

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, 2021

AUDIT REPORT ON ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

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

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

Report on the annual accounts

Opinion

We have audited the annual accounts of PROSEGUR CASH, S.A. (the Company), which comprise the balance sheet as at December 31, 2021, 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, 2021 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying annual accounts) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the annual accounts* section of our report.

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

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

Key audit matters

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

Valuation of long-term investments in group and associated companies

Description	<p>As at December 31, 2021, the Company has recognized in non-current assets, investments in group companies and associates amounting to 1,272 million euros, representing 76% of total assets.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.e) and 8 of the accompanying annual accounts.</p>
-------------	---

Our Response

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

Other information: director's report

Other information refers exclusively to the 2021 directors' report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the annual accounts.

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

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

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the directors' report is consistent with that provided in the 2021 annual accounts and its content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the audit committee for the annual accounts

The directors are responsible for the preparation of the accompanying annual accounts so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2.a) to the accompanying annual accounts, and for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the annual accounts

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

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

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of PROSEGUR CASH, S.A. for the 2021 financial year, consisting of an XHTML file containing the financial statements for the year, which will form part of the annual financial report.

The directors of PROSEGUR CASH, S.A. are responsible for submitting the annual financial report for the 2021 financial year, in accordance with the formatting requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors have been included by reference in the directors' report.

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

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

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on February 25, 2022.

Term of engagement

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

ERNST & YOUNG, S.L.
(Registered in the Official Register of
Auditors under N° S0530)

(Signed on the original version in Spanish)

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

February 25, 2022



PROSEGUR
CASH

Annual Accounts and Directors' Report at 31 December 2021

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

Prosegur Cash, S.A.

Table of contents

I.	INCOME STATEMENT FOR THE YEARS ENDED AT 31 DECEMBER 2021 AND 2020	3
II.	BALANCE SHEET AT 31 DECEMBER 2021 AND 2020.....	4
III.	STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020	6
IV.	STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020	8
V.	NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021	9
1.	General Information.....	9
2.	Basis for Presentation.....	10
3.	Income and Expenses	13
4.	Net Finance profit/(loss).....	15
5.	Profit/(loss) for the year.....	16
6.	Intangible assets.....	18
7.	Property, Plant and Equipment.....	20
8.	Long-term investments in Group companies, Jointly controlled companies and associates.....	22
9.	Financial assets	27
10.	Financial investments and trade receivables.....	30
11.	Cash and cash equivalents	31
12.	Net Equity	32
13.	Financial liabilities.....	36
14.	Financial debts and commercial creditors.....	39
15.	Taxation.....	43
16.	Contingencies.....	46
17.	Commitments	47
18.	Balances and transactions with related parties.....	48
19.	Non-current provisions.....	54
20.	Remuneration of the Board of Directors and Senior Management Personnel.....	55
21.	Employee Information	56
22.	Audit Fees.....	57
23.	Environmental information.....	57
24.	Financial risk management	57
25.	Events after the reporting date	60
26.	Accounting principles	60
26.1.	Intangible assets	60
26.2.	Property, Plant and Equipment	60
26.3.	Impairment losses on non-financial assets.....	61
26.4.	Financial assets	62
26.5.	Cash and cash equivalents	65
26.6.	Net Equity	65
26.7.	Financial liabilities	66
26.8.	Current and deferred taxes.....	68
26.9.	Employee benefits	68
26.10.	Provisions and Contingent Liabilities.....	69
26.11.	Revenue recognition.....	70
26.12.	Foreign currency transactions.....	72
26.13.	Related party transactions	72
26.14.	Leases.....	72
26.15.	Business combinations	72
VI.	DIRECTORS´ REPORT FOR 2021	74

I. INCOME STATEMENT FOR THE YEARS ENDED AT 31 DECEMBER 2021 AND 2020

(Expressed in thousands of EUR)

	Note	2021	2020
Revenue	3	79,162	332,850
Dividend received		64,000	317,994
Loan interest income		2,432	1,022
Provision of services		12,730	13,834
Material costs		(2)	(1)
Consumption of raw materials and other consumables		(2)	(1)
Personnel Expenses	3	(7,933)	(5,131)
Wages, salaries and similar charges		(7,099)	(4,223)
Social security obligations		(834)	(908)
Other operating expenses		(11,840)	(10,459)
External services	3	(10,352)	(8,548)
Taxes		(12)	(113)
Losses, impairment and changes in commercial provisions		15	—
Other ordinary expenses	3	(1,491)	(1,798)
Fixed assets deterioration	6, 7	(3,800)	(4,698)
Impairment and profit/(loss) for disposal of fixed assets		(46)	(161)
Profit/(losses) on disposals and other operations	7	(46)	(161)
Impairment and profit/(losses) on disposal of financial instruments	8	(12,943)	—
Profit/(losses) on disposals and other operations		(12,943)	—
Other profit/(loss)	3	1,956	(1,795)
OPERATING PROFIT/(LOSS)		44,554	310,605
Financial income	4	32	10
Negotiable securities and other financial instruments		32	10
Financial expense	4	(16,206)	(15,013)
From payables to Group companies and associates		(4,139)	(2,559)
From payables to third parties		(12,067)	(12,454)
Exchange differences	4	107	(68)
FINANCE PROFIT/(LOSS)		(16,067)	(15,071)
PROFIT BEFORE TAX		28,487	295,534
Income tax	15	5,113	6,461
PROFIT/(LOSS) FOR THE YEAR	5	33,600	301,995

The accompanying notes form an integral part of the Annual Accounts for 2021.

II. BALANCE SHEET AT 31 DECEMBER 2021 AND 2020

(Expressed in thousands of EUR)

ASSETS	Note	2021	2020
NON-CURRENT ASSETS		1,287,237	1,299,226
Intangible assets	6	7,474	7,636
Patents, licences, trademarks and others		213	435
Computer software		2,781	5,678
Other intangible assets		4,480	1,523
Property, Plant and Equipment	7	2,075	2,281
Technical facilities and other property, plant and equipment		2,071	2,281
Work in progress and advances		4	—
Long-term investments in Group companies and associates	8	1,271,775	1,288,396
Equity instrument	8	1,271,582	1,288,396
Loans to companies	9, 18	193	—
Long-term financial investments	9	4,543	112
Loans to third parties		4,431	—
Other financial assets		112	112
Deferred tax assets	15	1,370	801
CURRENT ASSETS		381,984	631,168
Trade and other receivables		16,166	23,188
Trade receivables	9	163	—
Clients, Group companies and associates	9, 18	13,234	19,393
Miscellaneous receivables	9	341	97
Personnel	9	2	—
Public entities, other receivables	15	2,426	3,698
Short-term investments in Group companies and associates	9, 18	354,291	444,717
Loans to companies	9	224,069	220,575
Other financial assets	9	130,222	224,142
Short-term financial investments	9	655	—
Loans to companies		655	—
Short-term deferrals		899	1,316
Cash and cash equivalents	11	9,973	161,947
Cash and other cash equivalents		9,973	161,947
TOTAL ASSETS		1,669,221	1,930,394

The accompanying notes form an integral part of the Annual Accounts for 2021.

NET EQUITY AND LIABILITIES	Note	2021	2020
EQUITY		325,444	331,689
Shareholders' equity		325,444	331,689
Subscribed share capital	12	30,459	30,891
Registered capital		30,459	30,891
Share premium	12	33,134	33,134
Reserves	12	270,792	43,858
Legal and statutory reserves		6,178	6,178
Other reserves		264,614	37,680
(Own shares and equity holdings)	12	(14,282)	(18,261)
Profit/(loss) for the year	5	33,600	301,995
(Interim dividend)	5	(30,002)	(59,928)
Other net equity instruments	12	1,743	—
NON-CURRENT LIABILITIES		894,388	1,040,420
Non-current provisions	19	3,106	2,406
Obligations for long-term personnel benefits		1,163	611
Other provisions		1,943	1,795
Long-term debts	13	608,456	755,188
Debentures and other negotiable securities		596,444	595,576
Debts with credit institutions		—	155,000
Other financial liabilities		12,012	4,612
Long-term payables to Group companies and associates	13, 18	282,826	282,826
CURRENT LIABILITIES		449,389	558,285
Short-term debts	13	81,172	103,386
Debentures and other negotiable securities		7,471	7,471
Debts with credit institutions		48,813	77,112
Other financial liabilities		24,888	18,803
Short-term payables to Group companies and associates	13, 18	351,879	443,672
Trade and other payables		16,338	11,227
Suppliers, Group companies and associates	13, 18	11,631	6,511
Sundry accounts payable	13	2,862	2,833
Personnel (salaries payable)	13	1,490	1,506
Public entities, other payables	15	355	377
TOTAL EQUITY AND LIABILITIES		1,669,221	1,930,394

The accompanying notes form an integral part of the Annual Accounts for 2021.

III. STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

A) STATEMENT OF COMPREHENSIVE INCOME

(Expressed in thousands of EUR)

	<u>Note</u>	<u>2021</u>	<u>2020</u>
Profit/(losses) in the income statement	5	33,600	301,995
Total comprehensive income and expenses		<u>33,600</u>	<u>301,995</u>

The accompanying notes form an integral part of the Annual Accounts for 2021.

B) STATEMENT OF TOTAL CHANGES IN EQUITY

(Expressed in thousands of EUR)

	Share capital Subscribed (Note 12)	Share premium (Note 12)	Reserves (Note 12)	(Own shares and equity holdings) (Note 12)	Profit/(loss) for the year (Note 5)	(Interim dividend) (Note 5)	Other net equity instruments (Note 12)	TOTAL
BALANCE AT YEAR END 2019	30,000	—	41,771	(1,546)	89,485	(87,150)	—	72,560
Recognised income and expense	—	—	—	—	301,995	—	—	301,995
Operations with partners or owners	891	33,134	2,087	(16,715)	(89,485)	27,222	—	(42,866)
Capital increases	891	33,134	—	—	—	—	—	34,025
Operations with own stocks or shares (net)	—	—	(248)	(16,715)	—	—	—	(16,963)
Distribution of profit	—	—	2,335	—	(89,485)	87,150	—	—
Interim dividend	—	—	—	—	—	(59,928)	—	(59,928)
BALANCE AT YEAR END 2020	30,891	33,134	43,858	(18,261)	301,995	(59,928)	—	331,689
Total comprehensive income and expenses	—	—	—	—	33,600	—	—	33,600
Operations with partners or owners	(432)	—	225,874	3,979	(301,995)	29,926	—	(42,648)
(-) Capital reductions	(432)	—	(16,020)	16,452	—	—	—	—
Operations with own stocks or shares (net)	—	—	(382)	(12,473)	—	—	—	(12,855)
Distribution of profit	—	—	242,067	—	(301,995)	59,928	—	—
Other operations with partners or owners	—	—	209	—	—	—	—	209
Interim dividend	—	—	—	—	—	(30,002)	—	(30,002)
Other changes in equity.	—	—	1,060	—	—	—	1,743	2,803
Other changes	—	—	1,060	—	—	—	—	1,060
Employee share incentives	—	—	—	—	—	—	1,743	1,743
BALANCE AT YEAR END 2021	30,459	33,134	270,792	(14,282)	33,600	(30,002)	1,743	325,444

The accompanying notes form an integral part of the Annual Accounts for 2021.

IV. STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

(Expressed in thousands of EUR)

	Note	2021	2020
Pre-tax financial year profit		28,487	295,534
Adjustments made to profit/(loss)		(30,459)	(296,269)
Fixed assets depreciation (+)	6 y 7	3,800	4,698
Impairment losses (+/-)		(15)	—
Change in provisions (+/-)		700	1,795
Results from fixed asset disposals and sale	6	46	161
Result from disposals and sale of financial instruments (+/-)	8	12,943	—
Financial income (-)	4	(32)	(10)
Dividend received (-)	3	(64,000)	(317,994)
Financial expenses (+)	4	16,206	15,013
Exchange differences (+/-)	4	(107)	68
Changes in current capital		6,214	(46,418)
Clients and other receivables (+/-)		7,037	2,102
Other current assets (+/-)		(7,035)	(11,722)
Trade and other payables (+/-)		6,503	(35,475)
Other non-current assets and liabilities (+/-)		(291)	(1,323)
Other cash flows from operating activities		160,481	(2,485)
Interest payments (-)		(1,019)	(14,895)
Dividend collection (+)		161,500	12,400
Interest received (+)		—	10
Cash flows from operating activities		164,723	(49,638)
Payments for investments (-)		(7,909)	(156,347)
Group companies and associates		—	(151,563)
Intangible assets	6	(3,250)	(3,460)
Property, Plant and Equipment	7	(228)	(1,298)
Other financial assets	9	(4,431)	(26)
Collections from disposal of investments (+)		3,871	32,980
Group companies and associates		3,871	32,965
Intangible assets		—	15
Cash flows from investing activities		(4,038)	(123,367)
Collections and payments for equity instruments	12	(12,868)	(10,780)
Issue of equity instruments (+)		1,562	34,025
Purchases of equity instruments (-)		(14,048)	(50,967)
Sale of own equity instruments (+)		(382)	6,162
Collections and payments for liability instruments		(241,182)	336,561
Issue		14,351	336,561
Debentures and similar securities (+)		868	—
Debts with credit institutions (+)		—	155,000
Loans to Group companies and associates (+)		—	180,775
Other payables (+)		13,483	786
Repayment and amortisation of		(255,533)	—
Debts with credit institutions (-)		(194,313)	—
Loans to Group companies and associates (-)		(61,220)	—
Dividends payable and remunerations from other equity instruments		(58,609)	(31,811)
Dividends (-)		(58,609)	(31,811)
Cash flows from financing activities		(312,659)	293,970
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(151,974)	120,965
Cash and equivalents at the beginning of the year	11	161,947	40,982
Cash and equivalents at the end of the year	11	9,973	161,947

The accompanying notes form an integral part of the Annual Accounts for 2021.

V. NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General Information

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

The Company is a subsidiary controlled by the Spanish company Prosegur Compañía de Seguridad, S.A. (hereinafter, Prosegur), which currently owns 57.30% of its shares, indirectly controlling another 21.98% 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 27.50% of the share capital of the Company.

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

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

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

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 2021 corresponds to that of the group company holding, with its income coming from group companies, mainly relating to dividends and services.

The Company's statutory activity does not include activities expressly restricted by law to entities that comply with special requirements not met by the Company, particularly financial brokerage activities

that are restricted by financial legislation governing collective investment undertakings and the securities market law and supplementary provisions applicable to collective investment undertakings.

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

The Directors prepare the Consolidated Annual Accounts of the Group Prosegur Cash, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and approved by the European Commission Regulations in force at 31 December 2021. The consolidated Annual Accounts were drawn up by the Board of Directors, together with these Individual Annual Accounts, on 22 February 2022 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 2021 present consolidated profit of EUR 33,055 thousand (EUR 15,630 thousand in 2020) and consolidated equity of EUR 77,201 thousand (EUR 80,235 thousand in 2020).

2. Basis for Presentation

a) Fair presentation

The annual accounts have been prepared on the basis of the Company's accounting records and are presented in accordance with corporate legislation in force and the standards set out in the General Chart of Accounts approved under Royal Decree 1514/2007 and in the amendments to the General Chart of Accounts established by Royal Decree 1159/2010, of 17 September, and Royal Decree 602/2016, of 2 December, and the amendment of Royal Decree 1/2021, of 12 January, and also the publication of 13 February 2021 of the Accounting and Audit Institute (ICAC) resolution under which the standards are established for the accounting, measurement and drawing up of annual accounts for the recognition of revenue from the delivery of goods and rendering of services, in order to reflect a true and fair image of the equity, financial situation and profit/(loss) of the Company, as well as the veracity of the cash flows shown in the cash flow statement.

b) Comparative information

For comparative purposes and for each item in the balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the Annual Accounts, in addition to the figures for financial year 2021, the Annual Accounts show those pertaining to the previous year, those of 2020, approved by the Shareholders General Meeting at 03 June 2021.

On 30 January 2021, Spanish Royal Decree 1/2021, of 12 January, was published amending the Spanish General Chart of Accounts approved by Royal Decree 1514/2007, of 16 November. Changes to the Spanish General Chart of Accounts are applicable to reporting periods commencing as of 1 January 2021, and focus on criteria for the recognition, measurement and breakdown of income and financial instruments, detailed as follows:

- Financial instruments

The changes caused have not had a relevant effect on these annual accounts and have only entailed the change in balance sheet nomenclature of the heading 'Held-for-sale financial assets' included in the Annual Accounts for the previous year, to the new heading 'Financial assets at fair value with changes in Equity'.

- Revenue recognition

The changes caused have not had a relevant effect on these Annual accounts, because Company revenue from its activity comes mainly from the collection of dividends from its investees.

c) Functional currency

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

d) Going concern

As of 31 December 2021, the Company has a positive working capital of EUR 67,405 thousand (EUR 72,883 thousand negative working capital at 31 December 2020). As indicated in Note 1, the Company is the parent of the Prosegur Cash Group and has the capacity to generate future cash flows via the management of its subsidiaries' dividends. Additionally, as of 31 December 2021, the Group presents a consolidated result attributable to Prosegur Cash, S.A. as Parent Company of EUR 33,158 thousand (EUR 15,892 thousand at 31 December 2020). Finally, as indicated in Notes 20 and 23 of the Consolidated Annual Accounts of the Prosegur Cash Group, at 31 December 2021, the Group companies had available treasury of EUR 250,804 thousand and had been granted undrawn additional financing of EUR 479,930 thousand (EUR 401,773 thousand and EUR 274,199 thousand as of 31 December 2020, respectively).

Taking these facts into consideration, the Company's Directors have prepared these Annual Accounts following the going concern principle.

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

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

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

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

Investments in Group companies

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

Determination of fair values

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

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

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

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

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

COVID-19

Almost two years have passed since COVID-19 was declared a pandemic, and the Company observes that although the progress of vaccination is uneven in the places where it operates, the health restrictions that directly impact economic activity and trade have been gradually reduced.

During the 2021 financial year, economic activity was gradually recovering, bringing several areas back to pre-pandemic business volumes.

In this context, the Company continues to assess the impacts of COVID-19 on the Annual Accounts. As of 31 December 2021, they are as follows:

- a. Liquidity risk: During the 2020 financial year, COVID-19 caused liquidity tensions that gradually eased throughout 2021. For this reason, the Company has no disposed balances the line of credits associated with the syndicated financing facilities for the amount of EUR 300,000 thousand (Note 14).
- b. Risk of measurement of assets and liabilities on the balance sheet: Analysis of impairment indicators in stakes in Group companies (Note 8).
- c. Credit risk: The company has complied with the applicable Covenants at the end of 2020. (Note 14).
- d. Review of employee remuneration for long-term incentive plans, with a specific impact on the 18-20 Plan approved for the Cash Group Executive Chairman, Managing Director and Management (Note 3.b).
- e. Board of Directors analysis of exceptional circumstances that justify the resolved distribution of dividends, regardless of the situation of uncertainty caused by the COVID-19 pandemic (Note 5).
- f. Analysis of contractual clauses, as a measure to prevent potential additional impacts.

3. Income and Expenses

a) Revenue

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

	Thousands of Euros							
	National		Rest of Europe		Rest of the world		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Group companies and associates								
- Dividends received	64,000	317,994	—	—	—	—	64,000	317,994
- Loan interest income	1,506	61	129	171	797	790	2,432	1,022
- Provision of services	938	1,257	—	(160)	11,792	12,737	12,730	13,834
Total	66,444	319,312	129	11	12,589	13,527	79,162	332,850

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 expenses corresponding to centralised services and trademark assignment services were considered. 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 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	2020
Wages and salaries	7,099	4,223
Social security obligations	834	908
Total	7,933	5,131

The accrual of the long-term incentive associated with the 18-20 Plan, 21-23 Plan (Note 19) and the Retention Plan for the Executive President, Managing Director and the Management of Cash Group (Note 12) is included under the heading on wages and salaries.

During 2021 the total impact of the incentives on the income statement was a greater expense of EUR 2,541 thousand and a reversal amounting to EUR 611 thousand (EUR 126 thousand in 2020 under the 2017 Plan).

During 2020, with regard to the 2020 long-term incentive plan for the Managing Director and 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 income statements of EUR 1,082 thousand.

The breakdown of Social security obligations in 2021 and 2020 are as follows:

	Thousands of Euros	
	2021	2020
Social Security payable by the Company	724	663
Other employee benefits expenses	110	245
Total	834	908

c) External services

The breakdown of external services in 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	2020
Leases and levies	836	1,150
Repairs and conservation	1,765	1,494
Independent professional services	5,433	4,953
Banking and similar services	95	143
Advertising, publicity and public relations	36	398
Supplies and others	220	143
Other services	1,967	267
Total	10,352	8,548

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 ordinary expenses

At 31 December 2021, the amount recorded under 'Other current operating expenses' is EUR 1,491 thousand (EUR 1,798 thousand at 31 December 2020), which mainly correspond to contributions made to Foundations and other ordinary expenses.

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

In 2021, disposals took place under 'Technical facilities and other property, plant and equipment', leading to a loss of EUR 46 thousand (Note 7).

f) Other profit/(loss)

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

In 2020 the Company detected risks of different types which generated an accounting provision of EUR 1,795 thousand, recognised as Other profit/(loss).

4. Net Finance Income

The breakdown of financial income and expenses in 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	2020
Financial income	32	10
Third parties	32	10
Financial expense	(16,206)	(15,013)
From payables to Group companies and associates (Note 18)	(4,139)	(2,559)
From payables to third parties	(12,067)	(12,454)
Exchange differences	107	(68)
Net Finance Income	(16,067)	(15,071)

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

	Thousands of Euros	
	2021	2020
Loans to Group companies and associates	107	(68)
	107	(68)

- **Exchange differences**

The main exchange differences items are the following:

	Currency	Thousands of Euros	
		2021	2020
Current accounts	US Dollar	766	(1,900)
Current accounts with Group companies	US Dollar	(14)	—
Suppliers	US Dollar	(41)	(6)
Other financial liabilities	US Dollar	(8)	—
Group company acquisition	Peruvian Sol	(3)	(180)
Current accounts with Group companies	Peruvian Sol	222	—
Loans to Group company	Peruvian Sol	(1,577)	—
Current accounts	South African Rand	—	(409)
Loans to Group company	Australian Dollar	581	1,331
Current accounts	Australian Dollar	(77)	(311)
Suppliers	Australian Dollar	(6)	—
Group suppliers	Australian Dollar	(10)	—
Group company acquisition	Colombian Peso	—	1,522
Other financial liabilities	Colombian Peso	617	—
Suppliers	Philippine Peso	—	—
Loans to Group company	Philippine Peso	74	—
Other Group company loans	Philippine Peso	—	(80)
Suppliers	Argentine Peso	102	(35)
Current accounts with Group companies	Argentine Peso	(97)	—
Suppliers	Pound	(2)	—
Other financial liabilities	Uruguayan Peso	(420)	—
		107	(68)

5. Profit/(loss) for the year

a) Distribution of profit proposal

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

	Thousands of Euros	
	2021	2020
<u>Basis of allocation</u>		
Profit and losses	33,600	301,995
Total	33,600	301,995
<u>Allocation</u>		
Legal reserve	—	178
Voluntary reserves	3,598	241,889
Interim dividends	30,002	59,928
Total	33,600	301,995

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

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

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 7,501 thousand) should be divided by the new number of outstanding shares that corresponds following the aforementioned increase or reduction.

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 share capital was divided into 1,545 million shares). This dividend was distributed to shareholders through a monetary contribution, except for an amount of EUR 209 thousand that was allocated to reserves.

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 payables under the heading of Short-term debts 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 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:

	<u>Thousands of</u> <u>2021</u>
1. Initial cash on hand (before the interim dividend)	(50,563)
2. Group current bank account balances	(10,490)
3. Current proceeds	—
4. Temporary financial investments	643
5. Receipts for Capital and Extraordinary Transactions	356,745
6. Payments for Current Operations	(3,882)
7. Payments for Financial Transactions	(1,430)
8. Extraordinary Payments	(221)
Forecast Cash	290,802
Less dividend payments according to the proposal	(30,002)
Final cash after dividends	<u>260,800</u>

The Board of Directors, considering the situation of uncertainty caused by the COVID-19 pandemic and the resulting drop in profit during 2020 and 2021, has determined that exceptional circumstances exist that justify a distribution of dividends in the aforementioned amount.

b) Dividend distribution restrictions

Reserves and profit for the year are freely distributable except for the restrictions described in Note 12.

6. Intangible assets

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

Thousands of Euros

	Licences	Computer software	Other intangible assets	Total
Cost				
Balance at 1 January 2020	2,678	12,876	2,045	17,599
Additions	151	2,675	634	3,460
Disposals	(116)	(407)	—	(523)
Transfers	(150)	274	(124)	—
Balance at 31 December 2020	2,563	15,418	2,555	20,536
Additions	—	7	3,243	3,250
Transfers	—	130	(130)	—
Balance at 31 December 2021	2,563	15,555	5,668	23,786
Depreciation and amortisation				
Balance at 1 January 2020	(1,067)	(6,956)	(879)	(8,902)
Depreciation and amortisation for the year	(1,134)	(3,098)	(113)	(4,345)
Disposals	33	314	—	347
Transfers	40	—	(40)	—
Balance at 31 December 2020	(2,128)	(9,740)	(1,032)	(12,900)
Depreciation and amortisation for the year	(222)	(3,034)	(156)	(3,412)
Balance at 31 December 2021	(2,350)	(12,774)	(1,188)	(16,312)
Carrying amount				
At 31 December 2020	435	5,678	1,523	7,636
At 31 December 2021	213	2,781	4,480	7,474

a) Description of the main movements

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

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

The most significant additions to intangible assets in 2020 were mainly:

- Computer software: transfers 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.

No disposals in intangible assets were registered in 2021.

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.

b) Licences

Details of licences at year end are as follows:

Thousands of Euros						
2021						
Description and operation	Expiry date	Amortisation period	Depreciation for the year	Cost	Accumulated amortisation	Carrying amount
Licences - Software	2017	1 years	—	172	172	—
Licences - Software	2020	4 years	1	1,361	1,361	—
Licences - Software	2021	4 years	42	309	309	—
Licences - Software	2022	4 years	102	410	367	43
Licences - Software	2023	4 years	48	193	107	86
Licences - Software	2024	4 years	29	118	34	84
			222	2,563	2,350	213

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

c) Fully amortised intangible assets

The intangible assets fully amortised as of 31 December 2021 and 2020 are the following:

	Thousands of Euros	
	2021	2020
Computer software	6,973	4,422
Licences	1,842	1,536
Other intangible assets	491	491
	9,306	6,449

d) Other information

There were no purchases of intangible assets from Group companies in 2021 or 2020.

At 31 December 2021 and 2020 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	Work in progress and advances	
Cost					
Balance at 1 January 2020	105	1,072	662	—	1,839
Additions	—	924	375	—	1,299
Disposals	—	—	(74)	—	(74)
Balance at 31 December 2020	105	1,996	963	—	3,064
Additions	1	198	25	4	228
Disposals	—	(64)	—	—	(64)
Balance at 31 December 2021	106	2,130	988	4	3,228
Depreciation and amortisation					
Balance at 01 January 2020	(24)	(38)	(442)	—	(504)
Depreciation and amortisation	(13)	(168)	(172)	—	(353)
Disposals	—	—	74	—	74
Balance at 31 December 2020	(37)	(206)	(540)	—	(783)
Depreciation and amortisation	(13)	(199)	(176)	—	(388)
Disposals	—	18	—	—	18
Balance at 31 December 2021	(50)	(387)	(716)	—	(1,153)
Carrying amount					
At 31 December 2020	68	1,790	423	—	2,281
At 31 December 2021	56	1,743	272	4	2,075

a) Description of the main movements

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

The most significant additions to property, plant and equipment in 2020 corresponded 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 addition of property, plant and equipment in 2021 corresponds to the building of the Prosegur 3D Visits Showroom for EUR 4 thousand.

There were no additions to property, plant and equipment in 2020.

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

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

b) Fully depreciated property, plant and equipment

The items of property, plant and equipment fully depreciated at 31 December 2021 and 2020 are as follows:

	Thousands of Euros	
	2021	2020
Technical installations and machinery	4	2
Other property, plant and equipment	369	205
	373	207

c) Other information

There were no purchases of property, plant and equipment from Group companies in 2021 nor in 2020.

At 31 December 2021 and 2020 the Company has no property, plant and equipment subject to restrictions on title or pledged as security for liabilities.

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

d) Assets under operating lease

Lessee

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

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

	Thousands of Euros	
	2021	2020
Lease expenses	836	1,150
	836	1,150

Future minimum payments under non-cancellable operating leases are shown in Note 17.

8. Long-term investments in Group companies, Jointly controlled companies and associates

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

	Thousands of Euros	
	2021	2020
Balance at 1 January		
<u>Investments</u>	1,288,396	1,169,798
Additions	58,386	118,598
Disposals	(75,200)	—
Balance at 31 December	1,271,582	1,288,396

At 31 December 2021 and 2020 the Company has no property, plant and equipment subject to restrictions on title or pledged as security for liabilities.

Company	Thousands of Euros	
	2021	2020
Prosegur Global CIT, S.L.U.	932,575	932,575
Prosegur Global CIT ROW, S.L.U.	223,841	223,841
Prosegur Avos España, S.L.	—	75,200
Prosegur Alpha3 Cashlabs, S.L.	5,216	5,216
Corresponsales Colombia SAS	15,325	15,325
Spike GmbH	25	25
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	36,214	36,214
Nummi, S.A.	58,343	—
Prosegur Cash Servicios, S.A.C.	42	—
Zerius Europe, S.L.,	1	—
	1,271,582	1,288,396

The following operations were carried out:

a) Additions

During 2021 and 2020, the operations were as follows:

		Thousands of Euros	
		2021	2020
Prosegur Global CIT, S.L.U.	(1)	—	11,621
Prosegur Global CIT ROW, S.L.U.	(2)	—	8,200
Prosegur Avos España, S.L.	(3)	—	45,000
Prosegur Alpha3 Cashlabs, S.L.	(4)	—	2,213
Corresponsales Colombia SAS	(5)	—	15,325
Spike GmbH	(6)	—	25
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	(7)	—	36,214
Nummi, S.A.	(8)	58,343	—
Prosegur Cash Servicios, S.A.C.	(9)	42	—
Zerius Europe, S.L.,	(10)	1	—
Total		58,386	118,598

(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.

(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.

(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.

(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.

(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.

(8) Nummi, S.A.

- On 2 June 2021, the Company acquired shares in the company Nummi, S.A., for the amount of EUR 58,343 thousand.

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

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

(10) Zerius Europe, S.L.

- On 1 July 2021, the Company acquired shares of the Zerius Europe, S.L. through a monetary contribution of EUR 1 thousand.

b) Disposals

During 2021 and 2020, the operations were as follows:

		Thousands of Euros	
		2021	2020
Prosegur Avos España, S.L.	(3)	(75,200)	—
	Total	(75,200)	—

(3) Prosegur Avos España, S.L.

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

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

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

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

In light of the above, to adapt the Framework Agreement on relations between Prosegur Compañía de Seguridad, S.A. and the Company of 17 February 2017 to the new reality in terms of the development of the aforementioned added value outsourcing processes and services business (AVOS) for financial institutions and insurance companies, the parties have signed a non-extinguishing modifying novation contract of the Framework Agreement.

c) Impairment

The Company annually evaluates the existence of indicators of impairment of the stakes in Group companies and estimates the recoverable value at the closing date of those entities for which there are signs of impairment. The impairment indicator was calculated by comparing the net carrying amount of the stake with the equity of the investee and the recoverable value of the entities with an impairment indicator was determined considering its value in use.

Based on the analysis made, the Company did not record any valuation adjustments for stock impairment during 2021 and 2020.

d) Investments in Group companies

Below is the information relating to shares held in Group companies as of 31 December 2021 and 2020:

2021

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 Alpha3 Cashlabs, S.L.	C/ Pajaritos, 24, Madrid - Spain	Activity linked to the Cash business line	93 %
Prosegur Cash Servicios, S.A.C.	Av. Morro Solar 1086 - Surco - Lima - Peru	Activity linked to the Cash business line	90 %
Corresponsales Colombia SAS	Calle 11 No. 31-89 Oficina 501 Medellín - Colombia	Activity linked to the Cash business line	100 %
Spike GmbH	Kokkolastrasse 5, 40882 Ratingen	Activity linked to the Cash business line	100 %
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	Av. The press along with FAE N. 3558 Quito - Ecuador	Activity linked to the Cash business line	90 %
Nummi, S.A.	Avda. Gral. Fructuoso Rivera 2452 – Montevideo - Uruguay	Activity linked to the Cash business line	100 %
Zerius Europe, S.L.,	Paseo de la Castellana, 53, 1ª planta, puerta B, 28046, Madrid - Spain	Activity linked to the Cash business line	51 %

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 %
Prosegur Cash Servicios, S.A.C.	Av. Morro Solar 1086 - Surco - Lima - Peru	Activity linked to the Cash business line	90 %
Corresponsales Colombia SAS	Calle 11 No. 31-89 Oficina 501 Medellín - Colombia	Activity linked to the Cash business line	100 %
Spike GmbH	Kokkolastrasse 5, 40882 Ratingen	Activity linked to the Cash business line	100 %
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	Av. The press along with FAE N. 3558 Quito - Ecuador	Activity linked to the Cash business line	90 %

The breakdown of the shareholders' equity as of 31 December 2021 of the investments in Group companies in which the Company holds 100% of the share capital is as follows:

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

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	Shareholders' Contributions	Share premium	Reserves	Previous years' profit/(loss)	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	—	(59,190)	—
Prosegur Avos España, S.L.	3	41,888	2,600	1,208	—	13,613	(12,400)
Prosegur Alpha3 Cashlabs, S.L.	626	—	4,986	—	(11)	(213)	—
Corresponsales Colombia SAS	509	—	156	769	—	350	—
Spike GmbH	25	—	—	—	—	—	—
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	6,788	—	—	784	—	2,579	—

9. Financial assets

Thousands of Euros

	2021			
	Credits and other	Trade and other receivables	Financial Investments	Total
Non-currents				
Financial assets at amortised cost	4,624	—	—	4,624
Financial assets at cost	—	—	112	112
	4,624	—	112	4,736
Current				
Financial assets at amortised cost	224,724	13,740	130,222	368,686
	224,724	13,740	130,222	368,686
Total	229,348	13,740	130,334	373,422

Thousands of Euros

	2020			
	Credits and other	Trade and other receivables	Financial Investments	Total
Non-currents				
Financial assets at amortised cost	—	—	112	112
	—	—	112	112
Current				
Financial assets at amortised cost	220,575	19,490	224,142	464,207
	220,575	19,490	224,142	464,207
Total	220,575	19,490	224,254	464,319

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

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

At 31 December 2021 and 2020, the amount of EUR 112 thousand under 'Financial Investments' measured at cost corresponds to long-term guarantees.

a) Classification of the financial assets by categories

	Thousands of Euros	
	2021	2020
Financial assets at cost - non-current		
- Other financial assets	112	112
Financial assets at amortised cost - non-current		
- Loans to Group companies (Note 18)	193	—
- Loans to third parties	4,431	—
	4,736	112
Financial assets at amortised cost - current		
- Clients' receivables for sales and services	163	—
- Loans to Group companies (Note 18)	224,069	220,575
- Other financial assets with Group companies (Note 18)	130,222	224,142
- Clients, Group companies and associates (Note 18)	13,234	19,393
- Personnel	2	—
- Sundry Debtors	341	97
- Loans to companies	655	—
	368,686	464,207
Total	373,422	464,319

b) Classification by maturities

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

	Thousands of Euros				
	2021				
	2022	2023	2024	Subsequent years	Total
Financial Investments					
Loans to third parties	—	4,431	—	—	4,431
Other financial assets	—	—	—	112	112
	—	4,431	—	112	4,543
Investments in Group companies and associates:					
Loans to companies (Note 18)	224,069	111	82	—	224,262
Other financial assets (Note 18)	130,222	—	—	—	130,222
	354,291	111	82	—	354,484
Trade and other receivables					
Clients from sales and other	163	—	—	—	163
Clients, Group companies and associates (Note 18)	13,234	—	—	—	13,234
Personnel	2	—	—	—	2
Miscellaneous receivables	341	—	—	—	341
Loans to Group companies and associates (Note 18)	655	—	—	—	655
	14,395	—	—	—	14,395
Total	368,686	4,542	82	112	373,422

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

	Thousands of Euros		
	2020		
	2021	Subsequent years	Total
Long-term financial investments			
Other financial assets	—	112	112
	—	112	112
Investments in Group companies and associates:			
Loans to companies (Note 18)	220,575	—	220,575
Other financial assets (Note 18)	224,142	—	224,142
	444,717	—	444,717
Trade and other receivables			
Clients, Group companies and associates (Note 18)	19,393	—	19,393
Miscellaneous receivables	97	—	97
	19,490	—	19,490
Total	464,207	112	464,319

10. Financial investments and trade receivables

Short-term Loans to Group companies and associates

Details of loans at 31 December 2021 are as follows:

					Thousands of Euros
Type	Currency	Interest rate	Maturity date	Par value	
Group and associates					
MIV Gestión, S.A.	EUR	0.75%	31 December 2022	741	
Prosegur Global CIT, S.L.U.	EUR	0.75%	31 December 2022	103,311	
Prosegur Smart Cash Solutions, S.L.	EUR	0.75%	31 December 2022	1,006	
Prosegur International CIT 1, S.L.	EUR	0.75%	31 December 2022	900	
Inversiones CIT 2, S.L.U.	EUR	0.75%	31 December 2022	1,783	
Prosegur Global CIT ROW, S.L.U.	EUR	0.75%	31 December 2022	82,171	
Contesta Teleservicios, S.A.	EUR	0.75%	31 December 2022	—	
Prosegur Colombia 1, S.L.U.	EUR	0.75%	31 December 2022	6,045	
Prosegur Colombia 2, S.L.U.	EUR	0.75%	31 December 2022	5,924	
Prosegur Servicios de Pago EP, S.L.U.	EUR	0.75%	31 December 2022	700	
Alpha3 Cashlabs, S.L.	EUR	0.75%	31 December 2022	8,083	
Prosegur Cash Services Germany GmbH	EUR	0.92%	31 December 2022	12,026	
Luxpai CIT SARL	EUR	0.92%	31 December 2022	378	
Armored Transport Plus Incorporated	Philippine Peso	8.97%	31 December 2022	871	
Prosegur Australia Investments PTY Limited	Australian Dollar	2.00%	31 December 2022	—	
Prosegur Logística e Tratamento de Valores Portugal S.A.	EUR	—	—	9	
Prosegur Smart Cash Solutions, S.L.U.	EUR	—	—	10	
Prosegur Brasil S/A Transportadora de Valores e G4S Colombia	Reals	—	—	3	
Pagafacil	Colombian Peso	—	—	3	
Compañía de Seguridad Prosegur, S.A.	EUR	—	—	35	
Prosegur Avos España, S.L.U.	EUR	—	—	6	
Prosegur Servicios de Efectivo España, S.L.U.	EUR	—	—	8	
Prosegur Transportadora de Caudales, S.A.	Argentine Peso	—	—	9	
				47	
Total				224,069	

This balance includes credits generated by other equity instruments (Note 12).

Details of loans at 31 December 2020 are as follows:

Thousands of
Euros

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

Other financial assets of the Group companies and associates

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

11. Cash and cash equivalents

Details of cash and cash equivalents at 31 December 2021 and 2020, are as follows:

	Thousands of Euros	
	2021	2020
Cash and other cash equivalents	9,973	161,947
Total	9,973	161,947

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 3 thousand, represented by 3,000 shares of EUR one par value each. The shareholdings were fully paid by Prosegur Compañía de Seguridad, S.A. through a monetary contribution.

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

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

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

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

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

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

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

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

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

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

At 31 December 2021, the share capital of the Company totals EUR 30,459 thousand (EUR 30,891 thousand in 2020) and is represented by 1,522,946,683 shares with a par value of EUR 0.02 each (1,544,535,979 shares in 2020), fully subscribed and paid. These shares are listed on the Madrid, Barcelona, Valencia and Bilbao Stock Markets and are traded via the Spanish Stock-Exchange Interconnection System (electronic trading system) (SIBE).

These shares are freely transferable.

At 31 December 2021 and 2020, the amount of the share premium totals EUR 33,134 thousand.

Details of the Company's shareholders are as follows:

Shareholders	Number of shares	
	31 December 2021	%
Ms Helena Revoredo Delvecchio (1)	1,207,408,506	79.28 %
Others	315,538,177	20.72 %
Total	1,522,946,683	100.00 %

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

b) Own shares and equity holdings

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

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

The Programme had the following features:

- a. Maximum amount allocated to the Programme: EUR 28,000 thousand.
- b. Maximum number of shares that can be acquired: up to 14,000,000 shares representing approximately 0.91% of the Company's share capital on the date of the agreement.

- c. Maximum price per share: shares will be purchased in compliance with the price and volume limits established in the Regulations. In particular, the Company cannot buy shares at a price higher than the highest of the following: (i) the price of the last independent trade; or (ii) that corresponding to the highest current independent bid on the trading venues where the purchase is carried out.
- d. Maximum volume per trading session: 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 had acquired the maximum number of shares authorised by the Board of Directors, if it had reached the maximum monetary amount of the Programme or if any other circumstances arise that call for it.

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

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

On 20 December 2021 the Board of Directors decided to implement an own share buyback programme in the terms of Regulation (EU) no. 596/2014 on market abuse and the Commission Delegated Regulation 2016/1052, making use of the authorisation granted by the Shareholders General Meeting held on 2 June 2021 for the purchase of own shares, for the purpose of redeeming them pursuant to a share capital reduction resolution which will be submitted for the approval of the next Shareholders General Meeting.

The Programme has the following features:

- a. Maximum amount allocated to the Programme: EUR 15,000 thousand.
- b. Maximum number of shares that can be acquired: up to 22,844,200 shares representing approximately 1.5% of the Company's share capital on the date of the agreement.
- c. Maximum price per share: shares were purchased in compliance with the price and volume limits established in the Regulations. In particular, the Company cannot buy shares at a price higher than the highest of the following: (i) the price of the last independent trade; or (ii) the highest current independent bid on the trading venues where the purchase is carried out.
- d. Duration: the Programme has a maximum duration of one year. Notwithstanding the above, the Company reserves the right to conclude the Programme if, prior to the end of said maximum term of one year, it had acquired the maximum number of shares authorised by the Board of Directors, if it had reached the maximum monetary amount of the Programme or if any other circumstances arise that call for it.

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

In addition, the majority shareholder of the Company, the entity Prosegur Compañía de Seguridad, S.A., and its 100%-owned investee, the company Prosegur Asset Management, S.A., holders of 79.2% of the share capital, have expressed their intention to not sell shares in Prosegur Cash during the coming months.

2020 Share buyback programme

The suspended programme which was approved by the Board of Directors of Prosegur Cash, S.A. on 3 June 2020, had the following conditions:

The programme was 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 applied 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 had 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 will be purchased in compliance with the price and volume limits established in the Regulations. In particular, the Company cannot buy shares at a price higher than the highest of the following: (i) the price of the last independent trade; or (ii) that corresponding to the highest current independent bid on the trading venues where the purchase is carried out.
- d. Maximum volume per trading session: in so far as volume is concerned, the Company did 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 was 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 was suspended.

At 31 December 2021, the treasury stock held by Prosegur Cash, S.A. is composed of 18,198,819 shares (2020: 23,436,659 shares). At 31 December 2021, the liquidity agreement that entered into force on 11 July 2017 was temporarily suspended, treasury stock linked to that agreement amount to 1,141,932. In 2020 these came to 768,667 shares.

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

	Number of shares	Thousands of Euros
Balance at 31 December 2020	23,436,659	18,261
Purchase of own shares	17,183,819	13,337
Sale of own shares	(815,263)	(851)
Other awards	(17,100)	(13)
Capital reduction	(21,589,296)	(16,452)
Balance at 31 December 2021	18,198,819	14,282

Prosegur Cash holds 1.19% (2020: 1.43%) of Treasury stock.

c) Dividends

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

d) Other net equity instruments

The Retention Plan, which is linked to ensuring adequate talent retention and promoting the digital transformation of the Prosegur Group for 2021-2023, was approved in 2021. The plan envisages the payment of share incentives. In the vast majority of cases, the measures target achievement from 1 January 2021 until 31 December 2023 and length of service from 1 January 2021 until 31 October 2024. The first payment in shares will be in October 2022, the second in October 2023 and the final one in October 2024. The Prosegur Group recognises a straight-line expense in the income statement during the length of service of the Plan, as well as the corresponding increase in equity, based on the fair value of the shares committed when the Plan was granted. The fair value of the shares at the moment of the granting was EUR 0.695 per share.

At 31 December 2021, the positive impact on retained earnings and other reserves of the equity was EUR 1,743 thousand.

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

13. Financial liabilities

	Thousands of Euros					
	2021					
	Debentures and other negotiable securities	Debts with credit institutions	Debts with Group companies	Trade and other payables	Other financial liabilities	Total
Non-currents						
Financial liabilities at amortised cost (Note 14)	596,444	—	282,826	—	12,012	891,282
	596,444	—	282,826	—	12,012	891,282
Current						
Financial liabilities at amortised cost (Note 14)	7,471	48,813	351,879	15,983	24,888	449,034
	7,471	48,813	351,879	15,983	24,888	449,034
Total	603,915	48,813	634,705	15,983	36,900	1,340,316

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

Debentures and other negotiable securities

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

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

a) Classification of financial liabilities by category

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

	Thousands of Euros	
	2021	2020
Non-current		
- Debentures and other negotiable securities	596,444	595,576
- Debts with credit institutions	—	155,000
- Payables to Group companies (Note 14, 18)	282,826	282,826
- Other financial liabilities	12,012	4,612
Total	891,282	1,038,014
current		
- Debentures and other negotiable securities	7,471	7,471
- Bank borrowings	48,813	77,112
- Payables to Group companies (Note 14)	351,879	443,672
- Sundry creditors (Note 14)	15,983	10,850
- Other payables	24,888	18,803
Total	449,034	557,908

c) Classification by maturities

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

	Thousands of Euros					
	2021					
	Financial liabilities					
	2022	2023	2024	2025	Subsequent years	Total
Debts with credit institutions	48,813	—	—	—	—	48,813
Debentures and other negotiable securities	7,471	—	—	—	596,444	603,915
Other financial liabilities (Note 14)	24,888	12,012	—	—	—	36,900
Payables to Group companies and associates (Note 18)	351,879	—	—	282,826	—	634,705
Suppliers, Group companies and associates (Note 18)	11,631	—	—	—	—	11,631
Sundry accounts payable	2,862	—	—	—	—	2,862
Personnel (salaries payable)	1,490	—	—	—	—	1,490
Total	449,034	12,012	—	282,826	596,444	1,340,316

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

	Thousands of Euros					
	2020					
	Financial liabilities					
	2021	2022	2023	2024	Subsequent years	Total
Debts with credit institutions	77,112	—	—	—	155,000	232,112
Debentures and other negotiable securities	7,471	—	—	—	595,576	603,047
Other financial liabilities (Note 14)	18,803	2,291	1,287	1,034	—	23,415
Payables to Group companies and associates (Note 18)	443,672	—	—	—	282,826	726,498
Suppliers, Group companies and associates (Note 18)	6,511	—	—	—	—	6,511
Sundry accounts payable	2,833	—	—	—	—	2,833
Personnel (salaries payable)	1,506	—	—	—	—	1,506
Total	557,909	2,291	1,287	1,034	1,033,402	1,595,922

14. Financial debts and commercial creditors

a) Debts with credit institutions

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

Thousands of Euros

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

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 April 2021	40,000	40,005
Bank borrowings	Eur+margin	28 February 2025	155,003	155,003
Bank borrowings	Eur+margin	12 October 2021	15,000	15,005
Bank borrowings	Eur+margin	27 February 2021	15,000	15,000
Credit facility	Eur+margin	10 May 2021	10,000	7
Credit facility	Eur+margin	04 November 2021	15,000	7,077
Credit facility	Eur+margin	28 June 2021	5,000	6
Credit facility	Eur+margin	31 July 2021	3,000	3
Credit facility	Eur+margin	30 October 2021	5,000	—
Credit facility	Eur+margin	12 October 2021	15,000	—
Credit facility	Eur+margin	10 December 2021	5,000	6
Credit facility	Eur+margin	15 October 2021	15,000	—
Total				232,112

Syndicated credit financing facility

On 10 February 2017, Prosegur Cash, S.A. arranged a five-year syndicated credit financing facility of EUR 300,000 thousand for a five-year term to afford the Company long-term liquidity. On 7 February 2019 this syndicated credit facility in the form of a loan was novated, and its maturity was extended by another 5 years. In February 2020 the maturity was extended until February 2025. Additionally, in February 2021, the maturity was extended again until February 2026. As of 31 December 2021, there were no available balance of this credit (as of 31 December 2020 there was EUR 155,000 thousand balance associated with this credit).

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

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

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

At the close of the year 2021 and 2020, the Company is in compliance with the aforementioned ratios.

b) Debts with Group companies

The breakdown of the debts as of 31 December 2021 is as follows (Note 18):

					Thousands of Euros	
Type	Curren y	Interest rate	Maturity	Par value	current	
Loans with group companies						
Transportadora de Caudales Juncadella, S.A.	EUR	0.75%	31 December 2022			164
Prosegur Brasil S/A Transportadora de Valores e Segurança	EUR	0.75%	31 December 2022			48,277
Compañía de Seguridad Prosegur, S.A.	EUR	0.75%	31 December 2022			61,578
Prosegur Servicios de Efectivo España, S.L.U. (*)	EUR	0.75%	31 December 2022			12,844
Armor Acquisition, S.A. (*)	EUR	0.75%	31 December 2022			3,385
Juncadella Prosegur Internacional, S.A. (*)	EUR	0.75%	31 December 2022			152,876
CASH Centroamerica Uno, S.L.U.	EUR	0.75%	31 December 2022			86
CASH Centroamerica Tres, S.L.U.	EUR	0.75%	31 December 2022			46
Prosegur Internationale Handels GmbH	EUR	5.00%	31 December 2022			367
Pitco Reinsurance, S.A.	EUR	0.75%	31 December 2022			27,022
						306,645
Other financial liabilities						
Prosegur Gestión de Activos, S.L.U. (**)	EUR					1
Prosegur Global CIT, S.L.U. (**)	EUR					3,198
Prosegur Smart Cash Solutions S.L.U. (**)	EUR					1
Armor Acquisition, S.A. (**)	EUR					149
Prosegur Colombia 1, S.L.U. (**)	EUR					3
Prosegur Colombia 2, S.L.U. (**)	EUR					3
Risk Management Solutions, S.L.U. (**)	EUR					1
Transportadora Ecuatoriana de Valores TEVCOLO Cia Ltda. (**)	EUR					28
Prosegur Compañía de Seguridad, S.A. (**)	EUR					19,355
						22,739
Short-term payables to Group companies and associates						
Prosegur Compañía de Seguridad, S.A.	EUR					15,992
Prosegur Assets Management, S.A.	EUR					6,503
						22,495
Long-term payables to Group companies and associates						
Armor Acquisition, S.A.	EUR	0.50%	31 December 2025			65,362
Juncadella Prosegur Internacional, S.A.	EUR	0.50%	31 December 2025			217,464
						282,826
Total						634,705

(*) These balances are a consequence of the daily sweeping of cash-pooling accounts (Note 24)

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

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

Thousands of Euros

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

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

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

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	
	2021	2020
current		
Suppliers, Group companies and associates (Note 18)	11,631	6,511
Sundry accounts payable	2,862	2,833
Personnel (salaries payable)	1,490	1,506
Total	15,983	10,850

The suppliers section contains the outstanding trademark billing.

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

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

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

	2021	2020
	Days	
Average payment period to suppliers	47	59
Ratio of transactions paid	47	59
Ratio of transactions pending payment	43	27
	Amount	
	Thousands of Euros	
Total payments made	11,773	14,006
Total payments pending	737	109

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 2021 and 2020, according to Act 11/2013, of 26 July, is of 30 days (unless the conditions set forth in the Act allowing the maximum payment period to be raised to 60 days are fulfilled).

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

15. Taxation

Details of balances with public entities are as follows:

	Thousands of Euros			
	2021		2020	
	Non-Current	current	Non-Current	current
Assets				
Deferred tax assets	1,370	—	801	—
Value added tax and similar liabilities	—	2,426	—	3,698
	1,370	2,426	801	3,698
Liabilities				
Social Security	—	99	—	93
Withholdings	—	256	—	284
	—	355	—	377

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	
	2021	2020
Account finance income before tax	28,487	295,534
Permanent differences	(47,193)	(316,490)
Timing differences:	1,110	953
- Originating in the current period	3,932	2,718
- Arising in previous years	(2,822)	(1,765)
Taxable base for tax consolidation	(17,596)	(20,003)
Tax rate	25 %	25 %
Resulting tax payable	(4,399)	(5,001)
Deductions:	(4,484)	(2,395)
- Double taxation	(3,670)	(1,737)
- Other deductions	(444)	(273)
- Contributions made to Foundations	(370)	(385)
Tax payable	(8,883)	(7,396)

The permanent differences of the accounting profit for the year 2021 mainly correspond to items that do not have a tax deductible expense or taxable revenue, which are mainly: the exemption of dividends received from its subsidiary Prosegur Global CIT, S.L. for a negative amount of EUR 60,800 thousand (2020: EUR 63,894, 241,700 and 12,400 thousand for the subsidiaries Prosegur Global CIT, S.L., Global CIT ROW, S.L. and Prosegur AVOS España, SL.), a negative amount of EUR 410 thousand corresponding to tax paid abroad and which cannot benefit from the deduction for international double taxation (2020: EUR 282 thousand) contributions to foundations for a positive amount of EUR 1,059 thousand (2019: EUR 1,100 thousand) and losses on the sale of Prosegur AVOS for a positive amount of EUR 12,943 thousand.

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

1. Positive:

- Provision for personnel expenses, amounting to EUR 1,163 thousand (2020: EUR 611 thousand).
- Other adjustments amounting to EUR 2,769 thousand corresponding to depreciations and provisions (2020: EUR 2,108 thousand).

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

1. Positive:

- Application for EUR 1 thousand (2020: EUR one 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 2,822 thousand (EUR 1,766 thousand in 2020).

In financial year 2021, the deductions correspond to the deduction for international double taxation related to taxes paid abroad for various services amounting to EUR 3,670 thousand (2020: EUR 1,737 thousand), deduction in technological innovation for EUR 444 thousand (2020: EUR 273 thousand) and the deduction for donations to non-profit entities amounting to EUR 370 thousand (2020: EUR 385 thousand).

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

	Thousands of Euros	
	2021	2020
Account finance income before tax	28,487	295,534
Permanent differences	(47,193)	(316,490)
Elimination of own shares transactions	(1)	(48)
Taxable base	(18,707)	(21,004)
Tax rate	25 %	25 %
Resulting tax payable	(4,677)	(5,251)
Deductions:	(4,484)	(2,395)
- Double taxation	(3,670)	(1,737)
- Contributions made to Foundations	(370)	(385)
- Other deductions	(444)	(273)
Expense (income) tax on profit	(9,161)	(7,646)
Withholdings at source and other	4,048	1,185
Final expense (income) tax on profit	(5,113)	(6,461)

The corporate income tax expense is as follows:

	Thousands of Euros	
	2021	2020
Current tax	(8,883)	(7,396)
Elimination of own shares transactions	—	(12)
Deferred tax	(278)	(238)
Adjustments from previous years	4,048	1,185
	(5,113)	(6,461)

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

There were no restructuring operations during the 2020 and 2021 financial years.

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

List of tax benefits of the transferring entity, with respect to which the entity must assume compliance with certain requirements in accordance with art. 84 LIS: 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
Deferred tax assets					
Intangible asset amortisation	130	16	—	19	165
Other provisions	671	275	(706)	965	1,205
	801	291	(706)	984	1,370

	Thousands of Euros				
	Opening balance	Other adjustments	Disposals	Additions	Closing balance
Deferred tax assets					
Intangible asset amortisation	96	16	—	18	130
Other provisions	439	12	(289)	509	671
	535	28	(289)	527	801

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	
	2021	2020
Commercial guarantees	4,629	616
Financial guarantees	37	67
	4,666	683

Financial guarantees essentially include those relating to litigations in process.

b) Contingent assets

At 31 December 2021 and 2020 there are 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 2021, the commitments correspond mainly to the purchase of hardware and software development amounting to EUR 561 thousand (EUR 92 thousand at 31 December 2020).

b) Operating lease commitments

At 31 December 2021, the commitments correspond mainly to the rental of vehicles under non-cancellable operating leases amounting to EUR 115 thousand (EUR 100 thousand at 31 December 2020).

18. Balances and transactions with related parties

a) Related Party Balances

The breakdown of the balances by categories is the following:

	Thousands of Euros				
	2021				
	Financial assets			Financial liabilities	
	current			current	
Credits (Note 9)	Debtors (Note 9)	Other financial assets (Note 9)	Debts (Note 13)	Suppliers (Note 13)	
Group companies and associates					
Prosegur SIS España, S.L.	—	—	—	—	(35)
Prosegur Compañía de Seguridad, S.A.	—	1	30,026	(35,346)	(2,207)
Prosegur Gestión de Activos, S.L.U.	—	1	—	(1)	(5,227)
MIV Gestión, S.A.	741	4	—	—	—
Prosegur Ciberseguridad	—	—	—	—	(158)
Prosegur Assets Management, S.L.U.	—	—	—	(6,503)	—
Prosegur Global SIS, S.L.U.	—	—	—	—	(1)
Prosegur Servicios de Efectivo España, S.L.U.	9	96	7	(12,844)	(83)
Prosegur Global CIT, S.L.U.	103,311	5,936	5,000	(3,199)	—
Prosegur Smart Cash Solutions, S.L.	1,006	8	—	(1)	—
Prosegur Avos España, S.L.U.	8	24	—	—	(420)
Armor Acquisition, S.A.	—	—	—	(3,534)	—
Juncadella Prosegur Internacional, S.A.	—	—	93,787	(152,877)	(1,624)
Prosegur International CIT 1, S.L.	900	6	—	—	—
Prosegur International CIT 2, S.L.U.	1,783	13	—	—	—
Prosegur Global CIT ROW, S.L.U.	82,171	2,517	336	—	(16)
ESC Servicios Generales, S.L.U.	—	—	—	—	(9)
Contesta Teleservicios	—	15	1	—	(1)
Integrum 2008	—	—	—	—	(1)
Bloggers Brokers	—	—	—	—	(1)
Contesta Servicios Auxiliares	—	—	1	—	(2)
Prosegur Colombia 1, S.L.U.	6,045	44	—	(3)	—
Prosegur Colombia 2, S.L.U.	5,924	43	—	(3)	—
Prosegur Servicios de Pago EP, S.L.U.	700	5	—	—	—
Risk Management Solutions	—	43	1	—	(5)
Compliofficer, S.L.U.	—	—	—	—	—
Work 4 Data Lab, S.L.	—	—	—	(1)	—
Prosegur Alpha3 Cashlab	8,083	28	846	—	—
Dinero Gelt, S.L.	—	—	—	—	(1)
CASH Centroamerica Uno, S.L.	—	—	—	(86)	—
Cash Centroamerica TRES	—	—	—	(46)	—
Garantis Sumarmas, S.L.	—	—	—	—	—
Transportadora de Caudales Juncadella, S.A.	—	2,313	—	(164)	(858)
Grupo N, S.A.	—	85	—	—	—
VN Global BPO, S.A.	—	125	—	—	—
TSR Participações	—	27	—	—	—
Log Cred Tecnologia Com	—	14	—	—	—
Prosegur Brasil S/A Transportadora de Valores e	3	—	—	(48,277)	(618)
Prosegur Brasil, S.A.	—	—	—	—	—
G4S Colombia	3	—	—	—	—
Pagafacil	35	—	—	—	—
Compañía Transportadora	—	—	—	—	(43)
Prosegur Cash Servicios	—	—	3	—	—
Compañía de Seguridad Prosegur, S.A.	6	—	—	(61,578)	—
Prosegur Cajeros, S.A.	—	—	—	—	—
Prosegur Internationale Handels GmbH	—	—	—	(367)	—
Prosegur Cash Services Germany GmbH	12,026	—	—	—	—
SIS Cash Services Private Ltd.	—	110	—	—	—
Servicios Prosegur Ltda.	—	—	—	—	(29)
Prosegur Smart Cash Solutions, S.L.U.	10	—	—	—	—
Pitco Reinsurance, S.A.	—	—	—	(27,022)	—
Luxpai CIT SARL	378	2	—	—	—
Prosegur Logística e Tratamento de Valores Portugal S.A.	9	—	—	—	—
Armored Transport Plus Incorporated	871	112	—	—	—

Transportadora Ecuatori	—	—	—	(27)	—
Singpai Pte. Ltd.	—	—	—	—	(120)
Consultoría de Negocios CCR Consulting Costa Rica, S.A.	—	694	—	—	—
Prosegur Transportadora de Caudales, S.A.	47	—	24	—	—
Prosegur Smart Cash Sol	—	143	—	—	—
Prosegur Paraguay, S.A.	—	825	—	—	—
Prosegur Australia Hold	—	—	190	—	—
Prosegur Australia Pty Limited	—	—	—	—	(172)
Total	224,069	13,234	130,222	(351,879)	(11,631)

Thousands of Euros

2020

	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.	—	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	—	—	—	(902)	—
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)
TSR Participações	—	—	—	—	—
Prosegur Brasil S/A Transportadora de Valores e	—	5,092	—	(64,773)	(1,092)
Prosegur Brasil, S.A.	—	—	—	—	—
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.	—	—	—	(24,443)	—
Luxpai CIT SARL	375	2	—	—	—
Prosegur Logistica e Tratamento de Valores Portugal S.A.	—	—	—	—	(327)
Armored Transport Plus Incorporated	3,410	—	—	—	—
Singpai Pte. Ltd.	—	—	—	—	(36)
Prosegur Australia Investments PTY Limited	29,940	—	—	—	—
Consultoría de Negocios CCR Consulting Costa Rica,	—	483	—	—	—
Prosegur Transportadora de Caudales, S.A.	—	32	22	—	—
Prosegur Paraguay, S.A.	—	12	—	—	—
Prosegur Australia Pty Limited	—	—	—	—	(109)
Total	220,575	19,393	224,142	(443,672)	(6,511)

2021
Financial assets
Non-current
Credits (Note 9)

Thousands of Euros

Group companies and associates in Spain

Prosegur Servicio de Ef	10
Prosegur Smart Cash Solutions, S.L.U.	11
Prosegur Avos España, S.L.U.	8
Prosegur Global CIT Row	26
Total Spain	55

Subsidiaries abroad

Prosegur Brasil S.A. Tran	3
G4S Colombia	4
Pagafacil	39
Compañía de Seguridad P	7
Prosegur Cash Services	20
PROSEGUR LOGISTICA E TR	10
Prosegur Transportadora	55
Total Foreign	138
Total	193

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

Financial assets - the loans correspond, on the one hand, to short-term loans delivered to Group companies within the framework of the centralised treasury management. These are denominated in EUR, accruing annual interest of 0.5% in Spain (0.5% in 2020), 0.75% in Germany (0.75% in 2020) and 0.75% in Luxembourg (0.75% in 2020). We also found short-term loans granted to subsidiaries in Australia in AUD and in Uruguay in EUR, accruing annual interest 2.25 % in Australia (2.5% in 2020) and 5.00 % in Uruguay (4.00% in 2020). Interest accrued amounted to EUR 2,432 thousand in 2021 (EUR 1,022 thousand in 2020).

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

Financial liabilities - the debts correspond, on the one hand, to short-term loans received from Group companies within the framework of the centralised treasury management. They are denominated mainly in EUR, accruing annual interest of 0.75% in Germany (0.75% in 2020). On the other hand we find short-term loans denominated in EUR granted by subsidiaries in Luxembourg accruing an interest rate of 0.75% to the Company; Argentina of 0.5%, Brazil of 0.75% and Chile of 0.5% (2020: 0.5% in Luxembourg, 0.5% in Argentina, 0.75% in Brazil and 0.5% in Chile). Interest accrued amounted to EUR 4,139 thousand in 2021 (EUR 2,560 thousand in 2020).

b) Related Party Transactions

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

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

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)
Movistar Prosegur Alarmas, S.A.	—	—	—	—	(1)
Prosegur Global CIT, S.L.U.	241,700	4	35,757	(6)	—
Prosegur Smart Cash Solutions, S.L.U.	—	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 Serviços e Participações Societarias, S.A.	—	—	—	—	—
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 Logistica y Gestion de Efectivo S.A. de CV	—	2	—	—	—
Pitco Reinsurance, S.A.	—	—	—	(120)	—
Luxpai CIT SARL	—	3	—	—	—
Prosegur Logistica e Tratamento de Valores Portugal S.A.	—	—	(160)	—	—
Armored Transport Plus Incorporated	—	273	—	—	—
Singpai Pte. Ltd.	—	—	—	—	(213)
Prosegur Transportadora de Caudales, S.A.	—	(35)	—	—	32
Prosegur Paraguay, S.A.	—	—	865	—	—
Prosegur Australia Investments PTY Limited	—	547	—	—	—
Prosegur Australia Pty Limited	—	—	—	—	(734)
Total	317,994	1,022	69,431	(2,559)	(57,093)

The most relevant transactions with related parties during the 2021 and 2020 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 59,610 thousand is recorded in 2021 (EUR 53,623 thousand in 2020). Also recorded for centralised services are services received of EUR 15 thousand in 2021 (EUR 41,000 thousand in 2020).
- Billing for trademark assignment, with different related companies across the world, under which EUR 15,814 thousand are billed in 2021 (EUR 15,129 thousand in 2020). Likewise, billing received for trademark assignment of EUR 14,283 thousand in 2021 (EUR 15,129 thousand in 2020) 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. Non-current provisions

Details of provisions and movement are as follows:

	Thousands of Euros		
	Accruals with personnel	Other provisions	TOTAL
Balance at 1 January 2020	1,668	—	1,668
Transfers	(123)	—	(123)
Provisions	632	1,795	2,427
Reversals	(1,566)	—	(1,566)
Balance at 1 January 2021	611	1,795	2,406
Reversals	(611)	—	(605)
Transfers	—	142	142
Provisions	1,163	6	1,163
Balance at 31 December 2021	1,163	1,943	3,106

Provisions for accruals with staff include the accrued incentive that corresponds to the 18-20 Plan and the 21-23 Plan. During the year, provisions to profit/(loss) have been made for EUR 1,163 thousand and a reversal amounting to EUR 611 thousand.

At 31 December 2020 provisions for accruals with staff corresponded to the 18-20 long-term incentive. The impact on the income statement was EUR 611 thousand of revenue as the targets set for fulfilling the entire 18-20 Plan were not met due to the COVID-19 pandemic and as a result the provision was adapted to a new liquidation.

The 18-20 Plan is generally linked to the creation of value in the 2018-2020 period and envisages the payment of cash incentives, calculated for certain beneficiaries based on the share price. In the vast majority of cases, the Plan measures target achievement from 1 January 2018 until 31 December 2020 and length of service from 1 January 2018 until 31 May 2023.

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

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

20. Remuneration to the Board of Directors

a) Remuneration of members of the board of directors

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

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

	Thousands of Euros	
	2021	2020
Fixed remuneration	1,570	1,179
Variable remuneration	533	483
Per diems	224	166
Total	2,331	1,832

b) Remuneration of Senior Management personnel

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

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

	Thousands of Euros	
	2021	2020
Fixed remuneration	646	438
Variable remuneration	255	178
Insurance premium	19	13
Total	920	629

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

During the year, provisions to profit/(loss) amounted to EUR 525 thousand (2020: EUR 712 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 2021 and 2020.

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

As required by articles 228, 229 and 230 of the Revised Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010 and amended by Act 31/2014 concerning improvements to corporate governance, the members of the Board of Directors declare that they have not been involved in any direct or indirect conflicts of interest with the company in 2021.

During the year 2021, Euroforum Escorial, S.A. (controlled by Gubel, S.L.) did not bill Prosegur Cash any services for hotel service (EUR 74 thousand at 31 December 2020).

Prosegur is controlled by Gubel S.L., which was incorporated in Madrid, and holds 59.368% of the shares of Prosegur, which consolidates Prosegur Cash in its consolidated financial statements.

Proactinmo, S.L. (controlled by Gubel, S.L.) did not billed services for leasing a property on Calle San Máximo to Prosegur Cash during 2021 (EUR 975 thousand at 31 December 2020).

J&A Garrigues, S.L.P. did not bill Prosegur Cash for any occasional legal services in 2021 (J&A Garrigues, S.L.P. billed EUR 193 thousand for services in 2020).

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

21. Employee Information

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

	2021	2020
Indirect personnel	3	3
Operations personnel	40	42
Total	43	45

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

	2021		2020	
	Women	Men	Women	Men
Indirect personnel	1	1	1	1
Operations personnel	10	30	12	32
Total	11	31	13	33

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:

	2021		2020	
	Women	Men	Women	Men
Directors	3	6	3	5
Senior Management	2	8	1	3
Total	5	14	4	8

22. Audit Fees

Ernst & Young, S.L. the auditors of the Annual Accounts of the Company in 2021 and 2020, invoiced the following fees and expenses for professional services:

	Thousands of Euros	
	2021	2020
Audit services	162	160
Other audit-related services	35	25
Total	197	185

Audit services detailed in the above table include the total fees for services rendered in 2021 and 2020, irrespective of the date of invoice.

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

In financial year 2021, Ernst & Young, S.L. provided other audit-related services for EUR 84 thousand (EUR 78 thousand in 2020).

23. Environmental information

At 31 December 2021 and 2020, the Company has no environment-related contingencies, legal claims or income and expenses relating to the environment.

24. 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			
	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Euros	373,422	1,316,074	387,952	1,571,459
Argentine Peso	—	201	249	8,583
US Dollar	27	8	42,550	1,699
Australian Dollar	—	55	30,009	112
Colombian Peso	—	666	—	7,002
Chilean Peso	—	—	—	12
Other currencies	—	28,727	3,559	1
Total	373,449	1,345,731	464,319	1,588,868

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

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

Interest rate risk mainly arises from non-current borrowings. Borrowings at variable interest rates expose the Company to cash flow interest rate risks. Fixed-interest borrowings expose the Company to fair value interest rate risks. In 2021 the Company's borrowings at floating interest rates were denominated in EUR.

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

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

	Thousands of Euros		
	2021		
	Total debt	Hedged debt	Debt exposure
Non-current (Note 13)	596,444	596,444	—
Current (Note 13)	56,284	44,805	—
Total debt	652,728	641,249	—

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

(iii) Credit risk

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

(iv) Liquidity risk

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

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

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

	Thousands of Euros				
	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
31 December 2021	56,284	—	596,444	—	652,728

	Thousands of Euros				
	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
31 December 2020	77,529	—	—	750,576	828,105

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

25. Events after the reporting date

No subsequent events have taken place following the close of financial year 2021 that might suppose any significant change to the presentation of the Annual Accounts.

26. Accounting principles

These annual accounts have been prepared using the same accounting principles as used by the Prosegur Group for preparing the Annual Accounts for the previous year, other than the amendments introduced by Royal Decree 1/2021, of 12 January, applicable for financial years starting after 1 January 2021.

26.1. Intangible assets

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

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

a) Computer software:

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

Computer software maintenance costs are charged as expenses when incurred.

b) Patents, licences, trademarks and others

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

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

c) Other intangible assets:

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

26.2. 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.

26.3. 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.

26.4. Financial assets

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

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

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

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

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

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

a) Financial assets at fair value through profit or loss

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

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

b) Financial assets at amortised cost

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

The assets are classified as current unless they mature in more than 12 months after the balance sheet date, in which case they are classified as non-current.

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

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

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

- a) Loans for commercial operations: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business with deferred payment, and
- b) Loans for non-commercial operations: financial assets which, while not being of commercial origin, are not equity instruments or derivatives, have fixed or determinable payments and arise from loan or credit facilities granted by the company.

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

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

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

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

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

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

The impairment loss on those financial assets will be the difference between their carrying amount and the current value of estimated future cash flows including, where appropriate, those arising from the enforcement of security or personal guarantees that are expected to be generated, discounted at the effective interest rate calculated at the time of initial recognition. For financial assets at floating interest rate, the effective interest rate on the date of closing the annual accounts is used, according to the contractual conditions. The calculation for impairment losses of a group of financial assets can use models based on statistical formulas or methods.

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

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

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

c) Financial assets at fair value with changes in equity

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

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

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

However, any impairment loss adjustments and any losses and gains resulting from exchange

differences on monetary financial assets expressed in foreign currency, in accordance with the regulations on this latter case, are taken to the income statement.

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

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

d) Financial assets at cost

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

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

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

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

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

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

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

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

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

a) Disposals of financial assets

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

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

b) Offsetting principles

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

26.5. 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.

26.6. 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.

26.7. Financial liabilities

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

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

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

a. Financial liabilities at amortised cost

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

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

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

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

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

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

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

b. Financial liabilities at fair value through profit or loss

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

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

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

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

c. Derecognition of financial liabilities

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

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

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

d. Own equity instruments

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

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

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

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

e. Guarantee bonds given and received

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

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

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

26.8. 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.

26.9. Employee benefits

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

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

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

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

Compensations based on Prosegur Cash shares for the Retention Plan

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

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

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

During 2021 the total impact of incentives on the income statement was a greater expense of EUR 1,931 thousand.

a) Termination benefits

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

26.10. Provisions and Contingent Liabilities

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

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

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

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

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

26.11. Revenue recognition

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a) Provision of services

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

b) Interest received

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

c) Dividend received

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

26.12. Foreign currency transactions

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

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

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

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

26.13. 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.

26.14 Leases and Rentals

a) Operating leases - lessee

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

26.15 Business combinations

In accordance with the third transitional provision of Royal Decree 1514/2007, the Company has only recognised business combinations that occurred on or after 1 January 2008, the date of transition to the Spanish General Chart of Accounts, using the acquisition method. Business combinations that

occurred prior to that date were recognised in accordance with accounting standards prevailing at that time, taking into account the necessary corrections and adjustments at the transition date.

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

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

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

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

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



PROSEGUR
CASH

Directors' Report for 2021

Prosegur Cash, S.A.

Table of contents

1.	The Company's situation	76
1.1.	Business Model	76
1.2.	Vision and Values	77
1.3.	Organisational structure and governance	79
1.4.	Strategic performance	83
1.5.	Innovation and Digital Transformation	84
1.5.1	Thus do we innovate	85
1.5.1.1	Emblematic projects.....	85
1.5.1.2	Initiatives of collaboration and open innovation.....	87
1.5.2	Thus do we transform	89
2.	Business performance and profit/(loss)	90
2.1.	Main financial and non-financial indicators	90
2.2.	Investments	90
2.3.	Personnel	90
2.4.	Environmental issues	91
3.	Liquidity and capital resources	91
3.1.	Liquidity	91
3.2.	Capital resources	92
3.3.	Analysis of contractual obligations and off balance sheet obligations	94
4.	Main risks and uncertainties	94
5.	Average payment period to suppliers.....	95
6.	Important circumstances after the reporting period	96
7.	Acquisition and disposal of own shares	96
8.	Alternative Performance Measures.....	98
9.	Other significant information	100
10.	Statement of Non-financial Information	102

Directors' Report for 2021

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

1. The Company's situation

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

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

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

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

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

1.1. Business Model

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

We currently operate in the following 20 countries in four different continents: Germany, Argentina, Australia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Spain, the Philippines, Guatemala, Honduras, India, Indonesia, Nicaragua, Paraguay, Peru, Portugal, and Uruguay.

At present we have a workforce of more than 45,000 employees, 575 branch offices and a fleet of more than 9,000 armoured and light vehicles.

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



LOGÍSTICS

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



CASH MANAGEMENT

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



NEW PRODUCTS

It includes the automation of payments in retail establishments via Cash Today, including, among others, devices for paying in cash, recycling or dispensing bank notes and coins. Likewise, ATM integrated management, including planning, supervision, first- and second-tier maintenance, and tallying. Correspondent banking services (Corban) or the cryptocurrency custody service of Prosegur Crypto, amongst others.

1.2 Vision and Values

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

The ambition of a global leader

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




Today, after just over five years in the market as an independent business line, we are the market leader in cash management activities in 11 of the markets in which we operate. We are the second largest company in the sector in eight of the remaining countries, and are currently expanding in Indonesia, where operations are still in their infancy.

New corporate identity

2020 saw the presentation of a new corporate identity, shared with the rest of the business units of the Prosegur Group, which we went on to implement, develop and consolidate throughout 2021. This identity sets out our commitment to comprehensive protection and our vocation as a pioneering and groundbreaking company.

The new proposal common to the whole group, as set forth at the time, was: 'To make the world a safer place by taking care of people and companies, staying at the forefront of innovation'.

This declaration of intent formed the groundwork for establishing what have now become our fundamental corporate principles:

		
<p>1. People matter to us</p> <p>We protect society through foresight, prevention and collaboration.</p>	<p>2. We think positive</p> <p>Building on our business experience, we remain committed to a continuous learning process that allows us to learn from our mistakes and to face crises by strengthening the confidence of our teams.</p>	<p>3. We are unstoppable</p> <p>A concise way to underline our determination to continue growing and improving, with a vision that drives us forwards to contribute to a better future and the continuous application of technological progress in our day-to-day lives.</p>

Sustainability is a key value

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

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

Independent recognition

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

For example, in November 2021, Prosegur Cash received a further accolade when it became the first company to obtain the AENOR Good Corporate Governance certification. That same month, Prosegur Cash was included in the companies listed in the Ibex Gender Equality Index. This is the first index that measures the presence of women in management positions in Spanish companies.

Ethical commitments and new partnerships

In addition to this independent recognition for responsibility and excellence in business practices, 2021 also saw the Prosegur Group undertaking noteworthy major ethical commitments.

In February, both the parent company and Prosegur Cash signed up to the environmental Climate Pledge initiative, a commitment launched in 2019 by Amazon and Global Optimism consisting of on attaining zero net carbon emissions by 2040. On 21 April, we announced a comprehensive decarbonisation and emissions offsetting plan, which, among other initiatives, includes an ambitious waste management project in Rio de Janeiro (Brazil).

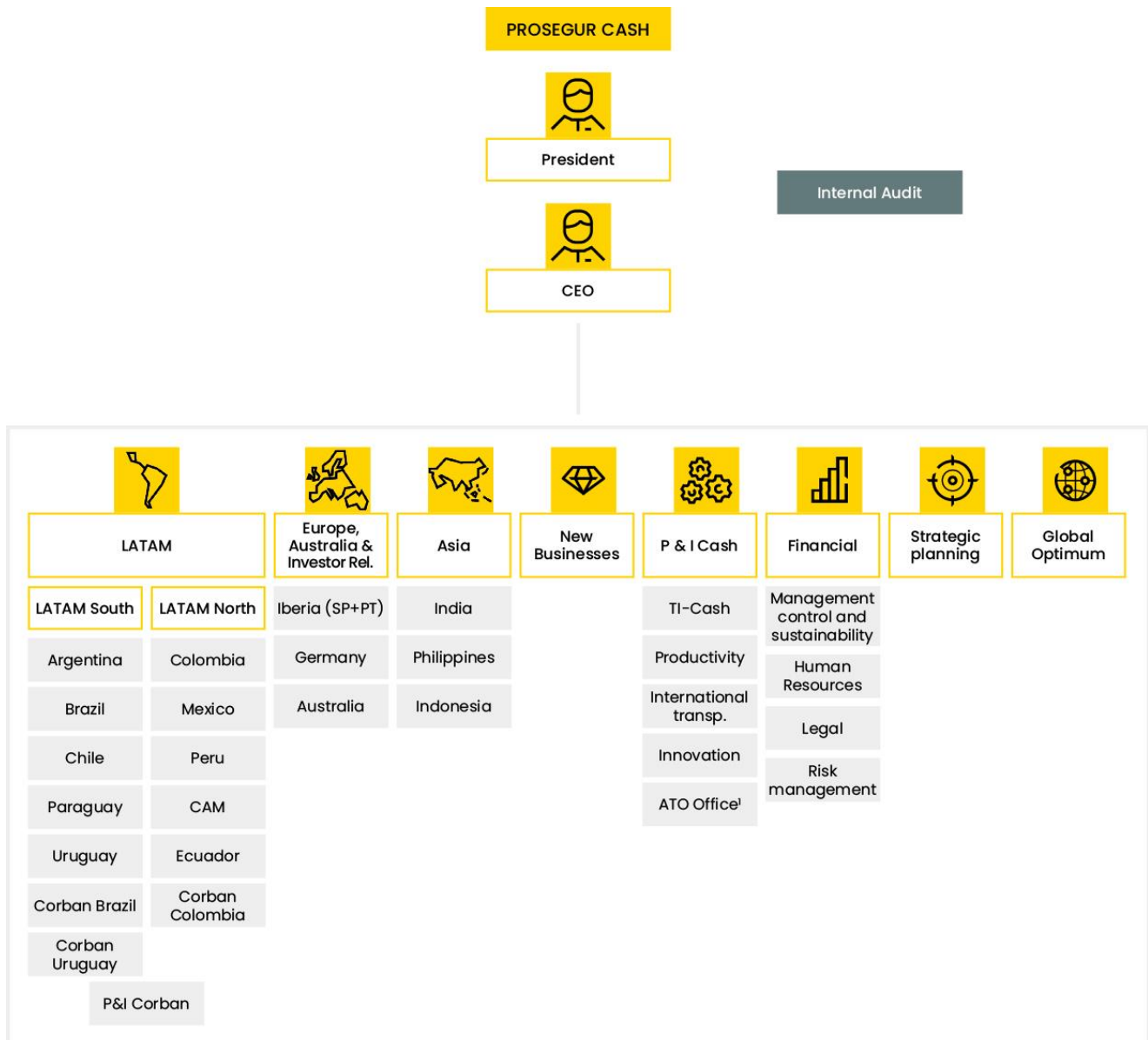
Further specific environmental initiatives undertaken in recent months include progress in the hybridisation and electrification of the company's vehicle fleet and the use of exclusively renewable energy sources in Spain. Finally, on 25 October, the Prosegur Group announced that it had reached an agreement to become a member of Forética, a benchmark organisation in the field of sustainability and corporate social responsibility in Spain.

1.3. Organisational structure and governance

Our organisational structure is designed with the intention of improving business processes and flexibility, which facilitates adaptation to the changing environment and the evolution of services, aimed at generating value for clients. The Business Areas are divided into three geographical segments: LatAm, Europe, Australia, and Asia.

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

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



Changes to the Group's composition

The changes in the composition of the Prosegur Cash Group during 2021 were mainly due to the following acquisitions:

- ▶ Business combinations in LatAm: In 2021, Prosegur Cash acquired a series of companies in LatAm devoted to payment and collection management. The total purchase price was EUR 59,102 thousand, comprising a cash consideration of EUR 24,267 thousand, a deferred contingent consideration amounting to a total of EUR 21,771 thousand, due in 2022, 2023 and 2024 and a deferred payment of EUR 13,064 thousand, due in 2022.

- ▶ Business combinations in Europe. In 2021, Prosegur Cash acquired in Europe a series of assets relative to cash-in-transit and cash management services. The total purchase price was EUR 150 thousand, comprising a cash payment of EUR 110 thousand and a deferred payment of EUR 40 thousand maturing in 2022.

The following companies were incorporated in 2021:

- ▶ In August 2021, Dinero Gelt SAS was incorporated in Colombia.
- ▶ In December 2021, Prosegur Exchange Pty Limited was incorporated in Australia.

The following companies were wound up in 2021:

- ▶ In January 2021, Garantís Sumarmas, S.L. was wound up in Spain.

During April 2021 the dormant company Dinero Gelt México S.A. de C.V. was acquired in Mexico.

Additionally, on 31 March 2021, Prosegur Cash sold to its parent company, Prosegur Compañía de Seguridad, certain areas of the added value outsourcing processes and services business (AVOS) for financial institutions and insurance companies, as well as the associated technology.

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

The transaction consisted of the sale of Prosegur Cash to Prosegur of 100% of the share capital of the holding company of the aforementioned business in Spain, Prosegur AVOS España, S.L.U., for a price of EUR sixty-seven million less the net financial debt. This business represents, approximately, 85% of the operating profit/(loss) of the global business of Prosegur Cash in certain areas of activity, with the parties having agreed to jointly and in good faith analyse and explore the possibility of Prosegur Cash selling to Prosegur the rest of that business that it currently carries out in other countries, without there being any agreement on this.

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

In light of the above, to adapt the Framework Agreement on relations between Prosegur and Prosegur Cash of 17 February 2017 to the new reality in terms of the development of the aforementioned added value outsourcing processes and services business (AVOS) for financial institutions and insurance companies, the parties have signed a non-extinguishing modifying novation contract of the Framework Agreement.

Governance of Prosegur Cash

The main body representing the share capital of Prosegur Cash is the General Shareholders' Meeting, which exercises the functions granted by law and the Articles of Association. In 2021, the Ordinary General Meeting was held on 2 June. It dealt with various issues: approval of the Company's Annual Accounts, approval of the Company's Statement of Non-Financial Information, validation of the Profit and Loss Account for the 2020 financial year, approval of the management of the Board of Directors for 2020, re-election of directors, acceptance of the capital reduction, and the remuneration policy for directors.

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

The responsibilities of the Audit Committee, mainly composed by independent directors, include: proposing the appointment of the auditor; reviewing the Prosegur Cash accounts; ensuring compliance with legal requirements and the application of generally accepted accounting principles. Although its functions do not end here. Plus analysing the Company's Corporate Social Responsibility Policy, coordinating the process of reporting non-financial information and diversity, and supervising the strategy for communication and relationships with shareholders and investors.

For its part, the duty of the Sustainability, Corporate Governance, Appointments and Remuneration Committee is to establish and review the criteria for the composition and remuneration of the Board of Directors, and of the members of the Prosegur Cash management team. It also periodically reviews payment programmes. It also has the power to provide information, advice and proposals on environmental, social and corporate governance matters. While not forgetting the company's commitment to achieving the United Nations Sustainable Development Goals.

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

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

In October 2021, Prosegur Cash obtained the AENOR Good Corporate Governance Certification with the highest possible rating: G++. This achievement represents recognition of the company in its work to ensure responsible and transparent corporate governance and relationship protocols.

Annual Corporate Governance Report

The Annual Corporate Governance Report of Prosegur Cash for 2021 forms part of the Directors' Report and is presented as a separate document in its correspondent format. It is therefore available on the CNMV and the Prosegur Cash websites from the date of publication of the Annual Accounts.

Prosegur Cash complies with 62 of the 64 recommendations of the Unified Code of Good Governance of Listed Companies, and partially carries out the remaining two.

Directors' Remuneration Report

The Prosegur Cash Annual Report on Director Remuneration for 2021 forms part of the Directors' Report and is presented in a separate document in its correspondent format. It is therefore available on the CNMV and the Prosegur Cash websites from the date of publication of the Annual Accounts.

1.4. Strategic performance

At the Prosegur Cash Group we believe that the surest steps are taken by those that adhere to a flexible but well-defined roadmap. For this reason, last spring we presented our Strategic Plan for 2021-2023, a series of key lines of action aimed at consolidating and expanding the global leadership of our company. A springboard for changing the world.

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

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

Perform, an operational principle

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

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

Transform, adapting to changes

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

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

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

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

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

1.5 Innovation and Digital Transformation

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

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

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

1.5.1 Thus do we innovate

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

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

- ▶ Desirability (generating desire).
- ▶ Feasibility (we ensure it is viable).
- ▶ Scalability (we try to make it scalable).

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

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

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

1.5.1.1 Emblematic projects

During 2021 the Prosegur Group has been working on developing and putting into practice more than 30 world-wide applied technological innovation projects. This entails a certified total investment of EUR 26.6 million.

The basis of all these projects has been our specific knowledge of the security sector, the creativity and technological skills of our equipment and the use of the data available to us. These combined qualities enable us to build a unique proposal for solutions. Alone, in close collaboration with start-ups or in the framework of corporate partnerships, we have become specialists in technological fields such as Artificial Intelligence (AI), Data Science, Internet of Things or blockchain.

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

Today, as well as our correspondent banking services and our ATM network. Some of the main initiatives resulting from our firm commitment to ongoing innovation.

A qualitative leap in the safekeeping of digital files

Prosegur Crypto, the service launched at the end of 2020, has consolidated a comprehensive, groundbreaking model for digital asset custody which combines our infrastructures and protocols for physical security with the latest cybersecurity and cryptography technologies.

This initiative is intended to provide a response to the growing frequency and virulence of cyberattacks that focus on cryptocurrencies. It consists of offering institutions, financing institutions, funds, managers or businesses an impregnable space both on a physical and digital level, for protecting management passwords, systems or processes. There our clients can store cryptocurrencies or any other digital assets to be able to manage them safely using a mobile application.

Its private passwords are stored in that physical infrastructure without being connected to the internet and the assets are protected with military standard cryptographic layers and logical security. Blockchain transactions are also performed without direct internet connection to maximise shielding against any cyberattack.

This literally involves a bunker located in one of the 550 Prosegur Cash strong rooms around the world, with armoured entrance doors, CCTV, biometric access systems, rooms with insulation monitors and custody by armed guards. It is isolated from any external communication exterior using firewalls with specific settings and the cybersecurity systems have over a hundred protection measures in six integrated layers that prevent any possibility of a physical or cyber-attack.

Digitalisation of cash

Cash Today is the digitalisation of cash at the point of sale. It offers automation solutions adapted to both large and small businesses. This service provides our clients with an intelligent and connected safe deposit, which facilitates the immediate crediting of the cash that businesses collect.

Cash is entered into a machine connected to Prosegur Cash's operating systems and is instantly digitalised and credited to the client's bank account. This allows prompt and efficient monitoring of the cash cycle of the business, avoids the risk of loss, and provides real-time information on all movements made, while also incorporating a counterfeit detection system validated and approved by the European Central Bank.

It should be noted that in April we reached an agreement with Banco Santander for the joint marketing of Cash Today in Spain. This collaboration allows us to combine the strengths of two leading companies in their respective sectors, and to pass on to the client the advantages of personalised and simplified products, with a single leasing contract and a fixed fee for the entire duration of the contract.

Self-service solutions

Prosegur Cash has built the first Self-Service Solutions plant in the Technological Pole of the Argentinian city of Buenos Aires. Measuring more than 4000 square metres, this facility is the first of its kind in LatAm.

This gigantic innovation hub offers repair services for modules and devices to countries such as Peru, develops transactional software for Australia and the Philippines, and collaborates with Spain in the design of front-end software for ATM networks.

Emergency action plans to combat financial desertification

Prosegur Cash is also developing pilot programmes to bring cash to geographical areas where there are no banks or where banks are routinely closing. One of these is the installation of independent multi-service ATMs in rural municipalities in the Spanish province of Salamanca, one of the areas at greatest risk of financial desertification in the country. Seven towns have taken up this initiative, which aside from an immediate economic return, also aims to make life easier for local residents and stimulate activity in local businesses.

In addition, in 2021 an agreement was reached with the Diputación de Salamanca to provide the provincial library bus service (a travelling library that covers several routes bringing books to 70 sparsely populated rural municipalities) with an onboard cash dispenser so that local residents can carry out basic financial transactions. These programmes are in the trial stage and very limited in scope, but may, in the medium term, lead to the extension of similar services to the whole of so-called 'Empty Spain', and to other parts of Europe and the world where banks are disappearing or simply non-existent.

1.5.1.2 Initiatives for collaboration and open innovation

Canvassing and cooperation with start-ups

As part of a company commitment to collaborative solutions, 2020 saw the Prosegur Group launch its first edition of the COME IN Open Innovation programme, a pioneering initiative in our sector that seeks to respond to the security challenges of the future. With this, our group wants to open its doors, on a worldwide basis, to the talent and creativity of any company offering innovative and transformative solutions in the field of security.

In the two editions held so far, more than 550 proposals have been presented. The Prosegur Group as a whole is already working with around fifteen of the finalist start-ups from countries such as Spain, South Korea, Finland and the United Kingdom. Some of them, such as Luminance, Veridas or Thinger.io, are already part of our business ecosystem.

In the second edition, technological challenges focused on the specific area of cash management and logistics:

- ▶ In the case of Prosegur Cash, a focus on data analysis in armoured vehicle fleets to improve their mobility, generate early warnings of possible failures, avoid accidents and reduce environmental impact and fuel consumption.
- ▶ In the case of Prosegur Crypto, a focus on potential improvements in the storage and custody system for digital assets, for example, cryptocurrencies.

Prosegur Tech Ventures

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

Other initiatives

Innovative talent is also present within our organisation and we have set ourselves the goal of bringing it to the surface. With this goal in mind, in 2021 we launched the first edition of our global ideation program: The Best Rocket. The innovation team, in cooperation with the various business areas, set a series of challenges to respond to the needs of each division. By way of an online platform, all employees had the opportunity to propose, comment on and build upon the proposals of their colleagues in order to construct the Prosegur of the future. The results went far beyond all of our expectations. We received 1,135 ideas, more than 7,000 employees from 21 countries have participated at one time or another in the process and, in total we registered more than 40,000 interactions with the ideas presented.

The 5 projects which were elected, one for each business department, have gone through to the second phase: the global intrapreneurship program. With The Explorer Rocket our aim is to convert the selected proposals into solutions in order to include them in our portfolio of services. To this end, we have put together five teams, in which 27 professionals have worked for six months to create a prototype. Each team received training and guidance from academic experts and from our managers, and they have been able to count on the support of the business units and the Innovation team. During the Innovation workshops, the participants presented their solutions to the committee of experts, who then selected the winners.

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

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

Finally, being part of the Industrial Liaison programme of the prestigious Massachusetts Institute of Technology (MIT) gives us a broad perspective of the latest technological trends, offers us high quality training programs and allows us to make contact with the start-ups emerging from this academic environment, which is so rich and conducive to innovation. We have also signed up, as a cooperating partner, to MIDE (Madrid innovation Driven Ecosystem), an initiative aimed at developing the entrepreneurship and innovation ecosystem in the Madrid region with a global perspective.

1.5.2 This is how we transform

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

- ▶ Bringing continuity to our technological development, thus reducing the risk of obsolescence of our IT systems.
- ▶ Automating and optimising the monitoring and control of our activities and permitting a homogeneous comparison of business in all the territories where we operate.
- ▶ Improving client experience of interaction with Prosegur Cash in order to raise levels of satisfaction with our services.
- ▶ Streamlining our financial management and control of such crucial aspects such as OPEX, CAPEX, working capital and revenue guarantees.

Implementation of this plan is being carried out country by country: we began in Portugal in 2021 and by 2023 we will have extended it to a number of countries which will together represent two thirds of our global income.

Thinking differently, thinking better

Prosegur Cash has made notable progress with the introduction of the Agile system, an advanced project development methodology used by the world's most advanced companies. In essence, it serves to optimise and streamline creative teamwork by segmenting projects so as to allow projects to be tackled in a much faster and more flexible manner.

2. Business performance and profit/(loss)

2.1. Main financial and non-financial indicators

(Thousands of Euros)	2021	2020	Variation
Sales	79,162	332,850	(76.2) %
EBITDA	48,354	315,303	(84.7) %
<i>Margin</i>	61 %	95 %	
PPE depreciation and computer software	(3,422)	(3,451)	
EBITA	44,932	311,852	(85.6) %
<i>Margin</i>	57 %	94 %	
Amortisation of other intangible assets	(378)	(1,247)	
EBIT	44,554	310,605	(85.7) %
<i>Margin</i>	56 %	93 %	
Financial profit/(loss)	(16,067)	(15,071)	
Profit/(loss) before tax	28,487	295,534	(90.4) %
<i>Margin</i>	36 %	89 %	
Taxes	5,113	6,461	
<i>Tax rate</i>	18 %	2 %	
Net profit/(loss) from ongoing operations	33,600	301,995	(88.9) %
Net result	33,600	301,995	(88.9) %

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

2.2. Investments

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

Amortisation and depreciation charges totalled EUR 3.8 million in 2021 (2020: EUR 4.7 million). Property, plant and equipment accounts for EUR 0.4 million (2020: EUR 0.3 million) to computer software EUR 3.0 million (2020: EUR 3.1 million) and other intangible fixed assets EUR 0.4 million (2020: EUR 1.2 million).

EUR 0.2 million was invested in property, plant and equipment in 2021 (2020: EUR 1.3 million). Investment of EUR 7 thousand was also made in computer software (2020: EUR 2.7 million).

2.3. Personnel

The company's personnel as of 31 December 2021 was 56 employees (52 in 2020).

2.4. Environmental issues

At the end of 2021, 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 2021 and at the consolidated level, the Prosegur Cash Group has available liquidity in the amount of EUR 730.7 million (2020: EUR 676.0 million). This amount is mainly compound by:

- ▶ EUR 250.8 million of cash and cash equivalents (2020: EUR 401.8 million).
- ▶ EUR 300 million of non-current credit available, relating to the drawable syndicated loan arranged on 10 February 2017 (2020: EUR 145.0 million).
- ▶ Other unused credit facilities for EUR 179.9 million (2020: EUR 129.2 million).

This liquidity figure accounts for 48.11% of consolidated annual sales (2020: 44.8%), 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:

- ▶ 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. Additionally, in February 2021, the maturity was extended again until February 2026. At 31 December 2021, no amount related to this operation had been drawn down (EUR 155 million at 31 December 2020).

- ▶ On 28 April 2017, Prosegur Cash, via its subsidiary Prosegur Australia Investments Pty, arranged a syndicated credit financing facility in the amount of AUD 70 million. The first maturity was in the first half of 2021 for AUD 10 million. The second and third will be in 2022 and 2023.
At 31 December 2021, the drawn down capital corresponding to the loan amounts to AUD 60 million (at 31 December 2021 equivalent to: EUR 38.4 million). At 31 December 2020, the drawn down capital corresponding to the loan amounts to AUD 70 million (at 31 December 2020 equivalent to EUR 44.04 million).

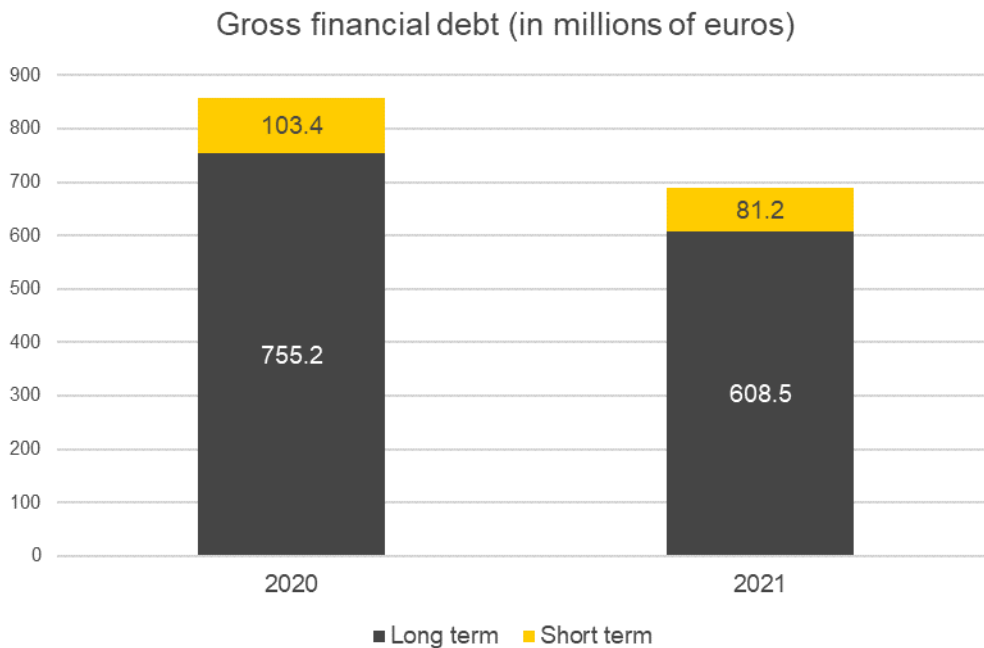
- ▶ On 4 December 2017, Prosegur Cash, S.A. launched a EUR 600 million bond issue maturing on 4 February 2026. The bonds trade in the secondary market – the Irish Stock Exchange – accruing an annual coupon of 1.38%, payable at the end of each year.

- ▶ On 2 June 2021, Prosegur Cash, via its subsidiary in Peru Prosegur Compañía de Seguridad SA, arranged a financing operation in the amount of PEN 300 million for a five-year term. At 31 December 2021, the drawn down capital was PEN 270 million (at 31 December 2021 equivalent to: EUR 59.6 million).

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 2021 amounts to EUR 608.5 million (2020: EUR 755.2 million), basically supported by the bond issued on 4 December 2017 and maturing in 2026.

Gross current financial debt (excluding other non-bank payables corresponding to deferred payments for acquisitions) amounts to EUR 81.2 million (2020: EUR 103.4 million).

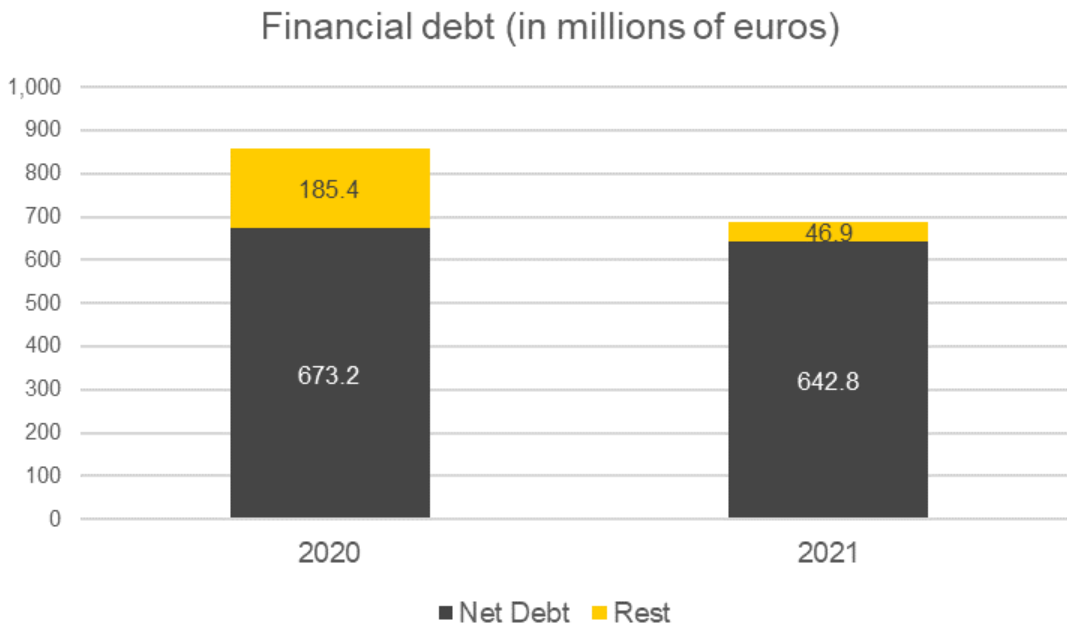
The current and non-current maturities of gross financial debt are distributed as follows:



In 2021 financial debt had an average cost of 1.25% (2020: 1.12%).

Net financial debt (excluding other non-bank borrowings corresponding to deferred payments for M&A) at 2021 year-end amounts to EUR 642.8 million (2020: EUR 673.2 million).

Below is a comparison of gross debt and net debt (excluding deferred payments for M&A) from 2020 and 2021:



No significant changes are expected in 2021 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 2020.

3.3. Analysis of contractual obligations and off balance sheet obligations

Note 26 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 25 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 2021 amounts to EUR 215.0 million (2020: EUR 293.9 million).

4. Risk management

Prosegur Cash is a complex, diversified organisation operating in 20 countries on four continents, and as such it is exposed to numerous risk factors associated with the nature of each of those markets, including financial risks. Note 3 of the Consolidated Directors' Report includes a more detailed breakdown of the Group's risk management.

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

Interest rate

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

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

Exchange rate risk

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

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

To control exchange rate risk as far as possible, we use instruments that balance and neutralise the risks associated with the monetary in- and outflows of assets and liabilities, taking market expectations into consideration. We also use the strategy of not hedging the equity investments in those countries, in this way assuming the risk relating to the translation to Euros of the assets and liabilities denominated in those foreign currencies.

Note 24 of the Prosegur Cash's Individual Annual Accounts reflects the value of financial liabilities by currency.

Credit risk

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

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

Liquidity risk

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

Capital risk

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

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

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

Counterparty risk limits

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

5. Average payment period to suppliers

The average payment period to suppliers in 2021 was 47 days (2020: 59 days).

6. Important circumstances after the reporting period

No subsequent events have taken place following the close of financial year 2021 that might suppose any significant change to the presentation of the Annual Accounts.

7. Acquisition and disposal of own shares

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

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

The Programme had the following features:

- a. Maximum amount allocated to the Programme: EUR 28,000 thousand.
- b. Maximum number of shares that can be acquired: up to 14,000,000 shares representing approximately 0.91% of the Company's share capital on the date of the agreement.
- c. Maximum price per share: shares will be purchased in compliance with the price and volume limits established in the Regulations. In particular, the Company cannot buy shares at a price higher than the highest of the following: (i) the price of the last independent trade; or (ii) that corresponding to the highest current independent bid on the trading venues where the purchase is carried out.
- d. Maximum volume per trading session: in so far as volume is concerned, the Company did 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 was 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 had acquired the maximum number of shares authorised by the Board of Directors, if it had reached the maximum monetary amount of the Programme or if any other circumstances arise that call for it.

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

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

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

them pursuant to a share capital reduction resolution which will be submitted for the approval of the next Shareholders General Meeting.

The Programme has the following features:

- a. Maximum amount allocated to the Programme: EUR 15,000 thousand.
- b. Maximum number of shares that can be acquired: up to 22,844,200 shares representing approximately 1.5% of the Company's share capital on the date of the agreement.
- c. Maximum price per share: shares were purchased in compliance with the price and volume limits established in the Regulations. In particular, the Company cannot buy shares at a price higher than the highest of the following: (i) the price of the last independent trade; or (ii) the highest current independent bid on the trading venues where the purchase is carried out.
- d. Duration: the Programme has a maximum duration of one year. Notwithstanding the above, the Company reserves the right to conclude the Programme if, prior to the end of said maximum term of one year, it had acquired the maximum number of shares authorised by the Board of Directors, if it had reached the maximum monetary amount of the Programme or if any other circumstances arise that call for it.

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

In addition, the majority shareholder of the Company, the entity Prosegur Compañía de Seguridad, S.A., and its 100%-owned investee, the company Prosegur Asset Management, S.A., holders of 79.2% of the share capital, have expressed their intention to not sell shares in Prosegur Cash during the coming months.

At 31 December 2021, the treasury stock held by Prosegur Cash, S.A. is composed of 18,198,819 shares (2020: 23,436,659 shares).

8. Alternative Performance Measures

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

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 EBITA provides an analysis of earnings before taxes, tax burden and amortisation of intangible assets.
EBITDA	EBITDA is calculated on the basis of the profit/(loss) for the period for a company, excluding earnings after taxes from discontinued operations, income taxes, financial income or costs, and amortisation expenses or depreciation on goodwill.	The purpose of the EBITDA is to obtain a fair view of what the company is earning or losing in the business itself. The EBITDA excludes variables not related to cash that may vary significantly from one company to another depending upon the accounting policies applied. Amortisation is a non-monetary variable and thereof of limited interest for investors.

The reconciliation of Alternative Performance Measures is as follows:

CAPEX (in thousands of Euros)	31/12/2021	31/12/2020
Technical installations and machinery	1	—
Other installations and furniture	198	924
Other property, plant and equipment	25	375
Work in progress and advances	4	—
Additions of property, plant and equipment	228	1,299
Additions of computer software	7	2,675
Total CAPEX	235	3,974
EBIT margin (in thousands of Euros)	31/12/2021	31/12/2020
EBIT	44,554	310,605
Revenue	79,162	332,850
EBIT margin	56.3 %	93.3 %
Net financial debt (in thousands of Euros)	31/12/2021	31/12/2020
Financial liabilities (A)	689,628	858,574
Cash and cash equivalents (B)	(9,973)	(161,947)
Less: Other current financial assets (C)	—	—
Total Net Financial Debt (A+B+C)	679,655	696,627
Less: Other non-bank borrowings (D)	(36,900)	(23,415)
Total Net Financial Debt (excluding other non-bank borrowings referring to deferred M&A payments (A+B+C+D))	642,755	673,212
EBITA (In thousands of Euros)	31/12/2021	31/12/2020
Profit/(loss) for the year	33,600	301,995
Income tax	(5,113)	(6,461)
Net financial expenses	16,067	15,071
PPE depreciation and computer software	378	1,247
EBITA	44,932	311,853
EBITDA (In thousands of euros)	31/12/2021	31/12/2020
Profit/(loss) for the year	33,600	301,995
Income tax	(5,113)	(6,461)
Net financial expenses	16,067	15,071
Depreciation and amortisation	3,800	4,698
EBITDA	48,354	315,303

9. Other significant information

Stock market information

Prosegur Cash defends a clear orientation in its business strategy. Create value for shareholders, increase profits/(loss) and provide transparency. Apart from these qualities are our seriousness and credibility.

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

Transparency has its own path. Prosegur Cash seeks to make that quality the identifying feature of all strategic and financial communications. An open, coherent space. Wherever possible, using language that is easy to understand and which, in turn, shows a true, balanced and understandable view of the situation and prospects of the company.

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

Logically, 2021 has continued to be compromised, both in the social and the economic aspect, by the heavy impact of the pandemic. Despite this adverse scenario, Prosegur Cash, as part of its objective of holding meetings, even if they cannot be face-to-face, has replaced them by online meetings and gatherings. The outcome has been a level of contact with the shareholders and investors very similar to that of previous years.

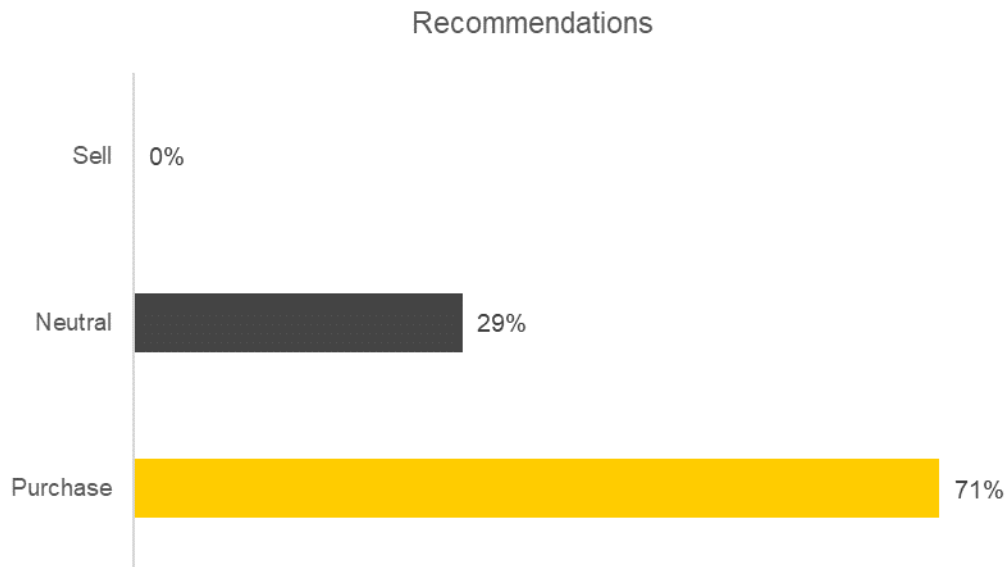
Prosegur Cash presents its quarterly results via webcast hosted on its website. This is one of the ways for keeping the investment community properly informed. These presentations of results are led by the Chief Financial Officer, the Director of Investor Relations, and, when it is necessary to make an annual assessment, by the Managing Director.

On ESG, which is a key issue these days, Prosegur Cash continuously provides detailed information to any shareholders, private and institutional investors, stock market analysts and proxy advisors who request it. The road map has been drawn up following face-to-face meetings or by telephone. In fact, the company has responded to questions related to its Sustainability Policy, its commitment to the environment, labour relations and respect of human rights. So much so that Prosegur Cash has participated in the procedures required by the main ESG ratings for the elaboration of its reports.

Looking back, Prosegur Cash forms part of the FTSE4Good IBEX index since 2019. This indicator independently assesses and classifies the companies that best manage sustainability and meet Standards of Good Practice and Corporate Social Responsibility.

Analysts coverage

The number of analysts who cover and regularly inform on the company went up during 2021. To be specific, there are 14 firms that punctually follow the activity of Prosegur Cash.



Share evolution

Last year was characterised by a high volatility in the financial markets. On 31 December 2021, Prosegur Cash's share price closed at EUR 0.63, i.e. 22% lower than in the previous December. Nevertheless, during the first nine months of the year, the share price was varying in the support levels between EUR 0.80 and 0.70, which demonstrates its strength.

It is also a much lower drop than that recorded (41%) during 2020. Without doubt, the share price was adversely affected in the last quarter due to the emergence of the Omicron variant and the doubts this has generated on business activity. A generalised trend in the stock markets and which is expected to be circumstantial.

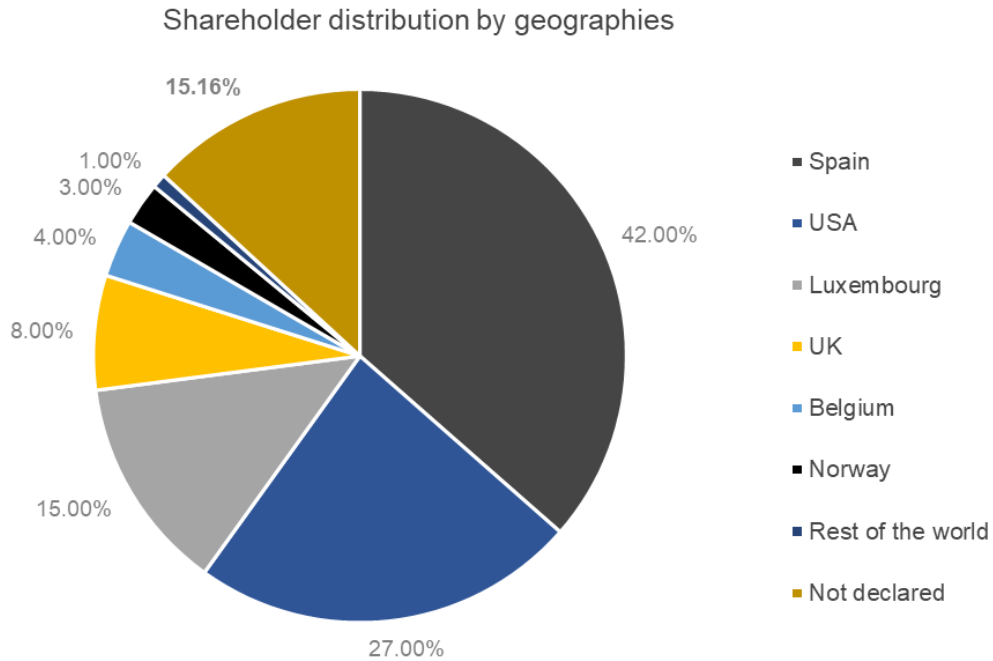
Main shareholders

The shareholding structure of Prosegur Cash reflects its solidity and stability. At 31 December 2021, 79.28% of the company capital belonged directly or indirectly to Prosegur, 1.19% were own shares and the remaining 19.53% was free float.

This shareholding arrangement allows the Board of Directors to be the management body to define the strategic lines and take decisions in line with the interests of all its shareholders. A solid and stable shareholder base brings enormous advantages. Because as it is made up of important shareholders and institutional investors, it creates the ideal conditions for Prosegur Cash to develop its project and achieve its objectives.

Geographical distribution of free float

The free-float capital of the Prosegur Cash business line (excluding that controlled by the Prosegur Group and treasury stock) is widely accepted among both investors from different countries. The distribution according to nationality, in spite of the dominance of Spain and United States, is very



varied.

10. Statement of Non-financial Information

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

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT OF 2021

The members of the Board of Directors of Prosegur Cash, S.A. hereby confirm that, to the best of its knowledge, the Individual Annual Accounts for 2021, authorised for issue by the Board of Directors at the meeting held on 22 February 2022 and prepared in accordance with applicable accounting principles and the European Unique Electronic Format, present fairly the equity, financial position and profit/(loss) of Prosegur Cash, S.A., and that the respective individual Directors' Reports provides a reliable analysis of the Company's performance and results and the position of Prosegur Cash, S.A., together with the main risks and uncertainties facing the Company.

Madrid, 22 February 2022.

Mr Christian Gut Revoredo
Executive President

Mr Pedro Guerrero Guerrero
Vice-president

Mr José Antonio Lasanta Luri
Managing Director

Ms Chantal Gut Revoredo
Director

Mr Antonio Rubio Merino
Director

Mr Claudio Aguirre Pemán
Director

Ms María Benjumea Cabeza de Vaca
Director

Ms Ana Inés Sainz de Vicuña Bemberg
Director

Mr Daniel Guillermo Entrecanales Domecq
Director

DIRECTORS' RESPONSIBILITY OVER THE ANNUAL ACCOUNTS

The Annual Accounts of Prosegur Cash, S.A. are the responsibility of the Directors of the Company and have been prepared in accordance with General Accounting Plan endorsed by Spain.

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

The Company evaluated its internal control system at 31 December 2021. 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