

Letter from the Chairman

We welcome you, for the first time, to this Annual Report 2017 for Prosegur Cash. We do this with great

satisfaction as the financial year, of which we take stock in this report, has represented a real turning point for our transport of valuables and cash management activities.

On the last 17 March, Prosegur Cash started trading on the Spanish Stock Exchanges with the placement of 375 million shares at EUR 2 per share. The IPO of Prosegur Cash was a truly exciting project that we undertook with great enthusiasm and care, and of which we are deeply proud. We were the first company to be listed in the year, in an economic context of great uncertainty. However, ours was the largest IPO on the European markets in the first quarter. And with regard to all the IPOs worldwide, we were the fourth by volume. Undoubtedly, this data confirms the trust in this project that has also had the support of the investment community.

With the IPO of Prosegur Cash we set ourselves a primary objective; to promote the growth of the company which is focused on transport of valuables and cash management. Today, we have a company that is perfectly sized, with a prominent position in the markets in which it operates and with a strong vocation



to play a leading role in the international consolidation of the industry.

Since we began to take the first steps of this plan, we have worked with the desire to create a robust, rigorous and attractive project for investors. An effort that has been rewarded, as the market has understood the value proposal that we have offered with Prosegur Cash.

We also committed ourselves to be very demanding in matters related to corporate governance, by providing the company with a system fully adapted to the applicable requirements and recommendations. We have also been very rigorous in the relations with our Parent company, Prosegur Compañía de Seguridad. To do this, we have defined a framework for action that ensures that we maintain a transparent relationship between both companies.

With this excellent starting point, the company started off fiscal year 2017 with full confidence in its capabilities and the results are proof of it.

Prosegur Cash's turnover in 2017 amounted to EUR 1,924 million, which represents an increase of 11.6% with respect to 2016. With regard to sales, we find one of the most outstanding aspects is the extraordinary progression of our new services that grew

by 49.7% with respect to 2016.

In addition, our margins continue to perform positively. Operating profit attributable to the business activity grew by 12.4% up to EUR 360 million. The EBIT margin continued to widen, reaching 18.7%.

Lastly, the consolidated net profit attributable to the business activity amounted to EUR 236 million in 2017, an increase of 28.2% with respect to the same period of the previous year.

This data supports the forecast that we provided to the market at the beginning of the year in terms of organic growth, profitability levels and increase in the business volume of the new services.

I would also like to highlight the five acquisitions made during the year for a combined amount of EUR 50 million. In addition, in the last part of the year, we approved our first dividend, the first pay out of which was made in December and we established our fixed-income securities issuance program, the first issue of which was completed also in December amounting to EUR 600 million.

We face the future with a solid base on which to continue building the project of Prosegur Cash.

We will increase our involvement in the international consolidation of the industry, for which we can see two lanes of development. First, the entry into new markets and, secondly, the strengthening of our position in the markets in which we already operate and which still offer opportunities for growth.

We will also continue to pay special attention to organic development where we expect to maintain growth in constant currency above that of the markets in which we operate. Finally, we will continue to further develop the provision of new services in a scenario where the trend is towards increased outsourcing. In this environment, we are a highly specialized company and we are confident that our contribution generates enormous value for our customers.

Cash is still one of the most widespread payment methods in the

world and efficient cash management is a priority for all the agents involved in the cash chain.

The data provided by the main institutions confirms that our industry is a growing market. Without any pretensions to being exhaustive, I would like to mention two of the latest ones available. According to the European Central Bank, 79% of payments in the euro area are made in cash, and in countries such as Germany, the percentage is even higher. For its part, the Bank of Spain has reported that the ATM network, which had experienced a sharp contraction since 2008, has again grown in 2017 to more than 50,000 ATMs. All this demonstrates, once again, that users need and prefer cash. Lastly, I would like to highlight the importance of cash in Latin America, a region that registers the highest dependence on cash with respect to gross domestic product. Undoubtedly,

the universality, efficiency, trust and security that this method of payment provides to users are qualities that explain the need and prevalence of cash.

For my part, I can only reiterate our intention to be close to our customers, investing in programs that allow us to continue offering an innovative and differential service proposal which is why Prosegur Cash is a leader.

We will move forward with our customers in the development of their businesses, contributing together to the progress of our society, based on the trust that customers, employees and shareholders have in the company. To all of them, we want to show our gratitude.

Christian Gut
Executive Chairman