

**Audit Report on Annual Accounts  
issued by an Independent Auditor**

**PROSEGUR CASH, S.A.  
Annual Accounts and Director' Report  
for the year ended  
December 31, 2020**



## **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**

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#### **Opinion**

We have audited the annual accounts of PROSEGUR CASH, S.A. (the Company), which comprise the balance sheet as at December 31, 2020, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2020 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying annual accounts) and, specifically, the accounting principles and criteria contained therein.

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#### **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.

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## 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*

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**Description** As at December 31, 2020, the Company has recognised in non-current assets, investments in group companies and associates amounting to 1,288 million euros, representing 67% of total assets.

The Company assess, at least once a year, the existence of impairment indicators and performs the necessary valuation adjustments whenever there is objective evidence that the carrying amount of an investment will not be recoverable, being the amount of the adjustment, the difference between its carrying amount and the recoverable amount determined considering the value in use.

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

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

Disclosures for the recognition and valuation criteria as well as the main assumptions used by Company Management in determining the impairment losses on long-term investments in group companies and associates, is included in Notes 2.d) and 8 of the accompanying annual accounts.

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### **Our Response**

Our Audit procedures included, among others, the following:

- ▶ Understand the processes established by Company Management to determine impairment of the losses on long-term investments in group companies and associates, including assessment of the design and implementation of relevant controls.
- ▶ Assessment of the analysis of impairment indicators of the long-term investments in group companies and associates carried out by Company Management.
- ▶ Review of the models used by Company Management, in collaboration with our valuation specialists, encompassing its mathematical coherence, reasonableness of the projected cash flows, discount and long-term growth rates, as well as the consistency of these models with the business plans approved by the Company's governing bodies. Throughout the performance of our work, we held interviews with those responsible for the preparation of the models and using renowned external sources and other available information to contrast the data.
- ▶ Review of the sensitivity analysis performed by Company Management regarding the estimates performed in determining the recoverable amount in the event of changes in the relevant assumptions considered.
- ▶ Review disclosures included in the annual accounts in accordance with the applicable financial reporting framework.

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### **Other matters**

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

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### **Other information: director's report**

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

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

- a. Checking only that certain information included in the Annual Corporate Governance Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.
- b. Assessing and reporting on the consistency of the remaining information included in the directors' report with the annual accounts, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

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

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### **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.

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### **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.

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### **Additional report to the audit committee**

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

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### **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)

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

February 25, 2021



**PROSEGUR**  
**CASH**

# Annual Accounts and Directors' Report at 31 December 2020

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

Prosegur Cash, S.A.

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# I. INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

(Expressed in thousands of EUR)

	Note	2020	2019
<b>Net turnover</b>	<b>3</b>	<b>332,850</b>	<b>113,016</b>
Dividend received		317,994	100,000
Loan interest income		1,022	1,490
Provision of services		13,834	11,526
<b>Supplies</b>		<b>(1)</b>	<b>(1)</b>
Consumption of raw materials and other consumables		(1)	(1)
<b>Other operating income</b>		<b>—</b>	<b>1</b>
Operating subsidies added to year's result		—	1
<b>Personnel Expenses</b>	<b>3</b>	<b>(5,131)</b>	<b>(3,876)</b>
Wages, salaries and similar charges		(4,223)	(3,163)
Social security obligations		(908)	(713)
<b>Other operating expenses</b>		<b>(10,459)</b>	<b>(7,567)</b>
External services	<b>3</b>	(8,548)	(5,545)
Taxes		(113)	(110)
Other ordinary expenses		(1,798)	(1,912)
<b>Fixed assets deterioration</b>	<b>6 and 7</b>	<b>(4,698)</b>	<b>(2,925)</b>
<b>Impairment and result for disposal of fixed assets</b>		<b>(161)</b>	<b>—</b>
Profit/(losses) on disposals and other operations	<b>6</b>	(161)	—
<b>Other profit/(loss)</b>	<b>3</b>	<b>(1,795)</b>	<b>—</b>
<b>OPERATING PROFIT/(LOSS)</b>		<b>310,605</b>	<b>98,648</b>
<b>Financial income</b>	<b>4</b>	<b>10</b>	<b>34</b>
<b>Negotiable securities and other financial instruments</b>		10	34
Third parties		10	34
<b>Financial expense</b>	<b>4</b>	<b>(15,013)</b>	<b>(14,418)</b>
From payables to Group companies and associates		(2,559)	(3,597)
From payables to third parties		(12,454)	(10,821)
<b>Exchange differences</b>	<b>4</b>	<b>(68)</b>	<b>1,030</b>
<b>NET FINANCE INCOME</b>		<b>(15,071)</b>	<b>(13,354)</b>
<b>PROFIT BEFORE TAX</b>		<b>295,534</b>	<b>85,294</b>
<b>Income tax</b>	<b>15</b>	6,461	4,191
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>301,995</b>	<b>89,485</b>

The accompanying notes form an integral part of the Annual Accounts for 2020.

## II. BALANCE SHEET AT 31 DECEMBER 2020 AND 2019

(Expressed in thousands of EUR)

ASSETS	Note	2020	2019
<b>NON-CURRENT ASSETS</b>		<b>1,299,226</b>	<b>1,180,451</b>
<b>Intangible assets</b>	<b>6</b>	<b>7,636</b>	<b>8,697</b>
Patents, licences, trademarks and others		435	1,611
Computer software		5,678	5,920
Other intangible assets		1,523	1,166
<b>Property, Plant and Equipment</b>	<b>7</b>	<b>2,281</b>	<b>1,335</b>
Technical facilities and other property, plant and equipment		2,281	1,335
<b>Long-term investments in Group companies and associates</b>	<b>8</b>	<b>1,288,396</b>	<b>1,169,798</b>
Equity instrument		1,288,396	1,169,798
<b>Long-term financial investments</b>	<b>9</b>	<b>112</b>	<b>86</b>
Other financial assets		112	86
<b>Deferred tax assets</b>	<b>15</b>	<b>801</b>	<b>535</b>
<b>CURRENT ASSETS</b>		<b>631,168</b>	<b>188,622</b>
<b>Trade and other receivables</b>		<b>23,188</b>	<b>25,290</b>
Clients, Group companies and associates	<b>9</b>	19,393	21,222
Miscellaneous receivables	<b>9</b>	97	97
Public entities, other receivables	<b>15</b>	3,698	3,971
<b>Short-term investments in Group companies and associates</b>		<b>444,717</b>	<b>120,653</b>
Loans to companies	<b>9</b>	220,575	104,739
Other financial assets	<b>9</b>	224,142	15,914
<b>Short-term deferrals</b>		<b>1,316</b>	<b>1,697</b>
<b>Cash and cash equivalents</b>	<b>11</b>	<b>161,947</b>	<b>40,982</b>
Cash and other cash equivalents		161,947	40,982
<b>TOTAL ASSETS</b>		<b>1,930,394</b>	<b>1,369,073</b>

The accompanying notes form an integral part of the Annual Accounts for 2020.

<b>NET EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>EQUITY</b>		<b>331,689</b>	<b>72,560</b>
<b>Shareholders' equity</b>		<b>331,689</b>	<b>72,560</b>
<b>Subscribed capital</b>	<b>12</b>	<b>30,891</b>	<b>30,000</b>
Registered capital		30,891	30,000
<b>Share premium</b>	<b>12</b>	<b>33,134</b>	<b>—</b>
<b>Reserves</b>	<b>12</b>	<b>43,858</b>	<b>41,771</b>
Legal and statutory reserves		6,178	6,000
Other reserves		37,680	35,771
<b>(Own shares and equity holdings)</b>	<b>12</b>	<b>(18,261)</b>	<b>(1,546)</b>
<b>Profit/(loss) for the year</b>	<b>5</b>	<b>301,995</b>	<b>89,485</b>
<b>(Interim dividend)</b>	<b>5</b>	<b>(59,928)</b>	<b>(87,150)</b>
<b>NON-CURRENT LIABILITIES</b>		<b>1,040,420</b>	<b>594,974</b>
<b>Non-current provisions</b>		<b>2,406</b>	<b>1,668</b>
Obligations for long-term personnel benefits	<b>25.9</b>	2,406	1,668
<b>Long-term debts</b>	<b>13</b>	<b>755,188</b>	<b>593,306</b>
Debentures and other negotiable securities		595,576	593,306
Debts with credit institutions		155,000	—
Other financial liabilities		4,612	—
<b>Long-term payables to Group companies and associates</b>	<b>13</b>	<b>282,826</b>	<b>—</b>
<b>CURRENT LIABILITIES</b>		<b>558,285</b>	<b>701,539</b>
<b>Short-term debts</b>	<b>13</b>	<b>103,386</b>	<b>102,482</b>
Debentures and other negotiable securities		7,471	8,872
Debts with credit institutions		77,112	75,635
Other financial liabilities		18,803	17,975
<b>Short-term payables to Group companies and associates</b>	<b>13</b>	<b>443,672</b>	<b>552,356</b>
<b>Trade and other payables</b>		<b>11,227</b>	<b>46,701</b>
Suppliers, Group companies and associates	<b>13</b>	6,511	40,232
Sundry accounts payable	<b>13</b>	2,833	3,892
Personnel (salaries payable)	<b>13</b>	1,506	1,124
Public entities, other payables	<b>15</b>	377	1,453
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,930,394</b>	<b>1,369,073</b>

The accompanying notes form an integral part of the Annual Accounts for 2020.

### III. STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

#### A) STATEMENT OF RECOGNISED INCOME AND EXPENSE

(Expressed in thousands of EUR)

	Note	2020	2019
Profit/(losses) in the income statement	5	301,995	89,485
<b>Total comprehensive income</b>		<b>301,995</b>	<b>89,485</b>

The accompanying notes form an integral part of the Annual Accounts for 2020.

**B) STATEMENT OF TOTAL CHANGES IN EQUITY**

(Expressed in thousands of EUR)

	Share capital Subscribed	Share premium	Reserves	(Own shares and equity holdings)	Profit/(loss) for the year	(Interim dividend)	TOTAL
	(Note 12)	(Note 12)	(Note 12)	(Note 12)	(Note 5)	(Note 5)	
<b>BALANCE AT YEAR END 2018</b>	<b>30,000</b>	<b>—</b>	<b>24,495</b>	<b>(1,943)</b>	<b>135,618</b>	<b>(118,050)</b>	<b>70,120</b>
<b>Recognised income and expense</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>89,485</b>	<b>—</b>	<b>89,485</b>
<b>Operations with partners or owners</b>	<b>—</b>	<b>—</b>	<b>17,276</b>	<b>397</b>	<b>(135,618)</b>	<b>30,900</b>	<b>(87,045)</b>
Operations with own stocks or shares (net)	—	—	(292)	397	—	—	105
Distribution of profit	—	—	17,568	—	(135,618)	118,050	—
Interim dividend	—	—	—	—	—	(87,150)	(87,150)
<b>BALANCE AT YEAR END 2019</b>	<b>30,000</b>	<b>—</b>	<b>41,771</b>	<b>(1,546)</b>	<b>89,485</b>	<b>(87,150)</b>	<b>72,560</b>
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>301,995</b>	<b>—</b>	<b>301,995</b>
<b>Operations with partners or owners</b>	<b>891</b>	<b>33,134</b>	<b>2,087</b>	<b>(16,715)</b>	<b>(89,485)</b>	<b>27,222</b>	<b>(42,866)</b>
Capital increases	891	33,134	—	—	—	—	34,025
Operations with own stocks or shares (net)	—	—	(248)	(16,715)	—	—	(16,963)
Distribution of profit	—	—	2,335	—	(89,485)	87,150	—
Interim dividend	—	—	—	—	—	(59,928)	(59,928)
<b>BALANCE AT YEAR END 2020</b>	<b>30,891</b>	<b>33,134</b>	<b>43,858</b>	<b>(18,261)</b>	<b>301,995</b>	<b>(59,928)</b>	<b>331,689</b>

The accompanying notes form an integral part of the Annual Accounts for 2020.

## IV. CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 December 2020 AND 2019

(Expressed in thousands of EUR)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Pre-tax financial year profit</b>		<b>295,534</b>	<b>85,294</b>
<b>Adjustments made to results</b>		<b>(296.269)</b>	<b>(83.721)</b>
Fixed assets depreciation (+)	6 and 7	4.698	2.925
Change in provisions (+/-)		1.795	—
Results from fixed asset disposals and sale	6	161	—
Financial income (-)	4	(10)	(34)
Dividend received (-)	3	(317.994)	(100.000)
Financial expenses (+)	4	15.013	14.418
Exchange differences (+/-)	4	68	(1.030)
<b>Changes in current capital</b>		<b>(46.418)</b>	<b>22.308</b>
Clients and other receivables (+/-)		2.102	(3.929)
Other current assets (+/-)		(11.722)	(301)
Trade and other payables (+/-)		(35.475)	34.811
Other current liabilities (+/-)		—	(8.273)
Other non-current assets and liabilities (+/-)		(1.323)	—
<b>Other cash flows from operating activities</b>		<b>(2.485)</b>	<b>(242)</b>
Interest payments (-)		(14.895)	(1.602)
Dividend collection (+)		12.400	—
Interest received (+)		10	34
Other payments (receipts) (+/-)		—	1.326
<b>Cash flows from operating activities</b>		<b>(49.638)</b>	<b>23.639</b>
<b>Payments for investments (-)</b>		<b>(156.347)</b>	<b>(71.166)</b>
Group companies and associates		(151.563)	(66.292)
Intangible assets	6	(3.460)	(3.582)
Property, Plant and Equipment	7	(1.298)	(1.206)
Other financial assets	9	(26)	(86)
<b>Collections from disposal of investments (+)</b>		<b>32.980</b>	<b>197.600</b>
Group companies and associates		32.965	197.600
Intangible assets		15	—
<b>Cash flows from investing activities</b>		<b>(123.367)</b>	<b>126.434</b>
<b>Collections and payments for equity instruments</b>	12	<b>(10.780)</b>	<b>397</b>
Issue of equity instruments (+)		34.025	—
Purchases of equity instruments (-)		(50.967)	—
Sale of equity instruments (+)		6.162	397
<b>Collections and payments for liability instruments</b>		<b>336.561</b>	<b>(1.760)</b>
Issue		335.775	1.240
Debentures and similar securities (+)	17	—	1.240
Debts with credit institutions (+)		155.000	—
Loans to Group companies and associates (+)		180.775	—
Repayment and amortisation of		786	(3.000)
Debts with credit institutions (-)		—	(3.000)
Other payables (-)		786	—
<b>Dividends payable and remunerations from other equity instruments</b>		<b>(31,811)</b>	<b>(110,013)</b>
Dividends (-)		(31.811)	(110.013)
Remuneration of other equity instruments (-)		—	—
<b>Cash flows from financing activities</b>		<b>293.970</b>	<b>(111.376)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>120.965</b>	<b>38.696</b>
Cash and equivalents at the beginning of the year	11	40,982	2,286
Cash and equivalents at the end of the year	11	161,947	40,982

The accompanying notes form an integral part of the Annual Accounts for 2020.

# V. NOTES TO THE ANNUAL ACCOUNTS FOR THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 December 2020

## 1. General Information

Prosegur Cash, S.A., (hereinafter, the Company) is a company belonging to the Prosegur Group. It is the parent Company of a Group of companies in accordance with current legislation (hereinafter the Prosegur Cash Group). The registered offices of Prosegur Cash, S.A. are at Calle Santa Sabina number 8, Madrid (Spain). It was incorporated on 22 February 2016 and is registered in the Mercantile Register of Madrid, in volume 34,442, page 34, section 8, page number M-619528, entry 1.

The Company is a subsidiary controlled by the Spanish company Prosegur Compañía de Seguridad, S.A. (hereinafter, Prosegur), which currently owns 53.30% of its shares, indirectly controlling another 21.68% via its 100%-owned investee Prosegur Assets Management, S.L.U., consolidating both the Company and its subsidiaries in its financial statements (hereinafter, Prosegur Group).

On 17 March 2017, the Company shares began trading at EUR 2 per share in the Stock Exchanges of Madrid, Barcelona, Bilbao, and Valencia via the Spanish Stock Exchange Interconnection System (SIBE). On 7 April 2017, the Green Shoe period of the stock market flotation ended, and the free float attained 27.5% of the share capital of Company.

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

Provision of cash in transit services, including the following activities:

1. National and international transport services (by land, sea and air) of funds and other valuables (including jewellery, artworks, precious metals, electronic devices, voting ballots, legal evidence), including collection, transport, custody and deposit services;
2. Processing and automation of cash (including counting, processing and packaging, as well as coin recycling, cash flow control and monitoring systems);
3. Comprehensive ATM solutions (including planning, loading, monitoring, first- and second-tier maintenance and balancing);
4. Cash planning and forecasting for financial institutions;
5. Self-service cash machines – smart cash (including cash deposits, recycling services and dispensing of bank notes and coins, and payment of invoices); and
6. Added-value outsourcing services (AVOS) for banks (including outsourcing of tellers, multi-agency services, cheque processing and related administrative services).

The activities comprising the corporate purpose can also be performed indirectly by the Company, by means of the shareholding in other companies of an identical or similar corporate purpose. The main activity of the Company in 2020 corresponds to that of group company holding, with its income coming from group companies, mainly relating to dividends and services.

The Company's statutory activity does not include activities expressly restricted by law to entities that comply with special requirements not met by the Company, particularly financial brokerage activities that are restricted by financial legislation governing collective investment undertakings and the securities market law and supplementary provisions applicable to collective investment undertakings.

In accordance with generally accepted accounting principles in Spain, consolidated Annual Accounts must be prepared to present fairly the financial position of the Group Prosegur Cash, the results of operations and changes in its equity and cash flows.

The Directors prepare the Consolidated Annual Accounts of the Group Prosegur Cash, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and approved by the European Commission Regulations in force at 31 December 2020. The consolidated Annual Accounts were drawn up by the Board of Directors, together with these Individual Annual Accounts, on 23 February 2021 and are pending approval by the shareholders at their general meeting, after which they will be filed at the Mercantile Register of Madrid.

The Consolidated Annual Accounts of Prosegur Cash, S.A. and its subsidiaries for 2020 present consolidated profit of EUR 15,630 thousand (EUR 169,016 thousand in 2019) and consolidated equity of EUR 80,235 thousand (EUR 243,633 thousand in 2019).

## 2. Basis for Presentation

### a) Fair image

The annual accounts have been prepared in accordance with legislation in force and the rules established in the Spanish General Chart of Accounts approved by Royal Decree 1514/2007, which was amended in 2016 by Royal Decree 602/2016, of 2 December, to provide a true and fair image of the equity, financial situation and results of the Company, as well as the veracity of the cash flows shown in the statement of cash flows.

### a) Comparative information

For comparative purposes and for each item in the balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the Annual Accounts, in addition to the figures for financial year 2020, the Annual Accounts show those pertaining to the previous year, those of 2019, approved by the Shareholders General Meeting at 28 October 2020.

### b) Functional currency

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

c) Going concern

As of 31 December 2020, the Company has a positive working capital of EUR 72,883 thousand (EUR 512,917 thousand negative working capital at 31 December 2019). As indicated in Note 1, the Company is the head of the Prosegur Cash Group, which at 31 December 2020 presented a positive working capital of EUR 92,082 thousand (EUR 57,235 thousand at 31 December 2019) in the Consolidated Annual Accounts. The Company also has the capacity to generate future cash flows via the management of its subsidiaries' dividends. Additionally, as of 31 December 2020, the Group presents a consolidated result attributable to Prosegur Cash, S.A. as Parent Company of EUR 15,892 thousand (EUR 168,942 thousand at 31 December 2019). Finally, as indicated in Notes 20 and 23 of the Consolidated Annual Accounts of the Prosegur Cash Group, at 31 December 2020, the Group companies had available treasury of EUR 401,773 thousand and had been granted undrawn additional financing of EUR 274,199 thousand (EUR 307,423 thousand and EUR 448,633 thousand as of 31 December 2019, respectively).

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

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

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

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

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

*Investments in Group companies*

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

## COVID-19

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

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

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

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

- Staff have been temporarily laid-off to try and adapt the organisational structure, production and costs to the new levels of activity.
- Investments in property, plant and equipment have been reduced.
- Non-essential expenses have been limited in providing services to clients, such as travel expenses, consultancy fees and other professional fees.
- With respect to safeguarding employee health, the working method of structural personnel has been adapted, who have been working remotely since the declaration of the pandemic.
- Exemption from Social Security payments associated with the temporary workforce reduction plans (ERTE) in Spain,

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

- Liquidity risk: The situation of uncertainty generated by the COVID-19 pandemic has led to greater liquidity constraints in the economy as a whole, as well as reduced access to credit. The Company has drawn down and maintained in bank accounts all the balances of the credits associated with the contracted syndicated financing facilities for the amount of EUR 155,000 thousand.
- Risk of measurement of assets and liabilities on the balance sheet: The Company has carried out an analysis and a series of calculations associated with the accounting valuation of certain assets (tax credits and non-current assets).
- Operational risk: due to the aforementioned restrictions, the volume of cash in transit decreased, and the Cash business has been negatively affected as a result. From the start of the pandemic, the Company has been applying a cost containment programme and measures to preserve cash generation in order to limit the impact of reduced activity.
- Going concern risk: in light of the aforementioned aspects, the Company considers that at the date of the preparation of the annual accounts, no risk associated with the application of the going concern principle was detected.

### 3. Income and Expenses

#### a) Net turnover

Details of net turnover by category of activity and geographical area are as follows:

	Thousands of Euros							
	National		Rest of Europe		Rest of the world		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Group companies and associates								
- Dividend received	317,994	100,000	—	—	—	—	317,994	100,000
- Loan interest income	61	393	171	285	790	812	1,022	1,490
- Provision of services	1,257	(3,730)	(160)	(8)	12,737	15,264	13,834	11,526
<b>Total</b>	<b>319,312</b>	<b>96,663</b>	<b>11</b>	<b>277</b>	<b>13,527</b>	<b>16,076</b>	<b>332,850</b>	<b>113,016</b>

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

In the provision of services, income and expenditure corresponding to centralised and trademark assignment services were considered, which means that their distribution by geographical area at 31 December 2020 and 2019 is negative in the Country (Note 18). The negative amounts for the services are due to payments for trademark assignment billing.

#### b) Wages, salaries and similar charges

The breakdown of personnel expenses in 2020 and 2019 is as follows:

	Thousands of Euros	
	2020	2019
Salaries and wages	4,223	3,163
Social security obligations	908	713
<b>Total</b>	<b>5,131</b>	<b>3,876</b>

The 2017 long-term incentive plans for Executive Director and Senior Management (Note 25.9), within the Salaries and wages paragraph, have been included in the expense accrued during the year in relation to the 2020 commitment amounting to EUR 126 thousand (EUR 840 thousand in 2019).

With regard to the 2020 long-term incentive plan for the Executive Director and Senior Management, because of the impact of the COVID-19 pandemic on the Company's profits, the targets set for fulfilling the entire 2020 Plan are not expected to be reached. Consequently, the provision has been adjusted on the basis of a new target, showing a positive effect on the year's profits of EUR 1,082 thousand.

During 2019 the expenditure included under the heading salaries and wages for the 2017 Plan and 2020 Plan was EUR 840 thousand. Additionally, the wages and salaries heading in 2019 included a reversal of the provision of the aforementioned incentive of EUR 2,889 thousand.

The breakdown of Social security obligations in 2020 and 2019 are as follows:

	Thousands of Euros	
	2020	2019
Social Security Payable by the Company	663	575
Other employee benefits expenses	245	138
<b>Total</b>	<b>908</b>	<b>713</b>

c) External services

The breakdown of external services in 2020 and 2019 are as follows:

	Thousands of Euros	
	2020	2019
Leases and levies	1,150	785
Repairs and conservation	1,494	977
Independent professional services	4,953	3,328
Transport	—	4
Banking and similar services	143	112
Advertising, publicity and public relations	398	163
Supplies and others	143	84
Other services	267	92
<b>Total</b>	<b>8,548</b>	<b>5,545</b>

The maintenance expense of the Company's software is included under Other repairs and conservation.

The category of Independent professional services mainly includes the expenses for services of identification and capture of business opportunities, as well as IT technical assistance.

d) Other profit/(loss)

During 2020 the Company detected intrinsically different risks that generated a provision in the amount of EUR 1,795 thousand.

## 4. Net Finance Income

The breakdown of financial income and expenses in 2020 and 2019 are as follows:

	Thousands of Euros	
	2020	2019
<b>Financial income</b>	<b>10</b>	<b>34</b>
Third parties	10	34
<b>Financial expense</b>	<b>(15,013)</b>	<b>(14,418)</b>
From payables to Group companies (Note 18)	(2,559)	(3,597)
From payables to third parties	(12,454)	(10,821)
<b>Exchange differences</b>	<b>(68)</b>	<b>1,030</b>
<b>Net Finance Income</b>	<b>(15,071)</b>	<b>(13,354)</b>

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

	Thousands of Euros	
	2020	2019
Loans to Group companies and associates	(68)	1,030
	<b>(68)</b>	<b>1,030</b>

- **Exchange profit/losses**

The main currency conversion difference items are the following:

	Currency	Thousands of Euros	
		2020	2019
Current accounts	US Dollar	(1,900)	162
Suppliers	US Dollar	(6)	(44)
Group company acquisition	Sucre	(180)	—
Loans to Group company	South African Rand	—	798
Current accounts	South African Rand	(409)	171
Loans to Group company	Australian Dollar	1,331	13
Current accounts	Australian Dollar	(311)	141
Group company acquisition	Colombian Peso	1,522	—
Other Group company loans	Philippine Peso	(80)	(39)
Loans to Group company	Peruvian Sol	—	(207)
Suppliers	Argentine Peso	(35)	36
		<b>(68)</b>	<b>1,030</b>

## 5. Profit/(loss) for the year

On the date these Annual Accounts are authorised for issue, the Boards of Directors will propose to the Shareholders General Meeting that profit for the year be distributed as follows:

	Thousands of Euros	
	2020	2019
<b>Basis of allocation</b>		
Profit and losses	301,995	89,485
<b>Total</b>	<b>301,995</b>	<b>89,485</b>
<b>Allocation</b>		
Legal reserve	178	—
Voluntary reserves	241,889	2,335
Dividends on account	59,928	87,150
<b>Total</b>	<b>301,995</b>	<b>89,485</b>

In a meeting on 16 December 2020, the Board of Directors approved the distribution of a regular dividend on account of the profits of 2020 of EUR 0.03880 gross per share, which implies a maximum total dividend of EUR 59,928 thousand (considering that the current share capital was divided into 1,545 million shares). This dividend will be distributed to shareholders as four payments, in January, April, July and October 2021. Each payment is calculated as EUR 0.00970 per outstanding share at the payment date.

As of 31 December 2020, a debt for dividends payable in 2021 is held for EUR 59,928 thousand, which is presented in current liabilities in other accounts payable under the heading of suppliers and other financial liabilities for an amount of EUR 14,996 thousand and in the heading of payables to group companies and associates for EUR 44,932 thousand.

The maximum amount represented by own shares at each payment date, and therefore not distributed, will be transferred to voluntary reserves.

Nevertheless, if the number of shares changes between two payment dates as a result of a share capital increase or reduction, the total maximum amount of the dividend at each payment date (EUR 14,982 thousand) should be divided by the new number of outstanding shares that corresponds following the aforementioned increase or reduction.

In a meeting on 17 December 2019, the Board of Directors approved the distribution of a regular dividend on account of the profits of 2019 of EUR 0.0581 gross per share, which implies a maximum total dividend of EUR 87,150 thousand (considering that the share capital was divided into 1,500 million shares). The first two payments of this dividend were distributed to shareholders in the form of cash and the third and fourth payments as share reinvestment (Note 12).

As of 31 December 2019, a debt for dividends payable in 2020 is held for EUR 65,363 thousand, which is presented in current liabilities in other accounts payable under the heading of suppliers and other financial liabilities for an amount of EUR 17,975 thousand and in the heading of payables to group companies and associates for EUR 47,388 thousand.

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

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

## 6. Intangible assets

The composition and movements in the accounts of intangible fixed assets were as follows:

	Thousands of Euros			
	Licences	Computer software	Other intangible assets	Total
<b>Cost</b>				
Balance at 1 January 2019	<b>2,334</b>	<b>7,362</b>	<b>4,155</b>	<b>13,851</b>
Additions	344	3,140	318	3,802
Disposals	—	—	(220)	(220)
Transfers	—	2,208	(2,208)	—
Balance at 31 December 2019	<b>2,678</b>	<b>12,710</b>	<b>2,045</b>	<b>17,433</b>
Additions	151	2,675	634	3,460
Disposals	(116)	(407)	—	(523)
Transfers	(150)	274	(124)	—
Balance at 31 December 2020	<b>2,563</b>	<b>15,252</b>	<b>2,555</b>	<b>20,370</b>
<b>Depreciation and amortisation</b>				
Balance at 1 January 2019	<b>(786)</b>	<b>(4,437)</b>	<b>(715)</b>	<b>(5,938)</b>
Depreciation and amortisation for the year	(281)	(2,353)	(164)	(2,798)
Balance at 31 December 2019	<b>(1,067)</b>	<b>(6,790)</b>	<b>(879)</b>	<b>(8,736)</b>
Depreciation and amortisation for the year	(1,134)	(3,098)	(113)	(4,345)
Disposals	33	314	—	347
Transfers	40	—	(40)	—
Balance at 31 December 2020	<b>(2,128)</b>	<b>(9,574)</b>	<b>(1,032)</b>	<b>(12,734)</b>
<b>Carrying amount</b>				
<b>At 31 December 2019</b>	<b>1,611</b>	<b>5,920</b>	<b>1,166</b>	<b>8,697</b>
<b>At 31 December 2020</b>	<b>435</b>	<b>5,678</b>	<b>1,523</b>	<b>7,636</b>

### a) Description of the main movements

The most significant additions and transfers of intangible assets in 2020 were mainly with:

- Computer software: additions and development of computer software such as SWITCHING-DATE-VALUE for EUR 454 thousand, EVOL-20-MIAGENCIA for EUR 375 thousand, EVOL-20-INTEGRATION CASH DEVICES for EUR 360 thousand, and others amounting to EUR 1,304 thousand. The remaining additions correspond to the development of applications or projects and their implementation.
- Microsoft Software Licences: purchase of software licences for EUR 118 thousand.
- Other intangible assets include Intangible assets in progress mainly relating to: computer software projects and IT developments, of which we can mention PR5667 PRY-Deployment PROFAT Colombia Cash for EUR 233 thousand, PR7083 PRY-EVOL-20-CASH ANALYTICS for EUR 64 thousand, PR6725 PRY-BPM CASH-Smart Cash Registration Flow for EUR 60 thousand, PR7359 PRY-Implementation of DevOps in applications in the field of Innovation for EUR 55 thousand. The rest corresponds to new projects and developments of applications amounting to EUR 90 thousand.

The most significant additions to intangible assets in 2019 were mainly:

- Computer software: Project Deployment GAP, INTEGRACION DISPOSITIVOS CASH, Project Deployment DEVICE MANAGER and others for EUR 3,140 thousand. The remaining additions correspond to the development of applications or projects and their implementation for EUR 2,293 thousand.
- Microsoft Software Licences, GELT, ICOM and licences for device integration for EUR 344 thousand.
- The remaining additions corresponded to the development of applications or projects and their implementation for EUR 1,091 thousand.
- Intangible assets in progress correspond to computer software and IT development projects of which we can cite PR6677 SSO Introduction for CASH INNOVATION for EUR 114 thousand, PR6869 PRY-Certificate system for GENESIS for EUR 94 thousand, PR5273 Project-Deployment PROFAT CL-CASH for EUR 37 thousand, and the rest correspond to the registration of projects and application developments amounting to EUR 73 thousand.

The most significant reductions in intangible fixed assets in 2020 correspond to disposal of software due to disuse or obsolescence of EUR 407 thousand and cancellations of software licences amounting to EUR 116 thousand.

The most significant disposals in the intangible assets in 2019 corresponded to disposals from ongoing projects that are cancelled or suspended, for EUR 220 thousand.

## b) Licences

Details of licences at year end are as follows:

Thousands of Euros						
2020						
Description and operation	Expiry date	Amortisation period	Amortisation for the year	Cost	Accumulated amortisation	Carrying amount
Licences - Software	2017	1 years	—	172	172	—
Licences - Software	2020	4 years	686	1,361	1,361	—
Licences - Software	2021	4 years	189	309	267	42
Licences - Software	2022	4 years	200	410	265	145
Licences - Software	2023	4 years	54	193	58	135
Licences - Software	2024	4 years	5	118	5	113
			<b>1,134</b>	<b>2,563</b>	<b>2,128</b>	<b>435</b>

Thousands of Euros						
2019						
Description and operation	Expiry date	Amortisation period	Amortisation for the year	Cost	Accumulated amortisation	Carrying amount
Licences - Software	2017	1 years	—	172	172	—
Licences - Software	2022	1 years	11	97	97	—
Licences - Software	2023	10 years	12	56	42	14
Licences - Software	2024	10 years	36	220	123	97
Licences - Software	2025	10 years	119	825	406	419
Licences - Software	2026	10 years	21	206	71	135
Licences - Software	2027	10 years	36	347	86	261
Licences - Software	2028	10 years	41	411	65	346
Licences - Software	2029	10 years	5	344	5	339
			<b>281</b>	<b>2,678</b>	<b>1,067</b>	<b>1,611</b>

## c) Fully amortised intangible assets

The intangible assets fully amortised as of 31 December 2020 and 2019 are the following:

Thousands of Euros		
	2020	2019
Computer software	4,422	3,383
Licences	1,536	269
Other intangible assets	491	491
	<b>6,449</b>	<b>4,143</b>

## d) Other information

There were no purchases of intangible assets from Group companies in 2020 or 2019.

At 31 December 2020 and 2019 the Company has no intangible fixed assets subject to title restrictions or pledged as security for liabilities.

## 7. Property, Plant and Equipment

The composition and movements of the accounts of property, plant and equipment were as follows:

	Thousands of Euros			Total
	Technical installations and machinery	Other install., equipment and furniture	Other property, plant and equipment	
<b>Cost</b>				
Balance at 1 January 2019	82	89	294	465
Additions	22	985	199	1,206
Balance at 31 December 2019	104	1,074	493	1,671
Additions	—	924	375	1,299
Disposals	—	—	(74)	(74)
Balance at 31 December 2020	104	1,998	794	2,896
<b>Depreciation and amortisation</b>				
Balance at 01 January 2019	(12)	(11)	(187)	(210)
Depreciation and amortisation	(11)	(29)	(86)	(126)
Balance at 31 December 2019	(23)	(40)	(273)	(336)
Depreciation and amortisation	(13)	(168)	(172)	(353)
Disposals	—	—	74	74
Balance at 31 December 2020	(36)	(208)	(371)	(615)
<b>Carrying amount</b>				
At 31 December 2019	81	1,034	220	1,335
At 31 December 2020	68	1,790	423	2,281

### a) Description of the main movements

The most significant additions to property, plant and equipment in 2020 correspond to additions to facilities and renovation of the Calle San Máximo Building for EUR 826 thousand, additions to furniture in the same building for EUR 97 thousand, additions to information processing equipment such as computers, screens, servers and hardware for teleworking for EUR 193 thousand and additions of radio link equipment for EUR 24 thousand.

The most significant additions of property, plant and equipment in 2019 correspond to the installation and rehabilitation of the Building in Calle San Máximo for EUR 775 thousand, additions of other property, plant and equipment in the same building for EUR 210 thousand, discharges for other

property, plant and information processing equipment amounting to EUR 78 thousand, radio link equipment for EUR 97 thousand and other property, plant and equipment for EUR 23 thousand.

The most significant disposals of property, plant and equipment in 2020 correspond to disposals of information processing equipment for EUR 74 thousand.

There were no disposals of property, plant and equipment in 2019.

### b) Fully depreciated property, plant and equipment

The items of property, plant and equipment fully depreciated at 31 December 2020 and 2019 are as follows:

	Thousands of Euros	
	2020	2019
Technical installations and machinery	2	1
Other property, plant and equipment	205	132
	<b>207</b>	<b>133</b>

### c) Other information

There were no purchases of property, plant and equipment from Group companies in 2020 nor in 2019.

At 31 December 2020 and 2019 the Company has no property, plant and equipment subject to restrictions on title or pledged as security for liabilities.

The Company has taken out insurance policies to cover the risk of damage to its property, plant and equipment. The coverage of these policies is considered sufficient.

## 8. Long-term investments in equity instruments of Group companies, jointly controlled companies and associates

Details of the movements in investments in Group companies, jointly controlled companies and associates are as follows:

	Thousands of Euros	
	2020	2019
<b>Balance at 1 January</b>		
<u>Investments</u>	<b>1,169,798</b>	<b>940,545</b>
Additions	118,598	229,253
<b>Balance at 31 December</b>	<b>1,288,396</b>	<b>1,169,798</b>

Investments in Group companies as of 31 December 2020 and 2019 include direct investments in the share capital of the following companies:

Company	Thousands of Euros	
	2020	2019
Prosegur Global CIT, S.L.U.	932,575	920,954
Prosegur Global CIT ROW, S.L.U.	223,841	215,641
Prosegur Avos España, S.L.	75,200	30,200
Prosegur Alpha3 Cashlabs, S.L.	5,216	3,003
Corresponsales Colombia SAS	15,325	—
Spike GmbH	25	—
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	36,214	—
	<b>1,288,396</b>	<b>1,169,798</b>

The following operations were carried out:

### a) Additions

During 2019 and 2020, the operations were as follows:

		Thousands of Euros	
		2020	2019
Prosegur Global CIT, S.L.U.	(1)	11,621	157,050
Prosegur Global CIT ROW, S.L.U.	(2)	8,200	39,000
Prosegur Avos España, S.L.	(3)	45,000	30,200
Prosegur Alpha3 Cashlabs, S.L.	(4)	2,213	3,003
Corresponsales Colombia SAS	(5)	15,325	—
Spike GmbH	(6)	25	—
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	(7)	36,214	—
	<b>Total</b>	<b>118,598</b>	<b>229,253</b>

#### (1) Prosegur Global CIT, S.L.U.:

- On 1 January 2020, the Company participated in the capital increase of the Prosegur Global CIT, S.L.U. by capitalising loan rights for an amount of EUR 11,621 thousand.
- On 1 January 2019, the Company participated in the capital increase of the company Prosegur Global CIT, S.L.U. for EUR 131,050 thousand through the partial depreciation of the credit right held against said Company.
- On 24 June 2019, the Company participated in the capital increase of the company Prosegur Global CIT, S.L.U. for EUR 26,000 thousand through the partial depreciation of the credit right held against it.

#### (2) Prosegur Global CIT ROW, S.L.U.

- On 1 January 2020 the Company participated in the capital increase of Prosegur Global CIT ROW, S.L.U., by capitalising loan rights for an amount of EUR 8,200 thousand.
- On 1 January 2019, a capital increase was made in the company for an amount of EUR 39,000 thousand through the partial depreciation of the credit right held against said Company.

#### (3) Prosegur Avos España, S.L.

- On 1 January 2020, the Company participated in the capital increase of Spanish company Prosegur Avos España, S.L. by capitalising loan rights for an amount of EUR 45,000 thousand.
- On 19 December 2019 the Company participated in the sale and purchase of shares in the Spanish company Prosegur Avos España, S.L. for EUR 30,200 thousand.

#### **(4) Prosegur Alpha3 Cashlabs, S.L.**

- On 21 September 2020, the Company participated in the capital increase of the Spanish company Prosegur Alpha3 Cashlabs, S.L. by cash contribution in an amount of EUR 2,213 thousand.
- On 14 March 2019, Prosegur Cash, S.A. constituted the Spanish company Prosegur Alpha3 Cashlabs, S.L. with a capital of EUR 3 thousand, paid in full. This company subsequently received the following capital contributions:
  - On 24 May 2019 the Company participated in the capital increase of the Spanish company Prosegur Alpha3 Cashlabs, S.L. by capitalising loans totalling EUR 2,250.
  - On 29 May 2019 the Company participated in the capital increase of the Spanish company Prosegur Alpha3 Cashlabs, S.L. by capitalising loans totalling EUR 450 thousand.
  - On 18 November 2019 the Company participated in the capital increase of the Spanish company Prosegur Alpha3 Cashlabs, S.L. by fully out laid cash contributions of EUR 300 thousand.

#### **(5) Corresponsales Colombia SAS**

- On 3 February 2020, the Company acquired shares in Corresponsales Colombia SAS, by monetary contribution, for an amount of EUR 15,325 thousand.

#### **(6) Prosegur Spike GmbH**

- On 23 June 2020, the Company acquired 100% of the capital of Spike GmbH, by monetary contribution, for an amount of EUR 25 thousand.

#### **(7) Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.**

- On 31 January 2020, the Company acquired shares in Transportadora Ecuatoriana de Valores TEVCOL Cia, Ltda. for an amount of EUR 32,470 thousand.
- On 31 January 2020, the Company acquired shares in Transportadora Ecuatoriana de Valores TEVSUR Cia Ltda. (taken over on 21 December 2020 by Transportadora Ecuatoriana de Valores TEVCOL Cia, Ltda.), for an amount of EUR 3,743 thousand.

#### **b) Impairment**

The Company annually evaluates the existence of indicators of impairment of the stakes in Group companies and estimates the recoverable value at the closing date of those entities for which there are signs of impairment. The impairment indicator was calculated by comparing the net book value of the stake with the net worth of the investee and the recoverable value of the entities with an impairment indicator was determined considering its value in use. Based on the analysis made, the Company did not record any valuation adjustments for stock impairment during 2020 and 2019.

### c) Investments in Group companies

Below is the information relating to shares held in Group companies as of 31 December 2020 and 2019:

2020

Name	Registered office	Activity	Shareholding
Prosegur Global CIT, S.L.U.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	100 %
Prosegur Global CIT ROW, S.L.U.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	100 %
Prosegur Avos España, S.L.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	100 %
Prosegur Alpha3 Cashlabs, S.L.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	93 %
Corresponsales Colombia SAS	Calle 11 No. 31-89 Oficina 501 Medellín - Colombia	Activity linked to the Cash business line	100 %
Spike GmbH	Kokkolastrasse 5, 40882 Ratingen	Activity linked to the Cash business line	100 %
Transportadora Ecuatoriana de Valores TEVCOI Cia Ltda.	Av. The press along with FAE N. 3558 Quito - Ecuador	Activity linked to the Cash business line	90 %

2019

Name	Registered office	Activity	Shareholding
Prosegur Global CIT, S.L.U.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	100 %
Prosegur Global CIT ROW, S.L.U.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	100 %
Prosegur Avos España, S.L.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	100 %
Prosegur Alpha3 Cashlabs, S.L.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	88 %

The breakdown of the shareholders' equity as of 31 December 2020 of the investments in Group companies in which the Company holds 100% of the share capital is as follows:

(Expressed in thousands of EUR)	Share capital	Partners' contributions	Share premium	Reserves	Profit/(loss) for the year	Dividend
Prosegur Global CIT, S.L.U.	3	168,672	708,286	109,099	104,327	(102,500)
Prosegur Global CIT ROW, S.L.U.	3	47,200	180,002	1	(70,286)	—
Prosegur Avos España, S.L.	3	41,888	2,600	1,208	13,613	(12,400)
Prosegur Alpha3 Cashlabs, S.L.	626	—	4,986	—	(294)	—
Corresponsales Colombia SAS	509	—	156	769	350	—
Spike GmbH	25	—	—	—	—	—
Transportadora Ecuatoriana de Valores TEVCOI Cia Ltda.	1	—	—	—	—	—

The breakdown of the shareholders' equity as of 31 December 2019 of the investments in Group companies in which the Company holds 100% of the share capital is as follows:

(Expressed in thousands of EUR)	Share capital	Partners' contributions	Share premium	Reserves	Profit/(loss) for the year	Dividend
Prosegur Global CIT, S.L.U.	3	157,050	708,286	171,697	185,243	(100,000)
Prosegur Global CIT ROW, S.L.U.	3	39,000	180,002	27,766	36,129	—
Prosegur Avos España, S.L.	3	—	2,600	(1,286)	(709)	—
Prosegur Alpha3 Cashlabs, S.L.	380	—	3,019	—	(11)	—

## 9. Financial assets by category

### Classification of the financial assets by categories

	Thousands of Euros		Thousands of Euros	
	2020		2019	
	At amortised cost or cost		At amortised cost or cost	
	Carrying amount	Total	Carrying amount	Total
<b>Non-current</b>				
<b>Long-term financial investments</b>				
Other financial assets	112	112	86	86
<b>Total current</b>	<b>112</b>	<b>112</b>	<b>86</b>	<b>86</b>
<b>Current</b>				
Loans and receivables				
Loans to Group companies (Note 18)	220,575	220,575	104,739	104,739
Other financial assets (Note 18)	224,142	224,142	15,914	15,914
Clients, Group companies and associates (Note 18)	19,393	19,393	21,222	21,222
Miscellaneous receivables	97	97	97	97
<b>Total current</b>	<b>464,207</b>	<b>464,207</b>	<b>141,972</b>	<b>141,972</b>
<b>Total financial assets</b>	<b>464,319</b>	<b>464,319</b>	<b>142,058</b>	<b>142,058</b>

The carrying amount of the financial assets valued at cost or at amortised cost is close to their fair value, given the non-significant effect of the discount.

In 2020, long-term bonds were established with other companies, amounting to EUR 112 thousand and recorded under the heading "Other financial assets" in the long term.

## 10. Financial investments and commercial debtors

### a) Classification by maturities

The classification of financial assets by maturities is as follows:

	Thousands of Euros	
	2020	2019
	Total	Total
<b>Long-term financial investments</b>		
Other financial assets	112	86
	<b>112</b>	<b>86</b>
<b>Investments in Group companies and associates:</b>		
Loans to companies (Note 18)	220,575	104,739
Other financial assets (Note 18)	224,142	15,914
	<b>444,717</b>	<b>120,653</b>
<b>Trade and other receivables</b>		
Clients, Group companies and associates (Note 18)	19,393	21,222
Miscellaneous receivables	97	97
	<b>19,490</b>	<b>21,319</b>
<b>Total</b>	<b>464,319</b>	<b>142,058</b>

### b) Other information on financial assets

#### Loans to companies

The breakdown of the loans as of 31 December 2020 is as follows:

Type	Currency	Interest rate	Maturity date	Thousands of Euros	
				Par value	Carrying amount Current
Group and associates					
MIV Gestión, S.A.	EUR	0.50%	31/12/2021	372	372
Prosegur Global CIT, S.L.U.	EUR	0.50%	31/12/2021	114,245	114,245
Prosegur Smart Cash Solutions, S.L.	EUR	0.50%	31/12/2021	1,266	1,266
Prosegur AVOS España, S.L.	EUR	0.50%	31/12/2021	1,417	1,417
Prosegur International CIT 1, S.L.	EUR	0.50%	31/12/2021	134	134
Inversiones CIT 2, S.L.U.	EUR	0.50%	31/12/2021	1,696	1,696
Prosegur Global CIT ROW, S.L.U.	EUR	0.50%	31/12/2021	27,458	27,458
Contesta Teleservicios, S.A.	EUR	0.50%	31/12/2021	631	631
Prosegur Colombia 1, S.L.U.	EUR	0.50%	31/12/2021	6,045	6,045
Prosegur Colombia 2, S.L.U.	EUR	0.50%	31/12/2021	5,925	5,925
Prosegur Servicios de Pago EP, S.L.U.	EUR	0.50%	31/12/2021	626	626
Prosegur Cash Services Germany GmbH	EUR	0.75%	31/12/2021	27,034	27,034
Luxpai CIT SARL	EUR	0.75%	31/12/2021	375	375
Armored Transport Plus Incorporated	Philippine Peso	7.35%	31/12/2021	3,410	3,410
Prosegur Australia Investments PTY Limited	Australian Dollar	2.50%	31/12/2021	29,941	29,941
<b>Total</b>				<b>220,575</b>	<b>220,575</b>

The breakdown of the loans as of 31 December 2019 is as follows:

Type	Currency	Interest rate	Maturity date	Thousands of Euros		
				Par value	Carrying amount Current	
Group and associates						
Prosegur Colombia 3, S.L.U.	EUR	0.75%	31/12/2020	8,240	8,240	
Prosegur AVOS España, S.L.	EUR	0.75%	31/12/2020	45,477	45,477	
Prosegur International CIT 1, S.L.	EUR	0.75%	31/12/2020	2,268	2,268	
Inversiones CIT 2, S.L.U.	EUR	0.75%	31/12/2020	49	49	
Prosegur Global CIT ROW, S.L.U.	EUR	0.75%	31/12/2020	16,568	16,568	
Prosegur Colombia 1, S.L.U.	EUR	0.75%	31/12/2020	4,725	4,725	
Prosegur Colombia 2, S.L.U.	EUR	0.75%	31/12/2020	4,631	4,631	
Prosegur Servicios de Pago EP, S.L.U.	EUR	0.75%	31/12/2020	181	181	
Risk Management Solutions, S.L.U.	EUR	0.75%	31/12/2020	1,657	1,657	
Compliofficer, S.L.U.	EUR	0.75%	31/12/2020	131	131	
Work 4 Data Lab, S.L.	EUR	0.75%	31/12/2020	549	549	
Enclama, S.L.	EUR	0.75%	31/12/2020	1	1	
Prosegur Cash Services Germany GmbH	EUR	1.00%	31/12/2020	10,000	10,000	
Luxpai CIT SARL	EUR	1.00%	31/12/2020	375	375	
Prosegur Global Resources Holding Philippines Incorporated	Philippine Peso	7.35%	31/12/2020	3,535	3,535	
Prosegur Transportadora de Caudales, S.A.	EUR	4.00%	31/12/2020	2,823	2,823	
Prosegur Australia Investments PTY Limited	Australian Dollar	3.75%	31/12/2020	3,466	3,466	
Prosegur Seguridad Privada Logistica y Gestion de Efectivo S.A. de CV	EUR	3.00%	31/12/2020	63	63	
<b>Total</b>				<b>104,739</b>	<b>104,739</b>	

### Other financial assets

Under this heading are the balances for the current accounts held with the different Group companies that include the payments and collections of the amounts to be paid/charged for the different services received/provided or other operations performed.

## 11. Cash and cash equivalents

Details of cash and cash equivalents at 31 December 2020 and 2019, are as follows:

	Thousands of Euros	
	2020	2019
Cash and other cash equivalents	161,947	40,982
<b>Total</b>	<b>161,947</b>	<b>40,982</b>

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

## 12. Net Equity

### a) Share capital

The Company was constituted by Prosegur Compañía de Seguridad, S.A. on 22 February 2016. The share capital of the Company was EUR three thousand, represented by 3,000 shares of EUR one par value each. The shareholdings were fully paid by Prosegur Compañía de Seguridad, S.A. through a monetary contribution.

The Company, by virtue of the agreement reached by the Sole Shareholder on 6 May 2016, increased its share capital by EUR one by issuing 1 new share of EUR one par value through a non-monetary contribution of 100% of the shares of the Spanish Prosegur Global CIT ROW, S.L.U. This capital increase was created with a total share premium of EUR 176,641 thousand.

Also by virtue of what was agreed upon by the Sole Shareholder on 26 July 2016, the Company increased its share capital by EUR 29,996,999 through the issuance of 29,996,999 new shares with a par value of EUR one, via a non-monetary contribution of 100% of the shares of the Spanish Prosegur Global CIT, S.L.U. This capital increase was made with a total share premium of EUR 733,907 thousand.

On 21 September 2016, the Sole Shareholder agreed to turn the Company into a public limited company and replace the 30,000,000 participations with a par value of EUR one each for 300,000,000 new nominative shares with a par value of EUR 0.10 each, all of the new shares being attributed to Prosegur Compañía de Seguridad, S.A.

On 30 November 2016 Prosegur Compañía de Seguridad, S.A. underwent a capital increase of the Spanish company Prosegur Assets Management, S.L.U. through the contribution of 49% of the shares of Prosegur Cash, S.A.

On 19 December 2016, the Shareholders' Meeting of the Company agreed to split each share of EUR 0.10 of par value into 5 shares of EUR 0.02 of par value, in such a way that the share capital became divided into 1,500,000,000 shares of EUR 0.02 of par value each. Likewise, it was agreed to transform the representation system of the Company shares from registered securities into book entries.

Associated with the reinvestment programme of the third payment of the dividend, the capital increase agreed by the Board of Directors under item 9 of the agenda of the Shareholders General Meeting of the Company held on 6 February 2017 was executed on 3 July 2020. The increase was registered on 6 July 2020. The capital increase was charged against monetary contributions from the Company for an amount of EUR 421,159.06, through the issuance of 21,057,953 ordinary shares with a par value of 0.02 each and a share premium of EUR 16,381,508.08.

On the other hand, on 5 October 2020 and associated with the reinvestment programme of the fourth dividend payment, the capital increase resolved by the Board of Directors under item 9 of the agenda of the Company's General Shareholders Meeting dated 6 February 2017 was executed. The increase was registered on 6 October 2020. The increase was charged against monetary contributions from the Company for a capital increase in the amount of EUR 469,560.52, through the issuance of 23,478,026 ordinary shares with a par value of 0.02 each and a share premium of EUR 16,752,173.86.

At 31 December 2020, the share capital of the Company totals EUR 30,891 thousand (EUR 30,000 thousand in 2019) and is represented by 1,544,535,979 shares with a par value of EUR 0.02 each, fully subscribed and paid. These shares are listed on the Madrid, Barcelona, Valencia and Bilbao Stock Markets and are traded via the Spanish Stock Market Interconnection System (electronic trading system) (SIBE).

These shares are freely transferable.

Details of the Company's shareholders are as follows:

Shareholders	Number of shares	
	31/12/2020	%
Ms Helena Revoredo Delvecchio (1)	1,158,046,095	74.98 %
Invesco Limited (2)	41,900,012	2.71 %
Others	344,589,872	22.31 %
<b>Total</b>	<b>1,544,535,979</b>	<b>100.00 %</b>

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

(2) Investment through various funds managed.

## b) Own shares and equity holdings

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

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

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

The Programme has the following features:

- a) Maximum amount allocated to the Programme: EUR 40,000 thousand.
- b) Maximum number of shares that can be acquired: up to 45,000,000 shares representing approximately 3% of the Company's share capital.
- c) Maximum price per share: shares are purchased in compliance with the price and volume limits established in the Regulations. In particular, the Company cannot buy shares at a price higher than the highest of the following: (i) the price of the last independent trade; or (ii) that corresponding to the highest current independent bid on the trading venues where the purchase is carried out.

- d) Maximum volume per trading session: insofar as volume is concerned, the Company will not purchase more than 25% of the average daily volume of the shares in any one day on the trading venues on which the purchase is carried out.
- e) Duration: the Programme has a maximum duration of one year. Notwithstanding the above, the Company reserves the right to conclude the Programme if, prior to the end of said maximum term of one year, it has acquired the maximum number of shares authorised by the Board of Directors, if it has reached the maximum monetary amount of the Programme or if any other circumstances arise that call for it.

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

### **c) Dividends**

Dividends distributed to Company shareholders are recognised as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's General Shareholders Meeting. Interim dividends will also be revealed as a liability in the Company's annual accounts in the year in which the interim payment is approved by the Board of Directors.

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

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

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

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

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

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

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

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

At 31 December 2020, the treasury stock held by Prosegur Cash, S.A. is composed of 23,436,659 shares (2019: 1,119,862 shares), of which 768,667 (2019: 696,866) are linked to the liquidity agreement that entered into force on 11 July 2017.

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

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

Prosegur Cash holds 1.43% (2019: 0.07%) of Treasury stock.

## 13. Financial liabilities by category

### a) Classification of financial liabilities by category

The classification of financial liabilities by categories and classes, as well as the comparison of fair value and carrying amount is as follows:

		Thousands of Euros				
		2020				
		At amortised cost or cost				
	Debtures and other negotiable securities	Debts with credit institutions	Payables to Group companies	Trade and other payables	Other financial liabilities	Total
<b>Non-currents</b>						
Debts and payables (Note 14)	595,576	155,000	282,826	—	4,612	1,038,014
	<b>595,576</b>	<b>155,000</b>	<b>282,826</b>	<b>—</b>	<b>4,612</b>	<b>1,038,014</b>
<b>Current</b>						
Debts and payables (Note 14)	7,471	77,112	443,672	10,850	18,803	557,908
<b>Total</b>	<b>603,047</b>	<b>232,112</b>	<b>726,498</b>	<b>10,850</b>	<b>23,415</b>	<b>1,595,922</b>

		Thousands of Euros				
		2019				
		At amortised cost or cost				
	Debtures and other negotiable securities	Debts with credit institutions	Payables to Group companies	Trade and other payables	Other financial liabilities	Total
<b>Non-currents</b>						
Debts and payables (Note 14)	593,306	—	—	—	—	593,306
	<b>593,306</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>593,306</b>
<b>Current</b>						
Debts and payables (Note 14)	8,872	75,635	552,356	45,248	17,975	700,086
	<b>8,872</b>	<b>75,635</b>	<b>552,356</b>	<b>45,248</b>	<b>17,975</b>	<b>700,086</b>
<b>Total</b>	<b>602,179</b>	<b>75,635</b>	<b>552,356</b>	<b>45,248</b>	<b>17,975</b>	<b>1,293,392</b>

### Debentures and other negotiable securities

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

The carrying amount of the financial liabilities valued at cost or at amortised cost is close to their fair value, given the non-significant effect of the discount.

## 14. Financial debts and commercial creditors

### a) Debts with credit institutions

The current and non-current debts with credit institutions at 31 December 2020 are the following:

Thousands of Euros				
2020				
Type	Interest rate	Maturity	Par value	Outstanding debt at 31/12/2020
Bank borrowings	Eur+margin	15/04/2021	40.000	40.005
Bank borrowings	Eur+margin	28/02/2025	155.003	155.003
Bank borrowings	Eur+margin	12/10/2021	15.000	15.005
Bank borrowings	Eur+margin	27/02/2021	15.000	15.000
Loan agreement	Eur+margin	10/05/2021	10.000	7
Loan agreement	Eur+margin	04/11/2021	15.000	7.077
Loan agreement	Eur+margin	28/06/2021	5.000	6
Loan agreement	Eur+margin	31/07/2021	3.000	3
Loan agreement	Eur+margin	30/10/2021	5.000	—
Loan agreement	Eur+margin	12/10/2021	15.000	—
Loan agreement	Eur+margin	10/12/2021	5.000	6
Loan agreement	Eur+margin	15/10/2021	15.000	—
<b>Total</b>				<b>232.112</b>

The current and non-current debts with credit institutions at 31 December 2019 are the following:

Thousands of Euros				
2019				
Type	Interest rate	Maturity	Par value	Outstanding debt at
Bank borrowings	Eur+margin	14/02/2020	40.000	40.006
Bank borrowings	Eur+margin	27/02/2020	20.000	20.000
Bank borrowings	Eur+margin	12/03/2020	15.000	15.015
Loan agreement	Eur+margin	10/05/2020	10.000	8
Loan agreement	Eur+margin	04/11/2020	15.000	23
Loan agreement	Eur+margin	28/06/2020	5.000	6
Loan agreement	Eur+margin	31/07/2020	3.000	3
Loan agreement	Eur+margin	25/05/2020	5.000	567
Loan agreement	Eur+margin	12/10/2020	15.000	—
Loan agreement	Eur+margin	10/12/2020	5.000	7
Loan agreement	Eur+margin	04/11/2020	15.000	—
<b>Total</b>				<b>75,635</b>

### Syndicated credit facility

On 10 February 2017, Prosegur Cash, S.A. arranged a new five-year syndicated credit financing facility of EUR 300,000 thousand to afford the Company long-term liquidity. On 7 February 2019 this syndicated credit facility in the form of a loan was novated, and its maturity was extended by another 5 years. In February 2020 the maturity was extended until February 2025. As of 31 December 2020, there are EUR 155,000 thousand of available balance of this credit (as of 31 December 2019 there was EUR 20,000 thousand balance associated with this credit).

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

In addition, this financing has the guarantees granted by the following subsidiaries of Prosegur Cash, S.A.: Prosegur Brasil, S.A. Transportadora de Valores e Segurança (Brazil), Transportadora de Caudales Juncadella, S.A. (Argentina) and Compañía de Seguridad Prosegur, S.A. (Peru). This contract has the following obligatory covenant ratios:

- The net financial debt/EBITDA ratio should be less than 3.5.
- The EBITDA/finance costs ratio should be higher than 5.

At the close of the year, the Company is in compliance with the aforementioned ratios.

## b) Payables to Group companies

The breakdown of the debts as of 31 December 2020 is as follows (Note 18):

Thousands of Euros					
Type	Currency	Interest rate	Maturity	Par value	Current
<b>Loans with group companies</b>					
Transportadora de Caudales Juncadella, S.A.	EUR	0.50%	31/12/2021	30,089	30,089
Prosegur Brasil S/A Transportadora de Valores e Segurança	EUR	0.50%	31/12/2021	64,773	64,773
Prosegur Servicios de Efectivo España, S.L.U. (*)	EUR	0.50%	31/12/2021	10,528	10,528
Armor Acquisition, S.A. (*)	EUR	0.50%	31/12/2021	4,866	4,866
Juncadella Prosegur Internacional, S.A. (*)	EUR	0.50%	31/12/2021	152,898	152,898
Risk Management Solutions (*)	EUR	0.50%	31/12/2021	2,021	2,021
Integrum 2008, S.L.U. (*)	EUR	0.50%	31/12/2021	587	587
Bloggers Broker, S.L. (*)	EUR	0.50%	31/12/2021	901	901
Contesta Servicios Auxiliares, S.L. (*)	EUR	0.50%	31/12/2021	664	664
Prosegur Alpha3 Cashlabs, S.L. (*)	EUR	0.50%	31/12/2021	52	52
Compliofficer, S.L.U. (*)	EUR	0.50%	31/12/2021	115	115
Work 4 Data Lab, S.L. (*)	EUR	0.50%	31/12/2021	343	343
Pitco Reinsurance, S.A.	EUR	0.50%	31/12/2021	24,443	24,443
					—
					<b>292,280</b>
<b>Other financial liabilities</b>					
Compañía de Seguridad Prosegur, S.A. (**)	EUR		31/12/2021	6,644	6,644
Malcoff Holdings BV (**)	EUR		31/12/2021	300	300
Prosegur Servicios de Efectivo España, S.L.U. (**)	EUR		31/12/2021	8	8
Prosegur AVOS España, S.L. (**)	EUR		31/12/2021	75	75
Prosegur Internationale Handels GmbH (**)	EUR		31/12/2021	1,539	1,539
Prosegur Cash Services Germany GmbH (**)	EUR		31/12/2021	3,371	3,371
Prosegur Global CIT, S.L.U. (**)	EUR		31/12/2021	94,521	94,521
Contesta Servicios Auxiliares, S.L. (**)	EUR		31/12/2021	1	1
Risk Management Solutions (**)	EUR		31/12/2021	1	1
					<b>106,460</b>
<b>Short-term payables to Group companies and associates</b>					
Prosegur Compañía de Seguridad, S.A.	EUR			31,942	31,942
Prosegur Assets Management, S.A.	EUR			12,990	12,990
					<b>44,932</b>
<b>Long-term payables to Group companies and associates</b>					
Armor Acquisition, S.A.	EUR	0.50%	31/12/2025	65,362	65,362
Juncadella Prosegur Internacional, S.A.	EUR	0.50%	31/12/2025	217,464	217,464
					<b>282,826</b>
<b>Total</b>					<b>726,498</b>

(\*) These balances are a consequence of the daily sweeping of cash-pooling accounts (Note 23)

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

The breakdown of the debts as of 31 December 2019 is as follows (Note 18):

Thousands of Euros					
Type	Currency	Interest rate	Maturity	Par value	Current
<b>Loans with group companies</b>					
Transportadora de Caudales Juncadella, S.A.	EUR	0.75%	31/12/2020	30,554	30,554
Prosegur Brasil S/A Transportadora de Valores e Segurança	EUR	0.75%	31/12/2020	64,850	64,850
Compañía de Seguridad Prosegur, S.A.	EUR	4.00%	31/12/2020	53	53
MIV Gestión, S.A.	EUR	0.75%	31/12/2020	202	202
Prosegur Servicios de Efectivo España, S.L.U.	EUR	0.75%	31/12/2020	31,258	31,258
Prosegur Global CIT, S.L.U.	EUR	0.75%	31/12/2020	39,751	39,751
Armor Acquisition, S.A.	EUR	0.75%	31/12/2020	65,362	65,362
Juncadella Prosegur Internacional, S.A.	EUR	0.75%	31/12/2020	217,464	217,464
Contesta Teleservicios, S.A.	EUR	0.75%	31/12/2020	1,668	1,668
Integrum 2008, S.L.U.	EUR	0.75%	31/12/2020	666	666
Bloggers Broker, S.L.	EUR	0.75%	31/12/2020	1,402	1,402
Contesta Servicios Auxiliares, S.L.	EUR	0.75%	31/12/2020	1,592	1,592
Prosegur Alpha3 Cashlabs, S.L.	EUR	0.75%	31/12/2020	350	350
Prosegur Internationale Handels GmbH	EUR	0.75%	31/12/2020	3,011	3,011
Empresa de Transportes Cia de Seguridad Chile Ltda.	EUR	0.75%	31/12/2020	2,863	2,863
Malcoff Holdings BV	EUR	0.75%	31/12/2020	100	100
Pitco Reinsurance, S.A.	EUR	0.75%	31/12/2020	13,076	13,076
					<b>474,222</b>
<b>Other financial liabilities</b>					
MIV Gestión SA (**)	EUR		31/12/2020	3	3
Prosegur AVOS España, S.L. (**)	EUR		31/12/2020	6	6
Armor Acquisition, S.A. (**)	EUR		31/12/2020	535	535
Prosegur Global CIT ROW, S.L.U. (**)	EUR		31/12/2020	30,200	30,200
Singpai Alarms Private Ltd (**)	EUR		31/12/2020	2	2
					<b>30,746</b>
<b>Short-term payables to Group companies and associates</b>					
Prosegur Compañía de Seguridad, S.A.	EUR			33,335	33,335
Prosegur Assets Management, S.A.	EUR			14,053	14,053
					<b>47,388</b>
<b>Total</b>					<b>552,356</b>

(\*) These balances are a consequence of the daily sweeping of cash-pooling accounts (Note 23)

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

Likewise, the heading “short-term payables to Group companies and associates” recognises the amounts due for dividends.

**c) Trade payables**

The breakdown of balances with commercial creditors is as follows:

	Thousands of Euros	
	<u>2020</u>	<u>2019</u>
<b>Current</b>		
Suppliers, Group companies and associates (Note 18)	6,511	40,232
Sundry accounts payable	2,833	3,892
Personnel (salaries payable)	1,506	1,124
<b>Total</b>	<u><u>10,850</u></u>	<u><u>45,248</u></u>

The suppliers section contains the outstanding trademark billing. The Personnel section (salaries payable) includes the accrued incentive, payable in cash, corresponding to the 2020 Plan, for EUR 611 thousand (EUR 840 thousand in 2019) (Note 25.9).

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

**d) Classification by maturities**

The classification of financial liabilities by maturities at 31 December 2020 is as follows:

	Thousands of Euros					
	<u>2020</u>					
	<u>Financial liabilities</u>					
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Subsequent years</u>	<u>Total</u>
Debts with credit institutions	77,112	—	—	—	155,000	<b>232,112</b>
Debentures and other negotiable securities	7,471	—	—	—	595,576	<b>603,047</b>
Other financial liabilities (Note 5)	18,803	2,291	1,287	1,034	—	<b>23,415</b>
Payables to Group companies (Note 18)	443,672	—	—	—	282,826	<b>726,498</b>
Suppliers, Group companies and associates (Note 18)	6,511	—	—	—	—	<b>6,511</b>
Sundry accounts payable	2,833	—	—	—	—	<b>2,833</b>
Personnel (salaries payable)	1,506	—	—	—	—	<b>1,506</b>
<b>Total</b>	<u><u>557,908</u></u>	<u><u>2,291</u></u>	<u><u>1,287</u></u>	<u><u>1,034</u></u>	<u><u>1,033,402</u></u>	<u><u>1,595,922</u></u>

The classification of financial liabilities by maturities at 31 December 2019 is as follows:

	Thousands of Euros					
	2019					
	Financial liabilities					
	2020	2021	2022	2023	Subsequent years	Total
Debts with credit institutions	75,635	—	—	—	—	75,635
Debentures and other negotiable securities	8,872	—	—	—	593,306	602,178
Other financial liabilities (Note 5)	17,975	—	—	—	—	17,975
Payables to Group companies (Note 18)	552,356	—	—	—	—	552,356
Suppliers, Group companies and associates (Note 18)	40,232	—	—	—	—	40,232
Sundry accounts payable	3,892	—	—	—	—	3,892
Personnel (salaries payable)	1,124	—	—	—	—	1,124
<b>Total</b>	<b>700,086</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>593,306</b>	<b>1,293,392</b>

**e) Deferred payments to suppliers. Third additional provision. “Reporting Requirement”, of Act 15/2010 of 5 July 2010**

The information required by the “Reporting Requirement”, third additional provision of Act 15/2010 of 5 July (modified through the Final Provision Two of Act 31/2014, of 3 December) prepared in accordance with the ICAC Resolution of 29 January 2016, on the information to be included in the annual accounts report in relation to the average period of payment to suppliers in commercial operations is detailed below.

	2020	2019
	<b>Days</b>	
Average payment period to suppliers	59	59
Ratio of transactions paid	59	57
Ratio of transactions pending payment	27	76
	<b>Amount</b>	
	<b>Thousands of Euros</b>	
Total payments made	14,006	23,530
Total payments pending	109	2,203

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

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

The maximum legal term of payment applicable to the companies in 2020 and 2019, according to Act 11/2013, of 26 July, is of 30 days (unless the conditions set forth in the Act allowing the maximum payment period to be raised to 60 days are fulfilled).

## 15. Taxation

Details of balances with public entities are as follows:

	Thousands of Euros			
	2020		2019	
	No Current	Current	No Current	Current
<b>Assets</b>				
Deferred tax assets	801	—	535	—
Value added tax and similar liabilities	—	3,698	—	3,971
	<b>801</b>	<b>3,698</b>	<b>535</b>	<b>3,971</b>
<b>Liabilities</b>				
Social Security	—	93	—	84
Withholdings	—	284	—	1,369
	<b>—</b>	<b>377</b>	<b>—</b>	<b>1,453</b>

Prosegur Compañía de Seguridad, S.A., the majority shareholder of the Company is the parent company of a group that is taxed Corporate Income Tax under the fiscal consolidation regime in Spain. As well as Prosegur Compañía de Seguridad, S.A. as the parent, this consolidated tax group comprises the Spanish subsidiaries that meet the requirements set out in regulations governing consolidated taxation.

Pursuant to tax legislation in force for 2016 and following years, the Company's tax loss carryforwards may only be offset up to a maximum of 25% of taxable income prior to offset.

On 27 November 2013, the Official State Gazette (BOE) published the modifications to the Corporate Income Tax Act, which establishes, among other aspects, the reduction over two years of the general Corporate Income Tax rate, which, as of 1 January 2016 was at 25%.

Due to the different interpretations that could be made of the fiscal legislation in force, additional tax liabilities could arise in the event of inspection. In any event, the Directors of the Company do not consider that any such liabilities that could arise would have a significant effect on the consolidated annual accounts.

### Income tax

The reconciliation of the accounting result and the corporate income tax carry forward is as follows:

	Thousands of Euros	
	2020	2019
<b>Account finance income before tax</b>	<b>295,534</b>	<b>85,294</b>
Permanent differences	(316,490)	(98,952)
Timing differences:	953	(1,387)
- Originating in the current period	2,718	1,733
- Arising in previous years	(1,765)	(3,120)
<b>Taxable base for tax consolidation</b>	<b>(20,003)</b>	<b>(15,045)</b>
Tax rate	25 %	25 %
<b>Resulting tax payable</b>	<b>(5,001)</b>	<b>(3,761)</b>
Deductions:	(2,395)	(5,044)
- Double taxation	(1,737)	(4,235)
- Other deductions	(273)	(809)
- Contributions made to Foundations	(385)	—
<b>Tax payable</b>	<b>(7,396)</b>	<b>(8,805)</b>

The permanent differences of the accounting profit for the year 2020 correspond to items that do not have a tax deductible expense or taxable revenue, which are mainly: the exemption of dividends received from its subsidiaries Prosegur Global CIT, S.L., Global CIT ROW, S.L. and Prosegur AVOS España, SL. for EUR 63,894, 241,700 and 12,400 thousand respectively (2019: EUR 100,000 thousand from Prosegur Global CIT, S.L.), EUR 282 thousand correspond to taxes paid abroad, which cannot benefit from the deduction for international double taxation (2019: EUR 58 thousand) and contributions to foundations for a positive amount of EUR 1,100 thousand (2019: EUR 1,106 thousand).

The main temporary difference adjustments to accounting profit originating in the year that are deductible in subsequent years are as follows:

1. Positive:

- Provision for personnel expenses, amounting to EUR 611 thousand (2019: EUR 1,668 thousand).
- Other adjustments amounting to EUR 2,108 thousand corresponding to depreciations and provisions (2019: EUR 65 thousand).

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

1. Positive:

- Application for EUR 1 thousand (2019: EUR 1 thousand), corresponding to the reversal of the negative adjustment of items of fixed assets subject to the freedom to amortise for 2009, 2010 and 2011.

2. Negative:

- Reversal of provisions from previous years amounting to EUR 1,766 thousand (EUR 3,119 thousand in 2019).

In financial year 2020, the deductions correspond to the deduction for international double taxation related to taxes paid abroad for various services amounting to EUR 1,737 thousand (2019: EUR 4,235 thousand), deduction in technological innovation for EUR 273 thousand (2019: EUR 422 thousand) and the deduction for donations to non-profit entities amounting to EUR 385 thousand (2019: EUR 387 thousand).

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

	Thousands of Euros	
	2020	2019
<b>Account finance income before tax</b>	<b>295,534</b>	<b>85,294</b>
Permanent differences	(316,490)	(98,952)
Elimination of own shares transactions	(48)	1
<b>Taxable base</b>	<b>(21,004)</b>	<b>(13,657)</b>
Tax rate	25 %	25 %
<b>Resulting tax payable</b>	<b>(5,251)</b>	<b>(3,414)</b>
Deductions:	(2,395)	(5,044)
- Double taxation	(1,737)	(4,235)
- Other deductions	(658)	(809)
<b>Expense (income) tax on profit</b>	<b>(7,646)</b>	<b>(8,458)</b>
Withholdings at source and other	1,185	4,267
<b>Final expense (income) tax on profit</b>	<b>(6,461)</b>	<b>(4,191)</b>

The corporate income tax expense is as follows:

	Thousands of Euros	
	2020	2019
Current tax	(7,396)	(8,805)
Elimination of own shares transactions	(12)	—
Deferred tax	(238)	347
Adjustments from previous years	1,185	4,267
	<b>(6,461)</b>	<b>(4,191)</b>

On 28 November 2016, by agreement of the then sole shareholder of the company Prosegur Cash, S.A., the company's admission was approved to the special regime of the Entities for the Holding of Foreign Securities provided for in Act 27/2014, of 27 November, on Corporate Income Tax. This was duly communicated to the Administration in a timely manner.

There were no restructuring operations during the 2019 and 2020 financial years.

The difference in value in both cases derives from the accounting entries at consolidated value of the acquired assets.

List of tax benefits of the transferring entity, with respect to which the entity must assume compliance with certain requirements in accordance with art. 84 LIS: Not taken

#### Deferred taxes

Tax assets and tax liabilities are offset when the Company currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Movement in deferred tax is as follows:

	Thousands of Euros				
	Opening balance	Other adjustments	Disposals	Additions	Closing balance
<b>2020</b>					
<b>Deferred tax assets</b>					
Intangible asset amortisation	96	16	—	18	131
Other provisions	439	12	(289)	509	670
	<b>535</b>	<b>28</b>	<b>(289)</b>	<b>527</b>	<b>801</b>
<b>2019</b>					
<b>Deferred tax assets</b>					
Intangible asset amortisation	64	16	—	16	96
Other provisions	861	(59)	(363)	—	439
	<b>925</b>	<b>(43)</b>	<b>(363)</b>	<b>16</b>	<b>535</b>

## 16. Contingencies

### a) Contingent liabilities

The Company has contingent liabilities from litigation arising in the ordinary course of business which are not expected to give rise to significant liabilities.

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

Guarantees provided by the Company to third parties at year end are as follows:

	Thousands of Euros	
	2020	2019
Commercial guarantees	616	—
Financial guarantees	67	37
	<b>683</b>	<b>37</b>

Financial guarantees essentially include those relating to litigations in process.

### b) Contingent assets

At 31 December 2020 and 2019 the Company has no contingent assets.

### c) National Commission on Markets and Competition

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

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

On 13 February 2017, the National Court accepted the appeal proposed by Prosegur for processing, commencing the relevant proceedings, prior to formal filing of the appeal. On 6 September 2019, Prosegur filed the relevant appeal which at present remains pending resolution by the National Court in respect of the underlying matter.

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

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

## 17. Commitments

### a) Purchase commitments for fixed assets

At 31 December 2020, the commitments correspond mainly to the purchase of hardware and software development amounting to EUR 92 thousand (EUR 144 thousand at 31 December 2019).

### b) Operating lease commitments

At 31 December 2020, the commitments correspond mainly to the rental of vehicles under non-cancellable operating leases amounting to EUR 100 thousand (EUR 26 thousand at 31 December 2019).

## 18. Balances and transactions with related parties

### a) Related Party Balances

The breakdown of the balances by categories is the following:

	Thousands of Euros				
	2020				
	Financial assets			Financial liabilities	
	Current			Current	
Credits (Note 9)	Debtors (Note 9)	Other financial assets (Note 9)	Debts (Note 13)	Suppliers (Note 13)	
<b>Group Companies</b>					
Prosegur SIS España, S.L.	—	1	211	—	(36)
Prosegur Compañía de Seguridad, S.A.	—	1,535	19,149	(38,587)	(1,344)
Prosegur Gestión de Activos, S.L.U.	—	1	—	—	(400)
MIV Gestión, S.A.	373	—	—	—	(1)
Prosegur Ciberseguridad	—	1	—	—	—
Prosegur Assets Management, S.L.U.	—	—	—	(12,990)	—
Prosegur Global SIS, S.L.U.	—	—	—	—	(1)
Prosegur Servicios de Efectivo España, S.L.U.	—	452	—	(10,535)	(21)
Prosegur Global CIT, S.L.U.	114,245	—	102,500	(94,521)	—
Prosegur Smart Cash Solutions, S.L.	1,266	—	1	—	—
Prosegur Avos España, S.L.U.	1,417	677	—	(75)	(1,057)
Armor Acquisition, S.A.	—	—	2,190	(4,866)	—
Juncadella Prosegur Internacional, S.A.	—	—	93,731	(152,898)	—
Prosegur International CIT 1, S.L.	134	—	—	—	—
Prosegur International CIT 2, S.L.U.	1,696	—	—	—	—
Prosegur Global CIT ROW, S.L.U.	27,458	2,298	13	—	(4)
ESC Servicios Generales, S.L.U.	—	—	—	—	(14)
Contesta Teleservicios	631	21	—	—	—
Integrum 2008	—	—	—	(587)	—
Bloggers Brokers	—	—	—	(901)	—
Contesta Servicios Auxiliares	—	—	—	(665)	—
Prosegur Colombia 1, S.L.U.	6,045	—	3	—	—
Prosegur Colombia 2, S.L.U.	5,925	—	3	—	—
Prosegur Servicios de Pago EP, S.L.U.	626	—	—	—	—
Risk Management Solutions	—	14	—	(2,022)	—
Compliofficer, S.L.U.	—	5	1	(115)	—
Work 4 Data Lab, S.L.	—	—	1	(343)	—
Prosegur Alpha3 Cashlab	—	—	2,245	(52)	—
Dinero Gelt, S.L.	—	—	—	—	(2)
CASH Centroamerica Uno, S.L.	—	—	1	—	—
Garantis Sumarmas, S.L.	—	—	700	—	—
Transportadora de Caudales Juncadella, S.A.	—	8,663	—	(30,088)	(1,992)
Prosegur Brasil S/A Transportadora de Valores e Segurança	—	5,092	—	(64,773)	(1,092)
Compañía Transportadora	—	—	—	—	(44)
Compañía de Seguridad Prosegur, S.A.	—	23	—	—	—
Prosegur Cajeros, S.A.	—	—	—	—	(2)
Prosegur Internationale Handels GmbH	—	—	—	(1,539)	—
Prosegur Cash Services Germany GmbH	27,034	—	3,371	(3,371)	—
SIS Cash Services Private Ltd.	—	81	—	—	—
Servicios Prosegur Ltda.	—	—	—	—	(29)
Malcoff Holdings BV	—	—	—	(300)	—
Pitco Reinsurance, S.A.	—	—	—	(24,444)	—
Luxpai CIT SARL	375	2	—	—	—
Prosegur Logística e Tratamento de Valores Portuual SA	—	—	—	—	(327)
Armored Transport Plus Incorporated	3,410	—	—	—	—
Sinapai Pte Ltd	—	—	—	—	(36)
Prosegur Australia Investments PTY Limited	29,940	—	—	—	—
Consultoría de Negocios CCR Consulting Costa Rica, S.A.	—	483	—	—	—
Prosegur Transportadora de Caudales, S.A.	—	32	22	—	—
Prosegur Paraguav, S.A.	—	12	—	—	—
Prosegur Australia Pty Limited	—	—	—	—	(109)
<b>Total</b>	<b>220,575</b>	<b>19,393</b>	<b>224,142</b>	<b>(443,672)</b>	<b>(6,511)</b>

	Thousands of Euros				
	2019				
	Financial assets			Financial liabilities	
	Current			Current	
Credits (Note 9)	Debtors (Note 9)	Other financial assets (Note 13)	Debts (Note 13)	Suppliers (Note 13)	
Group Companies					
Prosegur SIS España, S.L.	—	—	—	—	(50)
Prosegur Compañía de Seguridad, S.A.	—	—	15,838	(33,335)	(30,480)
Prosegur Gestión de Activos, S.L.U.	—	—	1	—	(3,713)
MIV Gestión, S.A.	—	112	—	(205)	(1)
Prosegur Assets Management, S.L.U.	—	—	—	(14,053)	—
Prosegur Global SIS, S.L.U.	—	—	—	(31,258)	(2)
Prosegur Servicios de Efectivo España, S.L.U.	—	5,955	—	—	(176)
Prosegur Global CIT, S.L.U.	—	3,579	—	(39,751)	—
Prosegur Berlin, S.L.U.	8,236	8	—	—	—
Prosegur Avos España, S.L.U.	45,478	994	—	(6)	(691)
Armor Acquisition, S.A.	—	—	4	(65,897)	—
Juncadella Prosegur Internacional, S.A.	—	—	70	(217,464)	(2,412)
Prosegur International CIT 1, S.L.	2,268	15	—	—	—
Prosegur International CIT 2, S.L.U.	49	—	—	—	—
Prosegur Global CIT ROW, S.L.U.	16,572	1,470	1	(30,200)	(22)
Contesta Teleservicios	—	—	—	(1,668)	(16)
Integrum 2008	—	—	—	(666)	(5)
Bloggers Brokers	—	—	—	(1,402)	(2)
Contesta Servicios Auxiliares	—	218	—	(1,592)	(9)
Prosegur Colombia 1, S.L.U.	4,725	36	—	—	—
Prosegur Colombia 2, S.L.U.	4,631	36	—	—	—
Prosegur Servicios de Pago EP, S.L.U.	181	—	—	—	—
Risk Management Solutions	1,657	177	—	—	—
Compliofficer, S.L.U.	131	1	—	—	—
Work 4 Data Lab, S.L.	549	3	—	—	—
Prosegur Alpha3 Cashlab	—	6	—	(350)	—
Transportadora de Caudales Juncadella, S.A.	—	2,593	—	(30,553)	(973)
TSR Participações	—	64	—	—	0
Prosegur Brasil S/A Transportadora de Valores e Segurança	—	1,818	—	(64,850)	(1,310)
Prosegur Brasil, S.A.	—	—	—	—	(134)
Compañía Transportadora	—	48	—	—	—
Newco	—	273	—	—	—
Compañía de Seguridad Prosegur, S.A.	—	2,934	—	(53)	—
Prosegur Cajeros, S.A.	—	114	—	—	—
Prosegur Internationale Handels GmbH	—	—	—	(3,012)	—
Prosegur Cash Services Germany GmbH	10,000	248	—	—	—
SIS Cash Services Private Ltd.	—	53	—	0	0
Servicios Prosegur Ltda.	—	2	—	—	(4)
Empresa de Transportes Cia de Seguridad Chile Ltda.	—	—	—	(2,863)	—
Prosegur Seguridad Privada Logistica y Gestion de Efectivo S.A. de CV	63	—	—	—	0
Grupo Mercurio de Transportes SA de CV	—	78	—	—	0
Malcoff Holdings BV	—	—	—	(100)	—
Pitco Reinsurance, S.A.	375	—	—	(13,076)	—
Luxpai CIT SARL	—	2	—	—	—
Prosegur Logistica e Tratamento de Valores Portugal SA	—	160	—	—	(7)
Prosegur Global Resources Holding Philippines Incorporated	3,535	—	—	—	—
Singpai Pte Ltd	—	—	—	(2)	(225)
Prosegur Transportadora de Caudales, S.A.	2,823	225	—	—	—
Prosegur Australia Investments PTY Limited	3,466	—	—	—	—
<b>Total</b>	<b>104,739</b>	<b>21,222</b>	<b>15,914</b>	<b>(552,356)</b>	<b>(40,232)</b>

Receivables and suppliers mostly reflect the outstanding balances relating to invoices for centralised services issued to and received from, respectively, the various Group companies.

Financial assets - the loans correspond, on the one hand, to short-term loans delivered to Group companies within the framework of the centralised treasury management. These are denominated in EUR, accruing annual interest of 0.5% in Spain (0.75% in 2019), 0.75% in Germany (1% in 2019) and 0.75% in Luxembourg (1% in 2019). We also found short-term loans granted to subsidiaries in Australia in AUD and in Uruguay in EUR, accruing annual interest 2.5 % in Australia (3.75% in 2019) and 4.00 % in Uruguay (4.00% in 2019). Interest accrued amounted to EUR 1,022 thousand in 2020 (EUR 1,490 thousand in 2019).

Financial liabilities - the debts correspond, on the one hand, to short-term loans received from Group companies within the framework of the centralised treasury management. They are denominated mainly in EUR, accruing annual interest of 0.75% in Germany (0.5% in 2019). On the other hand we find short-term loans denominated in EUR granted by subsidiaries in Luxembourg accruing an interest rate of 0.5% to the Company; Argentina of 0.5%, Brazil of 0.75% and Chile of 0.5% (2019: 0.75% in Luxembourg, 0.75% in Argentina, 0.75% in Brazil, 4% in Peru and 0.75% in Chile). Interest accrued amounted to EUR 2,560 thousand in 2020 (EUR 3,597 thousand in 2019).

b) Related Party Transactions

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

	Thousands of Euros				
	2020				
	Revenue from dividends (Note 3)	Financial income (Note 3)	Provision of services (Note 3)	Expenses from interest (Note 4)	Services rendered
Prosegur Soluciones Integrales de Seguridad España, S.L.U.	—	—	—	—	(188)
Prosegur Compañía de Seguridad, S.A.	—	—	—	—	(15,129)
Prosegur Gestión de Activos, S.L.U.	—	—	—	—	(39,028)
MIV Gestión, S.A.	—	—	—	(1)	—
Prosegur Ciberseguridad, S.L.	—	—	—	—	(5)
Prosegur Servicios de Efectivo España, S.L.U.	—	—	1,042	(75)	(81)
Prosegur Alarmas España	—	—	—	—	(1)
Prosegur Global CIT, S.L.U.	241,700	4	35,757	(6)	—
Prosegur Colombia 3, S.L.	—	5	—	—	—
Prosegur Avos España, S.L.U.	12,400	12	1,022	—	—
Armor Acquisition, S.A.	—	—	—	(342)	—
Juncadella Prosegur Internacional, S.A.	—	—	—	(1,366)	—
Prosegur International CIT 1, S.L.	—	1	—	—	—
Prosegur Global CIT ROW, S.L.U.	63,894	—	16,689	(118)	(1)
ESC Servicios Generales, S.L.U.	—	—	—	—	(44)
Contesta Teleservicios, S.A.	—	—	198	(12)	—
Integrum 2008, S.L.U.	—	—	—	(4)	—
Bloggers Broker, S.L.	—	—	—	(2)	—
Contesta Servicios Auxiliares, S.L.	—	—	(218)	(12)	—
Prosegur Colombia 1, S.L.U.	—	15	—	—	—
Prosegur Colombia 2, S.L.U.	—	15	—	—	—
Prosegur Servicios de Pago EP, S.L.U.	—	3	—	—	—
Risk Management Solutions, S.L.U.	—	—	(41)	(6)	—
Compliofficer, S.L.U.	—	1	4	—	—
Work 4 Data Lab, S.L.	—	5	—	—	—
Prosegur Alpha3 Cashlabs, S.L.	—	—	—	(3)	—
Transportadora de Caudales Juncadella, S.A.	—	—	7,103	(145)	124
Prosegur Brasil S/A Transportadora de Valores e Segurança	—	—	3,634	(325)	(1,819)
Compañía Transportadora de Valores Prosegur de Colombia, S.A.	—	—	(48)	—	—
Consultoría de Negocios CCR Consulting Costa Rica, S.A.	—	—	212	—	—
Compañía de Seguridad Prosegur, S.A.	—	—	2,473	(11)	—
Prosegur Cajeros, S.A.	—	—	(2)	—	—
Prosegur Gestión de Activos, S.A.	—	—	—	—	(1)
Prosegur Internationale Handels GmbH	—	—	—	2	—
Prosegur Cash Services Germany GmbH	—	171	—	—	—
SIS Cash Services Private Ltd.	—	—	—	—	(5)
Servicios Prosegur Ltda.	—	—	901	—	—
Empresa de Transportes Cia de Seguridad Chile Ltda.	—	—	—	(13)	—
Prosegur Seguridad Privada Logística y Gestion de Efectivo S.A. de CV	—	2	—	—	—
Pitco Reinsurance, S.A.	—	—	—	(120)	—
Luxpai CIT SARL	—	3	—	—	—
Prosegur Logística e Tratamento de Valores Portugal SA	—	—	(160)	—	—
Armored Transport Plus Incorporated	—	273	—	—	—
Sinqpai Pte Ltd	—	—	—	—	(213)
Prosegur Transportadora de Caudales, S.A.	—	(35)	—	—	32
Prosegur Paraguay, S.A.	—	—	865	—	—
Prosegur Australia Investments PTY Limited	—	547	—	—	—
Prosegur Australia Pty Limited	—	—	—	—	(734)
<b>Total</b>	<b>317,994</b>	<b>1,022</b>	<b>69,431</b>	<b>(2,559)</b>	<b>(57,093)</b>

Thousands of Euros					
2019					
	Revenue from dividends (Note 3)	Financial income (Note 3)	Provision of services (Note 3)	Expenses from interest (Note 4)	Services rendered
Prosegur Soluciones Integrales de Seguridad España, S.L.U.	—	—	—	—	(113)
Prosegur Compañía de Seguridad, S.A.	—	—	—	—	(23,391)
Prosegur Gestión de Activos, S.L.U.	—	—	—	—	(30,980)
MIV Gestión, S.A.	—	11	83	—	0
Prosegur Servicios de Efectivo España, S.L.U.	—	—	4,928	(176)	—
Prosegur Global CIT, S.L.U.	—	38	31,515	—	—
Prosegur Colombia 3, S.L.	—	8	—	—	—
Prosegur Avos España, S.L.U.	—	233	209	—	(12)
Armor Acquisition, S.A.	—	—	—	(531)	—
Juncadella Prosegur Internacional, S.A.	—	—	—	(2,342)	—
Prosegur International CIT 1, S.L.	—	15	—	—	—
Prosegur Global CIT ROW, S.L.U.	100,000	—	14,118	(20)	—
ESC Servicios Generales, S.L.U.	—	—	—	—	(4)
Contesta Teleservicios, S.A.	—	—	—	(16)	—
Integrum 2008, S.L.U.	—	—	—	(5)	—
Bloggers Broker, S.L.	—	—	—	(3)	—
Contesta Servicios Auxiliares, S.L.	—	—	218	(9)	—
Prosegur Colombia 1, S.L.U.	—	36	—	—	—
Prosegur Colombia 2, S.L.U.	—	36	—	—	—
Risk Management Solutions, S.L.U.	—	4	173	—	—
Compliofficer, S.L.U.	—	1	—	—	—
Work 4 Data Lab, S.L.	—	3	—	—	—
Enclama, S.L.	—	2	—	—	—
Prosegur Alpha3 Cashlabs, S.L.	—	6	—	—	—
Transportadora de Caudales Juncadella, S.A.	—	—	11,897	(157)	(850)
Prosegur Serviços e Participações Societárias S.A.	—	—	53	—	—
Prosegur Brasil S/A Transportadora de Valores e Segurança	—	—	1,459	(103)	(3,106)
Compañía Transportadora de Valores Prosegur de Colombia, S.A.	—	—	48	—	—
Consultoría de Negocios CCR Consulting Costa Rica, S.A.	—	—	273	—	—
Compañía de Seguridad Prosegur, S.A.	—	—	2,931	(52)	—
Prosegur Cajeros, S.A.	—	—	114	—	—
Prosegur Gestión de Activos, S.A.	—	—	—	—	(14)
Prosegur Cash Holding France SAS	—	182	—	—	—
Prosegur Internationale Handels GmbH	—	—	—	(4)	—
Prosegur Cash Services Germany GmbH	—	101	—	—	—
Servicios Prosegur Ltda.	—	—	1,180	—	—
Empresa de Transportes Cia de Seguridad Chile Ltda.	—	—	—	(60)	—
Prosegur Seguridad Privada Logística y Gestión de Efectivo S.A. de CV	—	16	—	—	—
Grupo Mercurio de Transportes SA de CV	—	—	80	—	—
Pitco Reinsurance, S.A.	—	—	—	(119)	—
Luxpai CIT SARL	—	2	—	—	—
Prosegur Logística e Tratamento de Valores Portugal SA	—	—	(7)	—	—
Armored Transport Plus Incorporated	—	14	—	—	—
Sinqpai Pte Ltd	—	—	—	—	(626)
Sinqpai Alarms Private Ltd	—	—	—	—	(71)
Prosegur Transportadora de Caudales, S.A.	—	112	—	—	—
Prosegur Paraguay, S.A.	—	—	1,192	—	—
Prosegur Australia Holdings PTY Limited	—	—	—	—	(24)
Prosegur Australia Investments PTY Limited	—	670	—	—	—
Prosegur Australia Pty Limited	—	—	—	—	(20)
<b>Total</b>	<b>100,000</b>	<b>1,490</b>	<b>70,464</b>	<b>(3,597)</b>	<b>(59,211)</b>

The most relevant transactions with related parties during the 2020 and 2019 are as follows:

- Billing related to centralised services, with the related companies Prosegur Global CIT, S.L.U. and Prosegur Global CIT ROW, S.L.U., by virtue of which a service provision of EUR 53,623 thousand is recorded in 2020 (EUR 45,634 thousand in 2019). Also recorded for centralised services are services received of EUR 41,000 thousand in 2020 (EUR 34,910 thousand in 2019).
- Billing for trademark assignment, with different related companies across the world, under which EUR 15,129 thousand are billed in 2020 (EUR 23,391 thousand in 2019). Likewise, billing received for trademark assignment of EUR 15,129 thousand in 2020 (EUR 23,391 thousand in 2019) was recorded.

Interest income and borrowing costs reflect the amounts accrued on the aforementioned current loans extended to and by Group companies (Note 14).

## 19. Remuneration of Directors and Senior Management Personnel

### a) Remuneration of members of the board of directors

The Board of Directors is understood to be the management group of the Company and is made up of persons elected by the Shareholders General Meeting to carry out the management, control, representation and management functions of the same.

The members of the Board of Directors have received the following remuneration from the Company:

	Thousands of Euros	
	2020	2019
Fixed remuneration	1,059	1,270
Variable remuneration	483	572
Remuneration for membership of the Board	120	120
Insurance premium	4	—
Per diems	165	136
<b>Total</b>	<b>1,831</b>	<b>2,098</b>

### b) Remuneration of Senior Management personnel

Senior management personnel are Company employees who hold, *de facto* or *de jure*, senior management positions reporting directly to the Board of Directors, executive committees or managing directors on the Board, including those with power of attorney not limited to the Company's statutory activity or specific areas or matters.

The members of Senior Management have received the following remunerations from the Company:

	Thousands of Euros	
	2020	2019
Fixed remuneration	438	467
Variable remuneration	178	1,017
Remuneration in kind	—	11
Per diems	—	1
Insurance premiums	13	—
<b>Total</b>	<b>629</b>	<b>1,496</b>

These provisions include the accrued cash incentive corresponding to the 2017 Plan and 2020 Plan.

During the year, provisions to profit/(loss) amounted to EUR 712 thousand (2019: EUR 840 thousand).

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

There has been no accrued expense for Senior Management civil liability insurance in 2020 and 2019.

#### c) Information required by article 229 of the Spanish Companies Act

As required by articles 228, 229 and 230 of the Revised Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010 and amended by Act 31/2014 concerning improvements to corporate governance, the members of the Board of Directors and their related parties declare that they have not been involved in any direct or indirect conflicts of interest with the Company in 2020.

In 2020, Euroforum Escorial, S.A. (controlled by Gubel, S.L.) invoiced Prosegur Cash EUR 74 thousand for hotel services (EUR 71 thousand at 31 December 2019).

Prosegur is controlled by Gubel S.L., which was incorporated in Madrid, and holds 59.37% of the shares of Prosegur, which consolidates Prosegur Cash in its consolidated financial statements.

Proactinmo, S.L. (controlled by Gubel, S.L.) billed services for leasing a property on Calle San Máximo to Prosegur Cash for EUR 975 thousand (EUR 677 thousand at 31 December 2019).

J&A Garrigues, S.L.P. billed occasional legal services to Prosegur Cash for EUR 193 thousand (EUR 135 thousand were received for billed services from J&A Garrigues, S.L.P. in 2019).

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

## 20. Employee Information

The average headcount of the Company is as follows:

	2020	2019
Average headcount of the Company	48	41
<b>Total</b>	<b>48</b>	<b>41</b>

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

	2020		2019	
	Women	Men	Women	Men
Indirect personnel	13	39	12	31
<b>Total</b>	<b>13</b>	<b>39</b>	<b>12</b>	<b>31</b>

There are no employees in the Company with a disability rating of 33% or more.

The distribution by gender of the Board of Directors and Senior Management at the end of the year is as follows:

	2020		2019	
	Women	Men	Women	Men
Directors	3	5	3	6
Senior Management	1	3	2	9
<b>Total</b>	<b>4</b>	<b>8</b>	<b>5</b>	<b>15</b>

## 21. Audit Fees

Ernst & Young, S.L. the auditors of the Annual Accounts of the Company in 2020 and KPMG in the previous year, invoiced the following fees and expenses for professional services:

	Thousands of Euros	
	2020	2019
Audit services	160	202
Other audit-related services	25	—
<b>Total</b>	<b>185</b>	<b>202</b>

Audit services detailed in the above table include the total fees for services rendered in 2020 and 2019, irrespective of the date of invoice.

Additionally, other KPMG International affiliates have not invoiced the Company services for professional fees and expenses during the year.

In financial year 2020, Ernst & Young, S.L. provided other services related to the audit for EUR 78 thousand (KPMG Auditores in 2019, provided other services related to the audit for EUR 20 thousand).

## 22. Environmental information

At 31 December 2020 and 2019, the Company has no environment-related contingencies, legal claims or income and expenses relating to the environment.

## 23. Financial risk management

### Financial risk factors

The Company's activities are exposed to various financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Company's risk management programme focuses on uncertainty in the financial markets and aims to minimise potential adverse effects on the Company's business.

#### (i) Currency risk

The Company mainly operates on a national basis. Likewise, the Prosegur Cash Group, of which the Company is the parent, operates internationally. As a result, the Company is exposed to currency risk when operating with its subsidiaries in foreign currencies and through the assets and liabilities contracted in foreign currencies from third parties. Currency risk is associated with recognised assets and liabilities denominated in foreign currency.

Management has a currency risk management policy to control the risk arising from the exchange of foreign currencies to its functional currency to minimise the Company's exposure. Currency risk arises when future transactions or recognised assets and liabilities are presented in a currency other than the parent's functional currency.

When so required by its policies and market expectations, the Company uses forward contracts approved and contracted by the Treasury Department in the corresponding market to control currency risk arising on trade transactions and recognised assets and liabilities. The Treasury Department is responsible for managing the net position of each foreign currency by entering into external or local forward currency contracts, depending on their competitiveness and appropriateness.

Since the Company, as parent of the Prosegur Cash Group, intends to remain in the foreign markets in which it is present in the long term or permanently, it does not hedge the currency risk related to equity investments in those markets.

The value of the financial assets and liabilities attributable to the Company at 31 December, by type of currency, is as follows:

	Thousands of Euros			
	2020		2019	
	Assets	Liabilities	Assets	Liabilities
Euros	387,952	1,571,459	127,536	1,292,838
Argentine Peso	249	8,583	—	—
US Dollar	42,550	1,699	7,026	—
Australian Dollar	30,009	112	3,479	—
Colombian Peso	—	7,002	—	—
Chilean Peso	—	12	—	—
Other currencies	3,559	1	3,944	—
<b>Total</b>	<b>464,319</b>	<b>1,588,868</b>	<b>141,985</b>	<b>1,292,838</b>

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

As the Company does not have a significant amount of assets remunerated at variable interest rates, income and cash flows from operating activities are not basically by fluctuations in market interest rates.

Interest rate risk mainly arises from non-current borrowings. Borrowings at variable interest rates expose the Company to cash flow interest rate risks. Fixed-interest borrowings expose the Company to fair value interest rate risks. In 2020 the Company's borrowings at variable interest rates were denominated in EUR.

The Company analyses its interest rate risk exposure dynamically. A simulation of various scenarios, considering refinancing, the renewal of current positions, alternative financing and hedges is performed. Based on these scenarios, the Company calculates the effect of a certain variation in interest rates on profit and loss. These scenarios are only analysed for the liabilities that represent the most significant positions in which a floating interest rate is paid.

Details of loans and borrowings, indicating the portion considered to be hedged, at a fixed rate, are as follows:

	Thousands of Euros		
	2020		
	Total debt	Hedged debt	Debt exposure
Non-current (Note 13)	750,576	750,576	—
Current (Note 13)	77,529	74,587	—
<b>Total debt</b>	<b>828,105</b>	<b>825,163</b>	<b>—</b>

	Thousands of Euros		
	2019		
	Total debt	Hedged debt	Debt exposure
Non-current (Note 13)	593,306	593,306	—
Current (Note 13)	83,940	51,196	—
<b>Total debt</b>	<b>677,246</b>	<b>644,502</b>	<b>—</b>

(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				Total
	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	
31/12/2020	77,529	—	—	750,576	828,105

	Thousands of Euros				Total
	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	
31/12/2019	73,944	—	—	—	73,944

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

## 24. Events after the reporting date

In February 2021 the maturity of the syndicated loans contracted by the Company in an amount of EUR 300,000 thousand was extended until February 2026. (Note 14).

## 25. Accounting principles

### 25.1. Intangible assets

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

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

#### a) Computer software:

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

Computer software maintenance costs are charged as expenses when incurred.

b) Patents, licences, trademarks and others

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

In 2020, the Company re-estimated the useful life of the licences, considering the digital transformation project in which it is involved, with a 4-year depreciation period and having adjusted the income statement prospectively.

c) Other intangible assets:

Other intangible assets mainly comprise the set of knowledge and technical resources of the personnel acquired from Prosegur Compañía de Seguridad, S.A. (Note 6). They are amortised on a straight-line basis over their estimated useful life of between 2 and 10 years.

## 25.2. Property, Plant and Equipment

Property, plant and equipment are recognised at cost of acquisition or production, less accumulated depreciation and any accumulated impairment.

Costs incurred to extend, modernise or improve property, plant and equipment are only recorded as an increase in the value of the asset when the capacity, productivity or useful life of the asset is increased and it is possible to ascertain or estimate the carrying amount of the assets that have been replaced in inventories.

The cost of major repairs is capitalised and depreciated over their estimated useful life, while recurring maintenance costs are charged to the income statement during the year in which they are incurred.

Depreciation of property, plant and equipment is calculated systematically on a straight-line basis over the estimated useful lives of the assets based on the actual decline in value and use.

The Company uses the following depreciation rates:

	<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.

## 25.3. Impairment losses on non-financial assets

Assets subject to amortisation or depreciation are tested for impairment whenever an event or change in circumstances indicates that their carrying amount might not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use.

For impairment testing purposes, assets are grouped at the lowest level for which separate identifiable cash flows can be identified (cash-generating unit, CGU).

Non-financial assets for which impairment losses have been recognised, are tested at each balance sheet date in case the loss has reversed.

## 25.4. Financial assets

### a) Investments in equity instruments of Group companies, jointly controlled companies and associates:

These investments are initially recognised at cost, which is equivalent to the fair value of the consideration paid, including for jointly controlled companies and associates the transaction costs incurred, and are subsequently measured at cost net of any accumulated impairment losses. However, for investments made prior to classification as a Group company, jointly controlled company or associate, the cost of the investment is considered to be the carrying amount immediately before this classification. Valuation adjustments previously recognised in equity remain in equity until the investment is derecognised.

If there is objective evidence that the carrying amount is not recoverable, the amount of the impairment loss is measured as the difference between the carrying amount and the recoverable amount, the latter of which is understood as the higher of the fair value less costs to sell and the present value of estimated future cash flows from the investment. Unless there is better evidence of the recoverable amount of the investment, when estimating the impairment of these types of assets, the investee's equity is taken into consideration, corrected for any unrealised gains existing at the measurement date. Impairment losses are recognised and reversed in the income statement.

### b) Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The assets are classified as current unless they mature in more than 12 months after the balance sheet date, in which case they are classified as non-current.

These financial assets are initially carried at fair value, including directly attributable transaction costs, and are subsequently measured at amortised cost, recognising accrued interest at the effective interest rate, which is the discount rate that matches the instrument's carrying amount with all estimated cash flows to maturity. Nevertheless, trade receivables falling due in less than one year are carried at their face value on both initial recognition and subsequent measurement, provided the effect of not updating is immaterial.

At least at year end, the necessary impairment losses are recognised when there is objective evidence that all the amounts receivable will not be collected.

The impairment loss is calculated as the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the effective interest rate upon initial recognition. Impairment losses are recognised and reversed in the income statement.

c) Disposals of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received, net of transaction costs, including any new assets obtained less any new liabilities assumed and any cumulative profit or loss deferred in recognised income and expense, is recorded in equity.

d) Value impairment on other financial assets

A financial asset or group of financial assets is impaired and an impairment loss has occurred, if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and the event or events causing the loss and with an impact on the estimated future cash flows of the asset or group of financial assets that can be estimated reliably.

The Company follows the criterion of recording the appropriate value adjustments for impairment of loans and receivables and debt instruments when there has been a reduction or delay in future estimated cash flows due to debtor insolvency.

Likewise, in the case of equity instruments, there is value impairment when there is a lack of recoverability of the carrying amount of the asset due to a prolonged or significant decrease in its fair value.

e) Offsetting principle

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

## 25.5. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits at banks and financial instruments that are convertible to cash and have a maturity of three months or less from the date of acquisition, provided that there is no significant risk of changes in value and that they form part of the Company's usual cash management policy.

## 25.6. Net Equity

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

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

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

## 25.7. Financial liabilities

### a) Debts and payables

This category includes trade and non-trade payables. These borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

The payables are initially recognised at fair value, adjusted for directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the discount rate that matches the instrument's carrying amount with the expected future flow of payments to the maturity date of the liability.

Nevertheless, trade payables falling due in less than one year without a contractual interest rate are carried at their face value on both initial recognition and subsequent measurement, provided the effect of not discounting flows is not significant.

If existing payables are renegotiated but the lender has not changed and the present value of future cash flows, including net fees paid, differs by less than 10% from the present value of future cash payments for the original liability, calculated using the same method, the liability is not considered to be substantially modified.

### b) Derecognition of financial liabilities

A financial liability, or part of a financial liability, is derecognised when the Company either discharges the liability by paying the creditor or is legally released from primary responsibility for the liability either by process of law or by the creditor.

### c) Offsetting principles

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

## 25.8. Current and deferred taxes

The income tax expense (income) for the year comprises current tax and deferred tax.

The current and deferred tax expense (income) is recognised in the income statement. However, the tax effect of items recognised directly in equity is recorded in equity.

Current tax assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax assets and liabilities are calculated using the liability method on the basis of the temporary differences that arise between the tax base of assets and liabilities and their carrying amount. However, if deferred tax assets or liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affect neither accounting profit nor taxable income, they are not recognised. Deferred tax assets or liabilities are measured using the tax rates that have been enacted or substantially enacted at the balance sheet date and are expected to be applicable when the corresponding deferred tax asset is realised or deferred tax liability is settled.

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

Deferred tax assets arising from deductible temporary differences are recognised provided future tax gains are likely to exist for offset thereof that will reverse within ten years. Assets arising from the initial recognition of assets and liabilities in a transaction which is not a business combination and which does not affect either the carrying profit or the taxable base on transaction date, are not subject to recognition. Assets which will reverse in a period exceeding ten years are recognised over the years, provided there is a likelihood of future tax gains.

Tax planning opportunities are only considered when assessing the recovery of deferred tax assets, if the Company intends to use them or is likely to do so.

The Company recognises the reversal of a deferred tax asset in an account receivable with the Tax Administration when it is enforceable in accordance with tax legislation in force. Likewise, the Company recognises the exchange of a deferred tax asset for Public Debt Securities when ownership thereof is acquired.

## 25.9. Employee benefits

### **Compensations based on the quoted share price of Prosegur shares – 2017 Plan and 2020 Plan**

These provisions include the accrued incentive in the 2017 and 2020 long-term incentive plan for the Executive President, Executive Director and Senior Management of Prosegur Cash.

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

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

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

At the Shareholders General Meeting held on 28 May 2018, the shareholders approved the 2020 Plan of long-term incentives for the Executive President, Executive Director and Senior Management of Prosegur Cash. The Plan is linked to the creation of value in the 2018-2020 period and envisages the payment of cash incentives, calculated for certain beneficiaries based on the share price. The Plan has a duration of three years and is based on length of service and target achievement. In the vast majority of cases, the Plan measures target achievement from 1 January 2018 until 31 December 2020 and length of service from 1 January 2018 until 31 December 2022.

The fair value of the incentives referred to the share quotation price was estimated on the basis of Prosegur's share quotation price at the close of the period.

## 25.10. Provisions and Contingent Liabilities

Provisions for possible restructuring costs and/or litigation are recognised when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the current value of the estimated expenditure required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Any adjustments made to update the provision are recognised as a financial expense when accrued.

Provisions expiring in one year or less, the financial effect of which is immaterial, are not discounted.

Reimbursements from third parties of the expenditure required to settle a provision are recognised as a separate asset provided that it is virtually certain that the reimbursement will be received.

Possible obligations arising from past events, the materialisation of which is contingent on one or more future events beyond the control of the Company, are considered contingent liabilities. These contingent liabilities are not recognised in the Annual Accounts but are disclosed in the notes (see Note 16).

## 25.11. Revenue recognition

Revenue is recognised at the fair value of the consideration receivable and reflects the amounts to be collected for goods handed over and services rendered in the ordinary course of the Company's activities, less returns, rebates, discounts and value added tax.

The Company recognises revenue when the amount can be reliably estimated. It is probable that the future economic benefits will flow to the Company and the specific conditions are met for each of the activities, as described below. The Company's estimates are based on historical results, taking into account client type, transaction type and specific contractual terms.

a) Interest received

Interest income is recognised using the effective interest method. When a receivable is impaired, the Company writes the carrying amount down to the recoverable amount, discounting estimated future cash flows at the original effective interest rate of the instrument, and carries the discount as a reduction in interest received. Interest received on impaired loans is recognised using the effective interest method.

b) Dividend received

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

Dividend revenue from investments in equity instruments is recognised when the rights for the Company have arisen. If the distributed dividends come unequivocally from results generated prior to the acquisition date because amounts greater than the profits generated by the investee since the acquisition have been distributed, they reduce the carrying amount of the investment.

## 25.12. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the transaction date. Foreign currency profit and losses arising on the settlement of these transactions and the translation into euros of monetary assets and liabilities denominated in foreign currencies at the closing exchange rate are recognised in the income statement.

## 25.13. Related party transactions

Transactions between Group companies, except those related to mergers, spin-offs and non-monetary contributions, are initially recognised at the fair value of the consideration given or received. If the agreed price differs from the fair value, the difference is recognised based on the economic substance of the transaction. Transactions are subsequently measured in accordance with applicable standards.

In the non-monetary contributions to a Group company, the contributor will value their investment at the carrying amount of the delivered equity items in the Consolidated Annual Accounts on the date on which the transaction is made, according to the Standards for the Preparation of Consolidate Annual Accounts. The acquiring company will recognise them for the same amount.

In the merger and spin-off transactions between companies of the group in which the parent company of the group or the parent company of a subgroup and its subsidiary directly or indirectly intervene, the acquired equity items are valued for the amount that would correspond to them after the operation in the consolidated annual accounts of the group or subgroup according to the aforementioned Standards for the Preparation of Consolidated Annual Accounts. The difference that could be shown in the accounting entry by the application of the above criteria will be recorded in a reserves item.



**PROSEGUR**  
CASH

# Directors' Report for 2020

Prosegur Cash, S.A.

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# Directors' Report for 2020

This Directors' report has been prepared in accordance with the recommendations contained in the Guidelines for the preparation of the Directors' reports of listed companies, published by the National Securities Market Commission (CNMV).

## 1. The Company's situation

Prosegur Cash was incorporated as a single person limited company in accordance with Spanish law on 22 February 2016, and subsequently transformed into a public limited company on 21 September 2016.

The Prosegur Cash Group was the result of a spin-off of the Cash business unit of the Prosegur Group, performed by means of a non-monetary contribution of entities under the shared control of the Prosegur Group.

Shares in Prosegur Cash were listed on 17 March 2017 at a price of 2 Euros each, in the stock exchanges of Madrid, Barcelona, Bilbao and Valencia and are traded on the Spanish Stock Exchange Interconnection System (SIBE).

On 7 April 2017, the Green Shoe period of the stock market flotation ended, and the free float attained 27.5% of the share capital of Prosegur Cash.

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

### 1.1. Business Model

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

Prosegur Cash comprises the following business lines:



#### TRANSPORT

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



#### CASH MANAGEMENT

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



#### NEW PRODUCTS

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

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

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

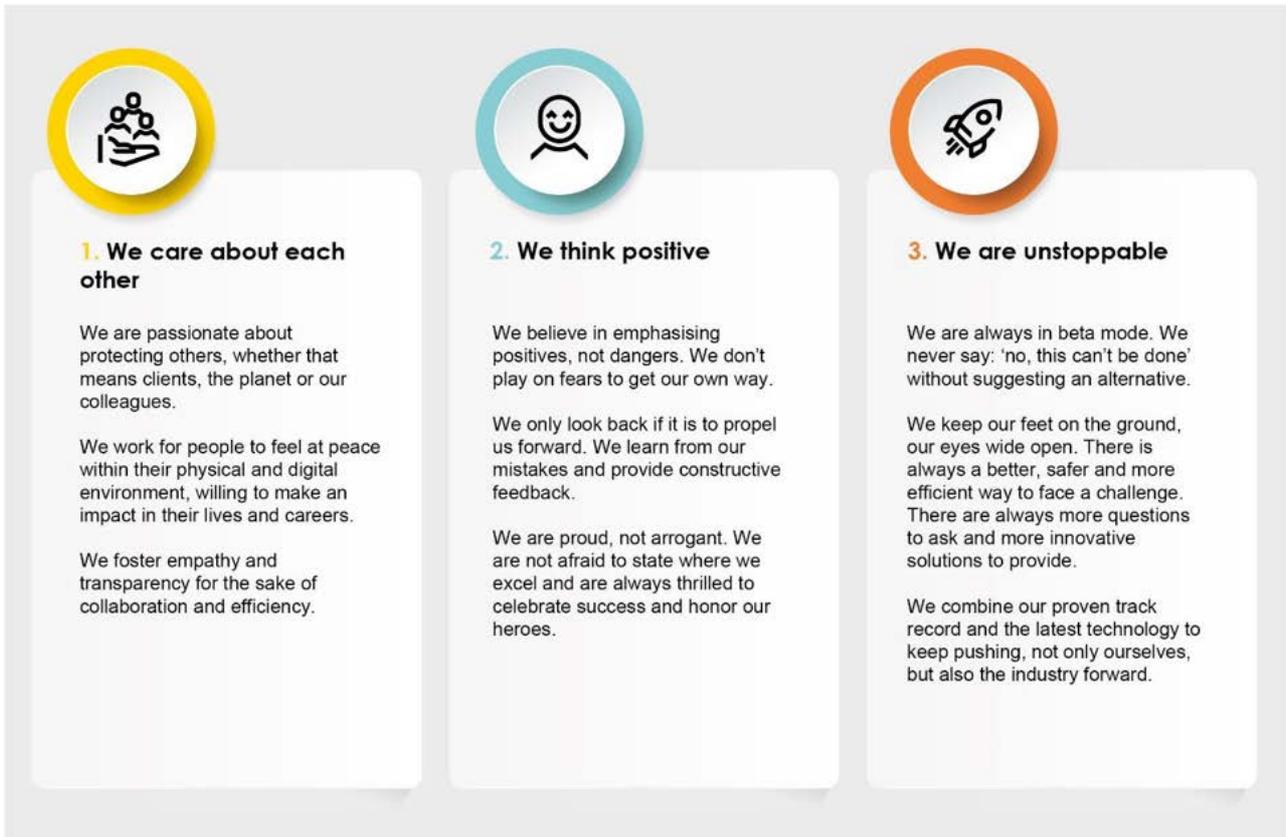
#### Purpose

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

#### Mission

Our mission or purpose (what makes us work every day) is to generate value for our shareholders, clients and society, offering integrated cash management solutions and related activities, incorporating cutting-edge technology and relying on the talent of top professionals.

Values



The infographic consists of three vertical panels, each with a circular icon at the top and text below. Panel 1 has a yellow icon with a person and a checkmark. Panel 2 has a teal icon with a smiling face. Panel 3 has an orange icon with a rocket ship.

**1. We care about each other**

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

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

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

**2. We think positive**

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

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

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

**3. We are unstoppable**

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

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

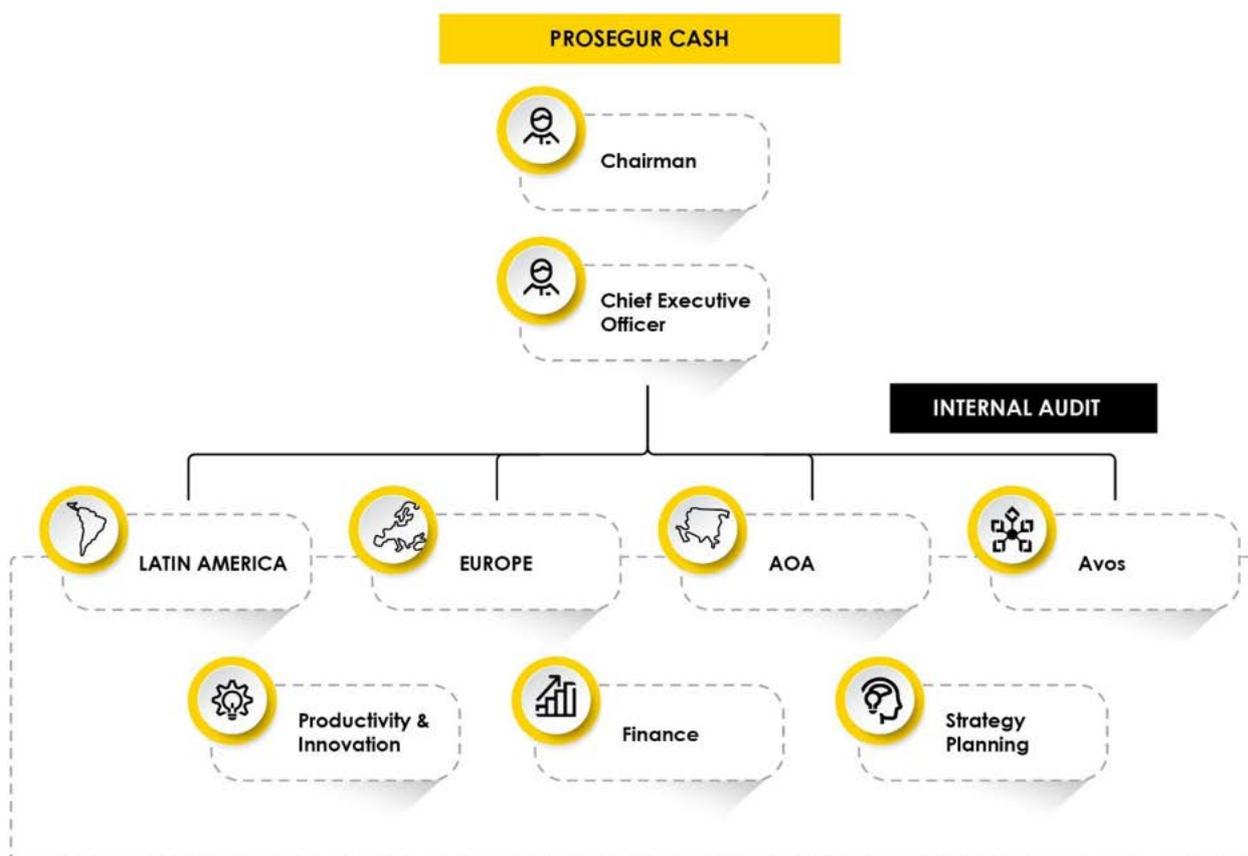
We combine our proven track record and the latest technology to keep pushing, not only ourselves, but also the industry forward.

## 1.2. Organisational structure

The organisational structure of Prosegur Cash is designed with the intention of improving business processes and flexibility, which facilitates adaptation to the changing environment and the evolution of services, aimed at generating value for clients. The Business Areas are divided into three geographical segments: Europa, AOA and LatAm. There is also a Division for Innovation and Productivity and an Prosegur AVOS Division.

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

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



The Board of Directors is the top management body and the body ultimately responsible for decision-making with regard to operations and reviewing the internal financial information with a view to evaluating profit/(loss) and allocating resources.

### Changes to the Group's structure

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

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

- ▶ Business combinations in Europe. Prosegur acquired a company in Europe that provides buying and selling services online through an internet platform that puts the seller in contact with the end client. The total purchase price was EUR 6,101 thousand, comprising a cash payment of EUR 2,247 thousand, and a deferred contingent consideration totalling EUR 3,854 thousand maturing in 2023 and 2025.
- ▶ Business combinations in AOA. In 2020, Prosegur acquired assets relative to cash in transit services. The total purchase price was EUR 10,454 thousand, entirely comprising a cash payment.

The following companies were incorporated or wound up in 2020:

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

The following mergers took place between subsidiaries in 2020:

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

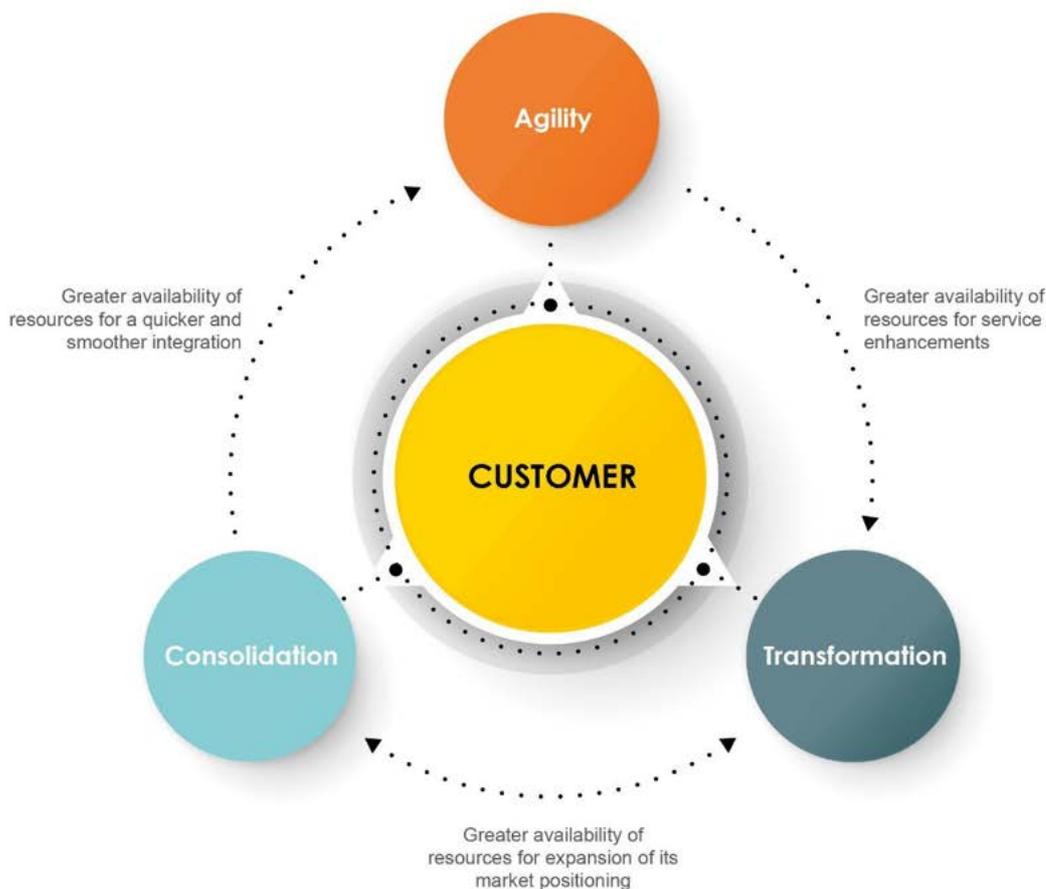
On 14 February 2020 Prosegur sold all its stake in the Mexican companies Prosegur Seguridad Privada Logistica y Gestión de Efectivo S.A. de CV, Prosegur Servicios de Seguridad Privada Electronica SA de CV and Grupo Tratamiento y Gestión de Valores SAPI de CV.

## 1.3. Operation

The unceasing development of the environment in which Prosegur Cash operates has played a crucial role in the company's transformation over the last few years. In this connection, the Company established three main goals:

- ▶ To respond to the new needs of clients in line with market trends, especially accelerated as a result of the global emergence of COVID-19.
- ▶ Continue being a trusted strategic partner for clients.
- ▶ Provide increased value to clients through efficiency in processes and by implementing solutions that are increasingly technological.

At present, Prosegur Cash is in the last phase of the Prosegur Group Three-Year Strategic Plan 2018-2020. The Company aims to accelerate its growth in a profitable manner, benefiting from the third wave of outsourcing and the potential consolidation of the sector. In this regard, the Company has decided to sell new products, especially those linked to retail automation, integrated ATM management and high value-added services for the finance sector. Likewise, it wishes to continue playing a pivotal role in consolidating the sector, to strengthen not only its existing position but to create the necessary platforms for its future growth.



Prosegur Cash's strategy is founded on the pillars of digitalisation, innovation and growth, which has led to the creation of the Company's ACT Strategic Plan: Agility, Consolidation and Transformation. ACT puts the client at the centre of operations and ensures that they are the main beneficiary of the achievements and improvements that result from the application of the plan. Greater agility (Agility) will enable resources to be freed up and used to offer service improvements (Transformation) which will allow Prosegur Cash to consolidate (Consolidation) its position as market leader in both its existing markets and in those of its new acquisitions.



### Agility (Digitalisation)

With regard to digitalisation, the established goals are:

- ▶ Roll out the necessary platforms and tools to simplify management and enhance the client experience, paving the way for Prosegur Cash to lead the industry in the future.
- ▶ Support operational excellence and the technological improvement of processes in order to boost profitability.
- ▶ Reduce the weight of indirect costs that do not create value for clients.
- ▶ Attract, develop and retain the most highly-qualified professionals. To do this, Prosegur offers them the necessary know-how and tools to enhance their skills and grow within the Company.

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

- ▶ Promoting agility in terms of reaction to COVID-19, placing at the disposal of clients and employees the tools necessary to ensure the continuity of the business.
- ▶ Advances in the process for digital transformation with regard to agility, scalability and operational excellence.



### Consolidation (Growth)

With regard to growth, the established goals are:

- ▶ Maintain high rates of profitable organic growth.
- ▶ Continue with the pace of growth logged in recent years, spearheading market consolidation and stimulating the sale of new products.

2020 has seen advances made in the following business lines:

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



### Transformation (Innovation)

With regard to innovation, the established goals are:

- ▶ Listen to clients to develop new value proposals that meet their needs.
- ▶ Introduce new products that improve client satisfaction, transform the business, contribute to increase margins and evidence our firm commitment to innovation.

The following advances have already been made in 2020:

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

### Areas of action of the Prosegur Cash Transformation Plan

#### **Optimisation of resources of the current business:**

- ▶ To streamline and simplify processes and decrease their execution times, by means of groups especially devoted to the improvement of client (*Opportunity to Cash*), employee (*Employee Experience*), and supplier (*Procure to Pay*), and finances and accounting (*Record to Report*) processes
- ▶ To simplify the technological footprint, endeavouring that the critical systems for each one of the business becomes increasingly robust, modern and better integrated among one another.
- ▶ To improve data governance by means of the review of processes and systems.

#### **Promotion of innovation as a cornerstone of the future business:**

- ▶ To develop new opportunities and experiment with new innovation models, using and maximising all existing internal and external capabilities.

#### **Impetus of capabilities and consolidation of a common culture:**

- ▶ To provide back-up for all associates in the transformation process through the use of new tools for working and collaboration, such as "agile" or "design thinking".
- ▶ Collaborate with ecosystem enterprise companies through open innovation, with the aim of incorporating innovative solutions into the business lines and support department to improve processes and make it possible to offer innovative solutions to clients.
- ▶ To promote an internal culture by means of the design of communication plans for all employees, that aids in the viewing of new global and local objectives.

### R&D+i Activities

In 2020, Prosegur Cash promoted the development of agile methodology aimed at achieving excellence through the ongoing improvement of processes and services. A wide group of Prosegur Cash associates work using this methodology, which has made it possible to obtain 35% more product output in 27% less time.

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

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

## 2. Business performance and profit/(loss)

### 2.1. Main financial and non-financial indicators

(Thousands of Euros)	2020	2019	Variation
<b>Sales</b>	<b>332,850</b>	<b>113,016</b>	<b>194.52 %</b>
<b>EBITDA</b>	<b>315,303</b>	<b>101,573</b>	<b>210.42 %</b>
<i>Margin</i>	95 %	90 %	
PPE depreciation and computer software	(3,451)	(126)	
<b>EBITA</b>	<b>311,852</b>	<b>101,447</b>	<b>207.40 %</b>
<i>Margin</i>	94 %	90 %	
Amortisation of other intangible assets	(1,247)	(2,798)	
<b>EBIT</b>	<b>310,605</b>	<b>98,648</b>	<b>214.86 %</b>
<i>Margin</i>	93 %	87 %	
Financial results	(15,071)	(13,354)	
<b>Profit/(loss) before tax</b>	<b>295,534</b>	<b>85,294</b>	<b>246.49 %</b>
<i>Margin</i>	89 %	75 %	
Taxes	6,461	4,191	
<i>Tax rate</i>	2 %	5 %	
<b>Net profit/(loss) from ongoing operations</b>	<b>301,995</b>	<b>89,485</b>	<b>237.48 %</b>
<b>Net result</b>	<b>301,995</b>	<b>89,485</b>	<b>237.48 %</b>

The sales are determined mainly by the dividends received from the investees.

### 2.2. Investments

All of the Prosegur Cash Group's investments are analysed by the corresponding technical and operating areas and the management control department, which estimate and examine the strategic importance, return period and yields of the investments before these are approved. Subsequently these are submitted to the Investment Committee for a final decision on whether to proceed with the investment. Investments in excess of EUR 0.6 million are submitted to Prosegur Cash's Management for approval.

Amortisation and depreciation charges totalled EUR 4.6 million in 2020 (2019: EUR 3.0 million). Property, plant and equipment accounts for EUR 0.3 million (2019: EUR 0.1 million) to computer software EUR 3.1 million (2019: EUR 2.4 million) and other intangible fixed assets EUR 1.2 million (2019: EUR 0.5 million).

EUR 1.3 million was invested in property, plant and equipment in 2020 (2019: EUR 1.2 million). Investment of EUR 2.7 million was also made in computer software (2019: EUR 3.1 million).

### 2.3. Personnel

The company's personnel as of 31 December 2020 was 52 employees (43 in 2019).

## 2.4. Environmental issues

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

## 3. Liquidity and capital resources

### 3.1. Liquidity

Prosegur Cash keeps a reasonable level of liquid reserves and a great financing capacity available to ensure flexibility and rapidity in meeting the requirements of working capital, of investing capital or inorganic growth.

At 31 December 2020 and at the consolidated level, the Prosegur Cash Group has available liquidity in the amount of EUR 676.0 million (2019: EUR 756.0 million). This amount is mainly compound by:

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

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

The efficiency measures of internal administrative processes implemented in recent financial years have helped to substantially improve business cash flow. The maturity profile of the Prosegur Cash debt is in line with its capacity to generate cash flow to pay it.

### 3.2. Capital resources

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

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

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

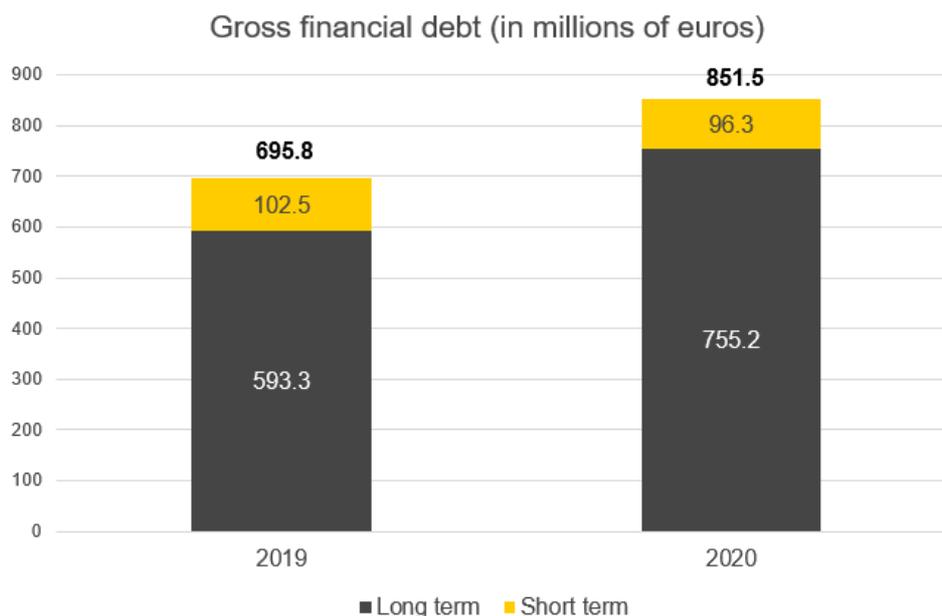
At 31 December 2020, the drawn down capital corresponding to the loan amounts to AUD 70 million (at 31 December 2020 equivalent to: EUR 44.036 million). At 31 December 2019, the drawn down capital corresponding to the loan amounts to AUD 70 million (equivalent to EUR at 31 December 2019: EUR 43.764 million).

- c) On 4 December 2017, Prosegur Cash, S.A. launched a EUR 600 million bond issue maturing on 4 February 2026. The bonds trade in the secondary market – the Irish Stock Exchange – accruing an annual coupon of 1.38%, payable at the end of each year.

Gross non-current financial debt (excluding other non-bank payables corresponding to deferred payments for acquisitions) with maturities of longer than one year at the end of 2020 amounts to EUR 755.2 million (2019: EUR 593.3 million), basically supported by the bond issued on 4 December 2017 and maturing in 2026.

Gross current financial debt (excluding other non-bank borrowings corresponding to deferred payments for acquisitions) amounts to EUR 96.3 million (2019: EUR 102.5 million).

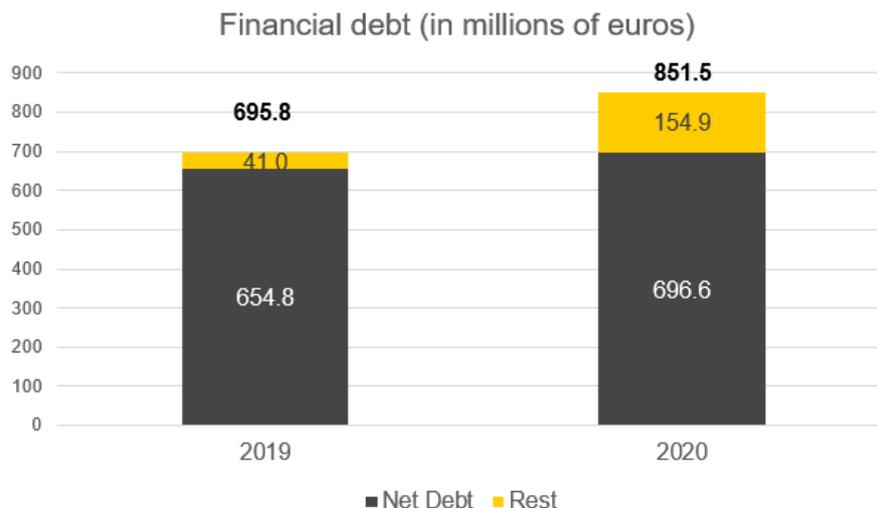
The current and non-current maturities of gross financial debt are distributed as follows:



In 2020 financial debt had an average cost of 1.12% (2019: 1.70%).

Net financial debt (excluding other non-bank borrowings corresponding to deferred payments for M&A) at 2020 year-end amounts to EUR 696.6 million (2018: EUR 654.8 million).

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



No significant changes are expected in 2020 in regard to the structure of own funds and capital or in regard to the relative cost of capital resources in relation to the financial year ended 31 December 2019.

### 3.3. Analysis of contractual obligations and off balance sheet obligations

Note 27 of the Consolidated Annual Accounts includes the amounts of future minimum payments arising from operating lease contracts by maturity tranches.

Additionally, as indicated in Note 26 of the Consolidated Annual Accounts, Prosegur Cash Group issues third party guarantees of a commercial and financial nature. The total amount of guarantees issued at 31 December 2020 amounts to EUR 293.9 million (2019: EUR 293.0 million).

## 4. Main risks and uncertainties

Risk management at Prosegur Cash is two-fold: on the one hand, the Company's business is affected by the risks and uncertainties of the environment; on the other, it has to manage the operating risks resulting from its main activity. In Prosegur Cash, the most noteworthy aspects of risk management are infrastructure, processes and the employees involved in the activity. In addition to representing the sources in which the operational risks identified could materialise, they are the critical barrier with which to contain the materialisation of those risks.

### Frame of reference

The Risk Control and Management System is based on procedures and methods which make it possible to identify and assess the risks in terms of achieving the relevant objectives of Prosegur Cash; it is based on the COSO system (Committee of Sponsoring Organisations of the Treadway Commission) and works together with applied standards in the main clients of financial industry, such as Basel III and the ISO 31000 standards.

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

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

### Risk management governance

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

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

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

## Risk management process

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

### 1. INFORMATION

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

### 2. RISK IDENTIFICATION

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



### 4. MONITORING

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

### 3. CONTROL

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

- ▶ The ongoing identification, evaluation and prioritisation of critical risks, considering their possible effect on the relevant goals of Prosegur Cash.
- ▶ Assessment of risks in accordance with procedures based on key indicators that enable their control, as well as assessing and monitoring their evolution over time.
- ▶ Periodic monitoring of the results of the evaluation and effectiveness of the measures applied by those responsible for the risks.
- ▶ Review and analysis of profit/(loss) by the Risk Committee.
- ▶ The supervision of the system by the Audit Committee, through the Internal Audit Department.

## Risk mapping

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

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

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

## 4.1. Operational risk

### Regulatory risk

The security sector is subject to a variety of regulations that are constantly changing and are applicable to the activities of Prosegur Cash and its clients all over the world. Increasing regulations in the regions where the Company conducts its business could have a substantial adverse effect on its activity, financial situation and operating income.

Specifically, Prosegur Cash's activity is directly and indirectly affected by legislation, regulations and administrative requirements of local, regional and national authorities of the countries where it operates, and the special requirements of other entities, such as insurance companies and organisations within the sector. Certain aspects of Prosegur Cash's activity are subject to licensing requirements. Furthermore, many countries require permits for security services, including for carrying weapons when armoured vehicles are used to transport goods. The Group depends on maintaining these licences and permits, and on renewing them where appropriate. Similarly, many of the clients, such as financial institutions, are subject to regulations, and if these regulations change they may indirectly have a material adverse effect on the Prosegur Cash business, financial situation and operating income.

There is no guarantee that legislation, regulations and requirements imposed by authorities and other entities will not change in the future and, accordingly, alter the conditions of the Group's activity. The authorities may introduce new guidelines concerning requirements for specific practices, security solutions and training and certification of staff. The Group could be required to effect changes in its operations or make additional investments to adapt to new or amended laws or standards, such as increasing the number of staff manning an armoured vehicle or using cash degradation mechanisms, such as staining bank notes to render them unusable in the event of robbery. These changes and the relevant investments could have a substantial adverse impact on the business, financial situation and operating income. Likewise, a reduction or easing of local regulations could result in increased competition for Prosegur Cash due to the entry of new participants in the market or a larger number of smaller competitors. Moreover, failure to comply with applicable laws or regulations could lead to sizeable fines or the revocation of the permits and operating licences, which would also have a substantial adverse effect on its business, financial activity and operating income.

Regulatory risks are mitigated by identifying the risk at an operational level, regularly assessing the control environment and implementing and continuously monitoring programmes to ensure the proper operation of controls implemented.

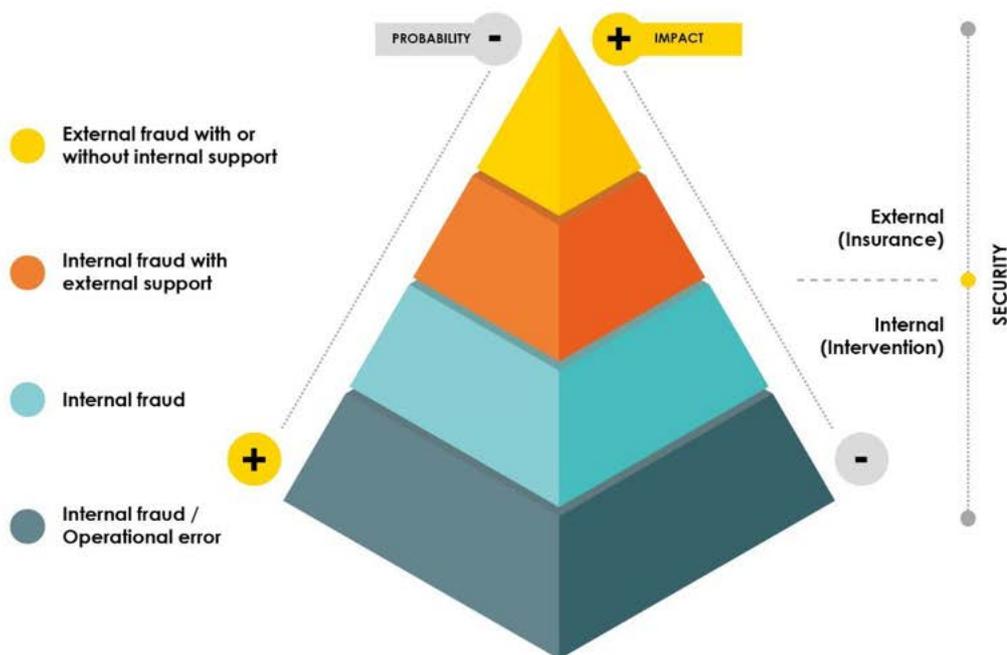
The local Business Areas define the policies, procedures and tools for their identification and quantification, as well as the proposal of measures to mitigate risk and the ongoing monitoring of any deviation from established tolerance levels, in connection with operational control, security and regulatory compliance. For this purpose there are standard procedures in place in all the countries where the group operates, consistent with the requirements of regulations applicable in each case.

The Internal Audit and Compliance Directorate also plays an essential role regularly assessing the control environment and implementing and continuously monitoring the programmes to ensure the proper operation of controls implemented.

### Operational risks

Prosegur Cash devotes significant effort to the management of operational risks due to the potential impact on the commitments undertaken with its stakeholders and, specifically, with clients and employees. Prosegur Cash's approach to risk management covers all fields of Company activity through strict control of three basic pillars: infrastructure, processes and employees.

In order to improve efficiency in operating risk management, the Company has a Global Risk Management Directorate, an area that, given its structure and organisation, provides a competitive advantage in the management of those risks with respect to other companies of the sector.



This Directorate endows the organisation with the instruments necessary to efficiently manage the risks associated with operational security. It furthermore provides the tools necessary to ensure the maintenance of the standards and procedure defined by the Company, as well as the compliance required by national regulations.

With a corporate structure located in Madrid (Spain), the Directorate is composed of three departments with regional and national representation: Security, Intervention and Insurance. The incorporation of these three departments under a single Management makes it possible to maximise the effectiveness of the operations at less cost, as a result of having in-house specialists who share common procedures.

The **Security department** manages the risks and legal standards on security as a second level of defence of the organisation by actively participating in the development and execution of business operations on security. This department has employees distributed in four global support areas: Intelligence, Information Security, Security of Bases and Facilities and International Tactical Training Team.

The **Intervention department** is organised into two units: Intervention and Loss Control (UPC). Both combine in situ reviews of the business operations (audits of valuables in custody, operating controls, operating security and of the facilities, and compliance with legal regulations), with the remote monitoring of the close of daily accounting entries for all regional offices, thus minimising the operating losses of the Prosegur Cash business.

The **Insurance Department** identifies and controls operating risks and determines the bases for assurance and management, guaranteeing minimum impact on the income statement. The department arranges insurance schemes, signs policies at corporate and local level with first rate insurance companies, providing cover for a wide range of risks: for direct and indirect employees engaged in Prosegur Cash's activity and for its property, plant and equipment.

The strict control of the triad of infrastructure, processes and employees, together with the analysis of the impact and probability of these main operating risks, design the approach for managing risk based on whether it can be mitigated internally (through the intervention of the teams) or externally (applying the insurance cover contracted).

### Technological risks

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

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

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

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

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

Similarly, the training and awareness of all its employees is a priority for Prosegur. Therefore, we have reached a level of training in cybersecurity through the Prosegur University of more than 90% of the

employees. We also carry out periodic cyber awareness exercises to keep our employees trained on an ongoing basis.

### Reputational Risks

In order to be able to respond to actual or perceived incidents which have a negative effect on its name or generate brand value loss, Prosegur Cash detects any possible irregularities through its Ethics Channel, anticipates non-fulfilment through the Corporate Compliance Programme and implements independent processes of due diligence.

### Environmental risks

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

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

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

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

### Corruption and fraud risk

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

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

### Political risks

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

## 4.2. Financial risks

### Interest rate risk

Prosegur Cash Group is exposed to interest rate risk due to its monetary assets and liabilities.

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

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

### Currency risk

Prosegur Cash is exposed to foreign currency exchange risks arising from its revenues being generated in various currencies (mainly Brazilian real, Argentine, Colombian, Chilean and Mexican pesos, Peruvian sol and Australian dollar), while its functional currency is the Euro.

To the extent that local costs and revenues are denominated in the same currency, the effect of exchange rate fluctuations on Prosegur Cash's margins may be neutral (although the absolute size of these margins in Euros would continue to be affected). Fluctuations in exchange rates may also affect the Company's financing costs for instruments denominated in currencies other than the Euro.

In general, Prosegur Cash does not use currency derivatives to hedge its expected future operations and cash flows, so exchange rate fluctuations may have an adverse effect on the business and, accordingly, the Company's financial situation and profit/(loss).

The natural coverage made by Prosegur Cash Group is based on the capital expenditure required in the industry, which varies by business area, is in line with the operating cash flow generated and it is possible to time the investments made in each country based on operating requirements.

The debt in EUR represents almost all of the financial debt.

Note 23 of the Prosegur Cash's Individual Annual Accounts reflects the value of financial liabilities by currency.

### Credit risk

The Credit and Collection Departments of each of the countries in which the Prosegur Cash Group operates carries out a risk assessment of each client on the basis of the contract data and establishes credit limits and payment terms which are recorded in the Prosegur Cash Group's management systems and periodically updated. Monthly tracking of the credit situation of the clients is carried out, making any value corrections deemed necessary on the basis of clearly established policies.

As for financial investments and other operations, these are carried out with defined rating entities and financial transaction framework agreements are entered into (CMOF or ISDA). Restrictions on counterparty risk are clearly defined in the corporate policies of Financial Management and updated credit limits and levels are periodically published.

## 5. Average payment period to suppliers

The average payment period to suppliers in 2020 was 59 days (2019: 59 days).

## 6. Important circumstances after the reporting period

No subsequent events have taken place following the close of financial year 2020 that might suppose any significant change to the presentation of the Annual Accounts.

## 7. Information on the foreseeable performance of the entity

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

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

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

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

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

We think some of the measures we have been implementing since the second quarter of 2020, such as the reduction in travel expenses or the acceleration of investments in Innovation and Digital

Transformation and which have enabled us to improve our resilience and rapidly adapt to the new normality, will become structural measures and will help us to navigate the new post-pandemic environment.

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

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

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

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

## 8. Acquisition and disposal of own shares

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

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

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

The Programme has the following features:

- a) Maximum amount allocated to the Programme: EUR 40,000 thousand.
- b) Maximum number of shares that can be acquired: up to 45,000,000 shares representing approximately 3% of the Company's share capital.
- c) Maximum price per share: shares are purchased in compliance with the price and volume limits established in the Regulations. In particular, the Company cannot buy shares at a price higher than the highest of the following: (i) the price of the last independent trade; or (ii) that

corresponding to the highest current independent bid on the trading venues where the purchase is carried out.

- d) Maximum volume per trading session: insofar as volume is concerned, the Company will not purchase more than 25% of the average daily volume of the shares in any one day on the trading venues on which the purchase is carried out.
- e) Duration: the Programme has a maximum duration of one year. Notwithstanding the above, the Company reserves the right to conclude the Programme if, prior to the end of said maximum term of one year, it has acquired the maximum number of shares authorised by the Board of Directors, if it has reached the maximum monetary amount of the Programme or if any other circumstances arise that call for it.

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

At 31 December 2020, the treasury stock held by Prosegur Cash, S.A. is composed of 23,436,659 shares (2019: 1,119,862 shares), of which 768,667 (2019: 696,866) are linked to the liquidity agreement that entered into force on 11 July 2017.

## 9. Alternative Performance Measures

In order to meet ESMA guidelines on Alternative Performance Measures (hereinafter, APMs), the Prosegur Cash Group presents this additional information to enhance the comparability, reliability and understanding of its financial reporting. The company presents its profit/(loss) in accordance with International Financial Reporting Standards (IFRS-EU). However, Management considers that certain alternative performance measures provide additional useful financial information that should be taken into consideration when assessing its performance. Management also uses these APMs to make financial, operating and planning decisions, as well as to assess the Company's performance. The Prosegur Cash Group provides those APMs it deems appropriate and useful for users to make decisions and those it is convinced represent a true and fair view of its financial information.

APM	Definition and calculation	Purpose
CAPEX	Capex (Capital Expenditure), is the expense that a company incurs in capital goods and that creates benefits for the company, whether through the acquisition of new fixed assets or by means of an increase in the value of fixed assets already in existence. CAPEX includes additions of property, plant and equipment as well as additions of computer software of the intangible assets.	CAPEX is an important indicator of the life cycle of a company at any given time. When the company grows rapidly, the CAPEX will be greater than fixed asset depreciations, which means that the value of the capital goods is increasing rapidly. On the other hand, when the CAPEX is similar to the depreciations or even less, it is a clear sign that the company is decapitalising and may be a symptom of its clear decline.
EBIT margin	The EBIT margin is calculated by dividing the operating profit/(loss) of the company by the total figure of revenue.	The EBIT margin provides the profitability obtained of the total revenue accrued.
Net Financial Debt	The Company calculates financial debt as the sum of the current and non-current financial liabilities (including other payables corresponding to deferred M&A payments and financial liabilities with Group companies) minus cash and cash equivalents, minus current investments in group companies and minus other current financial assets.	The net debt provides the gross debt less cash in absolute terms of a company.
EBITA	EBITDA is calculated on the basis of the profit/(loss) for the period without including the profit/(loss) after taxes from discontinued operations, taxes on earnings, financial income or costs, or depreciations of Goodwill or the amortisation of intangible assets, but including the depreciation of computer software.	The EBITDA provides an analysis of earnings before taxes, tax burden and amortisation of intangible assets.
EBITDA	EBITDA is calculated on the basis of the profit/(loss) for the period for a company, excluding earnings after taxes from discontinued operations, income taxes, financial income or costs, and amortisation expenses or depreciation on goodwill.	The purpose of the EBITDA is to obtain a fair view of what the company is earning or losing in the business itself. The EBITDA excludes variables not related to cash that may vary significantly from one company to another depending upon the accounting policies applied. Amortisation is a non-monetary variable and thereof of limited interest for investors.

The reconciliation of Alternative Performance Measures is as follows:

<b>CAPEX (in thousands of Euros)</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Technical installations and machinery	—	22
Other installations and furniture	924	985
Other property, plant and equipment	375	199
Additions of property, plant and equipment	1,299	1,206
Additions of computer software	2,675	3,140
<b>Total CAPEX</b>	<b>3,974</b>	<b>4,346</b>
<b>EBIT margin (in millions of Euros)</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
EBIT	310,605	98,648
Revenue	332,850	113,016
<b>EBIT margin</b>	<b>93.3 %</b>	<b>87.3 %</b>
<b>Net financial debt (In millions of Euros)</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Financial liabilities (A)	851,520	695,788
Cash and cash equivalents (B)	(154,893)	(40,982)
Less: Other current financial assets (C)	—	—
<b>Total Net Financial Debt (A+B+C)</b>	<b>696,627</b>	<b>654,806</b>
Less: Other non-bank borrowings (D)	(18,803)	(17,975)
<b>Total Net Financial Debt (excluding other non-bank borrowings referring to deferred M&amp;A payments (A+B+C+D))</b>	<b>677,824</b>	<b>636,831</b>
<b>EBITA (In thousands of Euros)</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Profit/(loss) for the year	301,995	89,485
Income tax	(6,461)	(4,191)
Net financial expenses	15,071	13,354
PPE depreciation and computer software	1,247	2,798
<b>EBITA</b>	<b>311,852</b>	<b>101,447</b>
<b>EBITDA (In thousands of euros)</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Profit/(loss) for the year	301,995	89,485
Income tax	(6,461)	(4,191)
Net financial expenses	15,071	13,354
Depreciation and amortisation	4,698	2,925
<b>EBITDA</b>	<b>315,303</b>	<b>101,573</b>

## 10. Other significant information

### Stock market information

Prosegur Cash focuses its efforts in the creation of value for its shareholders. Improving profit/(loss) and transparency, as well as rigour and credibility, are what guides the Company's actions.

The Company's corporate website features the policy that governs its relationship with shareholders and investors, as approved by its Board of Directors. In this connection it undertakes to foster effective and open communication with all shareholders, at all times ensuring that the information it provides is both coherent and clear. Moreover, the company seeks to maintain transparent and regular contact with its shareholders, so as to nurture mutual understanding of their goals.

In order to fulfil our commitment to transparency, the Company tries to provide all its financial and strategic communications in an open and coherent manner, ensuring, wherever possible, the use of simple language to make them comprehensible, and that the information shows a fair, balanced and understandable view of the situation and prospects of Prosegur Cash.

The Company is open to receiving comments and suggestions for improvement, which may be submitted through the specific channels for this purpose mentioned on the website and/or in the investor communication policy.

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

Finally, in order to present the financial information to investors, the Company reports its profit/(loss) quarterly via webcast (on its website). The Company's profit/(loss) presentation is led by the Chief Financial Officer and the Director of Investor Relations, and, on an annual basis, by the Executive Director.

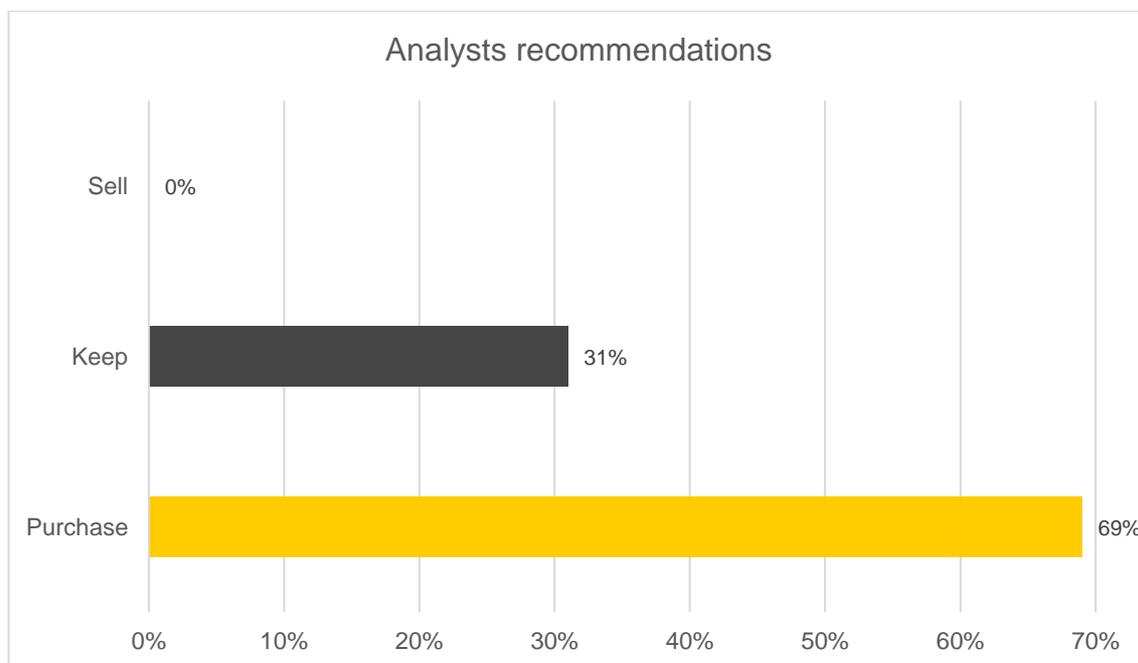
On ESG issues (Environmental, Social and Corporate Governance), Prosegur Cash continuously provides detailed information to any shareholders, private and institutional investors, the leading stock market analysts and proxy advisors who request it. By means of face-to-face meetings or telephone calls, the Company responded to issues regarding its Corporate Social Responsibility Policy, the commitment to the environment, the development of labour relations or the respect for and promotion of human rights. Prosegur Cash has also participated in the procedures established by the main ESG ratings for preparing its reports.

Since 2019 Prosegur Cash pertains to the FTSE4Good IBEX index, which independently assesses and classifies the companies that best manage sustainability and meet standards of good practice and corporate social responsibility.

## Analysts coverage

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

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



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

## Main shareholders

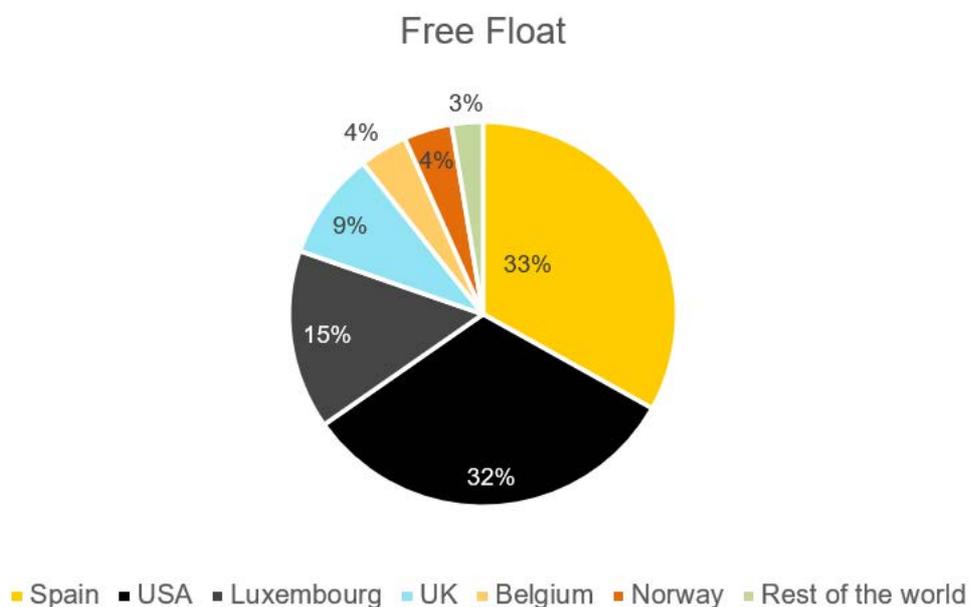
The shareholding structure of Prosegur Cash reflects its solidity and stability.

At 31 December 2020, 74.98% of share capital belonged directly or indirectly to Prosegur, 1.50% were treasury shares and the remaining 23.52% is free float, with notable holdings belonging to Invesco Limited with 2.755%.

The composition of the Board of Directors enables the management bodies to define the strategic lines and decisions in line with the interests of all its shareholders. This solid and stable shareholder base of relevance, made up of significant shareholders and institutional investors, provides Prosegur Cash with the ideal conditions to develop its project and achieve its objectives.

### Geographical distribution of free float

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



## 11. Statement of Non-financial Information

The Statement of Non-financial Information of Prosegur Cash, S.A. is described in note 5 of the Consolidated Directors' Report of Prosegur Cash.

# STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT OF 2020

The members of the Board of Directors of Prosegur Cash, S.A. hereby confirm that, to the best of our knowledge, the Individual Annual Accounts of Prosegur Compañía de Seguridad, S.A. for 2020, authorised for issue by the Board of Directors at the meeting held on 23 February 2021 and prepared in accordance with applicable accounting principles, present fairly the equity, financial position and profit/(loss) of Prosegur Cash, S.A., and that the respective individual Directors' Reports provide a reliable analysis of the Company's performance and results and the position of Prosegur Cash, S.A., together with the main risks and uncertainties facing the Company.

Madrid, 23 February 2021.

Mr Christian Gut Revoredo  
Executive President

Mr Pedro Guerrero Guerrero  
Vice-president

Mr José Antonio Lasanta Luri  
Executive Director

Ms Chantal Gut Revoredo  
Director

Mr Antonio Rubio Merino  
Director

Mr. Claudio Aguirre Pemán  
Director

Ms María Benjumea Cabeza de Vaca  
Director

Ms Ana Inés Sainz de Vicuña Bemberg  
Director

Mr Daniel Guillermo Entrecanales Domecq  
Director

# DIRECTORS' RESPONSIBILITY OVER THE ANNUAL ACCOUNTS

The Consolidated Annual Accounts of Prosegur Cash, S.A. and subsidiaries are the responsibility of the Directors of the parent company, and have been prepared in accordance with international financial reporting standards endorsed by the European Union.

The Directors are responsible for the completeness and objectivity of the Annual Accounts, including the estimates and judgements included therein. They fulfil their responsibility mainly by establishing and maintaining accounting systems and other regulations, supporting them adequately using internal accounting controls. These controls have been designed to provide reasonable assurance that the Company's assets are protected, that transactions are performed in accordance with the authorisations and regulations laid down by Management and that accounting records are reliable for the purposes of drawing up the Annual Accounts. The automatic correction and control mechanisms are also a relevant part of the control environment, insofar as corrective action is taken when weaknesses are observed. Nevertheless, an effective internal control system, irrespective of how perfect its design may be, has inherent limitations, including the possibility of circumventing or invalidating controls, and can therefore provide only reasonable assurance in relation with preparation of the Annual Accounts and the protection of assets. However, the effectiveness of internal control systems may vary over time due to changing conditions.

The Company evaluated its internal control system at 31 December 2020. Based on this evaluation, the Directors believe that existing internal accounting controls provide reasonable assurance that the Company's assets are protected, that transactions are performed in accordance with the authorisations laid down by Management, and that the financial records are reliable for the purposes of drawing up the Annual Accounts.

Independent auditors are appointed by the shareholders at their Shareholders General Meeting to audit the Annual Accounts, in accordance with the technical standards governing the audit profession. Their report, with an unqualified opinion, is attached separately. Their audit and the work performed by the Company's internal services include a review of internal accounting controls and selective testing of the transactions. The Company's management teams hold regular meetings with the independent auditors and with the internal services in order to review matters pertaining to financial reporting, internal accounting controls and other relevant audit-related issues.

Mr Javier Hergueta Vázquez  
Chief Financial Officer



**PROSEGUR**  
**CASH**

[www.prosegurcash.com](http://www.prosegurcash.com)