica, S.A.	—	691	—	—	—
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	—	132	—	(34)	—
Tevlogistic, S.A.	—	15	—	—	—
Transportadora Ecuatoriana de Productos Valorados	—	4	—	—	—
Representaciones Ordoñez y Negrete, S.A. REPORNE	—	18	—	—	—
Prosegur Paraguay, S.A.	—	1,365	270	—	(108)
Prosegur Logística e Tratamiento de Valores Portugal S.A.	—	—	8	(1)	—
Pitco Reinsurance, S.A.	—	—	380	(26,262)	—
Prosegur Australia Holdings PTY Limited	7,097	—	—	—	—
Prosegur Australia Pty Limited	—	—	—	—	(83)
Prosegur Foreign Exchange Pty Limited	3,073	18	—	—	—
Total	69,985	33,796	45,784	(221,407)	(12,161)

Thousands of Euros

	2021				
	Financial assets			Financial liabilities	
	Current			Current	
	Credits (Note 10)	Debtors (Note 10)	Other financial assets (Note 10)	Debts (Note 14)	Suppliers (Note 14)
Group Companies					
Prosegur SIS España, S.L.	—	—	—	—	(35)
Prosegur Compañía de Seguridad, S.A.	—	1	30,026	(35,346)	(2,207)
Prosegur Gestión de Activos, S.L.U.	—	1	—	(1)	(5,227)
MIV Gestión, S.A.	741	4	—	—	—
Prosegur Ciberseguridad	—	—	—	—	(158)
Prosegur Assets Management, S.L.U.	—	—	—	(6,503)	—
Prosegur Global SIS, S.L.U.	—	—	—	—	(1)
Prosegur Servicios de Efectivo España, S.L.U.	9	96	7	(12,844)	(83)
Prosegur Global CIT, S.L.U.	103,311	5,936	5,000	(3,199)	—
Prosegur Smart Cash Solutions, S.L.	1,006	8	—	(1)	—
Prosegur Avos España, S.L.U.	8	24	—	—	(420)
Armor Acquisition, S.A.	—	—	—	(3,534)	—
Juncadella Prosegur Internacional, S.A.	—	—	93,787	(152,877)	(1,624)
Prosegur International CIT 1, S.L.	900	6	—	—	—
Prosegur International CIT 2, S.L.U.	1,783	13	—	—	—
Prosegur Global CIT ROW, S.L.U.	82,171	2,517	336	—	(16)
ESC Servicios Generales, S.L.U.	—	—	—	—	(9)
Contesta Teleservicios	—	15	1	—	(1)
Integrum 2008	—	—	—	—	(1)
Bloggers Brokers	—	—	—	—	(1)

Contesta Servicios Auxiliares	—	—	1	—	(2)
Prosegur Colombia 1, S.L.U.	6,045	44	—	(3)	—
Prosegur Colombia 2, S.L.U.	5,924	43	—	(3)	—
Prosegur Servicios de Pago EP, S.L.U.	700	5	—	—	—
Risk Management Solutions	—	43	1	—	(5)
Work 4 Data Lab, S.L.	—	—	—	(1)	—
Prosegur Alpha3 Cashlab	8,083	28	846	—	—
Dinero Gelt, S.L.	—	—	—	—	(1)
CASH Centroamerica Uno, S.L.	—	—	—	(86)	—
Cash Centroamerica TRES	—	—	—	(46)	—
Transportadora de Caudales Juncadella, S.A.	—	2,313	—	(164)	(858)
Grupo N, S.A.	—	85	—	—	—
VN Global BPO, S.A.	—	125	—	—	—
TSR Participações	—	27	—	—	—
Log Cred Tecnologia Com	—	14	—	—	—
Prosegur Brasil S/A Transportadora de Valores e Segurança	3	—	—	(48,277)	(618)
G4S Colombia	3	—	—	—	—
Pagafácil	35	—	—	—	—
Compañía Transportadora	—	—	—	—	(43)
Prosegur Cash Servicios	—	—	3	—	—
Compañía de Seguridad Prosegur, S.A.	6	—	—	(61,578)	—
Prosegur Internationale Handels GmbH	—	—	—	(367)	—
Prosegur Cash Services Germany GmbH	12,026	—	—	—	—
SIS Cash Services Private Ltd.	—	110	—	—	—
Servicios Prosegur Ltda.	—	—	—	—	(29)
Prosegur Smart Cash Solutions, S.L.U.	10	—	—	—	—
Pitco Reinsurance, S.A.	—	—	—	(27,022)	—
Luxpai CIT SARL	378	2	—	—	—
Prosegur Logística e Tratamento de Valores Portugal S.A.	9	—	—	—	—
Armored Transport Plus Incorporated	871	112	—	—	—
Transportadora Ecuatori	—	—	—	(27)	—
Singpai Pte. Ltd.	—	—	—	—	(120)
Consultoría de Negocios CCR Consulting Costa Rica, S.A.	—	694	—	—	—
Prosegur Transportadora de Caudales, S.A.	47	—	24	—	—
Prosegur Smart Cash Sol	—	143	—	—	—
Prosegur Paraguay, S.A.	—	825	—	—	—
Prosegur Australia Hold	—	—	190	—	—
Prosegur Australia Pty Limited	—	—	—	—	(172)
Total	224,069	13,234	130,222	(351,879)	(11,631)

	2021
	Financial assets
	Non-current
	Credits (Note 10)
Thousands of Euros	
Group companies and associates in Spain	
Prosegur Servicio de Ef	10
Prosegur Smart Cash Solutions. S.L.U.	11
Prosegur Avos España. S.L.U.	8
Prosegur Global CIT Row	26
Total Spain	55
Subsidiaries abroad	
Prosegur Brasil S.A. Tran	3
G4S Colombia	4
Pagafacil	39
Compañía de Seguridad P	7
Prosegur Cash Services	20
PROSEGUR LOGISTICA E TR	10
Prosegur Transportadora	55
Total Foreign	138
Total	193

In 2022, there are no non-current financial assets.

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 (0.5% in 2021), 0.75% in Germany (0.75% in 2021) and 0.75% in Luxembourg (0.75% in 2021). We also found short-term loans granted to subsidiaries in Australia in AUD and in Panama, accruing annual interest 2.90 % in Australia (2.25% in 2021) and 3.25 % in Panama. Interest accrued amounted to EUR 1,918 thousand in 2022 (EUR 2,432 thousand in 2021).

Financial assets - Long-term loans correspond to loans with group companies for the transaction recorded under 'Other net equity instruments'.

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 (0.75% in 2021). On the other hand, we have current loans granted by subsidiaries in Luxembourg accruing an interest rate of 0.75%. Interest accrued amounted to EUR 5,749 thousand in 2022 (EUR 4,139 thousand in 2021).

b) Related Party Transactions

The amounts of the Company's transactions with related parties are the following:

	Thousands of Euros				
	2022				
	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.	—	—	1	—	(123)
Prosegur Compañía de Seguridad, S.A.	—	—	10	(2,040)	(22,496)
Prosegur Gestión de Activos, S.L.U.	—	—	68	—	(46,157)
Prosegur Cash International, S.A.U.	—	6	54	—	—
Prosegur Servicios de Efectivo España, S.L.U.	—	—	4,255	(137)	(86)
Prosegur Ciberseguridad, S.L.U.	—	—	—	—	(133)
Prosegur Smart Cash Solutions, S.L.U.	—	6	—	—	—
Prosegur Avos España, S.L.U.	—	—	19	—	—
Juncadella Prosegur Internacional, S.A.	1,658	643	—	(2,949)	—
Prosegur International CIT 1, S.L.	—	7	—	—	—
Prosegur International	—	14	—	—	—
Prosegur Global CIT ROW, S.L.U.	—	45	18,355	—	—
ESC Servicios Generales, S.L.U.	—	—	—	—	(30)
Movistar Prosegur Alarmas, S.L.	—	—	1	—	—
Prosegur Colombia 1, S.L.U.	—	35	—	—	—
Prosegur Colombia 2, S.L.U.	—	34	—	—	—
Contesta Teleservicios, S.A.U.	—	—	19	—	—
CASH Centroamerica Uno, S.L.U.	1,866	—	—	(1)	—
CASH Centroamerica Dos, S.L.	1,278	—	—	—	—
Prosegur Servicios de Pago EP, S.L.U.	—	5	—	—	—
Risk Management Solutions, S.L.U.	—	—	7	—	—
Prosegur Alpha3 Cashlabs, S.L.	—	41	—	—	—
Malcoff Holdings BV	41,100	—	—	—	—
Nummi, S.A.	2,016	—	312	—	—
Findarin, S.A.	—	—	41	—	—
Prosegur Transportadora de Caudales, S.A.	—	—	872	—	—
Transportadora de Caudales Juncadella, S.A.	—	—	—	(14)	—
Prosegur Serviços e Participações Societárias, S.A.	2,193	19	—	—	—
Log Cred Tecnologia Com	—	—	—	—	—
Prosegur Brasil S/A Transportadora de Valores e Segurança	—	—	—	(366)	(1,104)
Compañía Transportadora de Valores Prosegur de Colombia,	—	—	—	—	(292)
Prosegur Smart Cash Solutions, S.L.U. (EP Mexico)	—	—	482	—	—
Protección de Valores, S.A.	—	—	1,147	—	—
Beagle Control (Pty) Ltd.	—	—	27	—	—
Prosegur Internationale Handels GmbH	—	—	—	(13)	—
Prosegur Cash Services Germany GmbH	—	148	—	—	—
Corporacion Allium, S.A.	—	265	799	—	—
Prosegur Change UK Limited	—	255	—	—	—
The Change Group International PLC	—	205	—	—	—
The Change Group London Limited	—	33	—	—	—
Servicios Prosegur Ltda.	7,957	—	—	—	—
Pitco Reinsurance, S.A.	—	—	—	(245)	—
Luxpai CIT SARL	—	1	—	—	—
Prosegur Logística e Tratamento de Valores Portugal S.A.	—	—	—	(2)	—
Armored Transport Plus Incorporated	—	13	—	—	—
Singpai Pte. Ltd.	—	—	—	—	(981)
Prosegur Transportadora de Caudales, S.A.	—	—	—	—	(326)
Prosegur Paraguay, S.A.	—	—	—	—	(391)
Prosegur Australia Holdings PTY Limited	—	104	—	—	—
Prosegur Foreign Exchange Pty Limited	—	57	—	—	—

Prosegur Australia Pty Limited	—	—	—	—	(617)
Protección de Valores, S.A.	—	—	116	—	—
Prosegur Cash Servicios, S.A.C.	—	—	2	—	—
Compañía de Seguridad Prosegur, S.A.	—	—	7,378	—	—
Prosegur Cajeros, S.A.	—	—	339	—	—
Prosegur Paraguay, S.A.	—	—	2,535	—	—
Proteccion de Valores S.A. de CV	—	—	397	—	—
Total	58,068	1,936	37,236	(5,767)	(72,736)

Thousands of Euros					
2021					
	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.	—	—	7	—	(201)
Prosegur Compañía de Seguridad, S.A.	—	—	1	—	(15,859)
Prosegur Gestión de Activos, S.L.U.	—	—	7	—	(47,432)
MIV Gestión, S.A.	—	4	129	—	0
Prosegur Servicios de Efectivo España, S.L.U.	—	—	1,772	(74)	(349)
Movistar Prosegur Alarmas, S.A. (*)	—	—	11	—	(11)
Prosegur Global CIT, S.L.U.	64,000	993	41,176	(49)	—
Prosegur Smart Cash Solutions, S.L.U.	—	8	—	—	0
Prosegur Avos España, S.L.U.	—	—	679	(4)	—
Armor Acquisition, S.A.	—	—	—	(153)	—
Juncadella Prosegur Internacional, S.A.	—	—	—	(1,688)	—
Prosegur International CIT 1, S.L.	—	7	—	—	—
Prosegur International	—	13	—	—	0
Prosegur Global CIT ROW, S.L.U.	—	352	18,434	(13)	(15)
ESC Servicios Generales, S.L.U.	—	—	—	—	(58)
Contesta Teleservicios, S.A.	—	1	44	1	—
Integrum 2008, S.L.U.	—	—	—	(1)	—
Bloggers Broker, S.L.	—	—	—	(1)	—
Contesta Servicios Auxiliares, S.L.	—	—	—	(1)	—
Prosegur Colombia 1, S.L.U.	—	45	—	—	—
Prosegur Colombia 2, S.L.U.	—	44	—	—	—
Prosegur Servicios de Pago EP, S.L.U.	—	5	—	—	—
Risk Management Solutions, S.L.U.	—	—	57	(4)	—
Prosegur Alpha3 Cashlabs, S.L.	—	33	—	—	—
Transportadora de Caudales Juncadella, S.A.	—	—	9,438	(164)	—
Grupo N, S.A.	—	—	85	—	—
VN Global BPO, S.A.	—	—	125	—	—
Prosegur Serviços e Participações Societarias, S.A.	—	—	27	—	—
Log Cred Tecnologia Com	—	—	14	—	—
Prosegur Brasil S/A Transportadora de Valores e Segurança	—	—	—	(475)	(1,783)
Compañía Transportadora de Valores Prosegur de Colombia,	—	—	—	—	—
Consultoría de Negocios CCR Consulting Costa Rica, S.A.	—	6	210	—	—
Compañía de Seguridad Prosegur, S.A.	—	—	2,552	(1,313)	—
Prosegur Cajeros, S.A.	—	—	28	—	—
Prosegur Internationale Handels GmbH	—	—	—	(2)	—
Prosegur Cash Services Germany GmbH	—	127	—	—	—
SIS Cash Services Private Ltd.	—	—	29	—	—
Servicios Prosegur Ltda.	—	—	980	—	0
Pitco Reinsurance, S.A.	—	—	—	(198)	—
Luxpai CIT SARL	—	3	—	—	—
Prosegur Logística e Tratamento de Valores Portugal S.A.	—	—	160	—	—
Armored Transport Plus Incorporated	—	286	—	—	—
Singpai Pte. Ltd.	—	—	—	—	(596)
Prosegur Smart Cash SOL	—	—	143	—	—
Prosegur Paraguay, S.A.	—	—	826	—	—
Prosegur Australia Holdings PTY Limited	—	39	—	—	—
Prosegur Australia Investments PTY Limited	—	466	—	—	—
Prosegur Australia Pty Limited	—	—	—	—	(611)
Total	64,000	2,432	76,934	(4,139)	(66,915)

The most relevant transactions with related parties during the 2022 and 2021 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 42,386 thousand is recorded in 2022 (EUR 59,610 thousand in 2021). Also recorded for centralised services are services received of EUR 24,029 thousand in 2022 (EUR 15 thousand in 2021).
- Billing for trademark assignment, with different related companies across the world, under which EUR 18,092 thousand are billed in 2022 (EUR 15,814 thousand in 2021). Likewise, billing received for trademark assignment of EUR 3,709 thousand in 2022 (EUR 14,283 thousand in 2021) was recorded.

Interest income and borrowing costs reflect the amounts accrued on the aforementioned current loans extended to and by Group companies (Note 15).

20. Non-current provisions

Details of provisions and movement are as follows:

Thousands of Euros			
	Personnel Accruals	Other provisions	TOTAL
Balance at 1 January 2021	611	1,795	2,406
Transfers	—	142	142
Provisions	1,163	6	1,169
Reversals	(611)	—	(611)
Balance at 1 January 2022	1,163	1,943	3,106
Provisions	1,358	700	2,058
Reversals	—	(1,943)	(1,943)
Balance at 31 December 2022	2,521	700	3,221

Provisions for accruals with staff include the accrued incentive that corresponds to the 18-20 Plan and the 21-23 Plan. During the period, provisions to profit/(loss) were made for EUR 1,358 thousand (endowment against profit/(loss) for the year in an amount of EUR 1,163 thousand and a reversal in an amount of EUR 611 thousand in 2021).

The 18-20 Plan is generally 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. 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 May 2023.

The 21-23 Plan is generally linked to the creation of value in the 2021-2023 period and envisages the payment of cash incentives, calculated for certain beneficiaries based on the share price. In the vast majority of cases, the Plan measures target achievement from 1 January 2021 until 31 December 2023 and length of service from 1 January 2021 until 31 May 2026.

In both plans, for the purpose of determining the value in cash of each share to which the beneficiary is entitled, the average quotation price of the Prosegur Group shares on the Stock Exchange will be taken as reference during the last fifteen trading sessions of the month prior to the one in which the shares are awarded.

The Retention Plan, which is linked to ensuring adequate talent retention and promoting the digital transformation of the Group for 2021-2023, was also approved in 2021. The plan envisages the payment of share incentives. The period of measurement covered for most cases from 1 January 2021 to 31 December 2023. While the Plan's approval provided that the first payment in shares would be in October 2022, the second payment in October 2023 and the final payment in October 2024, the General Shareholders Meeting of 7 December 2022 has resolved to deliver all of the shares during the 2022 financial year to each employee with the right to these for having attained the objectives associated with that Plan.

The Company recognises a straight-line expense in the income statement during the length of service of the Plan, as well as the corresponding increase in equity, based on the fair value of the shares committed when the Plan was granted. The fair value of the shares at the moment of the granting was EUR 0.695 per share.

The Plan provides for a total delivery of 3,132,121 shares, of which 3,075,828 were delivered at 31 December 2022, and 56,293 will be delivered in 2023. The delivery of the shares took place at a price of EUR 0.584 per share.

21. Remuneration to the Board of Directors

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	
	2022	2021
Fixed remuneration	1,574	1,570
Variable remuneration	533	533
Life insurance premiums and other remuneration in kind	4	—
Per diems	191	224
Total	2,302	2,327

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 Executive 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	
	2022	2021
Fixed remuneration	646	646
Variable remuneration	340	255
Life insurance premiums and other remuneration in kind	25	19
Total	1,011	920

These provisions include the accrued cash incentive corresponding to the 2017, 2020, 21-23 Plans and the Retention Plan (Notes 3 and 27.9).

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 2022 and 2021.

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 declare that they have not been involved in any direct or indirect conflicts of interest with the company in 2022.

During the year 2022, Euroforum Escorial, S.A. (controlled by Gubel, S.L.) invoiced Prosegur Cash for hotel services in the amount of EUR 119 thousand (at 31 December 2021 no hotel services were invoiced).

Prosegur is controlled by Gubel S.L., which was incorporated in Madrid, and holds 59.76% of the shares of Prosegur, which consolidates Prosegur Cash in its consolidated financial statements.

During the year 2022, Proactinmo, S.L. (controlled by Gubel, S.L.) invoiced Prosegur Cash for leasing services corresponding to property on Calle San Máximo in the amount of EUR 246 thousand (at 31 December 2021 no leasing services were invoiced).

During the year 2022, J&A Garrigues, S.L.P. invoiced Prosegur Cash for occasional legal services in the amount of EUR 168 thousand (during 2021 no invoices were received for services from J&A Garrigues, S.L.P.).

Moreover, Mr Christian Gut Revoredo and Mr Antonio Rubio Merino respectively hold the posts of Managing 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.

22. Employee Information

The average headcount of the Company in these years, distributed by category, is as follows:

	2022	2021
Indirect personnel	54	3
Operations personnel	—	40
Total	54	43

The distribution of the Company's personnel at the end of the year by gender and category is as follows:

	2022		2021	
	Women	Men	Women	Men
Indirect personnel	14	42	1	1
Operations personnel	—	—	10	30
Total	14	42	11	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:

	2022		2021	
	Women	Men	Women	Men
Directors	3	6	3	6
Senior Management	6	—	2	8
Total	9	6	5	14

23. Audit Fees

Ernst & Young, S.L. the auditors of the Annual Accounts of the Company in 2022 and 2021, invoiced the following fees and expenses for professional services:

	Thousands of Euros	
	2022	2021
Audit services	189	162
Other audit-related services	22	35
Total	211	197

Audit services detailed in the above table include the total fees for services rendered in 2022 and 2021, irrespective of the date of invoice.

Additionally, other EY International affiliates have invoiced the Company the following fees for professional services during the year:

In financial year 2022, Ernst & Young, S.L. provided other audit-related services for EUR 19 thousand (EUR 84 thousand in 2021).

24. Environmental information

At 31 December 2022 and 2021, the Company has no environment-related contingencies, legal claims or income and expenses relating to the environment.

25. 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				
	2022		2021	
	Assets	Liabilities	Assets	Liabilities
Euros	119,656	1,299,660	373,422	1,316,074
Argentine Peso	—	1,566	—	201
US Dollar	104	—	27	8
Australian Dollar	10,170	1,020	—	55
Peruvian Sol	—	52,046	—	—
Colombian Peso	—	—	—	666
Pound Sterling	20,052	65,312	—	—
Other currencies	897	28,039	—	28,727
Total	150,879	1,447,643	373,449	1,345,731

(ii) Interest rate, cash flow and fair value risks

As the Company does not have a significant amount of assets remunerated at floating interest rate, 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 2022 the Company's borrowings at floating 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		
	2022		
	Total debt	Hedged debt	Debt exposure
Non-current (Note 14)	757,177	757,177	—
Current (Note 14)	78,830	71,070	—
Total debt	836,007	828,247	—

	Thousands of Euros		
	2021		
	Total debt	Hedged debt	Debt exposure
Non-current (Note 14)	596,444	596,444	—
Current (Note 14)	56,284	44,805	—
Total debt	652,728	641,249	—

(iii) Credit risk

The Company has no significant credit risk concentrations given that the main activity of the Company corresponds to group companies.

(iv) Liquidity risk

The Company applies a prudent policy to cover its liquidity risks, based on having sufficient cash and marketable securities as well as sufficient financing through credit facilities to settle market positions. Given the dynamic nature of its underlying business, the Company's Treasury Department aims to be flexible with regard to financing.

Management monitors the Company's liquidity reserve forecasts, which comprise credit drawdowns and available cash, and are forecast based on expected cash flows.

The table below presents an analysis of the financial liabilities that will be settled for the net amount, grouped by maturities based on the period remaining from the balance sheet date until contractual maturity dates. The amounts presented in this table reflect the cash flows stipulated in the contract.

	Thousands of Euros				
	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
31 December 2022	78,830	—	757,177	—	836,007

	Thousands of Euros				
	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
31 December 2021	56,884	—	596,444	—	652,728

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

26. Events after the reporting date

No subsequent events have taken place following the close of financial year 2022 that might suppose any significant change to the presentation of the Annual Accounts.

27. Accounting principles

These Annual Accounts have been prepared using the same accounting principles as used by the Prosegur Group to prepare the Annual Accounts for the previous year.

27.1. Intangible assets

The assets in intangible assets are posted at purchase price or production cost. The capitalisation of production cost appears under "Self constructed assets" in the income statement. Intangible fixed assets are shown in the balance sheet at cost value less the amount of accumulated depreciation and impairment.

The costs incurred in carrying out activities that contribute to the development of the value of the Company's business as a whole, such as goodwill, trademarks and similar items generated internally, as well as the establishment expenses are recorded as expenses in the income statement as they are incurred.

a) Computer software:

Computer software licences purchased from third parties are capitalised at the cost of acquisition or cost of preparation of the specific software for use. Such costs are amortised over the estimated useful lives of the applications, at 5 years.

Computer software maintenance costs are charged as expenses when incurred.

b) Patents, licences, trademarks and others

Licences have finite useful lives and are recognised at cost less accumulated amortisation and impairment. Licences are amortised on a straight-line basis to allocate the cost over their estimated useful lives of between one and 10 years.

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 7). They are amortised on a straight-line basis over their estimated useful life of between 2 and 10 years.

27.2. 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:

	<u>Depreciation rate</u>
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.

27.3. 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.

27.4. Financial assets

On 1 January 2021, the Company applied Royal Decree 1/2021, of 12 January, on standards for the accounting and measurement of financial instruments, with no impact on that date.

A financial instrument is a contract that gives rise to a financial asset in one company and, at the same time, to a financial liability or an equity instrument in another company.

The Company will recognise a financial instrument on its balance sheet when it becomes a party to the contract or legal transaction in accordance with the provisions thereof, either as issuer or as holder or acquirer.

The Company determines the classification of its financial assets at the time of their initial recognition and, when allowed and appropriate, it reassesses that classification at each balance sheet date.

A financial asset is any asset that is: cash, an equity instrument from another company or involves a contractual right to receive cash or another financial asset (a debt instrument) or to exchange financial assets or liabilities with third parties in potentially favourable conditions.

The financial assets used by the Company are classified for measurement purposes under the following categories:

a) Financial assets at fair value through profit and loss

Financial assets included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid. Transaction costs directly attributable are recognised in the income statement of the financial year.

After initial recognition the company measures the financial assets contained in this category at fair value through profit or loss.

b) Financial assets at amortised cost

A financial asset will be included in this category even when it is admitted for trading on an organised market, if the company maintains the investment with the aim of receiving the cash flows resulting from the performance of the contract, and the contractual conditions of the financial asset, on specific dates, lead to cash flows which are solely the collection of principal and interest on the outstanding amount of principal.

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.

Financial assets at amortised cost are included in “Long-term financial investments”, “Loans to Group companies” and “Loans to third parties” in the non-currents assets of the balance sheet, and in “Trade and other receivables” in the current assets of the balance sheet.

Contractual cash flows that are solely collections of principal and interest on the outstanding amount of principal are inherent to an ordinary or common agreement, notwithstanding that the terms of the operation establish zero interest or below-market interest rates.

This category generally includes loans for commercial and non-commercial operations:

a) Loans for commercial operations: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business with deferred payment, and

b) Loans for non-commercial operations: financial assets which, while not being of commercial origin, are not equity instruments or derivatives, have fixed or determinable payments and arise from loan or credit facilities granted by the company.

Financial assets classified in this category are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid, plus any transaction costs directly attributable to them.

However, loans from commercial operations with a maturity of no more than one year and which do not have a contractual interest rate, as well as advances and loans to staff, dividends collectable and disbursements required on equity instruments, the amount of which is expected to be received in the short term, can be valued at their par value if the effect of not adjusting the cash flows is not significant.

The financial assets included in this category are subsequently measured at amortised cost. Accrued interest is recognised in the income statement using the effective interest rate method.

However, loans with a maturity of no more than one year which, according to the previous sub-section, are initially measured at their par value, will continue being measured at that amount, unless they are impaired.

If the contractual cash flows of a financial asset change because of financial difficulties of the issuer, the company will assess whether it should book an impairment loss.

The necessary value adjustments should be made whenever there is objective evidence that the value of a financial asset or group of financial assets with similar risk features when valued collectively, has depreciated as a result of one or more events having occurred after initial recognition and causing a reduction or delay in estimated future cash flows, which may be due to debtor insolvency.

The impairment loss on those financial assets will be the difference between their carrying amount and the current value of estimated future cash flows including, where appropriate, those arising from the

enforcement of security or personal guarantees that are expected to be generated, discounted at the effective interest rate calculated at the time of initial recognition. For financial assets at floating interest rate, the effective interest rate on the date of closing the annual accounts is used, according to the contractual conditions. The calculation for impairment losses of a group of financial assets can use models based on statistical formulas or methods.

Impairment valuation adjustments, and their reversal if the amount of that loss is reduced for reasons related to a subsequent event are recognised as revenue or expense, respectively, on the income statement. Reversal of impairment is limited to the carrying amount of the asset that would have been recognised on the date of reversal if the value impairment had not been recorded.

However, to replace the current value of the cash flows, the market value of the instrument can be used provided that it is sufficiently reliable so as to be considered as representative of the value that could be recovered by the company.

The recognition of interest in financial assets with credit impairment will follow the general rules, notwithstanding that at the same time the company must assess whether that amount will be recovered and, where appropriate, the corresponding impairment loss will be booked.

c) Financial assets at fair value with changes in equity

Financial assets included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid, plus any transaction costs directly attributable to them.

The amount for preferential subscription rights and similar, if, any, that may have been acquired is part of the initial valuation.

These assets will be subsequently measured at fair value, without deducting any transaction costs that are incurred in the sale. Any changes arising in fair value are recognised directly in equity until the asset is disposed of or written off, at which time the amount thus recognised will be allocated to the income statement.

However, any impairment loss adjustments and any losses and gains resulting from exchange differences on monetary financial assets expressed in foreign currency, in accordance with the regulations on this latter case, are taken to the income statement.

The amount of interest calculated using the effective interest rate method and any dividends payable will also be recorded in the income statement.

When a value has to be allocated to these assets due to being removed from the balance sheet or for another reason, the average weighted price method for homogeneous groups will be used.

d) Financial assets at cost

Financial assets at cost are included in "Investments in equity instruments of group companies" and "Other short-term financial assets" in the non-current assets of the balance sheet, and in "Other short-term financial assets" in the current assets of the balance sheet.

The investments included in this category are initially measured at cost, equivalent to the fair value of the consideration paid plus any transaction expenses that are directly attributable to them.

The equity instruments included in this category are measured for their cost less, if the case, the accumulated amount for impairment value adjustments.

When a value has to be allocated to these assets due to being removed from the balance sheet or for another reason, the average weighted price method for homogeneous groups will be used, these being taken as values having the same rights.

In the case of the sale of preferential subscription rights and similar or the segregation of those rights for exercising them, the cost amount of the right will reduce the carrying amount of the respective assets. That cost will be determined by applying any generally accepted measurement formula.

Any contributions made as a result of a joint venture or similar agreement are valued at cost, increased or decreased by the gain or loss, respectively, corresponding to the company as a passive investor and, where appropriate, less accumulated amount for impairment loss adjustments.

This same principle will be used in participating loans with contingent interest either because it is arranged at a fixed or floating interest rate subject to the borrower achieving a milestone such as obtaining profits, or because they were calculated exclusively by reference to the financial performance of the borrower. If in addition to a contingent interest, an irrevocably fixed interest rate is arranged, the latter will be booked as financial income on an accrual basis. Any transaction costs will be taken to profit or loss on a straight-line basis during the life of the participating loan.

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 current 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.

a) 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.

b) Offsetting principles

A financial asset is offset only when the Company currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset simultaneously.

27.5.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.

27.6.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.

27.7. Financial liabilities

On 1 January 2021, the Company applied Royal Decree 1/2021, of 12 January, on standards for the accounting and measurement of financial instruments, with no impact on that date.

The whole or any part of the financial instruments issued, committed or assumed are classified as financial liabilities provided that their economic reality entails a direct or indirect contractual obligation for the company to hand over cash or another financial asset, or to exchange financial assets or liabilities with third parties in potentially unfavourable conditions.

The financial liabilities used by the Company, are classified for measurement purposes under the following categories:

a. Financial liabilities at amortised cost

The company classifies all financial liabilities in this category except where they are to be measured at fair value through profit and loss

This category generally includes payables from commercial operations and from non-commercial transactions:

a) Payables from commercial operations are financial liabilities arising from the purchase of goods and services in the ordinary course of the Company's business with deferred payment, and

b) Payables from non-commercial operations are financial liabilities which, while not being equity instruments or derivatives, are not of commercial origin but originate from loan arrangements or credit facilities received by the company. Participating loans with the features of an ordinary or regular loan are also included in this category notwithstanding that the operation may be arranged at a zero or below-market interest rate.

Financial liabilities included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received, adjusted by any transaction costs directly attributable.

However, payables from commercial operations with a maturity of no more than one year and which do not have a contractual interest rate, as well as disbursements demanded by third parties on holdings, the amount of which is expected to be paid short term, can be measured, both initially and later, at their nominal value if the effect of not adjusting the cash flows is not significant.

The financial liabilities included in this category are measured at amortised cost. Accrued interest is recognised in the income statement using the effective interest rate method.

However, loans with a maturity of no more than one year which are initially measured at their par value, will continue being measured at that amount.

b. Financial liabilities at fair value through profit or loss

Financial liabilities meeting any of the following conditions are included in this category:

- a) They are liabilities held for trading.
- b) Upon initial recognition, they were designated by the entity as at fair value through profit or loss.

Financial liabilities included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received. Transaction costs directly attributable are recognised in the income statement of the financial year.

After initial recognition the company will measure the financial liabilities contained in this category at fair value through profit or loss.

c. Derecognition of financial liabilities

The company will derecognise a financial liability, or part thereof, when the obligation has been discharged, i.e., when it has been paid, cancelled or has expired. It will also derecognise any financial liabilities that it acquires for itself, even if it intends to replace them in the future.

When an exchange of debt instruments takes place between a lender and borrower, as long as these have substantially different conditions, the Company accounts for the retirement of the original financial liability and recognises the new one that arises. The same applies to registration of a substantial modification of the current conditions of a financial liability.

The difference between the carrying amount of the financial liability or the part thereof that has been derecognised, and the consideration paid, including the costs or commissions involved, and which includes any asset assigned other than the cash amount or liability assumed, is reported in the income statement of the financial year when it arises.

d. Own equity instruments

An equity instrument is any contract that evidences, or reflects, a residual interest in the assets of an entity after deducting all of its liabilities.

If the company carries out any type of transaction with its own equity instruments, the amount of those instruments is recorded in equity, as a change in shareholders' equity and in no event can they be recognised as financial assets of the company nor shall any profit or loss be recognised on the income statement.

Any expenses arising from these transactions, including any issuance expenses, such as lawyers fees, notary and registry fees, printing of reports, official gazettes and certificates; taxes, publications; commissions and other placement costs are charged directly under equity as a reduction of reserves.

The expenses arising from an equity transaction that is relinquished or abandoned are recognised as an expense on the income statement.

e. Guarantee bonds given and received

In guarantee bonds given and received under operating leases or for the provision of services, any difference between their fair value and the amount paid (for example due to the fact of the bond being long term and non-remunerated) will be treated as a prepaid lease collection or payment which will be allocated to profit or loss over the term of the lease or during the period in which the service is provided, in accordance with the rule on revenue from sales and services rendered.

For estimating the fair value of bonds, the remaining period is taken to be the minimum period to which they are committed under contract, during which their amount cannot be repaid, without considering the statistical pattern of the refund.

If the bond is short term, there is no need to discount the cash flows if the effect is not significant.

27.8. 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.

27.9. Employee benefits

Compensations based on the quoted share price of Prosegur Cash shares – 2018-2020 and 2021-2023 Plans.

The 2018-2020 Plan and 2021-2023 Plan are generally linked to value creation and envisage the payment of share-based and/or cash incentives to the Executive President, the Managing Director and the Senior Management of the Company.

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.

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

Compensations based on Prosegur Cash shares for the Retention Plan

The Retention Plan is linked to the creation of value through digital transformation and envisages the payment of share incentives to the Executive President, Managing Director and Senior Management of the Company. The Company recognises a straight-line expense in the income statement during the length of service of the Plan, as well as the corresponding increase in equity, based on the fair value of the shares committed when the Plan was granted. The fair value of the shares at the moment of the granting was EUR 0.695 per share.

Quantification of the total incentive will depend on the degree of achievement of the targets established.

The accrual of the long-term incentive associated with the 18-20 Plan, 21-23 Plan and the Retention Plan for the Executive President, Managing Director and the Management of Group is included under the heading on wages and salaries (Notes 3 and 21).

During 2022 the total impact of incentives on the income statement was a greater expense of EUR 2,505 thousand. (Note 3).

Termination benefits

Termination benefits are paid to employees as a result of the Company's decision to terminate employment before the normal retirement age or when the employee accepts voluntary redundancy in exchange for these benefits. The Company recognises these benefits when it has demonstrably committed to terminating the employment of employees, in accordance with a detailed formal plan with no possibility of withdrawal, or to granting termination benefits in an offer of voluntary redundancy.

27.10.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 (Note 17).

27.11. Revenue recognition

On 1 January 2021, and for the first time, the Company applied Royal Decree 1/2021, of 12 January, mainly relative to the standards for revenue accounting and recognition, with no impact on that date.

The Company will recognise the revenue from the ordinary course of its business when control over the goods or services has been transferred in the undertakings with its clients. At that moment, the company measures the revenue for the amount that reflects the consideration that it expects to receive in exchange for those goods or services.

To apply this key principle for accounting for revenue, the company will follow an entire process consisting of the following sequential steps:

a) Identify the contract(s) with the client, understood as an agreement between two (or more) parties which creates rights and obligations to which all are subject.

b) Identify the obligation or obligations to be fulfilled in the contract, representing the commitments to transfer goods or provide services to a client.

c) Establish the transaction price or the consideration under the contract which the company expects to receive in exchange for transferring the goods or providing the services undertaken with the client.

d) Assign the transaction price to the obligations to be performed, which must be carried out on the basis of the individual sales prices of each different item of goods or service committed under the contract or, where appropriate, following an estimated selling price when this cannot be observed separately.

e) Recognise revenue from regular business when (as) the company fulfils an obligation commitment by transferring goods or providing a service; this fulfilment takes place once the client obtains control of those goods or service, in such a way that the amount of revenue recognised from regular business will be the amount assigned to the contractual obligation that has been satisfied.

The company will recognise the income arising from a contract when (as) control over the goods or services committed is transferred to the client (that is, the obligation or obligations to be fulfilled).

Control over the goods or services (assets) refers to the capacity of having full decision over the use of those assets and to substantially obtain all of its remaining benefits. Control includes the capacity to prevent other entities from deciding on the use of the asset and obtaining its benefits.

For each obligation to be fulfilled (delivery of goods or rendering of services) that has been identified, the company will determine at the inception of the contract whether the commitment assumed will be fulfilled over time or at a specific moment.

The income arising from the commitments (generally provision of services) fulfilled over time are recognised in accordance with the level of progress toward the complete performance of the contractual obligations provided that the company gives reliable information for measuring the degree of progress.

Ordinary revenue from the sale of goods and the provision of services is measured as a monetary amount, or where appropriate, the fair value of the consideration received or expected to be received, which unless there is evidence to the contrary, is the price agreed for the assets to be transferred to the client after deducting the amount of any discounts, price reductions or other similar allowances that the company may grant, and interest added to the face value of the loans.

Work in progress is measured according to the best estimate at year-end based on the percentage of completion of the project, calculating the costs incurred and also those yet to be incurred until completion, and the margin expected in each of the contracts according to available information. Until the work is billed it remains under the heading of Clients' Receivables for Sales and Services.

As an exception to this general rule, variable consideration related to license assignment agreements, in the form of participation in the sale or use of those assets, will only be recognised when (or as) the second of the following situations occurs:

- a) The sale or subsequent use takes place; or
- b) The obligation assumed by the company under the contract, and to which some or all of the variable consideration has been fulfilled (or partially fulfilled).

In accordance with the Resolution of the Institute of Accounting and Auditing (I.C.A.C.) 79/2009 Consultation 2, regarding the classification in individual annual accounts of income and expenses of a holding company, whose main activity is the holding of shares and the financing of transactions carried out by its investees, income from dividends and interest earned from funding granted to investees are classified as "Net turnover" in the income statement. An item has been added within the operating margin to reflect impairment losses in equity instruments associated with its activity.

Initial estimates of revenues are reviewed where circumstances so require. These reviews may result in an increase or reduction in the estimated revenues and costs, and are recognised in the income statement for the period in which the circumstances giving rise to the review become known to Management.

a) Provision of services

These primarily consist of brand assignment services and general services provided by the Group parent company such as management and administrative support, marketing services, information technology, legal and tax advice provided by the Company to its subsidiaries.

b) 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.

c) Dividend received

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

27.12. Foreign currency transactions

Foreign currency transactions are recorded at their equivalent euro value at the exchange rates prevailing at the transaction date.

At the close of each financial year, the monetary items are measured using the average spot exchange rate at that date. Any exchange differences arising from this process, and any generated when settling those asset items, is recognised on the income statement for the year when it arises.

Any non-monetary items valued at historical cost continue to be measured by applying the exchange rate on the transaction date. The measurement thus obtained cannot, at year-end, exceed the amount recoverable at that time and if necessary the closing exchange rate will be applied to that amount; that is to say, the date referred to in the annual accounts.

At each closing date, any non-monetary items valued at fair value are measured by applying the exchange rate on the date of the transaction i.e., at year-end.

27.13. 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.

27.14 Leases and Rentals

Operating leases - lessee

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

27.15 Business combinations

In accordance with the third transitional provision of Royal Decree 1514/2007, the Company has only recognised business combinations that occurred on or after 1 January 2008, the date of transition to the Spanish General Chart of Accounts, using the acquisition method. Business combinations that occurred prior to that date were recognised in accordance with accounting standards prevailing at that time, taking into account the necessary corrections and adjustments at the transition date.

Business combinations carried out since 1 January 2010 are recognised by applying the acquisition method established in Recognition and Measurement Standard 19 of the Spanish General Chart of Accounts amended by article 4 of Royal Decree 1159/2010, which approves the standards for the preparation of consolidated annual accounts and amends the Spanish General Chart of Accounts.

The Company applies the acquisition method for business combinations, except for mergers, spin-offs and non-monetary contributions of a business between Group entities.

Mergers, spin-offs and non-monetary contributions between Group companies are recognised using the criteria applicable to related party transactions.

Business combinations arising as a result of the acquisition of shares or equity holdings in a company are recognised using the criteria applicable to investments in group companies, jointly controlled companies and associates.

The acquisition date is the date on which the Company obtains control of the acquiree.



PROSEGUR
CASH

Directors' Report for 2022

Prosegur Cash, S.A.

Table of contents

1.	The Company's situation.....	91
1.1.	Business Model.....	91
1.2.	Vision and Values.....	92
1.3.	Organisational structure and governance.....	94
1.4.	Strategic performance.....	98
1.5.	Innovation and Digital Transformation.....	99
1.5.1	Thus do we innovate.....	100
1.5.1.1	Emblematic projects.....	100
1.5.1.2	Initiatives of collaboration and open innovation.....	101
1.5.2	Thus do we transform.....	101
2.	Business performance and profit/(loss).....	104
2.1.	Main financial and non-financial indicators.....	104
2.2.	Investments.....	104
2.3.	Personnel.....	104
2.4.	Environmental issues.....	105
3.	Liquidity and capital resources.....	105
3.1.	Liquidity.....	105
3.2.	Capital resources.....	105
3.3.	Analysis of contractual obligations and off balance sheet obligations.....	106
4.	Main risks and uncertainties.....	106
5.	Average payment period to suppliers.....	108
6.	Important circumstances after the reporting period.....	108
7.	Acquisition and disposal of own shares.....	108
8.	Alternative performance measures.....	112
9.	Stock market information.....	115
10.	Statement of Non-financial Information.....	117

Directors' Report for 2022

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, Luxembourg, the United Kingdom, Sweden, Finland, Denmark, France, Austria, the United States, Argentina, Brazil, Chile, Peru, Uruguay, Paraguay, Colombia, the Philippines, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Ecuador, Mexico, India, Indonesia and Australia.

1.1. Business Model

Prosegur Cash is a company providing comprehensive cash management solutions. Our activity focuses on transporting high value merchandise, integrated cash cycle management, solutions aimed at automating payments in retail establishments and integral ATM management. Essentially, we offer those services to financial institutions, retail establishments, government agencies and central banks, mints and jewellery stores.

Prosegur Cash constantly strives to maintain its position as a global benchmark in our sector, and this is reflected in our clear commitment to achieving leadership and transformation through innovation, the incorporation of the most advanced technology, and the selection of the most talented professionals in the field.

As specialists in the design and implementation of solutions to ensure the secure and efficient management of cash, Prosegur Cash has developed the following basic lines of business:



LOGISTICS

Local and international transport services, via land, sea and air, of funds and other valuable goods, such as jewellery, works of art, precious metals, electronic devices, pharmaceutical products, voting ballots and legal evidence, among others. These services include collection, transport, custody, delivery and deposit in vaults.



CASH MANAGEMENT

Comprises **counting, processing, equipment, custody**, packaging and delivery of cash in bank notes and coins, and the loading of ATMs.



NEW PRODUCTS

It includes the automation of payments in retail establishment via Cash Today, including, among others, devices for paying in cash, recycling or dispensing bank notes and coins. ATM services, a line that includes, among others, planning, supervision and first- and second-tier maintenance. Correspondent banking activities (Corban), that cover collection and payment management and invoice payment services. And finally, foreign currency exchange services.

1.2 Vision and Values

At Prosegur Cash, we are very clear about what we do and why we do it. Our fundamental purpose is to facilitate business in all the territories in which we operate. We contribute to promoting the security and efficiency of business relations in an innovative way, through a continuous process of optimisation and digitisation of our services, and particularly in areas relating to finance and distribution.

The ambition of a global leader

At Prosegur Cash, we have built on the solid experience of the Group, which has established itself as a proven market leader in the private security sector over more than 45 years. This tradition and strong corporate culture of a job well done has been successfully transferred to our specific sphere of operation.

Today, after just over five years in the market as an independent business line, we are the market leader in cash management activities in 11 of the markets in which we operate. In the rest we hold a prominent position of leadership with the sole exception of Indonesia, a market in which the company has been operating for a very short time.

Responsible leadership

2020 saw the presentation of a new corporate identity, shared with the rest of the business units of the Prosegur Group, which we went on to implement, develop and consolidate since then. This identity sets out our commitment to comprehensive protection and our vocation as a pioneering and groundbreaking company.

The proposal common to the Group business lines, as set forth at the time, was: 'To make the world a safer place by taking care of people and companies, staying at the forefront of innovation'. This declaration of intent formed the groundwork for establishing what have now become our fundamental corporate principles:



1. People are important to us

We protect society through foresight, prevention and collaboration.



2. We think positively

Building on our business experience, we remain committed to a continuous learning process that allows us to learn from our mistakes and to face crises by strengthening the confidence of our teams.



3. We are unstoppable

A concise way to underline our determination to continue growing and improving, with a vision based on the commitment to contribute to a better future and continue to apply technological progress to our daily activities.

Sustainability is a key value

In line with the evolution of our corporate culture, since last spring both the Prosegur Group and Prosegur Cash have had since 2021 a Sustainability Master Plan approved by the Board of Directors of the company. It outlines the guiding principles that shape the company's commitment to the environment.

The document is based on an unwavering commitment to the 17 Sustainable Development Goals (SDGs) launched in 2015 by the United Nations, which have become an integral part of Group's business strategy and governance system. The development of this programme is supervised by a newly created Sustainability Committee, led by the Group's Management Committee, and it is applied to and in full force in the specific field of Prosegur Cash.

Independent recognition

This process of continuous improvement of our global ethical perspective and the responsibility and sustainability of our business model yielded tangible results over the last year.

For example, in November 2021, Prosegur Cash received a further accolade when it became the first company, along with Prosegur, to obtain the AENOR Good Corporate Governance certification. During the past year, in June 2022, Prosegur and Prosegur Cash became the first private security companies

worldwide to obtain and publish their S&P Global Ratings standards (ESG). This independent indicator evaluates the strategy of a company and its ability to address possible risks and future opportunities.

Ethical commitments and new partnerships

In addition to this independent recognition for responsibility and excellence in business practices, 2022 also saw Prosegur Cash undertaking noteworthy major ethical commitments.

In January, our company joined the Digital Pact for the Protection of People, an initiative promoted by the Spanish Data Protection Agency (AEPD). By joining, Prosegur Cash agree to promote full transparency in processes of data collection from citizens, as well as to promote gender equality, the protection of children and the integration of people in vulnerable situations. The Pact also includes the company's commitment to disseminate the Agency's Priority Channel among employees and interest groups, through which any citizen may request the elimination of sexual, violent or sensitive content published online.

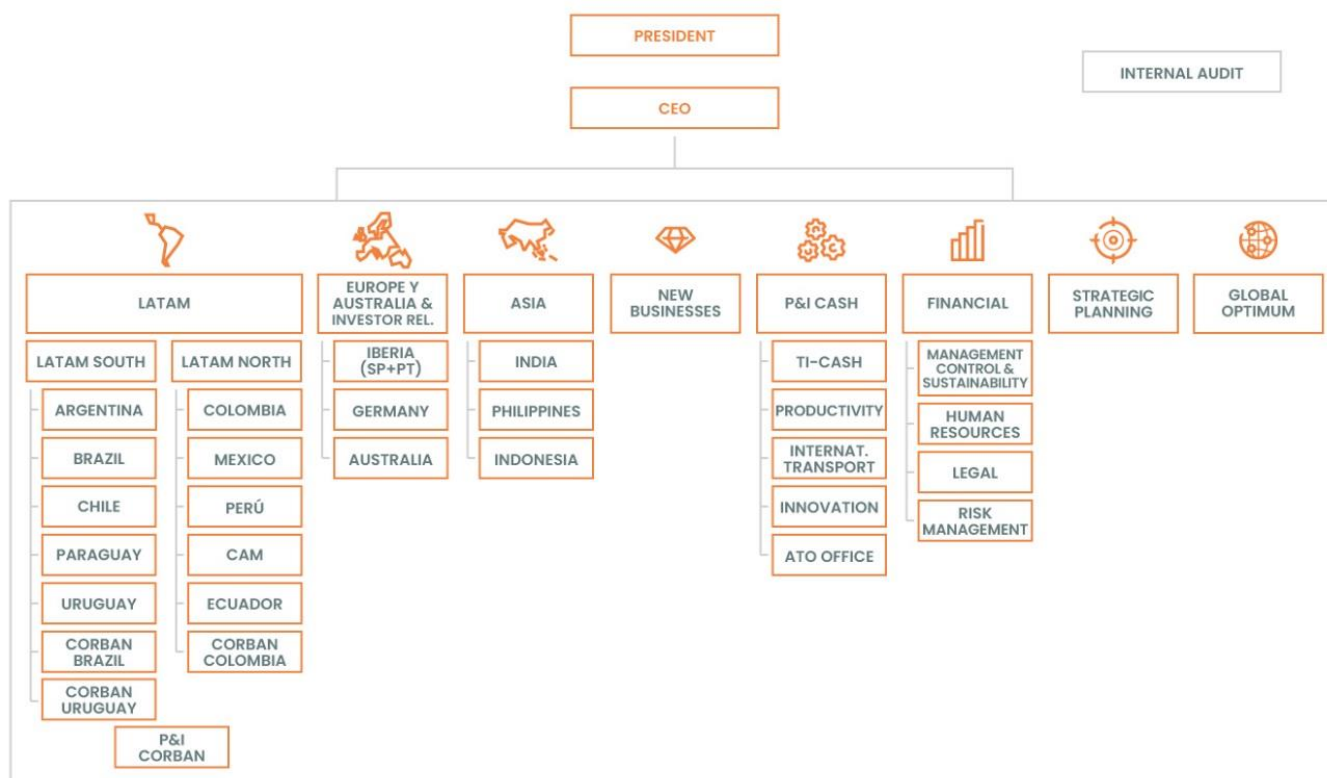
On 2 November, the Group approved a new version of its Code of Ethics and Conduct, a document whose guiding principles and scope are detailed in chapters 4 and 6 of the Consolidated Directors' Report. These new commitments join those already subscribed in prior years, such as the environmental Climate Pledge initiative, resulting in a complete corporate decarbonisation and emissions offsetting project, or the adherence to Forética, a benchmark organisation in the field of sustainability and corporate social responsibility in Spain.

1.3. Organisational structure and governance

Our organisational structure 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: LatAm, Europe, Australia, and Asia.

There is also a Division for Innovation and Productivity, a New Business Division and a Global Optimum Division. The corporate functions are supervised by the Global Support Divisions for Finance Support and Strategic Planning.

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



Changes to the Group's structure

The changes in the composition of the Prosegur Cash Group during 2022 were mainly due to the following acquisitions through business combinations:

- On 29 July 2022, Prosegur acquired Change Group International Holding Ltd, a group present in Europe, United States and Australia, that is devoted to currency exchange services (also including international payment services, online foreign cash, home delivery of travel money and local cash services).
- On 28 February 2022, Prosegur acquired 100% of German company ITT Industrie-und Transportschutz Thüringen Sicherheitsdienste, a company specialised in securities logistics and cash management services.
- On 25 March 2022 Prosegur acquired 100% of German company GSB Security Gesellschaft für Geld und Werttransporte GmbH, a company specialised in securities logistics and cash management services.
- On 25 February 2022, Prosegur acquired 88% of Ecuadorian company Representaciones Ordoñez y Negrete, S.A., a security company that provides ancillary banking services. The remaining 12% was acquired on 8 August 2022.

The following companies were incorporated in 2022:

- In February 2022, Forex Prosegur Change Limited was incorporated in the United Kingdom.
- In May 2022, Prosegur Change USA LLC was incorporated in the United States.

- In June 2022, Prosegur Change Denmark APS was incorporated in Denmark.
- In July 2022, Profacil Serviços, Ltda. was wound up in Brazil.

The following companies were wound up in 2022:

- In March 2022, Rosegur Fire SRL was wound up in Romania.

The following mergers took place between subsidiaries in 2022:

- In July 2022, the takeover merger of Armor Acquisition, S.A., by Juncadella Prosegur Internacional, S.L., was formalised in Spain, with effect 1 January 2022.
- In July 2022, the takeover merger of Prosegur Global CIT, S.L.U., by Prosegur Cash, S.A., was formalised in Spain, with effect 1 January 2022.
- In July 2022, the takeover merger of ITT Industrie und Transportschutz Thüringen GmbH by Prosegur Cash Services Germany GmbH was formalised in Germany, with effect 1 January 2022.
- In August 2022, the takeover merger of GSB Security Gesellschaft für Geld und Werttransporte GmbH by Prosegur Cash Services Germany GmbH was formalised in Germany, with effect 1 January 2022.

Governance of Prosegur Cash

The main body representing the share capital of Prosegur Cash is the General Shareholders' Meeting, which exercises the functions granted by law and the Articles of Association. In 2022, the Ordinary General Meeting was held on 1 June. Several issues were addressed: approval of the Company's Financial Statements, approval of the Company's Statement of Non-Financial Information, validation of profit/(loss) for financial year 2021, approval of the Board's management, re-election of directors, approval of the capital decrease and the director remuneration policy, as well as the approval of the takeover merger of Prosegur Global CIT, S.L.

Furthermore, on 7 December, an Extraordinary General Shareholders Meeting was held to address, among other topics, the distribution of a dividend of EUR 0.02630 per share against reserves, the modification of the maximum amount of the share capital decrease approved by the Company's Ordinary General Shareholders Meeting on 1 June, and the modification of the director remuneration policy for the 2023-2025 period.

The Board of Directors is the body responsible for the representation, administration, direction, management and control of the Company. The Board is divided into two committees: the Audit Committee and the Sustainability, Corporate Governance, Appointments and Remuneration Committee. The organisation and functioning of both are regulated in the Articles of Association, the Regulations for Management, the Regulations for the Audit Committee and the Regulations for the Sustainability, Corporate Governance, Appointments and Remuneration Committee (detailed information is available on www.prosegurcash.com/en).

The responsibilities of the Audit Committee, mainly composed by independent directors which make up 66% of the total, 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. Although its functions do not end here. It also supervises and assesses the process for the preparation and integrity of financial and non-financial information, and supervises the strategy for communication and shareholder and investor relations.

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 payment programmes. It also has the power to provide information, advice and proposals on environmental, social and corporate governance matters. While not forgetting the company's commitment to achieving the United Nations Sustainable Development Goals (SDGs).

Prosegur Cash's Corporate Governance is a very broad structure, reinforced by additional internal programmes. It can be seen as a succession of complementary layers. The Regulatory Compliance Programme is one of the most comprehensive. It consists of pre-established procedures, behaviour manuals and training activities, as well as a continuous process of critical evaluation with regards to the prevention of money laundering, defence of competition, unfair competition and other matters.

In practical terms, it complements and develops the Prosegur Cash Code of Ethics and Conduct. An entire geometry is created from this line. Standardised procedures are in place for all the policies analysed, as well as collegiate, internal, permanent and multidisciplinary supervision and control bodies, such as the Risk and Regulatory Compliance Committees. These bodies ensure the implementation, adoption and execution of the Company's best practices, policies and commitments.

In 2022, Prosegur Cash renewed the Aenor Good Corporate Governance Index with a rating of G++, an improvement over last year's rating. This achievement represents recognition of the company in its work to ensure responsible and transparent corporate governance and relationship protocols.

Annual Corporate Governance Report

The Annual Corporate Governance Report of Prosegur Cash for 2022 forms part of the Directors' Report, and is presented as a separate document in the corresponding format. It is therefore available on the CNMV and the Prosegur Cash websites from the date of publication of the Annual Accounts.

Directors' Remuneration Report

The Prosegur Cash Annual Report on Director Remuneration for 2022 forms part of the Directors' Report, and is presented in a separate document in corresponding. It is therefore available on the CNMV and the Prosegur Cash websites from the date of publication of the Annual Accounts.

1.4. Strategic performance

We believe that the surest steps are taken by those that adhere to a flexible but well-defined roadmap. For this reason, in 2021 we launched our Strategic Plan for 2021-2023, a series of key lines of action aimed at consolidating and expanding the global leadership of our company in the private security market. A springboard for changing the world.

Perform & Transform are the two key concepts driving the Group's commitment to the immediate future:

1. Perform because we want to continuously improve the way we do things. We strive to achieve continuous improvement of processes, the generation of operational efficiencies and the requisite flexibility to operate in the post-pandemic context. We set measurable goals and demand specific results in the short and medium term.
2. Transform because essential focus on immediate performance needs to be compatible with a medium and long-term vision that requires us to adapt to change and offer new responses to the various challenges raised by our clients. In short, it means innovation, optimisation and continuous growth.

Perform, an operational principle

“Perform” reflects our insistence on a job well done, our determination to retain and enhance the qualities that have enabled us to maintain our level of excellence for decades. Almost two years of pandemic have demonstrated just how resilient and solid our company really is. For the immediate future, continuous growth means expanding on these strengths and focusing on three priority lines of action:

- Flexible adaptation of our traditional business model to the new reality arising from the healthcare crisis.
- Increased efficiency by optimising the cost of our operations and focusing on profitability.
- Improved cash flow by optimising the management of our investments and seeking out new sources of financing.

Transform, adapting to changes

“Transform” means building the future by providing our company with a solid technological and innovation structure that consolidates our leadership in the sector. This process is based on four closely connected pillars:

- The transformation of our practices and business model must be based on solid technological foundations.
- Starting from technology, we create and underpin a new operating model.
- The result is an innovation model.
- Finally, these transformations must be translated into a far-reaching corporate culture of innovation and technological excellence, permeating our entire structure, and reflected in all our day-to-day activities and our relationships with clients.

Both concepts, which are common to all Prosegur Group business lines, have been adapted to the specific circumstances of the cash management sector, and form a fundamental part of our basic line of action, the pillars of Prosegur Cash.

That explains why we always ensure our ecosystem of business activities is open to ground-breaking innovation via a process of accelerated transformation operating simultaneously in three different time frames:

- The first is the consolidation of the activities that constitute the company's core business: cash transportation and custody, cash management services and conventional ATM management.
- The second encompasses business lines experiencing rapid growth, such as New Products for comprehensive and advanced ATM management, and initiatives like Cash Today and Corban.
- The third consists of innovation and development of new services and products of a more disruptive nature, but always aimed at generating high added value.

1.5 Innovation and Digital Transformation

Prosegur Cash, in common with the Prosegur Group as a whole, believes in the transformative power of technology. Ours is a company focused on the organized and systematic transformation of its entire corporate structure, business lines, processes, equipment, products and services. And achieving this goal necessarily entails a far-reaching and simultaneous cultural transformation. Our aim is to respond to a rapidly changing world with equally rapid progress. We cannot afford to be late for our appointment with the future.

The Prosegur Group is investing heavily in the development of disruptive technologies. We consider this an area of utmost importance, and are determined to spare no resources in achieving this objective. Hence the significance of the fact that, in 2021, the EIB (European Investment Bank) has granted the Group a EUR 57.5 million loan to finance innovation, digitalisation and sustainability projects through to 2023. This not only represented a substantial financial boost, but also a symbolic endorsement of the confidence shown in our transformation plan by a leading financial institution.

The projects that will receive this financial backing are part of the Innovation and Digital Transformation Plan, which aims to optimise flexibility, processes and operational efficiency. They also focus on energy efficiency and emissions reduction to meet our Sustainability Master Plan.

1.5.1 Thus do we innovate

Cash management and in transit is currently at an encouraging technological crossroad. The major advances introduced in the sector in recent years have created a scenario in which a radical transformation of our business is both possible and necessary. We cannot afford to wait.

For this reason, in the last financial year we have focused on exponentially strengthening our capacity for innovation, while designing a working methodology focused on the development of new products and services.

In practice, this involves listening to clients, identifying their problems and understanding their expectations and necessities. Only through this process of active listening and thorough understanding can we launch products that respond to the real demands of the market. Of course, the product is confirmed with the client and if the result is satisfactory, an action plan is designed that can be implemented on a massive scale.

Innovation is allowing us to develop new proposals that add value to our clients and makes us stand out from our competitors. On this point, properly protecting this knowledge forms an intrinsic part of the innovation processes.

To this end, the Prosegur Group has a Corporate Policy as a cornerstone of its Intellectual and Industrial Property. The Intellectual Property Committee is responsible for supervising this Corporate Policy and makes decisions on management and marketing strategy. The Committee is made up of representatives of the Innovation, Strategy and Development; Media Management; Human Resources; Tax, Institutional Relations; Marketing and Legal Divisions.

1.5.1.1 Emblematic projects

During 2022, the Prosegur Group has been working on developing and putting into practice several world-wide applied technological innovation projects.

The basis of all these projects has been our specific knowledge of the security sector, the creativity and technological skills of our equipment and the use of the data available to us. These combined qualities enable us to build a unique proposal for solutions.

Alone, in close collaboration with start-ups or in the framework of corporate partnerships, we have become specialists in technological fields such as Artificial Intelligence (AI), Data Science, Internet of Things or blockchain.

As an independent business line and listed subsidiary of the Group, Prosegur Cash remains highly focused on its transformation projects, which are progressively gaining importance in the company's activity. In 2022, we expect further consolidation of initiatives such as Prosegur Crypto or Cash Today, as well as our correspondent banking services and our ATM network.

1.5.1.2 Initiatives for collaboration and open innovation

Canvassing and cooperation with start-ups

The Prosegur the only private security conglomerate to have a corporate venture capital (CVC) fund, known as Prosegur Tech Ventures. Funded with EUR 30 million, this project contributes to the financing of new external development trends and technologies which could have a disruptive impact on our sector.

The Prosegur Group has an internal Observatory of technological innovation where highly qualified professionals closely observe the changes and trends that are taking place, and work to identify new opportunities for each of our lines of business.

In the field of higher education, we cooperate actively with the Connected Industry Department at the Escuela Técnica Superior de Tecnología (ICAI) at the Comillas Pontificia University in Madrid, where we are developing various courses of action. These include the organisation of hackathons and the development of projects with students and researchers from the Prosegur Chair.

1.5.2 This is how we transform

At Prosegur Cash, we have a digital transformation plan for all of our activities, which we have named the Global Optimum program. In addition to specific initiatives of varying scope, the programme pursues a series of objectives from which we hope to derive future opportunities and levers for growth:

- Bringing continuity to our technological development, thus reducing the risk of obsolescence of our IT systems.
- Automating and optimising the monitoring and control of our activities and permitting a homogeneous comparison of business in all the territories where we operate.

- Improving client experience of interaction with Prosegur Cash in order to raise levels of satisfaction with our services.
- Streamlining our financial management and control of such crucial aspects such as OPEX, CAPEX, working capital and revenue guarantees.

During the period covered by the Plan, the Group as a whole plans to invest significantly in digitalisation and a far-reaching renewal of our operating model. Implementation of this plan is being carried out country by country: we began in Portugal in 2021 and by 2023 we will have extended it to a number of countries which will together represent two thirds of our global income.

Acquisition of Change Group

In October 2022, Prosegur Cash announced it had acquired control of the world's third largest retail currency exchange operator, ChangeGroup. With this transaction, Prosegur Cash continues to advance in the development of its area of New Products as a key element of its transformation strategy, which includes the diversification of its service portfolio and geographic presence.

ChangeGroup is a leading company in the retail currency exchange sector, and furthermore has a significant ATM network. Founded in 1991, the company has provided services to over 50 million customers, operates a network of more than 100 points of sale (in airports as well as at emblematic locations in major cities of the world) and manages a network of 300 ATMs in 37 cities worldwide. It is worthy of note that ChangeGroup has established itself as the leading currency exchange operator in its European markets, and is furthermore involved in operations in the United States.

Prosegur Cash and ChangeGroup will develop an integrated strategy with which they aspire to accelerate the growth of their operations and take advantage of the synergies that will be generated through the combination of both companies. The goal is to build an operation that is strongly based on the digital experience, for product as well as channel development, and to flexibly and efficiently cover client needs anywhere in the world.

In parallel, Prosegur Cash closed an agreement to offer a range of currency exchange services in the new international terminal of Australia's Gold Coast airport, in Queensland. As part of the strategy for development and growth of the currency exchange operations in the region, the company will operate in Australia under the name of Prosegur Change.

The Prosegur Change branches offer foreign currency exchanges in more than 50 currencies, while multi-currency ATMs may dispense up to three main currencies. The company's offer includes a broad range of first rate services such as cash for trips, international bank transfers and buyback coverage, along with bank services for concession holders to assist other airport operators. Furthermore, Prosegur Change sales agents remain at the disposal of travellers to offer them a specialised first-class service and assist them with any questions.

Operation in Australia

Likewise in Australia, in July 2022 the company announced a merger agreement with Armaguard Group, the country's largest securities logistics and cash management company. The proposed merger transaction marks yet another milestone for Prosegur Cash, since it reinforces its wager for this market and its aim to ensure the sustainability of the cash supply as well as critical infrastructures and key component of the landscape for payment methods in Australia.

Prosegur Cash and Armaguard want to guarantee that cash will continue to be a profitable payment option in the future, reliable for companies as well as consumers. This will favour the ability of cash to

continue to comply with its function to protect privacy, freedom of choice and universal access to methods of payment, particularly for the most vulnerable who rely on cash the most.

The proposed merger will allow Prosegur Cash and Armaguard to continue launching innovation and transformation initiatives in the competitive sector of Australian methods of payment and cash management. These products range from cash automation solutions, bank subcontracting solutions, retail payments, ATM services, to new developments in cash solution operations.

This transaction is pending the corresponding regulatory approvals and its compliance with a series of conditions.

2. Business performance and profit/(loss)

2.1. Main financial and non-financial indicators

(Thousands of Euros)	2022	2021	Variation
Sales	70,052	79,162	(11.51)%
EBITDA	(7,139)	48,354	(114.76)%
<i>Margin</i>	(10) %	61 %	
PPE depreciation and computer software	(2,809)	(3,422)	
Adjusted EBITA	(9,949)	44,932	(122.14)%
<i>Margin</i>	(14) %	57 %	
Amortisation of other intangible assets	(292)	(378)	
EBIT	(10,241)	44,554	(122.98)%
<i>Margin</i>	(15) %	56 %	
Financial profit/(loss)	(35,095)	(16,067)	
Profit/(loss) before tax	(45,336)	28,487	(259.15)%
<i>Margin</i>	(65) %	36 %	
Taxes	9,847	5,113	
<i>Tax rate</i>	(22) %	18 %	
Net profit/(loss) from ongoing operations	(35,489)	33,600	(205.62)%
Net result	(35,489)	33,600	(205.62)%

The sales are mainly determined 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 600 thousand are submitted to Prosegur Cash's Management for approval.

Amortisation and depreciation charges totalled EUR 3,101 thousand in 2022 (2021: EUR 3,800 thousand). Property, plant and equipment accounts for EUR 355 thousand (2021: EUR 388 thousand) to computer software EUR 2,454 thousand (2021: EUR 3,034 thousand) and other intangible fixed assets EUR 292 million (2021: EUR 378 thousand).

EUR 158 thousand was invested in property, plant and equipment in 2022 (2021: EUR 228 thousand). Investment of EUR 1,134 thousand was also made in computer software (2021: EUR 7 thousand).

2.3. Personnel

The company's personnel as of 31 December 2022 was 56 employees (42 in 2021).

2.4. Environmental issues

At the end of 2022, 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.

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 Company's long term financial debt, excluding debts with Group companies, is determined by the following contracts:

- 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.
- On 10 February 2017, Prosegur Cash, S.A. arranged a new five-year syndicated credit financing facility of EUR 300,000 thousand for a five-year term to afford the Company long-term liquidity. On 7 February 2019 this syndicated credit facility was renewed, and its maturity extended by another 5 years. In February 2020 the maturity was extended until February 2025. Additionally, in February 2021, the maturity was extended again until February 2026.

At 31 December 2022 the balance drawn on this facility amounts to EUR 100,000 thousand (at 31 December 2021 no amount had been drawn regarding this transaction).

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

Prosegur Cash is compliant with applicable covenants relative to the syndicated financial transaction at 2022 year end.

In 2022 financial debt had an average cost of 1.34% (2021: 1.25%). The Company's net financial debt (excluding other non-bank borrowings corresponding to deferred payments for M&A) at 2022 year-end amounts to EUR 764,045 thousand (2021: EUR 642,755 million).

No significant changes are expected in 2022 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 2021.

3.3. Analysis of contractual obligations and off balance sheet obligations

Note 18 of the Annual Accounts included the amounts of future minimum payments arising from operating lease contracts by maturity tranches.

4. Risk management

Prosegur Cash is a complex, diversified organisation operating in 30 countries on four continents, and as such it is exposed to numerous risk factors associated with the nature of each of those markets, including financial risks. Note 3 of the Consolidated Directors' Report includes a more detailed breakdown of the Group's risk management.

Financial risk management is handled by the Financial Department with the back-up of other company departments. These financial risks can be broken down into the following specific categories:

Interest rate

Related to monetary assets and liabilities on the balance sheet of Prosegur Cash. To monitor them we carry out a dynamic analysis of our exposure to fluctuating rates and simulation of scenarios which take into, consideration refinancing, the renewal of current positions at any given time, alternative financing and hedging. On the basis of each scenario, we calculate the effect on the profit/(loss) of a specific variation of the interest rate.

The different simulations use the same variation in the interest rate for all currencies and they are only performed on liabilities that represent the most significant positions subject to variable interest. Note 14 of the Prosegur Cash Individual Annual Accounts contains a breakdown of the different financial liabilities at floating interest rates.

Exchange rate risk

The natural coverage made by Prosegur Cash is based on the capital expenditure requirements being in line with the operating cash flow generated and the feasibility of regulating the pace of investment made in each country based on operating requirements.

Foreign currency operations - which are inherent to our international expansion - expose us to this type of risk associated to future trade transactions, equity investments, profit/(loss) from operating activities and financial positions when these factors are denominated in a foreign currency other than the functional currency of each of the Prosegur Cash companies.

To control exchange rate risk as far as possible, we use instruments that balance and neutralise the risks associated with the monetary in- and outflows of assets and liabilities, taking market expectations

into consideration. We also use the strategy of not hedging the equity investments in those countries, in this way assuming the risk relating to the translation to Euros of the assets and liabilities denominated in those foreign currencies.

Note 25 of the Prosegur Cash's Individual Annual Accounts reflects the value of financial liabilities by currency.

Credit risk

In our business we are not significantly exposed to credit risk and the percentage of defaults in payment is of no great relevance. If clients have been classified individually, those ratings are used; otherwise, our credit control department assesses the client's credit rating on the basis of its financial position, past experience or the impairment for credit risk based on the expected loss, amongst other factors. The individual credit limits are in line with those established by the Financial Department and consistent with internal and external ratings.

We also use methods for detecting objective evidence of impairment on trade receivables and, as a result, to identify any delays in payment deadlines and establish the impairment loss based on the individualised analysis for each business area.

Liquidity risk

To ensure prudent management of this risk we hold a certain amount of cash and marketable securities, as well as sufficient short-, medium- and long-term financing through credit facilities to assure our business targets. The Financial Department supervises the company's liquidity reserve forecasts, which comprise credit drawdowns and available cash and cash equivalents, based on expected cash flows.

Capital risk

Our management strategy against this key factor is to safeguard our ability to generate a return to shareholders and profits for other holders of equity instruments, in addition to maintaining and adjusting an optimum capital structure and reducing the costs of this. In this latter aspect, Prosegur Cash can adjust the amount of dividends payable, reimburse capital to shareholders, issue new shares or dispose of assets to reduce debt.

In line with habitual practice in the sector, we keep track of capital in accordance with the leverage ratio - net financial debt divided by total capital - with the aim of streamlining our financial structure.

Prosegur calculates net financial debt with the total current and non-current financial liabilities (excluding other non-bank payables) plus/minus net derivative financial instruments, minus cash and cash equivalents, and minus other current financial assets. And the formula for calculating total capital is equity plus net financial debt.

Counterparty risk limits

Financial investments and other operations 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.

5. Average payment period to suppliers

The average payment period to suppliers in 2022 was 56 days (2021: 47 days).

6. Events after the reporting date

Note 26 to financial year 2022 provides a breakdown of the post-closing events that could have a material impact on the presentation of the Financial Statements.

7. Acquisition and disposal of own shares

Share buyback programme of 23 February 2021

On 23 February 2021, the Company agreed to temporarily suspend the execution of the own share buyback programme of Prosegur Cash, S.A., which was approved by the Board of Directors of the Company on 3 June 2020.

Additionally, under the agreement adopted by the Board of Directors of the Company on 23 February 2021, the Company has implemented a new own share buyback programme (the Programme) under the provisions of Regulation (EU) No. 596/2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052 (the Regulations), making use of the authorisation granted by the Shareholders General Meeting held on 6 February 2017 for the purchase of own shares, in order to meet the commitments and obligations derived from the share remuneration plans for the Company's executive directors and employees.

The Programme had the following features:

- Maximum amount allocated to the Programme: EUR 28,000 thousand.
- Maximum number of shares that can be acquired: up to 14,000,000 shares representing approximately 0.91% of the Company's share capital on the date of the agreement.
- Maximum price per share: shares will be purchased in compliance with the price and volume limits established in the Regulations. In particular, the Company did not 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 purchased more than 25% of the average daily volume of the shares in any one day on the trading venues on which the purchase was carried out.
- Duration: the maximum duration of the Programme was until 5 February 2022. Notwithstanding the above, the Company reserved the right to conclude the Programme if, prior to the end of said maximum term, it had acquired the maximum number of shares authorised by the Board of Directors, if it had reached the maximum monetary amount of the Programme or if any other circumstances arise that call for it.

The main manager of the Programme was an investment company or a credit institution that takes its decisions in relation to the timing of the purchase of the Company's shares irrespective of the Company.

On 2 August 2021, Prosegur Cash, S.A. acquired a total of 14,000,000 shares representing approximately 0.92% of its share capital at that date, achieving the target of the Programme and therefore bringing the Programme to a close before the deadline set for its term.

Buyback programme of 20 December 2021

On 20 December 2021 the Board of Directors decided to implement an own share buyback programme in the terms of Regulation (EU) no. 596/2014 on market abuse and the Commission Delegated Regulation 2016/1052 (the Regulations), making use of the authorisation granted by the Shareholders General Meeting held on 2 June 2021 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 had the following features:

- Maximum amount allocated to the Programme: EUR 15,000 thousand.
- Maximum number of shares that can be acquired: up to 22,844,200 shares representing approximately 1.5% of the Company's share capital on the date of the agreement.
- Maximum price per share: shares will be 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) the highest current independent bid on the trading venues where 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 had acquired the maximum number of shares authorised by the Board of Directors, if it had reached the maximum monetary amount of the Programme or if any other circumstances arise that call for it.

In addition, the majority shareholder of the Company, the entity Prosegur Compañía de Seguridad, S.A., holder of 79.2% in 2021 of the share capital, expressed its intention to not sell shares in Prosegur Cash during the following months.

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 was suspended.

On 26 October 2022, the Board of Directors resolved to modify given aspects of the Programme, relative to the following points:

- Increase of the maximum number of shares that will affect the Programme, to increase this by 15,229,466 shares representing approximately 1% of the Company's current share capital (1,522,946,683 shares)
- Increase the maximum amount allocated to the Programme by EUR 10,000 thousand;
- Increase its term by one year, i.e., through 30 December 2023.

This Programme, known as the Extended Programme, has the following characteristics:

- Maximum amount allocated to the Programme: EUR 25,000 thousand.
- Maximum number of shares that can be acquired: up to 38,073,666 shares representing approximately 2.5% of the Company's share capital on the date of the agreement.
- Maximum price per share: shares will be 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) the highest current independent bid on the trading venues where the purchase is carried out.
- Term: the maximum term of the Extended Programme will be through 20 December 2023. Notwithstanding the above, the Company reserves the right to terminate the Programme if, prior to the expiration of that maximum term, it acquires the maximum number of shares authorised by the Board of Directors, it reaches the maximum monetary amount of the Extended Programme or for any other circumstance occurs that so advises.

The operation of the liquidity contract signed by the Company continues to be suspended.

The main manager of the Extended Programme is an investment company or credit institution that makes its decisions in relation to the timing of the purchase of the Company's shares regardless of the Company.

Finally, the Company's majority shareholder, Prosegur Compañía de Seguridad, S.A., holder of 79.42% of the share capital, has stated its intention not to sell Prosegur Cash shares within the scope of the Extended Programme.

Delivery of treasury shares for long term incentives

As a result of the long term incentive plan known as the Retention Plan described in Notes 5 and 22, during 2022 a total of 3,075,828 shares were delivered to the Cash Group Executive President and Group Management. In addition, the remaining 56,293 shares associated with the Retention Plan will be delivered during 2023.

The rest of the shares delivered correspond to other remuneration not associated with long term Incentive Plans.

Redemption of own shares (reduction of share capital) in 2021

On 6 July 2021, a capital reduction took place through the redemption of 21,589,296 own shares of the Company, with a par value of EUR 0.02 each.

At 31 December 2022, the liquidity agreement that entered into force on 11 July 2017 was temporarily suspended, treasury stock linked to that agreement amount to 1,141,932. In 2021 these came to 1,141,392 shares.

At 2022 year end, the treasury stock held by Prosegur Cash, S.A. is composed of 36.304.785 shares (18,198,819 shares in 2021).

8. 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.

To this respect, it is worthy to note that in financial year 2022 the Adjusted EBITA Margin is identified as the APM instead of the EBIT margin included in financial year 2021. This is due to the fact that the adjusted EBITA is considered a more suitable magnitude with which to measure Company performance, in addition to being used by Management to make financial, operating and planning decisions instead of the EBIT.

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.
Adjusted EBITA margin	The adjusted EBITA margin is calculated by dividing the operating profit/(loss) of the company by the total figure of revenue.	The adjusted EBITA Margin provides the profitability obtained prior to depreciation and impairment of intangible assets (except computer software) 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.
Adjusted EBITA	EBITA 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 adjusted EBITA provides an analysis of earnings before interest, taxes and depreciation, and impairment of intangible assets (except computer software).
EBITDA	EBITDA is calculated on the basis of the profit/(loss) of a company's financial year, excluding earnings after taxes from discontinued operations, income taxes, financial income or costs or depreciation expenses or impairment of goodwill, but including impairment of property, plant and equipment.	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 therefore of limited interest for investors.

The reconciliation of Alternative Performance Measures is as follows:

CAPEX (in thousands of Euros)	Note	31.12.2022	31.12.2021
Technical installations and machinery	8	—	1
Other installations and furniture	8	133	198
Other property, plant and equipment	8	25	25
Work in progress and advances	8	—	4
Additions of property, plant and equipment		158	228
Additions of computer software	7	1,134	7
Total CAPEX		1,292	235

Adjusted EBITA margin (in thousands of Euros)	Note	31.12.2022	31.12.2021
Adjusted EBITA	2 Directors' report	(9,949)	44,932
Revenue	3	70,052	79,162
Adjusted EBITA margin	2 Directors' report	(14.2) %	56.8 %

Net financial debt (in thousands of Euros)	Note	31.12.2022	31.12.2021
Financial liabilities (A)	14	872,588	689,628
Less: Cash and cash equivalents (B)	12	11,808	9,973
Less: other current financial assets (C)	10	—	—
Total Net Financial Debt (A-B-C)		860,780	679,655
Less: Other non-bank borrowings (D)	14	96,735	36,900
Total Net Financial Debt (excluding other non-bank borrowings referring to deferred M&A payments (A-B-C-D))	3 Directors' report	764,045	642,755

Adjusted EBITA (In thousands of Euros)	Note	31.12.2022	31.12.2021
Profit/(loss) for the year		(35,489)	33,600
Income tax		(9,847)	(5,113)
Net financial expenses		35,095	16,067
Depreciation of intangible assets except computer software		292	378
Adjusted EBITA	2 Directors' report	(9,949)	44,932

EBITDA (In thousands of euros)	Note	31.12.2022	31.12.2021
Profit/(loss) for the year		(35,489)	33,600
Income tax		(9,847)	(5,113)
Net financial expenses		35,095	16,067
Total depreciation and amortisation		3,101	3,800
EBITDA	2 Directors' report	(7,139)	48,354

9. Stock market information

Share evolution

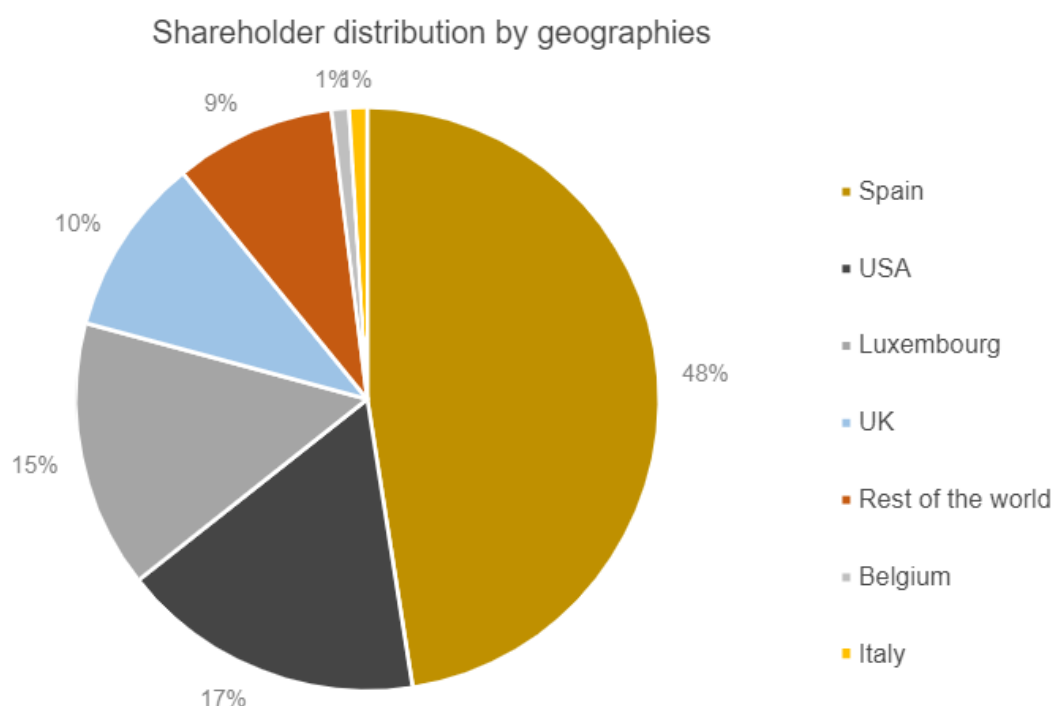
Last year was characterised by a high volatility in the financial markets. On 31 December 2022, Prosegur Cash's share price closed at EUR 0.60 per share, 4% lower than the previous December. Nevertheless, during nine months of the year, the share price remained at values close to EUR 0.66.

The evolution of the share price is affected by a turbulent macroeconomic environment, largely due to a strong inflationary environment. A positive context for the progress of the business, but it has led to a generalised increase of the interest rates by the monetary authorities, as a remedy to decelerate price growth. The possible generation of a recession scenario has not favoured variable income.

In Prosegur Cash, we expect that this unfavourable context will be temporary. We trust that the investor community will timely assess the robust performance of our business, its growth and the degree of transformation that places it in a position to face an increasingly bright future.

Geographical distribution of free float

Prosegur Cash has free float capital (excluding the capital controlled by the Prosegur Group and treasury stock) that reveals a diversified presence of foreign investors. Spain, United States, Luxembourg and the United Kingdom are the countries in which the investors with greatest presence are located, in that order.



Relationship with investors

Prosegur Cash has a well-defined strategy focused on creating value for its shareholders, developing a sustainable business model and improving its results, always with transparency and rigour.

The Company's corporate website features the policy that governs its relationship with shareholders and investors, as approved by its Board of Directors. Our unwavering commitment: to promote open, effective communication with all shareholders. But most especially, at all times, clarity and coherence of the information we provide. The intention is to maintain transparency and regular contact with its shareholders. Because this is the way to nurture the mutual understanding of both parties.

Transparency is a priority. Prosegur Cash considers that it must be the identifying feature of all strategic and financial communications. An open, coherent space. Wherever possible, endorsing language that is easy to understand and which, in turn, provides a true, balanced and comprehensible view of the company's situation and prospects.

As part of this proposal, the company would like to receive comments and suggestions that contribute to its improvement. The path is clearly mapped out. Investors can address the company using the specific channels available on the web site and/or the facility known as the "investor communication policy".

Prosegur Cash presents its quarterly results via webcast hosted on its website. This is one of the ways for keeping the investment community properly informed. These presentations of profit/(loss) are led by the Chief Financial Officer, the Director of Investor Relations and, when an analysis of the year-end balance sheet is necessary, by the Managing Director.

On ESG (environmental, social and governance), a core issue these days, Prosegur Cash continuously provides detailed information to any shareholders, private and institutional investors, stock market analysts and proxy advisors (voting advisors in shareholder meetings) that so request it. The road map has been drawn up following face-to-face meetings or by telephone.

In fact, the company has responded to questions related to its Sustainability Policy, its commitment to the environment, labour relations and respect of human rights. So much so that Prosegur Cash has participated in the procedures required by the main ESG ratings for the elaboration of its reports.

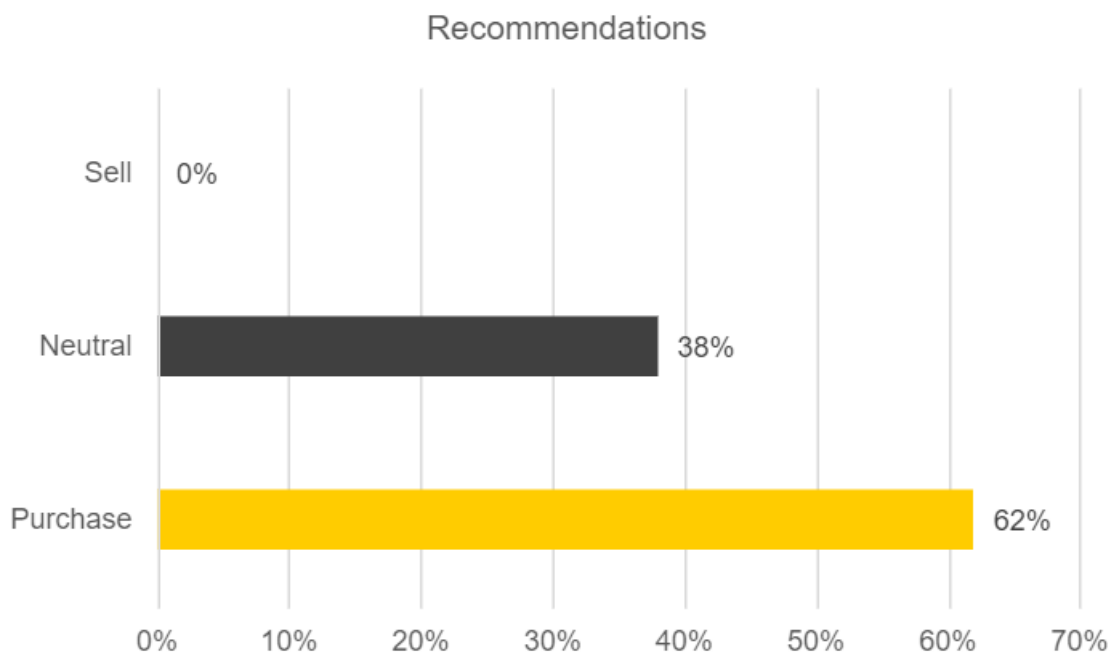
Since 2019, our company forms part of the FTSE4Good IBEX index. This indicator independently assesses and classifies the companies that best manage sustainability and meet Standards of Good Practice and Corporate Social Responsibility.

Coverage of analysts and recommendations

The number of analysts who cover and regularly inform on company activities decreased during 2022. Specifically, there are 14 firms that closely monitor the Prosegur Cash activity.

The regulatory effects of the MIFID2 directive (a common framework that unifies financial services in EU countries) have been very clearly seen over the past 12 months. Above all in the Spanish market, whose liquidity has decreased drastically, leading many brokers to restructure their portfolios, eliminating the coverage of companies with limited liquidity.

Of those companies that assessed the Prosegur Cash share in 2022, 54% recommended to purchase it, 46% remained neutral and none of them recommended its sale.



Main shareholders

The shareholding structure of Prosegur Cash reflects its solidity and stability. At 31 December 2022, 79.42% of the company capital belonged directly or indirectly to Prosegur, 3.5% were own shares and the remaining (18.08%) was free float.

This distribution allows the Board of Directors to be the body that defines the broad strategic lines and makes decisions in the interest of all shareholders. A solid and stable shareholder base is a highly notable advantage, since being composed to a large extent by significant shareholders and traditional investors creates optimum conditions for our company to develop its project and attain its objectives.

10. Statement of Non-financial Information

The Statement of Non-financial Information of Prosegur Cash, S.A. is described in the Consolidated Directors' Report of Prosegur Cash.

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT OF 2022

The members of the Board of Directors of Prosegur Cash, S.A. hereby confirm that, to the best of its knowledge, the Individual Annual Accounts for 2022, authorised for issue by the Board of Directors at the meeting held on 22 February 2023 and prepared in accordance with applicable accounting principles and the European Unique Electronic Format, present fairly the equity, financial position and profit/(loss) of Prosegur Cash, S.A., and that the respective individual Directors' Reports provides 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, 22 February 2023.

Mr Christian Gut Revoredo
Executive President

Mr Pedro Guerrero Guerrero
Vice-president

Mr José Antonio Lasanta Luri
Managing 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 Annual Accounts of Prosegur Cash, S.A. are the responsibility of the Directors of the Company, and have been prepared in accordance with General Accounting Plan endorsed by Spain.

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 2022. 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